RFP 2014-001
for
Banking Services
Pricing Response

Prepared for:

Prepared by:

June 13, 2014

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EXHIBIT A
RFP 2014-001 Banking Services
PRICING PROPOSAL FORM

General Services	AFP Code		Sample Monthly Transaction Volume	Per Item Charge	Monthly Charge	
DISB CCA CHECKS PAID	15	100	4,000	0.05	200.00	
ELECTRONIC DEBITS TRANSACTIONS			189	.0500	9.45	
CHK DEPOSIT ITEMS REJECTED	10	230	500	0.31	155.00	**WAIVED**
CHK DEPOSIT ADJUSTMENT	10	500	10	2	20.00	
CHK EXCESSIVE DEPOSIT REJECTS	10	230	35	0.315	11.03	**WAIVED**
COMPOSITE GROUP	1	9999	3	12	36.00	**WAIVED**
STOP PAYMENT			0	5.0000	0.00	
CHK RETURNED ITEM OR CHARGEBACK	10	400	60	1.5	90.00	
DISB CHECK PAID MICR REJECT & RE	15	300	15	0.37	5.55	**WAIVED**
DISB CHECK PAID MICR REJECT & RE	15	300	10	0.37	3.70	**WAIVED**
RESEARCH PHOTOCOPY/TIME			3	25.7500	77.25	**WAIVED**
PAPER ANALYSIS STATEMENT FEE			5	5.0000	25.00	**WAIVED**
PAPER ANALYSIS STATEMENT FEE			23	3.0000	69.00	**WAIVED**
CHK UNENCODED ITEMS DEPOSITED	10	022Z	20,000	0.025	500.00	
CHK ENCODED ITEMS DEPOSITED	10	021Z	24,000	0.025	600.00	
MONTHLY MAINTENANCE	1	0	20	5	100.00	
CHK PAPER CHECK ADMIN FEE	10	1030	40,000	0.0101	404.00	**WAIVED**
WIRE INCOMING NON-STRUCTURED			1	5.0000	5.00	
WIRE INCOMING STRUCTURED	35	300	40	5	200.00	
ACH CREDIT RECEIVED	25	201	1,000	0.03	30.00	
ACH DEBIT RECEIVED	25	200	100	0.03	3.00	
ACH ADDENDA RECEIVED	25	202	1,000	0.02	20.00	
DEPOSIT ADMINISTRATION FEE	0	230	100,000	0.125	12500.00	**WAIVED**
CCA OTHER DEBITS	15	100	200	0.05	10.00	
COMMERCIAL DEPOSITS	1	101	2,000	0.1	200.00	
ZBA PARENT ACCOUNT	1	20	3	10	30.00	

ZBA SUB-ACCOUNT	1	221	20	5	100.00	
ACH POSITIVE PAY FILTER			16	.2650	4.24	WAIVED
ACH POSITIVE PAY MO MAINT			23	10.7500	247.25	
ACH POSITIVE PAY PAID ITEM			47	.0520	2.44	WAIVED
ACH POSITIVE PAY RETURN			0	.0520	0.00	WAIVED
ACH POSITIVE PAY BLOCK			0	0.265	0.00	WAIVED
ACH UNWORKED NOC			0	25.0000	0.00	
ACH REVERSAL			0	90.0000	0.00	WAIVED
ACH DELETION	25	640	10	90	900.00	WAIVED
ACH RETURNED TRANSACTION	25	302	35	0.2	7.00	
ACH NOTIFICATION OF CHANGE	25	302	10	0.5	5.00	
ACH DIRECT SEND MONTHLY MAINT	25	0	6	5	30.00	
ACH DIRECT SEND ORIGINATED CR	25	101	4,000	0.03	120.00	
ACH DIRECT SEND ORIGINATED DR	25	101	11,000	0.03	330.00	
ACH DIRECT SEND ORIG ADDENDA	25	102	300	0.01	3.00	

General Services	AFP Code		Sample Monthly Transaction Volume	Per Item Charge	Monthly Charge	
ACH DIRECT SEND FILE PROCESS	25	501	50	5	250.00	
ONLINE ACH MONTHLY FEE			2	5.00	10.00	
ACH CREDIT ORIGINATED	25	101	950	0.03	28.50	
ACH DEBIT ORIGINATED			0	.0300	0.00	
ACH ADDENDA ORIGINATED			0	.0100	0.00	
ACH FILE PROCESSED	25	105	23	5	115.00	
ACH RETURN/NOC RPT VIA WEB	25	400	6	10	60.00	WAIVED
BILLER DIRECT PREM RECEIVABLE TR	25	9999	9,000	0.255	2295.00	CANCELLED
BILLER DIRECT PREM MONTHLY MAINT	25	1000	1	250	250.00	WAIVED
BKG CNTR DEPOSITED CASH	10	15	900,000	0.0005	450.00	
BKG CNTR ORDER	10	40	15	2	30.00	
BKG CNTR ORDER COIN ROLL	10	44	60	0.15	9.00	
BKG CNTR ORDER NOTES STRAP	10	004A	10	0.75	7.50	WAIVED
BKG CNTR ORDER NOTES LOOSE	10	48	500	0.01	5.00	
BKG CNTR DEPOSIT COIN ROLLED			1,143	.0000	0.00	

BKG CNTR DEPOSIT NOTES STRAP	10	16	200	0.16	32.00	WAIVED
BKG CNTR DEPOSIT NOTES LOOSE	10	15	15,000	0.01	150.00	
BKG CNTR DEPOSIT ADJUSTMENT			0	2.0000	0.00	
CASH VLT NTWK MONTHLY BASE CHARG	10	153	1	0	0.00	
PAPER REPRESENTMENT	10	402	30	6.3	189.00	WAIVED
RETURNED ITEM SPECIAL INSTRUCTIO	10	401	8	2	16.00	
RETURNED ITEMS DATA CAPTURE	10	430	500	0.0125	6.25	
RETURNED ITEMS DATA CAPTURE	10	430	200	0.0125	2.50	
RETURNS MGMT MODULE	10	416	1	52	52.00	WAIVED
RETURNS MGMT MODULE	10	416	7	200	1400.00	WAIVED
RETURNED ITEMS PER IMAGE	10	415	100	0.0573	5.73	WAIVED
RETURNED ITEMS PER IMAGE	10	415	30	0.0573	1.72	WAIVED
RETURNED ITEMS PER IMAGE	10	415	5	0.0573	0.29	WAIVED
ECL: IMAGE CASH LETTER FILES	10	9999	12	10	120.00	
ECL: IQA VERIFICATION	99	9999	7	0.0253	0.18	
ECL: ECL ITEM CLEAR - ONUS	10	9999	35	0.0505	1.77	
ECL: EXCESSIVE IQA IMAGE REJEC	10	201	5	0.255	1.28	
ECL: IMAGE TIER 1	99	9999	400	0.0121	4.84	
ECL: IMAGE TIER 2	10	201	100	0.0303	3.03	
ECL: IMAGE TIER 3	10	201	5	0.0828	0.41	
CHECK BLOCK MONTHLY BASE FEE			19	9.5000	180.50	WAIVED
CHECK BLOCK RETURNS			1	5.0000	5.00	WAIVED
ARP MONTHLY BASE CHARGE	20	110	12	5	60.00	

General Services	AFP Code		Sample Monthly Transaction Volume	Per Item Charge	Monthly Charge	
ARP CHECKS PAID	20	100	3,000	0.03	90.00	
ARP CHECKS ISSUED	20	110	3,000	0.03	90.00	
ARP DEPOSIT RECONCILIATION PER I	10	610	2,000	0.03	60.00	
ARP PAID ITEM TRANSMISSION	20	301	2,500	0.0157	39.25	WAIVED
ARP PAID NO ISSUE	15	310	200	0.03	6.00	
ARP DATA ENTRY	20	120	100	0.02	2.00	
POSITIVE PAY MONTHLY BASE CHARGE	15	30	10	10	100.00	

BANK MAINTAIN POS PAY EXCPTN	15	724	100	0.1	10.00	
EDM MONTHLY SERVICE FEE	99	9999	10	0	0.00	**WAIVED**
EDM DEPOSIT	99	9999	20	0.735	14.70	**WAIVED**
EDM DEPOSIT	99	9999	25	0.735	18.38	**WAIVED**
EDM BEFORE 4:00 PM EST	99	9999	25	0.045	1.13	
EDM BEFORE 4:00 PM EST	99	9999	50	0.045	2.25	
EDM AFTER 4:00 PM EST	99	9999	1,200	0.065	78.00	
EDM ON-US CLEARING	99	9999	150	0.03	4.50	
EDM SUBSTITUTE CHECK CLEARING	99	9999	5	0.0927	0.46	
EDM IMAGE EXCHANGE CLEARING	99	9999	1,000	0.065	65.00	
EDM MICR REJECT REPAIR			0	.1000	0.00	
DEPOSIT IMAGING PER ACCOUNT	15	1353	25	2.5	62.50	
DEPOSIT IMAGING PER ITEM	15	1353	100,000	0.01	1000.00	
CHECK IMAGING PER ACCOUNT	15	1353	25	5	125.00	
CHECK IMAGING PER ITEM	15	1351	4,000	0.01	40.00	
ONLINE IMAGE RETRIEVAL BASE	15	1355	5	5	25.00	
ONLINE RETRIEVAL PER IMAGE			0	.0100	0.00	
ONLINE AMP PRIOR DAY BASE	40	52	1	5	5.00	
ONLINE AMP PRIOR DAY ACCOUNT	40	272	25	5	125.00	
ONLINE AMP PRIOR DAY DETAIL	40	272	9,500	0.01	95.00	
ONLINE AMP STOP PAYMENT	15	420	50	5	250.00	
ONLINE AMP INTRADAY BASE	40	55	1	5	5.00	
ONLINE AMP INTRADAY ACCOUNT	40	55	25	5	125.00	
ONLINE AMP INTRADAY DETAIL	40	274	800	0.01	8.00	
BILLER DIRECT PREMIUM MINIMUM	99	9999	0	2500	0.00	
ARP ISSUE CANCEL			0	.0200	0.00	
ARP ISSUES REJECTED	20	211	20	0	0.00	

General Services	AFP Code		Sample Monthly Transaction Volume	Per Item Charge	Monthly Charge	
MULTI SIGNER PER ITEM			0	.0300	0.00	
MULTI SIGNER BASE CHARGE	15	210	2	37.5	75.00	**WAIVED**
PAPER DEPOSIT STATEMENT	1	310	25	3	75.00	**WAIVED**

PAPER DEPOSIT STATEMENT	1	310	3	5	15.00	**WAIVED**
BKG CNTR NIGHT DROP USAGE	10	52	300	0	0.00	
EDI PASS THROUGH	99	9999	10	0	0.00	
RLBXCOURIERCHARGES	5	413	1	386.55	386.55	**WAIVED**
ONLINE REPORTS MODULE	40	9999	1	55.25	55.25	
ONLINE AMP ACH BASE	25	1100	1	10	10.00	
ONLINE AMP WIRE TRANSFER BASE	35	610	3	5	15.00	
RLBX ANNUAL PO BOX FEE			1	1,140.0000	1140.00	
RLBX ITEMS PROCESSED	5	200	26,000	0.07	1820.00	
RLBX EXCEPTION ITEM	5	202	100	0.15	15.00	
RLBX EXCEPTIONS CHECK ONLY			9,971	0.09	897.39	
RLBX EXCEPTIONS MULTIDOCUMENT			2,424	0.09	218.16	
RLBX EXCEPTIONS CHECK&CORRES			363	0.09	32.67	
RLBX MONTHLY MAINTENANCE	5	10	1	50	50.00	
RLBX TRANSMISSION	5	401	20	5	100.00	
RLBX SPECIAL PAYMENTS	5	303	5	0.5	2.50	**WAIVED**
RLBX DAILY CD ROM	5	405	20	5	100.00	
RLBX PER IMAGE	5	021Q	50,000	0.02	1000.00	
WLBX DOCUMENT SCANNED	5	011R	5,000	0.05	250.00	
WLBX CD ROM IMAGING	5	405	1	26.5	26.50	**WAIVED**
WLBX MAINTENANCE	5	0	3	50	150.00	
WLBX ITEM W/ COPY	5	100	35	0.35	12.25	
WLBX ITEM W/O COPY	5	101	2,500	0.3	750.00	
WLBX CASH PAYMENT	5	013B	1	15	15.00	
WLBX SPECIAL PAYMENTS			1	7.5000	7.50	
ONLINE AMP WIRE OUTBOUND DOMESTI	35	202	60	5	300.00	
ONLINE AMP WIRE OUTBOUND USD INT	35	212	5	20	100.00	
ADMIN WIRE OUTBOUND NREP	35	202	1	5	5.00	

Additional Services					
RLBX MICR CAPTURE			0	.0100	0.00
RLBX PHOTOCOPY			0	10.7500	0.00
RLBX ITEM LOOKUP			0	.2900	0.00

RLBX PHONE/FAX RPRTNG			160	7.5000	1200.00
RLBX ARC CONVERSION			0	.0303	0.00
RLBX DATA CAPTURE			0	.0100	0.00
RLBX WEB EXCEPTIONS			12,758	0.07	893.06
RLBX ON-LINE VIEWING			50,000	.0152	760.00
RLBX IMAGE TRANSMISSION			0	30.5000	0.00
RLBX LONG TERM STORAGE			50,000	.0150	750.00
WLBX IMAGE TRANSMISSION			0	10.2500	0.00
WLBX LONG TERM STORAGE			5,000	.0150	75.00
RLBX ELECTRONIC PER ITEM			0	.1000	0.00
RLBX ELECTRONIC TABLE MAINTENANCE			0	309.00	0.00
RLBX ELECTRONIC MONTHLY MAINT			0	51.50	0.00
CASH VAULT BRINKS COIN DEPOSIT			0	.0157	0.00
CASH VLT NTWK DEP COIN FED READY			0	1.6000	0.00
CASH VLT NTWK DEPOSIT			0	.00	0.00
CASH VLT NTWK DEPOSIT NOTES STD			0	.1600	0.00
CASH VLT NTWK DEPOSIT NOTES NON-STD			0	.0100	0.00
CASH VLT NTWK ORDER BOX			0	2.9000	0.00
CASH VLT NTWK ORDER ROLL			0	.1200	0.00
CASH VLT NTWK ORDER BUNDLE			0	5.7500	0.00
CASH VLT NTWK ORDER			0	2.0000	0.00
CASH VLT NTWK ORDER STRAP			0	.5950	0.00
CASH VLT NTWK DEPOSIT ADJUSTMENT			0	6.55	0.00
CASH VLT NTWK DEPOSIT ENVELOPE			0	.8050	0.00
CASH VLT NTWK ORDER RETURNED			0	56.5000	0.00
CASH VLT NTWK FULL CASHIERING			0	22.5000	0.00
CASH VLT NTWK ORDER EMERGENCY			0	56.5000	0.00
CASH VLT NTWK ORDER MANUAL			0	16.7500	0.00
CASH VLT NTWK ORDER STRAPS PARTIAL			0	.0104	0.00
CASH VLT NTWK DEPOSIT COIN LOOSE			0	.8050	0.00
CASH VLT NTWK DEPOSIT CURRENCY			0	0.0007	0.00
CASH VLT NTWK DEPOSIT BUNDLE			0	.8050	0.00
CASH VLT NTWK DEPOSIT NON-FED BAG			0	3.7000	0.00

CASH VLT NTWK CHECK IMAGING			0	.0250	0.00
DTS - CASH VLT NTWK			3	5.0000	15.00
Total Analyzed Charges					**36559.39**
Total Waived Fees					**19324.82**
Total Monthly Analysis Fees					**16094.57**
Total Annual Lockbox Fee					**1140.00**
Additional Services Total					**3693.06**
Total of all Services including Additional Services					**19787.63**

General Services	Per Item Charge	Monthly Charge
Monthy Basic Account Fee - Custodial Account	100	100.00
Depository Eligible (DTC, FBE) - Custodial Account	5.5	36.67
Principal & Interest Paydowns - Custodial Account	5	
Depository Eligible - Custodial Account	0.75	15.75
Bank Internet Securities WorkStation - Custodial Account	0	
First 4 licenses (per month) - Custodial Account	0	
Each 5 additional licenses (per Month) - Custodial Account	0	
Voluntary Corporate Actions - Custodial Account	25	
Wire Transfers (In/Out) - Custodial Account	7	
Check Requests - Custodial Account	7	
Special Services - per hour fee - Custodial Account	75	
Minimum Annual Fee- Custodial Account 1		7500.00
Total Custodial Fees		**7500.00**
Total		**27287.63**

EXHIBIT A
RFP 2014-001 Banking Services
PRICING PROPOSAL FORM

PayCard Services	AFP Code		Sample Monthly Transaction Volume	Per Item Charge	Monthly Charge
Employer Fees [Company fees are billed via Fifth Third XAA]					
PAY: New Card Fee				5.00	
PAY: Company Setup				120.00	
Cardholder Fees [Cardholder fees are charged directly to the cardholder]					
Card Replacement				5.00	
Monthly Maintenance at Activation				2.50	
Inactive Account Fee				2.50	
ATM Transaction Fee				1.50	
Over the Counter Cash Advance				5.00	
Decline Fee				0.50	
ATM Balance Inquiry				0.50	
Express Delivery (New or Replaced Card)				20.00	
Currency Procesing Solution					
Pricing can be provided in the event the County is interested in the solution. The pricing is based on number of locations, armored pick ups and size of the safe. This would need to be determined prior to proving pricing.					

vantiv™

Pricing Proposal

Vantiv is pleased to submit the following Unbundled Pricing Proposal to Collier County. The prices quoted in this proposal will be fixed for the duration of the agreement. Please note that Interchange fees are based on net sales, while Dues & Assessments are based on gross sales. All other fees, including Dues & Assessments, Processing Fees, Communication Fees, and Debit Interchange Fees are billed on a monthly basis. All transaction and processing support fees are based on gross transactions. Increases in all third party costs, such as Interchange Fees, Dues & Assessments, and Communication costs, are passed on to the merchant. Notification of these increases is placed on your monthly billing statement for your records.

Pricing Proposal for Collier County

- **Processing fee of .08% + Interchange**
  - **Surcharges apply for cards not qualifying at the optimum rate**
  - **Annual Compliance and Regulatory Fee of $50 per Merchant ID**
  - **Annual Fee Per Merchant ID Waived**
  - **Pricing is based on overall volume of 5.7 Million for all locations currently with Vantiv, LLC**
  - **Processing fees can be reevaluated based on additional volume**
  - **Processing Term of 5 Years with (3) 1-Year Optional Extensions**

This document is a marketing document and contains a non-binding expression of interest for the provision of certain services. This document is not, and shall not be construed as, a legal offer, a binding contract or as having any binding or legal effect whatsoever notwithstanding any oral statements or written documents or materials which Vantiv or any of its affiliates or subsidiaries (individually and collectively referred to in this specific section as “Vantiv”) may have heard, received, and/or acknowledged (e.g., with a signature), or made and/or provided, at any time in connection with this process (all such statements, documents and materials shall individually and collectively be referred to as “Process Materials”). Vantiv, including but not limited to review and approval by Vantiv’s legal counsel and all such agreements shall be memorialized in a written definitive agreement document (completely separate and independent from this document and any of the other Process Materials) executed by an authorized representative of both your organization and Vantiv. Vantiv is the responder to this RFP; however, to the extent required by Visa®, MasterCard®, and any other payment networks in which your organization participates, Fifth Third, an Ohio banking corporation (“Member Bank”) will be a party to any and all written definitive agreements between Vantiv and your organization.

RFP 2014-001 Banking Services
PROPOSAL CHECKLIST

The undersigned, as proposer, hereby declares that he has examined the Specifications and informed himself fully in regard to all conditions. The proposer further declares that the only persons, company or parties interested in this proposal or the contract to be entered into as principals are named herein. That this proposal is made without connection with any other person, company or companies submitting a bid or proposal and it is in all respects fair and in good faith, without collusion or fraud.

The proposer proposes and agrees, if this proposal is accepted, to contract with the Clerk of the Circuit Court and furnish in complete accordance with the attached specifications, according to the following unit prices included in herein response to RFP 2014-001 Banking Services.

Proposal Submitted By: Fifth Third Bank

Address: 999 Vanderbilt Beach Rd. Naples, FL. 34108

Telephone: 239-591-6480

This proposal contains all the information requested in the Request for Proposal, including the following Exhibits and information:

✓ **Exhibit A – Pricing Proposal Form Exhibit B –**
✓ **Proposal Exception Form Exhibit C – General**
✓ **Information**
✓ **Exhibit D – Sworn Statement on Public Entity Crimes**
✓ **Exhibit E – Letter of Intent**
✓ **Exhibit F – BAI Critical Quality Indicator**
✓ **Bank's Audited Statements for the previous two years**
✓ **Bank's Availability Schedule**
✓ **Map of Bank's main office and branch offices in Collier County**
✓ **Statement of QPD and Collateral Verification**

Signature of Authorized Individual

Dawn Choate
Typed Name

Vice President, Treasury Management Officer
Title

06/12/14
Date

RFP 2014-001
for
Banking Services
Technical Response

Prepared for:

Prepared by:

June 13, 2014

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Table of Contents

Tab 1.........Table of Contents
Tab 2.........Letter of Transmittal
Tab 3.........RFP Response
- Organization and Background
- Qualifications and Experience
- Terms and Conditions
- Account Structure
- Scope of Banking Services

Tab 4.........Exhibit A: Provided Separately
Tab 5.........Exhibit B: Proposal Exception Form
Tab 6.........Exhibit C: General Information
Tab 7.........Exhibit D: Sworn Statement on Public Entity Crimes
Tab 8.........Exhibit E: Letter of Intent
Tab 9.........Exhibit F: BAI Critical Quality Indicator
Tab 10.......Appendix A: Qualified Public Depository
Tab 11.......Appendix B: Account Agreement and Disclosures
Tab 12.......Appendix C: Treasury Management Agreement and Disclosure
Tab 13.......Appendix D: ATM Lease Agreement
Tab 14.......Appendix E: Custody Services Agreement
Tab 15.......Appendix F: Vantiv Merchant Agreement
Tab 16.......Appendix G: Membership Advantage Employee Banking

June 12, 2014

Collier County Clerk of the Circuit Court
Ms. Alina Bec
Purchasing Specialist
3315 Tamiami Trail East, Suite 201
Naples, Florida 34112

Dear Ms. Bec,

Fifth Third Bank is responding to Collier County Clerk of the Circuit Court's Request for Proposals (RFP# 2014-001) for Banking Services. We understand the value and importance of selecting a partner that will work to achieve the County's needs and expectations over the life of a relationship. More importantly, we believe that Fifth Third Bank can continue to be that partner.

Fifth Third Bank strives to exceed the expectations of its customers and business partners and understands the importance of collaboration and cooperation. If the County elects to continue processing with Fifth Third Bank, we will continue our commitment to build on the long-term relationship we have established and exceed the expectations of the County. When you choose Fifth Third Bank, you are choosing a partner that will serve the County as a trusted advisor and use our expertise to bring you sustainable, innovative financial solutions – both now and into the future.

We thank you for this chance to present our recommendations and look forward to the prospect of serving Collier County Clerk of the Circuit Court with customized and comprehensive banking solutions for many years to come.

Respectfully,

Dawn Choate
Vice President

Executive Summary

Collier County Clerk of the Circuit Court is challenged every day to react to changing economic and governmental environments while seamlessly providing service to your taxpayers. Fifth Third Bank understands the challenges faced by Collier County Clerk of the Circuit Court. We understand how inefficiencies with banking services can have a devastating impact on both the department and the taxpayers of the County, and how these inefficiencies can potentially have an impact on the critical services provided by the County. For the past 14 years, we have cultivated a strong and trusting relationship. We understand your banking needs better than anyone else and will continue to deliver high quality solutions while maintaining customer service with a personal touch.

Our intent is to serve Collier County Clerk of the Circuit Court as a partner and trusted advisor. Because Fifth Third Bank has a solid understanding of your business and operations, your banking team has the opportunity to deliver value-added solutions designed to exceed the County's expectations for service and quality. Collier County Clerk of the Circuit Court is seeking a State of Florida-qualified financial institution to provide banking services in accordance with the terms, conditions and specification contained in RFP-2014-001. This response is designed to address these objectives and to highlight not only Fifth Third Bank's capabilities but also our recommendations on how the County can best achieve the following objectives.

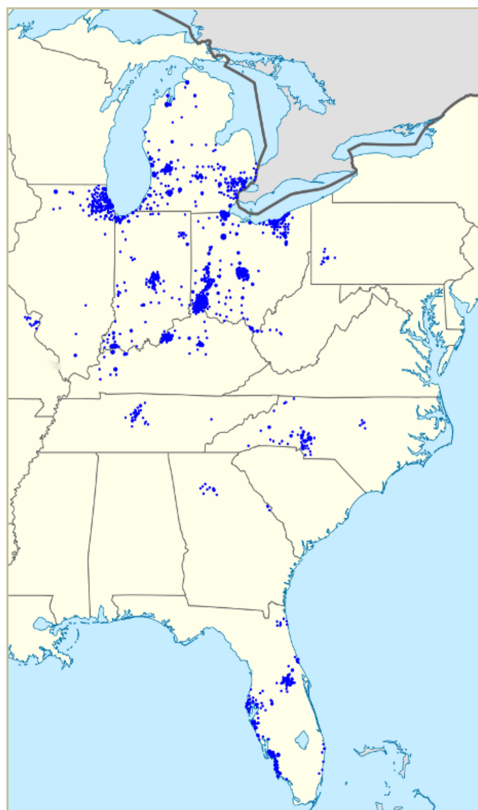
- Maximum accountability and minimum risk
- Lowest cost to the taxpayer
- Maximizing return on overnight investment

Selecting the right banking partner can significantly impact performance and long-term success of the County. Fifth Third Bank's dedication to our customers coupled with a reputation for leadership in industry best practices, gives you the assurance that we will be ready to meet your current and future needs. We look forward to discussing why Fifth Third Bank is best suited to continue servicing Collier County and have listed some of our top differentiators.

- **Lowest Cost to the Taxpayers**- We encourage the County to take advantage of competitive interest rate of 1 Month Libor + 5 bps with a floor of 25 bps and our lower merchant processing cost which is a processing fee of 0.08% + interchange.
- **Service Continuity**- By remaining with Fifth Third Bank, the County will avoid the costly, time-consuming process of converting to a new provider. For a highly complex relationship such as the County, the cost associated with migrating to a new bank could easily be in the tens of thousands of dollars. A choice to continue our partnership would mean result in operations would continue without interruption and productivity could remain high.
- **Long-term strategy and commitment to cash management-** Treasury management is one of Fifth Third's core businesses. We are committed to continuing our investment in product development, technology, and people, to retain our position as one of the leading providers of cash management services. This commitment gives the County the assurance that we will meet all of your treasury management needs as your requirements change and evolve. We have recommended several enhancements to your services to streamline workflow processes and improve productivity for the County

Fifth Third Bank specializes in, and is committed, to the unique and often complex requirements of municipalities and local governments. Fifth Third Bank prides itself in building long-term relationships with our clients, and we look forward to continuing to work with Collier County Clerk of the Circuit Court. You will find this response to your Request for Proposal to be both comprehensive and competitive. Fifth Third Bank appreciates your consideration of our response.

Organization and Background



Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. Established in 1853, Fifth Third has been in business for over 150 years. Our common stock is traded on the NASDAQ ® National Global Select Market under the symbol "FITB." Fifth Third is a member of the FDIC and is an Equal Housing Lender.

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. As of March 31, 2014, the Company had $130 billion in assets and operated 17 affiliates with 1,311 full-service Banking Centers, including 104 Bank Mart® locations, most open seven days a week, inside select grocery stores and 2,614 ATMs in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Pennsylvania, Missouri, Georgia and North Carolina. Fifth Third operates four main businesses: Commercial Banking, Branch Banking, Consumer Lending, and Investment Advisors. Fifth Third also has a 26% interest in Vantiv Holding, LLC. Fifth Third is among the largest money managers in the Midwest and, as of March 31, 2014, had $302 billion in assets under care, of which it managed $26 billion for individuals, corporations and not-for-profit organizations.

Fifth Third Bancorp has many important assets, but the most valuable is our established and unquestioned reputation for integrity. We are judged by our conduct, and we must act in a manner that merits public trust and confidence. The Bancorp's Corporate Governance Guidelines, along with Fifth Third's Articles of Incorporation, Code of Regulations and charters of the various committees of the Board, provide the foundation for our governance. Fifth Third Bancorp has adopted its Code of Business Conduct and Ethics, Insider Trading Policy and Information Disclosure Policy to help ensure that it retains its integrity and merits public trust and confidence. All of these documents can be located on our website at www.53.com.

Fifth Third's 18 affiliates are headquartered in metropolitan markets throughout the Midwest and Florida. The affiliate operating structure differentiates us from our competitors and ensures that our clients receive individualized service and comprehensive financial solutions. Each affiliate is managed by a local affiliate President and decision-making remains local.

South Florida

The original Charter for the South Florida Affiliate was created in 1991 and is located in Naples, Florida. Since that time the South Florida Affiliate has grown to over 64 financial service centers located throughout South Florida including Sarasota, Manatee, Broward, Charlotte, Collier, Lee and Palm Beach counties.

Ratings

	Moody's	Standard & Poor's	Fitch	DBRS
Fifth Third Bancorp				
Short-Term	WR	A-2	F1	R-1 (low)
Senior Debt	Baa1	BBB+	A	A (low)
Fifth Third Bank				
Short-Term	P-2	A-2	F1	R-1 (low)
Long-Term Deposit	A3	A-#	A+	A
Senior Debt	A3	A-	A	A
Outlook/Trend	Stable	Stable	Stable	Stable

Financial Statements
Fifth Third Bank's financial reports are available on-line at the following addresses:

2013 Annual Report: http://phx.corporate-ir.net/phoenix.zhtml?c=72735&p=quarterlyearnings

10-Q Report for 3rd Quarter 2013: http://phx.corporate-ir.net/phoenix.zhtml?c=72735&p=quarterlyearnings

SEC Filings
10-K 2013 http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=72735&fid=9284874

10-K 2012 http://services.corporate-ir.net/SEC.Enhanced/SecCapsule.aspx?c=72735&fid=8648960

Collier County Banking Locations

Our Fifth Third Bank Financial Centers offer a wide variety of services which include the following:

- Checking & Savings Accounts
- Cash Banking
- Credit & Debit Cards
- Personal Loans: Auto, Equity Lines, Student Loans, and Mortgages
- Investment and Planning Services: CDs, IRAs, Insurance and Financial Planning
- Personal Overdraft Coverage
- Identity Theft Protection

Banking Center Hours:

Lobby:
Monday –Thursday: 9am - 5pm
Friday: 9am - 6pm
Saturday: 9am - 1pm

Drive Thru:
Monday –Thursday: 8am - 5pm
Friday: 8am - 6pm
Saturday: 9am - 1pm

Exceptions to Banking Center Hours:

Fifth Third Center

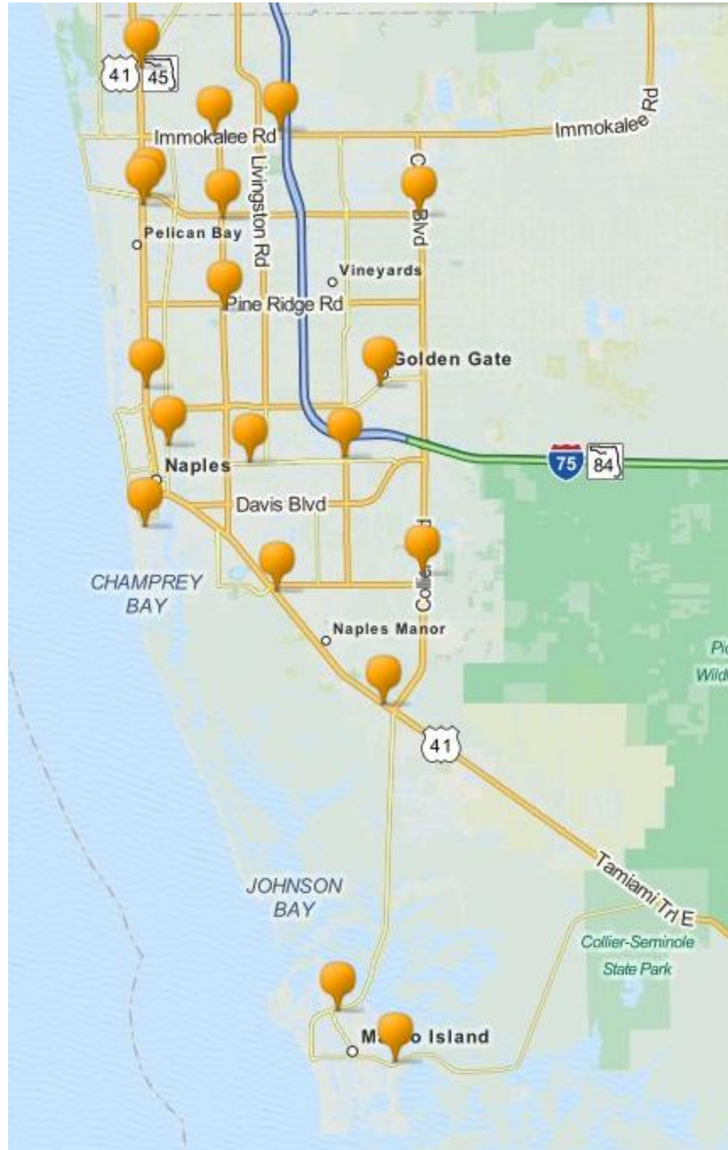
Lobby:
Monday –Friday: 10am - 4pm

Drive Thru:
Monday –Friday: 10am - 4pm

ATMs are available at all Banking Center locations.

Financial Center Name	Phone	Street	City	State	Zip
BERKSHIRE BANKING CENTER	(239) 732-1111	3775 SANTA BARBARA BLVD	NAPLES	FL	34104
CARILLON BANKING CENTER	(239) 261-6110	5076 AIRPORT PULLING RD N	NAPLES	FL	34105-2415
EAST TRAIL BANKING CENTER	(239) 417-5379	5101 EAST TAMIAMI TRL	NAPLES	FL	34113
FIFTH THIRD CENTER BANKING CENTER	(239) 591-6444	999 VANDERBILT BEACH ROAD	NAPLES	FL	34108
FOUNTAIN PARK BANKING CENTER	(239) 594-5304	7925 AIRPORT PULLING RD N	NAPLES	FL	34109
GATEWAY SHOPPES AT NORTH BAY	(239) 552-2020	13575 TAMIAMI TRAIL N	NAPLES	FL	34110
GOLDEN GATE BANKING CENTER	(239) 455-5357	4794 GOLDEN GATE PARKWAY	NAPLES	FL	34116
GOODLETTE ROAD BANKING CENTER	(239) 403-6553	900 GOODLETTE ROAD	NAPLES	FL	34102
GREENTREE BANKING CENTER	(239) 597-5365	2470 IMMOKALEE ROAD	NAPLES	FL	34110
HARBOUR DRIVE BANKING CENTER	(239) 261-5323	2911 TAMIAMI TRAIL NORTH	NAPLES	FL	34103
LELY BANKING CENTER	(239) 530-1460	95 PRICE STREET	NAPLES	FL	34113
MARCO ISLAND BANKING CENTER	(239) 389-1800	650 EAST ELKCAM CIRCLE	MARCO ISLAND	FL	34145
MARCO ISLAND SOUTH BANKING CENTER	(239) 394-7737	1818 SAN MARCO ROAD	MARCO ISLAND	FL	34145
MISSION HILLS BANKING CENTER	(239) 354-5696	7595 VANDERBILT BEACH RD	NAPLES	FL	34119

NAPLES LAKES BANKING CENTER	(239) 732-1263	8635 COLLIER BLVD	NAPLES	FL	34114
OLD NAPLES BANKING CENTER	(239) 262-5050	385 14TH AVENUE SOUTH	NAPLES	FL	34102
PELICAN BAY BANKING CENTER	(239) 594-3512	8771 TAMIAMI TRAIL	NAPLES	FL	34108
RADIO ROAD BANKING CENTER	(239) 643-5332	4025 RADIO ROAD	NAPLES	FL	34104
THE STRAND BANKING CENTER	(239) 514-7575	5636 TAVILLA CIRCLE	NAPLES	FL	34110



Qualifications and Experience

The Government and Institutional Team
Jim Mitchell, Vice President
Relationship Manager
13350 Metro Pkwy.
Fort Myers, FL. 33966
Phone: 239-225-2004
James.Mitchell@53.com

Jim will be your Relationship Manager is your primary contact for general Fifth Third business. The Relationship Manager knows your corporate objectives, your accounts and your business requirements. This person's role is to consult with you about new and existing services, ensure your continued satisfaction and bring together the right Fifth Third specialists to meet your financial needs.

Professional Experience

Fifth Third Bank – Fort Myers, FL *2005 – Present*
Vice President/Commercial Relationship Manager (Government and Institutional)

- Responsible for developing revenue growth through generation of loans, deposits, cross-selling bank services and to solicit bank services to non-customers.
- Consults with clients or prospects about new and existing services, ensure your continued satisfaction and bring together the right Fifth Third specialists to meet your financial needs
- Established significant deposit relationships with primary government entities in South Florida including City s, county commission boards, clerk of courts, tax collectors and municipalities.

Collier County Clerk of the Circuit Court – Naples, FL *1994 – 2005*
Director of Finance and Accounting (1996 – 2005)
Director of Internal Audit (1994 – 1996)

- Responsible for the financial and managerial accounting and reporting functions for Collier County, FL, reviewed policies and procedures for compliance with applicable laws, rules, and regulations, and monitored the development and maintenance of computerized accounting and financial information systems.
- Provided financial management support and assistance to County divisions and departments.
- Compiled fiscal estimates and fiscal reports.

Lee County Clerk of the Circuit Court – Fort Myers, FL *1992 - 1994*
Senior Internal Auditor

Citizens and Southern National Bank – Fort Myers, FL *1987 - 1992*
Internal Audit Officer

Jim has held many professional certifications throughout his career including Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Chartered Bank Auditor (CBA). Jim is very active in the community and has served on the board of directors for numerous not-for-profit entities including the Ronald McDonald House Charities, Inc., the Southwest Florida Council of the Boy Scouts of America, and Crime Stoppers of Southwest Florida.

Treasury Management Team
Dawn Choate, Vice President
Treasury Management Officer
999 Vanderbilt Beach Rd.
Naples, FL. 34108
Phone: 239-591-6480
Dawn.Choate@53.com

Dawn will be your Treasury Management Officer and consult with you concerning your business needs in order to develop a customized account and payments solution. Your Treasury Management Officer coordinates the work of the service and implementations teams, keeps you informed about industry trends and new services, and makes recommendations to optimize your treasury management processes.

Professional Experience

Fifth Third Bank - Naples, FL. *2003-Present*
Treasury Management Officer III- Vice President

- Responsible for partnering with various not-for-profits, government, institutional, higher education, and commercial middle market clients to lend experience, give advice, and offer guidance on the best approaches to meet their cash management needs
- Coordinates the work of the service and implementations teams, keeps you informed about industry trends and new services, and makes recommendations to optimize your treasury management processes.
- Conduct meetings with the Relationship Managers to review their existing portfolio for opportunities to enhance our client's collection and payment processes. This is accomplished by reviewing the clients financials and existing treasury management platform
- Provide excellent customer service and provide timely resolutions to customer issues
- Partner with the Technical Support Specialist to assure the client is scheduled for the appropriate systems training.

Financial Center Manager III –Assistant Vice President (2003-2006)

- Oversee the management, service, sales, and operations of the financial center.
- Established a close working relationship with business partners to assure we are meeting all of the client's needs
- Provide excellent service to customers and prospective customers on various banking matters, including, the explanation and opening of new accounts and professional resolution of problems/issues

Certifications

Certified Treasury Professional - The Association for Financial Professionals

Memberships

The Association for Financial Professionals
Fifth Third Bank's Women's Network

Joan Raborn
Client Advisor
999 Vanderbilt Beach Rd.
Naples, Florida 34108
Phone: 239-591-6398
Joan Raborn@53.com

Joan will be your Client Advisor and is responsible for managing routine inquiries relative to how Commercial Banking services are functioning, determining the nature of any problems, identifying the appropriate follow up action and instituting that action to ensure a swift, accurate and complete resolution. Joan is in direct contact with the Relationship Managers and Treasury Management Officers to ensure that the entire team is always aware of needs and questions as it relates to Commercial products and services.

Professional Experience

Fifth Third Bank - Naples, FL *2005 – Present*
Client Specialist II

- Supports Treasury Management Officers with implementation of new treasury solutions.
- Assists customers with issues relating to their account or treasury management services.
- Support Relationship Managers with commercial loans and depository accounts servicing
- Follow up with customers during and after the implementation process and schedule training as needed
- Open, close, and maintain Commercial and Government DDAs and CDs.
- Partnered with other team members and lines of business to ensure the client's and Relationship Manager's needs are being met in a timely manner
- Perform various tasks as needed for Commercial, Government, and Internal clients

Waterways Home Mortgage, Mortgage Sales Associate – Naples, FL *2004 – 2004*
Mortgage Sales Associate

- Support Mortgage Consultants with loan process and collection of documents
- Monitor and update loans as needed to verify all conditions were meet to close the loan
- Consult with customers of Waterways Builders for home loan products

Bank of America – Charlotte, NC and Naples, FL. *1999 – 2003*
Implementation Coordinator and Sales Support Associate

- Supports Treasury Management Officers with implementation of new treasury solutions.
- Follow up with customers during and after the implementation process and schedule training as needed
- Partnered with other team members and lines of business to ensure the client's and Relationship Manager's needs are being met in a timely manner

Terms and Conditions

All proposals must acknowledge if the financial institution can comply with each of the following terms and conditions:

a. The Clerk reserves the right to reject any or all proposals, waive any irregularities or formalities in any proposal or in the proposal proceedings which, in his opinion, are in the best interest of the County. The contract will be awarded to the vendor whose proposal, in the opinion of the Clerk, is the best taking into consideration all aspects of the proposer's response, including total cost to the County. The winning bank's proposal, and this RFP, shall become integral parts of the contract. Exceptions to any specification must be placed on Exhibit B "Proposal Exception Form" and will be considered in the final analysis of the proposal. Exception costs will be added or subtracted from the submitted proposal to arrive at a cost to the County. **Failure to include an exception on Exhibit B will render the exception invalid.**

   Fifth Third Bank understands and acknowledges this requirement.

b. The financial institution understands that time is of the essence. If a fully executed contract is not received within fifteen (15) business days of initial award, the Clerk will notify the financial institution of his intent to award the contract to the next most qualified institution. **The Clerk assumes no cost to any of the proposer's in preparation of their response to this RFP.**

   Fifth Third Bank acknowledges this requirement and can comply with the request.

c. Participation in this RFP may subject the financial institution to an examination of their facilities and procedures to ensure compatibility with the Clerk's system and procedures. The successful proposer must have a structure that is compatible with the Clerk's current SAP financial system.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

d. Upon being notified, the financial institution awarded the contract will be requested by the Clerk to attend a conference in order to coordinate the transfer of funds, establish accounts and exchange information and determine conversion details. During the term of the contract relevant bank personnel shall attend, in person or by conference call, monthly bank meetings.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

e. This RFP contains estimates of transactions in Exhibit A, "Pricing Proposal Form". Although these estimates are based upon research, the Clerk's Office cannot guarantee such levels will be met or exceeded at any given time.

   Fifth Third Bank acknowledges this condition.

f. The contract may be terminated by the financial institution upon providing written notice to the Clerk of the Circuit Court no less than 180 days prior to the effective date of such termination. The Clerk may terminate the agreement with the financial institution upon 30 days' written notice prior to the effective date of the termination. **Under no circumstances will any damages be paid by the Clerk as a result of the termination of this contract and its related services.**

   Fifth Third Bank acknowledges this requirement and can comply with the request.

g. The banking agreement shall be for an initial period of five (5) years and may be extended for an additional three (3), one (1) year periods by mutual agreement between the Clerk and the institution awarded the banking contract. **Continuation of the contract beyond the initial term is the Clerk's prerogative and not a right of the successful proposer.**

Fifth Third Bank acknowledges this requirement and can comply with the request.

h. The awarded financial institution agrees to maintain the fee structure as outlined in Exhibit A for the full term of this agreement, including extensions.

Fifth Third Bank acknowledges this requirement and can comply with the request.

i. The qualified financial institution must submit one copy of their audited financial statements for each of the last two fiscal years and last two reports issued pursuant to Statement on Standards for Attestation Engagements (SSAE) No. 16. Access to audited annual financial statements and SSAE No. 16 reports will be required during the term of this agreement as well as collateralization verification related to Florida Statutes, Chapter 280.

Fifth Third Bank acknowledges this requirement and can comply with the request.

j. Submit notarized sworn statement under Florida Statutes Chapter 287.133 on Public Entity Crimes, Exhibit D, "Sworn Statement on Public Entity Crimes".

The required Public Entity Crimes form has been included in this response as Exhibit D.

j. Bank must respond to the Clerk's annual audit confirmation process at no additional cost. Please indicate if the bank uses an automated process for confirmation purposes.

Fifth Third Bank acknowledges this requirement and can comply with the request. Fifth Third Bank has the ability to respond to an automated audit request when available.

k. Proposals will be on file in the Office of the Clerk of the Circuit Court as outlined in Florida Statutes, Chapter 119 regarding Public Records.

Fifth Third Bank understands and acknowledges this requirement.

l. The Clerk's Office prefers that the services listed herein be provided by a single bank, however, the Clerk reserves the right to separate specific services and award to more than one institution should that be found to be in the best interest of the taxpayers of Collier County.

Fifth Third Bank acknowledges this requirement and can comply with the request.

m. The awarded contract shall not be assigned without the express written approval of the Clerk of the Circuit Court. In addition, the contract shall not be transferred, by merger or acquisition, in whole or in part without providing 60 days' notice to the Clerk's Office. **In addition, the bank will absorb all costs of conversion resulting from bank transfer, sale or merger.**

Fifth Third Bank acknowledges this requirement and can comply with the request.

n. If, following the announcement of the award of the contract from this request, an unsuccessful proposer wishes to challenge that award; they must do so in writing, within two (2) business days following the award announcement. The unsuccessful proposer in their protest must

enumerate those parts of the proposal and evaluation process they consider flawed or unfair, and why. Please refer to the Clerk's Purchasing Policy, available on the Clerk's website, for further information.

Fifth Third Bank understands and acknowledges this requirement.

o. The financial institution understands that the Clerk requires the ability to solve problems in a timely manner and at a local level. The Clerk's office will be assessing performance of the financial institution on a daily basis.

Fifth Third Bank acknowledges this requirement and can comply with the request.

p. All pricing for services related to this RFP shall be submitted in the Pricing Response, Exhibit A, or the Clerk is not responsible for payment. Any additional services added subsequent to this RFP will be separately negotiated in accordance with the Clerk's Purchasing Policy.

Fifth Third Bank acknowledges this requirement and can comply with the request.

q. All pricing for services related to this RFP shall be submitted in the Pricing Response, Exhibit A, or the Clerk is not responsible for payment. Any additional services added subsequent to this RFP will be separately negotiated in accordance with the Clerk's Purchasing Policy.

Fifth Third Bank acknowledges this requirement and can comply with the request.

Account Structure

The Collier County Board of County Commissioners (BOCC), Clerk of the Circuit Court (COCC) and Supervisor of Elections (SOE) currently maintain numerous accounts for daily operations. These accounts are classified as either primary or non-primary accounts. Alternatives to this account structure may be proposed, but must be accompanied by an explanation of the benefits of such a change.

A. Primary Accounts

The Clerk desires to maximize its cash availability through the use of concentration and zero balance accounts (ZBA). The primary account relationship will be comprised of three separate concentration accounts, (BOCC, COCC and SOE) each with separate ZBA accounts for accounts payable, payroll and self-insurance payments, as applicable. The zero balance accounts will be reimbursed by the concentration account on a daily basis and will always have a zero ledger balance at the end of the day. All transfers to the ZBA accounts must take place automatically, without initiation by the Clerk. The Clerk desires to operate the primary account structure on a controlled disbursement basis for cash management purposes. The Clerk needs to know the amount of checks that will clear its ZBA accounts by 1:30 P.M. on a same day basis.

The Clerk reserves the right to open additional zero balance accounts during the contract period at the price contained within the proposal, provided the awarded bank is furnished notification of at least thirty calendar days

The Clerk would need to implement our Controlled Disbursement services in order to have insight to the checks clearing the accounts on a same day basis. Fifth Third Bank can comply with this requirement and account structure.

Board of County Commissioners

BOCC Concentration Account – This is the primary depository account for all Board funds. Activities in this account include inbound wire transfers, automated clearing house credits, utility lockbox transactions, utility preauthorized debits (drafts) and numerous daily deposits from County Departments such as Growth Management, Public Utilities, Finance and Accounting and Parks and Recreation, including over the counter and web based credit card payments. All outbound wire transfers clear directly against this account, including vendor payments, payroll direct deposit and debt service payments. Incoming and outgoing wire transfers will also be made from this account for investment purchases, interest postings, sales, calls and maturities.

The following zero balance accounts (ZBA) are utilized to clear check transactions against the BOCC concentration account as follows:
BOCC Accounts Payable (ZBA) – All BOCC accounts payable checks clear against this account.

BOCC Payroll (ZBA) - All BOCC payroll checks clear against this account.

BOCC Group Benefits (ZBA) – All health self-insurance payments clear against this account. The Group Benefits account is administered to by a third party administrator (TPA).

BOCC Property and Casualty (ZBA) – All property and casualty self-insurance payments clear against this account. The Property and Casualty account is administered to by a TPA.

BOCC Workers' Compensation (ZBA) – All workers' compensation self-insurance payments clear against this account. The Workers' Compensation account is administered to by a TPA.

On a daily basis, see Section III.C "Electronic Cash Management", balances available for investment in the BOCC concentration account will be made available electronically.

Fifth Third Bank can comply with the requirements listed and account structure.

Clerk of the Circuit Court

COCC Concentration Account – This is the primary depository account for all Clerk funds. Activities in this account include inbound wire transfers and daily deposits court related collections. All outbound wire transfers clear directly against this account, including vendor payments, payroll direct deposit and remittances to other governments. Substantially all of the Clerk's payroll transactions are paid by direct deposit.

The following zero balance accounts (ZBA) are utilized to clear check transactions against the COCC concentration account as follows:

COCC Accounts Payable (ZBA) - All COCC accounts payable checks clear against this account.
COCC Payroll (ZBA) - All COCC payroll checks clear against this account. This account is used on a limited basis as substantially all payroll transactions utilize direct deposit.

COCC Child Support (ZBA) – Clears child support payments for checks written by the Clerk.

The following accounts are utilized to clear specific transactions as indicated in their description:

COCC State Disbursement Unit – This account receives and disburses wire transfers with the State of Florida for the State's Child Support State Disbursement Unit.

COCC Eminent Domain Account – This account receives and disburses via intrabank transfers with the COCC concentration account.

On a daily basis, see Section III.C "Electronic Cash Management", balances available for investment in the COCC concentration account will be made available electronically.

Fifth Third Bank can comply with the requirements listed and account structure.

Supervisor of Elections

SOE Concentration Account - This is the primary depository account for all Supervisor funds. Activities in this account include inbound wire transfers and daily deposits court related collections. All outbound wire transfers clear directly against this account, including vendor payments and payroll direct deposits. Incoming and outgoing wire transfers will also be made from this account for State Board of Administration purchases and sales.

The following zero balance accounts (ZBA) are utilized to clear check transactions against the SOE concentration account as follows:

SOE Accounts Payable (ZBA) - All SOE accounts payable checks clear against this account.

SOE Payroll (ZBA) - All SOE payroll checks clear against this account.

On a daily basis, see Section III.C "Electronic Cash Management", balances available for investment in the SOE concentration account will be made available electronically.

Fifth Third Bank can comply with the requirements listed and account structure.

B. Non-Primary Accounts

Board of County Commissioners

The BOCC also maintains the following accounts for purposes of segregation and convenience as described below:

BOCC Flexible Benefits – Employee payroll deductions are deposited to this account and payments for reimbursement of related medical and day care services are made out of the account. The Flexible Benefits account is administered to by a TPA.

BOCC Health Reimbursement Account (ZBA) – This account handles employer deposits made on behalf of qualified employees for health care reimbursement under the BOCC's Health Reimbursement Plan. The Health Reimbursement Account is administered to by a TPA.

BOCC Domestic Animal Services (DAS) - This account handles DAS related customer receipts, including credit card payments. This account is swept into the concentration account on a daily basis.

BOCC Emergency Medical Services (EMS) - This account handles EMS related receipts, including credit card payments and lockbox transactions. This account is swept into the concentration account on a daily basis.

BOCC Landfill - This account handles landfill related customer receipts, including credit card payments. This account is swept into the concentration account on a daily basis.

BOCC Developmental Services Web - This account handles Collier County Growth Management related customer receipts, including credit card payments. This account is swept into the concentration account on a daily basis.

BOCC Utility Billing Water and Sewer - This account handles Collier County Water and Sewer District related customer receipts, including credit card payments. This account is swept into the concentration account on a daily basis.

Fifth Third Bank can comply with the requirements listed and account structure.

Scope of Banking Services

A. Availability of Funds

The BOCC, COCC and SOE will make deposits at various branch locations throughout the day. The Clerk of Courts requires all deposits received by the financial institution by 4:00 P.M. EST, at the earliest, be credited as same day transactions to the respective account ledgers. The Clerk's Office also requires the financial institution adhere to the following:

Fifth Third Bank can provide same day credit for deposits delivered by armored courier prior to 4:00 P.M. EST. To assure the County receives same day credit, Fifth Third Bank would like to migrate the County to our Virtual Vault processing with iDeposit and DTS services. This will allow more visibility into the deposit collection, posting and the adjustment process.

Brink's iDeposit SM

- **iDeposit SM allows the County to create scanable, bar encoded deposit tickets online in your local locations. When the courier picks up the bags, they are delivered to our Network vault immediately scanned. Upon scanning, you are given provisional credit for the deposit.**
- **This service offers the County better availability on cash deposits thru same day provisional credit with later cut-off times. Cut-off times can be as late at 7:30pm for same-day deposits.**

Brink's iOrder SM

- **iOrder SM is a Brink's developed Internet-based product that enables the County or a central hub to order currency online, instead of using the Voice Response System (VRU). Cash and coin orders are placed online for one location or for multiple locations saving them time and helping to reduce the risk of errors.**
- **Order detail reporting by location is available to headquarters and campus locations. iOrder SM allows for real-time funding for orders made before 11 AM local time.**

DTS

- **The DTS® system enables the County to create, track and manage bank deposits online. The DTS system enables location personnel to create deposits for each location. Deposits can then be tracked as they are picked-up by your armored carrier and as the bank receives, credits, and verifies the deposit.**
- **The DTS system receives detailed adjustment information from banks, providing a reason for the correction along with the denomination(s) that were adjusted.**
- **Each module is designed to increase operational efficiency and financial control to better manage their deposit processes, as well as exceptions.**
- **The system has an immediate ROI because all the reporting features give an immediate opportunity to manage employees to reduce float in the deposit process, improve courier premise time, monitor courier delivery against their SLAs, prevent employee fraud, and reduce adjustments.**

- **For many companies adjustments can be anywhere from 3 to 7 percent or more without a tool like this. IFS' experience has shown that the deposit/monitoring process has decreased bank adjustments by 60 percent. It is very simple for any employee to make deposits accurately, and the DTS system can reduce adjustments dramatically through auto calculations and employee re-training.**
- **The added visibility to the finance department has reduced overs and shorts seen between their POS system data to the said-to-contain value in the deposit bag by more than 40 percent. Employees can enter sub-deposit detail to explain why POS/register counts are different and it gives them an opportunity to re-count before the adjustment becomes a bank error with bank fees.**

1. Ensure same day availability of funds for cash deposits, incoming wire transfers and ACH transactions, as well as checks drawn on the financial institution.

   Same day availability is provided for incoming wire transfers, ACH transactions, and checks drawn on Fifth Third Bank.

2. Provide a copy of the financial institution's current availability schedule for checks deposited and its methodology for computing deposit float.

   Fifth Third has many float (availability) schedules; Collier County Clerk of Courts is on our Premium Availability Schedule which is the best schedule we offer. Collier County Board of County Commissioners is on our Corporate Accelerated Availability Schedule and the Supervisor of Elections is on our Standard Availability Schedule. Fifth Third is pleased to discuss the County's current availability schedules, and available alternatives to that schedule. Accommodations can be made for high volume accounts, and accounts depositing pre-encoded checks.

   - **Availability is determined on each individual item deposited and is based upon the routing and transit number of the item, the time of deposit, and the method of deposit (teller line, lockbox, etc.).**
   - **On-us items deposited by clients are given immediate availability up to 11:00 p.m. ET.**
   - **Foreign items drawn on the currency of the country (as well as USD in Canada) are given immediate credit if less than $5,000 USD equivalent, and are sent for Collection if over $5,000. Collection can take 2-8 weeks, depending upon the country and response time of the bank on which it is drawn. From time to time, a Relationship Manager may give approval for the branch to give immediate credit for items over $5,000.**
   - **Availability is determined by item and is based upon the routing and transit number of the item, the time of deposit, and the location of deposit (teller line, lockbox, etc.). For Electronic Check Clearing, Fifth Third Network, we use a fractional basis.**
   - **Fifth Third offers standard and, on an exception basis, accelerated schedules for each depository service.**

- **The review of availability schedules is a collaborative effort between our Float Management and Product Management teams. Each availability schedule is reviewed for updates quarterly in order to align schedules with our clearing capabilities. We maintain our tables monthly.**

Standard Availability Schedule

Type of Deposit	Funds Availability
Electronic Direct Deposit, Cash, ACH Deposit, and Wire Transfers	Available on the day the deposit is received.
US Treasury Checks, Federal Reserve Checks, Postal Money Orders, and Checks (same affiliate) written against 5/3 DDA	Available on the 1st Business day after day of deposit.
State and Local Government Checks, Cashier's/Official Checks, Certified Checks and Non-US Postal Money Orders	1st Business day after day of deposit. MUST use special (yellow) deposit ticket to ensure next day availability.
Local Checks (includes certain 5/3 Checks drawn on other affiliates	$100 is available on the NEXT business day. Remaining funds available no later than 2nd Business day after day of deposit
Non-Local Checks	$100 is available on the NEXT business day. Remaining funds available no later than 4th Business day after day of deposit.
Note: Business days do NOT include Saturday and Sunday OR Federal Holidays.	

B. Overnight Investment of Available Funds

Concentration account balances for the respective agencies covered by this RFP for the dates indicated:

Month End	BOCC Concentration	COCC Concentration	SOE Concentration	Total
Apr-13	$38,916,137	$39,076,570	$232,334	$78,225,041
May-13	19,110,953	42,316,422	280,888	61,708,263
Jun-13	30,829,572	42,597,947	304,546	73,732,065
Jul-13	45,017,195	40,929,384	265,856	86,212,435
Aug-13	44,617,496	43,572,822	291,890	88,482,208
Sep-13	56,227,459	39,118,633	321,005	95,667,097
Oct-13	32,236,359	30,471,747	660,401	63,368,507
Nov-13	76,253,754	33,003,126	700,566	109,957,446

Dec-13	48,184,730	33,516,224	673,026	82,373,980
Jan-14	74,329,761	35,817,611	707,332	110,854,704
Feb-14	73,837,381	35,917,168	716,616	110,471,165
Mar-14	96,515,171	32,012,398	674,327	129,201,896
Avg. Balance	$53,006,331	$37,362,504	$485,732	$90,854,567

Although these balances are based upon actual historical data, the Clerk's Office cannot guarantee such levels will be maintained.

The awarded bank agrees to automatically invest the respective available balances in the BOCC, COCC and SOE concentration accounts, and non-primary accounts, on the bank's books at 5:00 P.M. EST, in accounts within the bank. Please explain the method used to calculate the invested balance, the interest rate to be applied, compounding period and the frequency of interest credits. The rate, or index, specified for the account must be available on a daily basis for independent assessment by the Clerk's Office. Please provide a schedule showing the proposed interest rate for the period April 2013 to March 2014.

The Investable balance is calculated by taking the average ledger balance for the month and subtracting the average float. Once this is calculated the balance is multiplied by the interest rate. The interest rate is 1 month Libor + 5bps or a floor of 25bps. The 1 month Libor rate is established on a daily basis. Once the interest is calculated it is accrued towards the balance on a daily basis. Interest is compounded daily. The total interest is credited to the account at the end of the month.

The schedule proposed below is assuming the average collected balance for each day of the month is the amount listed for each entity.

Month End	BOCC Concentration	COCC Concentration	SOE Concentration	Total	Interest Earned
13-Apr	$38,916,137	$39,076,570	$232,334	$78,225,041	$16,062.43
13-May	19,110,953	42,316,422	280,888	61,708,263	$13,093.35
13-Jun	30,829,572	42,597,947	304,546	73,732,065	$15,139.86
13-Jul	45,017,195	40,929,384	265,856	86,212,435	$18,292.68
13-Aug	44,617,496	43,572,822	291,890	88,482,208	$18,168.60
13-Sep	56,227,459	39,118,633	321,005	95,667,097	$19,643.91
13-Oct	32,236,359	30,471,747	660,401	63,368,507	$13,445.62
13-Nov	76,253,754	33,003,126	700,566	109,957,446	$22,578.24
13-Dec	48,184,730	33,516,224	673,026	82,373,980	$17,478.17
14-Jan	74,329,761	35,817,611	707,332	110,854,704	$23,521.31
14-Feb	73,837,381	35,917,168	716,616	110,471,165	$21,171.33
14-Mar	96,515,171	32,012,398	674,327	129,201,896	$27,414.24
Avg. Balance	$53,006,331	$37,362,504	$485,732	$90,854,567	

In the event that any concentration account should have a negative balance there will not be any interest or penalty assessed. **The Clerk will not accept any exceptions to this specification.**

Fifth Third Bank acknowledges this requirement and can comply with the request.

Alternative Overnight Investment

Alternative overnight investments may be proposed but only as an optional proposal. Please provide the services specified above in your proposal, with an attachment describing the alternative proposal. Alternative proposals may be accepted if they are considered "deposits" and are thus covered by Florida Statutes, Chapter 280, and they provide the same level of and security and service outlined above. **The Clerk is interested in maximizing investment return without increased risk or loss of flexibility.**

Fifth Third Bank does not have a recommendation for an alternative overnight investment at this time.

C. Electronic Cash Management

The bank will provide electronic cash management services capable of providing at least the following on all BOCC, COCC and SOE accounts:

1. Previous day detail reporting by 8:00 A.M. EST.

2. Current day balance and detail reporting by 8:00 A.M. EST, and intra-day ACH and controlled disbursement reporting by 1:30 P.M. EST.

   Fifth Third Direct's[SM] Account Management and Payments (AMP) module gives you a clear view of your cash position throughout the day, helping you make informed decisions regarding financing and investment needs. Prior day data is available to the information reporting platforms by 6:00 a.m. EST and Intraday data is provided at 8:00 a.m., 1:00 p.m., 7:00 p.m. and 9:00 p.m., EST. Intraday reporting allows you to view current day ACH, wire and internal transfer activity.

Account Management & Payments **Intra Day Data Availability and Cutoff Times (all times ET)**	
Intra Day Information Data Availability (Fifth Third Bank Accounts)	
ACH	7:00 a.m., 1:00, 7:00, 9:00 p.m., 12:00 a.m.
Controlled Disbursement- First Presentment	8:30 a.m.

Controller Disbursement- Second (Final) Presentment	10:00 a.m.
Controlled Disbursement- Check Detail	11:30 a.m.
Wire Transfer	7:15 a.m. - 8:30 p.m. (every 5 minutes)
Wholesale Lockbox	10:00 a.m., 1:00 p.m.
Cash Letter	8:30 a.m., 1:00 p.m.

3. Stop payment inquiry capability for accounts payable and payroll checks.

The County will benefit from the Fifth Third Direct Stop Payment module with the following features:

- **Single check or check range inquiry capability**
- **Stop Payment confirmation tracking number assigned to all entries**
- **Status, including if the check was already paid (6 months of check clearing history is reviewed to determine is a requested stop payment check has already cleared the bank)**
- **Stop Payment History reporting includes stops placed on accounts through any channel, including telephone and email to your reconciler or dedicated client specialist**
- **Stop Payments are effective for 6 months**
- **Stop Payments are effective immediately and report directly to the teller line**

Stop payments can be placed through our online portal Fifth Third Direct and are effective for 6 months. Through our Bank Maintained Positive Pay customers can elect to have stale dated items reported as suspect item, or select a default deposition on the items to pay or return. This is aside from the account level disposition. After 6 months a check is considered stale dated and Fifth Third Bank is not obligated to pay that item. Notification is not available on expiring stop payments at this time.

4. Initiate repetitive and non-repetitive wires via the internet.

Our Wire Transfer Services can provide County a reliable, secure, and immediate method for transferring domestic or USD international payments along with detailed routing and transaction information. You can initiate wire transfers as needed, or up to ten days in advance. You can also wire standing orders automatically, according to a pre-arranged schedule.

- **Repetitive wires – Use repetitive wires to make frequent transfers to the same credit party. We store templates with the receiving party's pertinent information, so that all you have to do is fill in the dollar amount and date at the time of the transfer request.**
- **Non-repetitive or free-form wires – With non-repetitive or free-form wires, the debit and credit party vary for each item. A higher level of security is usually required for these transactions.**
- **Drawdown wires – Drawdown wires are typically requests made by a client to initiate a wire transfer to debit another account held by the company either within Fifth Third Bank or at another bank. Clients primarily use these transfers for concentration purposes.**

5. Positive pay service for checks and ACH transactions, with the ability to send multiple daily files, as well as offer the capability to remove a check or ACH from a file and receive electronic notification of exception items.

Fifth Third Bank's Positive Pay services allows for multiple files to be transmitted daily. Positive Pay Check issues or deletes can be submitted either through Fifth Third Direct's Issue Management module or a transmission file until 7:00 p.m. ET for those adds/deletes to be applicable to checks clearing that same night.

ACH Positive Pay is an Internet-based service similar to Check Positive Pay, the County currently has the ability to decide whether an ACH item should be paid or returned. ACH Positive Pay service is designed to:

- **Help protect your accounts from unauthorized ACH debit transactions**
- **Enable you to make on-line Pay or Return decisions on unrecognized or exception ACH debits**
- **Improve self-service maintenance of ACH blocks and filters**

Fifth Third Bank's Check and ACH Positive Pay services offer email notification of unrecognized checks or ACH debits. A report is available of ACH transactions that have been returned as unauthorized transactions via the Reports and Statements Module.

In the event the County has to reverse or delete an ACH items within an ACH file transmission, it is preferred that the County communicate ACH transaction / batch reversals and deletions via fax.

a. **Fifth Third does not modify transactions once they have been originated. Erroneous transactions must be deleted and a new transaction originated.**
b. **Your authorized Administrator completes a standard Fifth Third Bank document and faxes it to the ACH Operations department. The delete is processed shortly after receipt of the request.**
c. **The deadline for reversing or deleting a file, batch, or item is dependent on when the files are submitted to the Bank for processing.**

In general, deletions for credit transactions should be sent at least three business days prior to the settlement date. Deletions for debit transactions should be sent at least two business days prior to the settlement date. Reversals must be requested no more than 5 days after the settlement date.

d. **Only an originator's authorized Administrator from your organization can submit requests.**

e. **An originator's authorized representative must submit requests for deletions or reversals.**

f. **The rest of the file can be released, if Fifth Third has not distributed the ACH transaction(s) to the Bank's ACH Operator. Fifth Third can delete transactions at the entry, batch, or file level**

You may contact the ACH Department to confirm that a file, batch, or item was reversed as requested. Alternatively, the City's ACH Direct Send Administrator can originate a file containing reversals by putting "REVERSAL" in the batch header. An originator's authorized representative must make requests for deletions or reversals.

For files submitted through Account Management & Payments, the users has the ability to future date an ACH file and also establish reoccurring file transmissions. Fifth Third will warehouse future-dated transactions up to 30 days.

Transactions are maintained for online reporting for 30 days after the effective date for those customers using Fifth Third Direct Account Management and Payments.

In addition, provide information on the bank's electronic cash management services, and whether or not the above criteria can be met. Please include all related hardware and software requirements.

Fifth Third Direct (and associated services) requires no bank-specific software, but does require the use of an Internet browser.

Fifth Third recommends the following technical environment for optimal Fifth Third Direct system performance:

- **Windows /2000/XP**
- **Processor speed of 266 or higher (any IBM compatible)**
- **256 MB RAM recommended**
- **Microsoft Internet Explorer version 5.5 or higher. The use of Netscape Navigator, alternative browsers or BETA versions may have unpredictable results.**
- **256-color video display adapter**
- **Sufficient hard drive space for local storage of reports (actual space required will vary based on the number of reports and activity)**
- **High-speed Internet connection (e.g. DSL or T1) or 56K minimum speed for dial-up access.**

D. Wire Transfer Services

The Clerk will require dual release for all outgoing wire transfers. At no time will the Clerk permit or assign the authority for any one individual employee the capability of executing outgoing funds transfers independently.

1. Describe in detail your financial institution's security procedures for electronic fund transfers (EFT).

   We incorporate the latest security technology into our front- and back-end processing to ensure that our Wire Transfer Services remain dependable and secure. We also include extensive security and controls throughout the transfer process to ensure the integrity of the transactions. Fifth Third strongly recommends that all customers implement Dual Control over wire initiation. Dual Control requires two separate users to process wires: one to originate and a second, separate user, to approve. Dual control provides an additional hurdle to cyber attackers, preventing access to your computer, and offers clients enhanced internal risk management. Your designated security administrator will establish and manages the user profiles, assigning varying levels of security based on the County's operational procedures.

2. What is the latest time an outgoing EFT can be released?

Payment Initiation Cutoff Times	
ACH- Direct Send Book Transfer (Same Day Settlement) Next Day Settlement 2 or more Days Settlement **We also offer, as a premium service, an 11:30 p.m. cutoff.**	**10:00 p.m. EST**
ACH- Internet Book Transfer (Same Day Settlement) Next Day Settlement 2 or more Days Settlement	**8:00 p.m. EST**
Wire Transfer - Domestic Fedwire	**5:30 p.m. EST**
Wire Transfer - USD International	**4:00 p.m.**
Wire Transfer International Same Currency	**2:00 p.m.**
Wire Transfer - Canadian Branch/Canlink **(Same Day)**	**4:00 p.m.**

Stop Payments	**10:00 p.m.**
Account Transfer - DDA or SAV	**9:00 p.m.**
Account Transfer - Commercial Loan	**7:00 p.m.**

E. ACH Payables and Payroll Direct Deposit

The awarded bank shall have the ability to provide ACH services for the direct deposit of payroll and payables. The bank shall be capable of receiving this data via direct transmission in standard NACHA format, with credit entries directed to the employee's or vendor's account at any participating financial institution. Responses to the following must be included in each proposal:

Fifth Third Bank acknowledges this requirement and can comply with the request.

1. Provide required file format and ACH agreement.

   Please see the Master Treasury Agreement included as Appendix C. The Master Treasury Agreement includes ACH services.

ACH ENTRY DETAIL RECORD - ARC, BOC

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI ID	CHECK DIGIT	DFI ACCOUNT NUMBER
Field Inclusion Requirement	M	M	M	M	R
Contents	'6'	*Numeric	*TTTTAAAA	*Numeric	Alphameric
Length	1	2	8	1	17
Position	01-01	02-03	04-11	12-12	13-29

6	7	8	9	10	11
AMOUNT	CHECK SERIAL NUMBER	INDIVIDUAL NAME/COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
M	M	O	O	M	M
$$$$$$$$cc	Alphameric	Alphameric	Alphameric	*Numeric	*Numeric
10	15	22	2	1	15
30-39	40-54	55-76	77-78	79-79	80-94

*NOTES:

Field 2 Most common values for this field are:

22 - Credit to Checking Account	23 - Credit Prenote to Checking Account
27 - Debit to Checking Account	28 - Debit Prenote to Checking Account
32 - Credit to Savings Account	33 - Credit Prenote to Savings Account
37 - Debit to Savings Account	38 - Debit Prenote to Savings Account

Field 3 The Transit and Routing number for the bank where the account is held.

NOTE: Any Transit and Routing number that begins with a 5 is INVALID and should not be used.

Field 4 This is the 9th digit of the Transit and Routing number. If the 9th digit is not known, use the following formula to calculate the check digit:

Multiply each digit of the Routing number by the weight factor:

Position: 1 2 3 4 5 6 7 8

Weights: 3 7 1 3 7 1 3 7

Add the results of each multiplication.

Subtract the sum from the next highest multiple of 10. The result is the check digit.

Example: Routing Number - 0 4 2 0 0 0 3 1

Multiply by weight factor: 3 7 1 3 7 1 3 7

Sum: 0 28 2 0 0 0 9 7 = 46

Check Digit = 4 (50 minus 46)

Field 10 The value for this field should be:

0 - If no addenda records follow this record.

1 - If addenda records are included.

Field 11 First 8 digits must contain the following numbers: 24207175

The next 7 digits will be the sequence number of the record beginning with 0000001 for the first record, 0000002 for the second record and so on.

ACH ENTRY DETAIL RECORD - CCD, PPD, TEL

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI ID	CHECK DIGIT	DFI ACCOUNT NUMBER
Field Inclusion Requirement	M	M	M	M	R
Contents	'6'	*Numeric	*TTTTAAAA	*Numeric	Alphameric
Length	1	2	8	1	17
Position	01-01	02-03	04-11	12-12	13-29

6	7	8	9	10	11
AMOUNT	ID NUMBER	INDIVIDUAL NAME/COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
M	O	R	O	M	M
$$$$$$$$cc	Alphameric	Alphameric	Alphameric	*Numeric	*Numeric
10	15	22	2	1	15
30-39	40-54	55-76	77-78	79-79	80-94

*NOTES:

Field 2 Most common values for this field are:

22 - Credit to Checking Account	23 - Credit Prenote to Checking Account
27 - Debit to Checking Account	28 - Debit Prenote to Checking Account
32 - Credit to Savings Account	33 - Credit Prenote to Savings Account
37 - Debit to Savings Account	38 - Debit Prenote to Savings Account

Field 3 The Transit and Routing number for the bank where the account is held.

NOTE: Any Transit and Routing number that begins with a 5 is INVALID
and should not be used.

Field 4 This is the 9th digit of the Transit and Routing number. If the 9th digit is not known, use the following formula to calculate the check digit:

Multiply each digit of the Routing number by the weight factor:

Position: 1 2 3 4 5 6 7 8

Weights: 3 7 1 3 7 1 3 7

Add the results of each multiplication.

Subtract the sum from the next highest multiple of 10. The result is the check digit.

Example: Routing Number - 0 4 2 0 0 0 3 1

Multiply by weight factor: 3 7 1 3 7 1 3 7

Sum: 0 28 2 0 0 0 9 7 = 46

Check Digit = 4 (50 minus 46)

Field 10 The value for this field should be:

0 - If no addenda records follow this record. TEL items must be 0.
1 - If addenda records are included.

Field 11 First 8 digits must contain the following numbers: 24207175
The next 7 digits will be the sequence number of the record beginning with 0000001 for the first record, 0000002 for the second record and so on.

ACH ENTRY DETAIL RECORD - WEB

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI ID	CHECK DIGIT	DFI ACCOUNT NUMBER
Field Inclusion Requirement	M	M	M	M	R
Contents	'6'	*Numeric	*TTTTAAAA	*Numeric	Alphameric
Length	1	2	8	1	17
Position	01-01	02-03	04-11	12-12	13-29

6	7	8	9	10	11
AMOUNT	ID NUMBER	INDIVIDUAL NAME/COMPANY NAME	PAYMENT TYPE CODE	ADDENDA RECORD INDICATOR	TRACE NUMBER
M	O	R	R	M	M
$$$$$$$$cc	Alphameric	Alphameric	Alphameric	*Numeric	*Numeric
10	15	22	2	1	15
30-39	40-54	55-76	77-78	79-79	80-94

*NOTES:

Field 2 Most common values for this field are:

- 22 - Credit to Checking Account
- 23 - Credit Prenote to Checking Account
- 27 - Debit to Checking Account
- 28 - Debit Prenote to Checking Account
- 32 - Credit to Savings Account
- 33 - Credit Prenote to Savings Account
- 37 - Debit to Savings Account
- 38 - Debit Prenote to Savings Account

Field 3 The Transit and Routing number for the bank where the account is held.

NOTE: Any Transit and Routing number that begins with a 5 is INVALID and should not be used.

Field 4 This is the 9th digit of the Transit and Routing number. If the 9th digit is not known, use the following formula to calculate the check digit:

Multiply each digit of the Routing number by the weight factor:

Position: 1 2 3 4 5 6 7 8

Weights: 3 7 1 3 7 1 3 7

Add the results of each multiplication.

Subtract the sum from the next highest multiple of 10. The result is the check digit.

Example: Routing Number - 0 4 2 0 0 0 3 1

Multiply by weight factor: 3 7 1 3 7 1 3 7

Sum: 0 28 2 0 0 0 9 7 = 46

Check Digit = 4 (50 minus 46)

Field 10 The value for this field should be:

0 - If no addenda records follow this record.

1 - If addenda records are included.

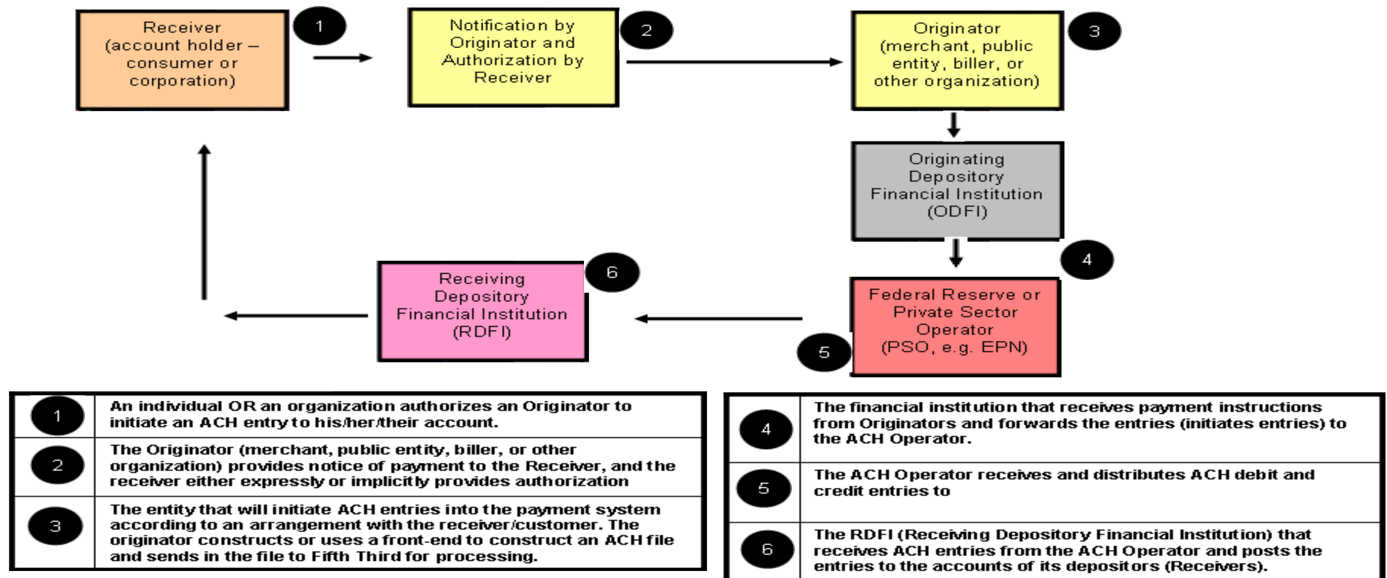
Field 11 First 8 digits must contain the following numbers: 24207175

The next 7 digits will be the sequence number of the record beginning with 0000001 for the first record, 0000002 for the second record and so on.

Additional file formats are available for CIE, CTX, MTE, POP, POS, SHR, and RCK if required.

2. Instructions for the origination of ACH entries.

Utilizing ACH Payables and Receivables solutions, Fifth Third clients can pay funds to or collect funds from account holders by originating ACH (debits or credits) with the Bank. The following illustrates the process flow and defines the ACH Network participants:



All ACH files are required to be in the NACHA format. Fifth Third can accept a file via a direct-send. A file can be sent directly via FTP, Connect:Direct, or through an upload process available on Fifth Third Direct.

3. Describe the security procedures, including file encryption.

Multi-level Authentication is used to verify data access and entry through the Internet portal, Fifth Third Direct.

Encryption is used for file transmissions. Fifth Third supports the following encryption methods:

- **FTP over a VPN**
- **Secure File Transfer Protocol (SFTP or FTP using SSH) – Requires the exchange of an SSH key**
- **FTPS or File Transfer Protocol Secure (FTPS or FTP using SSL) – Requires the use of an X509 certificate, or SSL certificate.**
- **Fifth Third Direct (https)**

- **PGP Encryption, which encrypts the transmission payload. PGP can be added to any of the above mentioned protocols.**

For Direct Send Transmission origination, Fifth Third Bank uses a sophisticated Voice Response Unit (VRU) or an Internet-based File Authentication Module for file verification. After sending an ACH file to the bank, ACH Direct Send clients are required to call the VRU or enter the total amount of the file online within the File Authentication Module. If the amount of the file differs from the amount reported, an ACH Customer Service Representative initiates a telephone call to the primary contact on the account to determine and resolve the discrepancy. This process is required to provide additional security for our customers.

Any payment file that is sent via direct transmission must be authenticated before it can be processed. Authentication requires the re-entry of the total dollar amount to ensure the correct file was transmitted. We ask that you verify file totals within 15 minutes of transmitting the file. This procedure serves as a dual control prior to file processing.

Authentication can be provided in one of three ways:

- **Fifth Third Direct File Authentication Module**
- **Telephone / VRU**
- **Electronic Control Totals**

4. Instructions for error resolutions in file transmission.

Fifth Third Bank provides an acknowledgement at the time of processing that contains the data elements requested, including confirmation of the number of transactions, the total dollar amount, the settlement date, and the erred transactions for all files delivered. Fifth Third Bank will provide the acknowledgement within 30 minutes of the receipt and authentication of files.

For Direct Send Transmission origination, Fifth Third Bank will deliver an acknowledgment file to the designated mailbox with 30 minutes of receipt and authentication of files.

If the amount of the file differs from the amount reported, an ACH Customer Service Representative initiates a telephone call to the primary contact on the account to determine and resolve the discrepancy. This process is required to provide additional security for our customers.

5. Number of days the file must be received prior to the effective pay date.

Fifth Third Bank recommends submitting ACH files 2 days prior to the effective date to allow for corrections if needed.

6. Indicate when the off-setting debit will post to the respective accounts (BOCC, COCC and SOE).

   The off-setting debit will post to the respective account on the effective date of the file.

7. Do you provide ACH return notification, and if so, how is the electronic information transmitted?

   Return items are received twice daily from ACH and are memo posted to the customer's account at the opening of business on the settlement day of the return. ACH returns are reported to customers through the following methods: Electronic, NACHA Returns, FAX, and Information Reporting service.

8. Provide a 12 – month calendar of banking holidays, with assurance that holidays will not affect direct deposit transmission dates. The Clerk's holiday schedule for calendar year 2014 is available at www.CollierClerk.com.

   2014 Holidays

   Fifth Third Bank adheres to the federal holiday calendar, which recognizes 10 holidays in 2014.

New Year's Day	**Wednesday, Jan. 1, 2014**
Dr. Martin Luther King, Jr. Day*	**Monday, Jan. 20, 2014**
Washington's Birthday*	**Monday, Feb. 17, 2014**
Memorial Day	**Monday, May 26, 2014**
Independence Day	**Friday, July 4, 2014**
Labor Day	**Monday, Sept. 1, 2014**
Columbus Day*	**Monday, Oct. 13, 2014**
Veterans Day*	**Tuesday, Nov. 11, 2014**
Thanksgiving Day	**Thursday, Nov. 27, 2014**
Christmas Day	**Thursday, Dec. 25, 2014**

9. Make provisions for electronic acknowledgment of each file transmission that is sent, identifying the total dollar amount of the file and the number of transaction(s).

   Fifth Third Bank provides an acknowledgement at the time of processing that contains the data elements requested, including confirmation of the number of transactions, the total dollar amount, the settlement date, and the erred transactions for all files delivered. Fifth Third Bank will provide the acknowledgement within 30 minutes of the receipt and authentication of files.

   For Direct Send Transmission origination, Fifth Third Bank will deliver an acknowledgment file to the designated mailbox with 30 minutes of receipt and authentication of files.

Any payment file that is sent via direct transmission must be authenticated before it can be processed. Authentication requires the re-entry of the total dollar amount to ensure the correct file was transmitted. We ask that you verify file totals within 15 minutes of transmitting the file. This procedure serves as a dual control prior to file processing.

Authentication can be provided in one of three ways:

- **Fifth Third Direct File Authentication Module**
- **Telephone / VRU**
- **Electronic Control Totals**

F. Positive Pay Services

The financial institution shall be capable of providing positive pay services for all checks and ACH transactions. Each proposal must include a response to the following:

We offer several variations of the traditional Positive Pay Service to provide you with additional fraud protection options.

- **Bank Maintained Positive Pay – Next day fraud prevention services by matching posted items to the client's check issue records. Exception items are presented to you through Fifth Third Direct.**
- **Payee Name Verification – This enhanced Positive Pay service mitigates fraud on the check payee line**
- **Perfect Posting Positive Pay – Eliminates encoding errors and offers expanded decision windows over traditional positive pay**
- **Client Maintained Positive Pay (Reverse Positive Pay) – If you want to maintain your issue file internally, Reverse Positive Pay allows you to review all checks presented each day and return fraudulent items within the Regulation CC check return timelines.**

Fifth Third Bank offers Payee Line Positive Pay which is an enhancement to Bank Maintained Positive Pay. This feature monitors paid items at the payee level to identify and prevent payee fraud. Perfect Posting Positive Pay is also available which is a unique blend of fraud prevention and Controlled Disbursement reporting services. Perfect Posting Positive Pay exception items are provided earlier in the morning in a scrubbed environment. The service provides the following benefits:

- **Correction of encoding errors prior to posting to DDA provides a precise daily account balance and eliminates the need for miscellaneous adjustments to the account.**
- **Stop payments are acknowledged and returned prior to DDA posting.**
- **An optional file containing daily paid checks is available for delivery on the same day as check presentment.**
- **An extended decision window is provided from 6:00 a.m. to 12:00 p.m. EST on the day after presentment.**

1. Provide the required file format.

STANDARD TRANSMISSION INPUT FILE SPECIFICATIONS FOR PAYEE LINE ISSUES

```
100520012345678000008154820020917000000009410POL#41004      VRANDI DEVOR
100520012345678000008154920020917000000063098POL#12003       REBECCA WARD
100520012345678000008155020020917000000002166OFFICE SUPPLIES SARA LEIMAN
2005200123456780000000003200209170000074674                  JOHN SMITH
100010098765432000001061620020917000000035000POL#126653333   LAMOND JONES
2000100987654320000000001200209170000035000                  JANE DOE
3005299999999990000000004200209170000109674                  JIM JAMES
```

Detail Record or "10" Record

	Detail Indicator		Bank Number		Account Number		Serial/ Check Number		Issue Date of Check		Amount	
Description	Static 2-digit field indicating a detail record		Provided by Fifth Third Bank, will be static by Account Number		Your Fifth Third Bank Account Number		Serial/Check number printed on the check		Date the check was created		Amount of the check	
Position Beg / End	01	02	03	05	06	15	16	25	26	33	34	44
Format	10		Right Justified Zero Filled		Right Justified Zero Filled		Right Justified Zero Filled		YYYYMMDD		Right Justified Zero Filled, Implied Decimal Point, and No Negatives	
Example	10		052		0012345678		0000815482		20020917		00000009410	

Additional Data		Void Indicator		Payee	
Most often used by customer to store extra information. Not used by system		Used to indicate a voided item that has not been issued. Does not impact the Amount Field layout		Payee name	
45	59	60	60	61	140
Left Justified Space Filled		"V" for Void Space if None		Payee data	
RANDI DEVOR		V		JOHN SMITH	

Account Total Record or "20" Record

	Account Total Indicator		Bank Number		Account Number		Number of Checks for the Account		File Date		Amount of Checks for the Account		Filler	
Description	Static 2-digit field indicating a detail record		Should be the same as the account being totals		The Account Number being totaled		The count of the checks in the Account Number being totaled		Date the check was created		Sum of the amounts of the checks being totaled		Not Used	
Position Beg / End	01	02	03	05	06	15	16	25	26	33	34	44	45	140
Format	20		Right Justified Zero Filled		Right Justified Zero Filled		Right Justified Zero Filled		YYYYMMDD		Right Justified Zero Filled, Implied Decimal Point, and No Negatives		Space Filled	
Example	20		052		0012345678		0000000003		20020917		00000074674			

File Total Record or "30" Record

	File Record Indicator		Bank Number		Filler		Number of Checks in File		File Date		Amount of Checks in File		Filler	
Description	Static 2-digit field indicating a detail record		Static 3-digit Field		Static Field		The count of the checks in the file		Date the file was created		Sum of the amounts of the checks in the file		Not Used	
Position Beg / End	01	02	03	05	06	15	16	25	26	33	34	44	45	140
Format	30		Right Justified Zero Filled		All Nines "9999999999"		Right Justified Zero Filled		YYYYMMDD		Right Justified Zero Filled, Implied Decimal Point, and No Negatives		Space Filled	
Example	30		???		9999999999		0000000004		20020917		00000109674			

2. Include the bank's positive pay agreement.

Please see the Master Treasury Agreement included as Appendix C. The Master Treasury Agreement includes the Positive Pay services.

3. The financial institution must be able to receive a direct data file transmission.

Fifth Third Bank acknowledges this requirement and can comply with the request.

4. What is the maximum frequency with which these transmissions can occur?

There are no frequency limitations with Positive Pay transmissions.

5. Exception items must be presented to the Clerk's Office electronically. Please provide the time that they will be available. No item shall be cleared without approval of the Clerk's office.

For Bank Maintained Positive Pay, exception items are presented to the County through Fifth Third Direct by 10:00 a.m. ET. The deadline for reporting exceptions to the County for the Perfect Posting Positive Pay product is 8:00 a.m.

The County's response deadline for pay or return decisions on any Positive Pay exception item is 2:00 p.m. ET.

7. Provide the latest time the bank will accept a positive pay file transmission for current day activity.

Clients using Bank Maintained Positive Pay are required to transmit check issue information to Fifth Third Bank as often as they issue checks and in the bank's standard format. All daily files should be transmitted to Fifth Third Bank by 7:00 p.m. EST.

G. Account Reconciliation and Statements

The bank will provide monthly bank statements and online reconciliation services for the accounts specified and for those established during the term of this contract. The following are minimum requirements for these services:

1. Provide cleared check information electronically, on a daily basis and per cleared item.

   Through Fifth Third Direct Account Management and Payments (AMP), the County can view images of checks, deposit tickets, and debit/credit memos. Through AMP the County can view the front and back of the images and retrieve 180 days of historical information.

2. Provide the BOCC, COCC and SOE account reconciliation data online, aggregated by bank account.

   Fifth Third Bank offers Account Reconciliation (ARP) which allows you to upload a list of all the checks that you issue. The bank then reconciles the account on a daily basis. At the end of the month we produce bank statements via paper, online on Fifth Third Direct or via file transmission that will show not only which checks have cleared, but also which ones have not.

3. Provide monthly statements within ten business days after the end of the calendar month.

   Bank Statements are mailed to clients within five business days after the statement cycle cut-off. Statements are available online the morning following the statement cycle cut-off and can be downloaded in PDF format. Account Analysis statements are available on the 10th business day of every month and can be retrieved either through a direct send file or by downloading through our Internet portal, Fifth Third Direct. Typically, the analysis statement is mailed to the customer within 72 hours after analysis is processed.

4. The bank will provide all debit and credit memorandums with each monthly statement.

   Images of debit or credit memorandums posted to the County's accounts will be provided on the monthly image statement. Through Fifth Third Direct Account Management and Payments (AMP), the County can view images debit and/or credit memos and retrieve 180 days of historical information.

5. All cancelled check and deposit images will be available online to the Clerk's Office within 10 days after the end of the calendar month.

   Image capture of all paid checks and deposits for Collier County will be provided through Image File Transmission. Paid check and deposit images are available within 2 business days after the end of the calendar month.

   Image capture is also available through CD-ROM and Account Management and Payments. CD-ROM is available on a daily, weekly, or quarterly basis and is sent within six business days of the designated cut off time. Account Management and Payments is available for 6 months of history. Additional history is available through our 7- year online archive for an additional fee.

6. Provide details of your imaging service including system features and hardware requirements.

   Image capture is available through a file transmission, CD-ROM and Account Management and Payments. File transmission and CD-ROM is available on a daily, weekly, or quarterly basis. The CD-ROM and is sent within six business days of the designated cut off time. Account Management and Payments is available for 6 months of history. Additional history is available through our 7- year online archive for an additional fee.

   By utilizing image file transmission it will allow the County quicker access by having the ability to download the images. This streamlines search capabilities by allowing the County to search months or even years of data. It also eliminates the space and required security in storing CD-ROMS.

   Hardware and Software Recommendations

   - **Windows Version 7 or higher**
   - **PC with a CD-ROM drive**
   - **100 MB or greater available memory on the hard disk**
   - **1 GB RAM**
   - **VGA or color monitor**
   - **HP Ink Laser Jet, or compatible printer**

   Communications Recommendations

   - **128k ISDN - Integrated Systems Digital Network line**
   - **68k ADSL - Asynchronous Digital Subscriber line**
   - **1000k Cable Modem**
   - **1500k T1 line**
   - **3000k T3 line**
   - **Use of a 28k or 56k Modem is not recommended, given the size of image file downloads**

H. Account Analysis Statements

1. The bank agrees to provide separate monthly analysis statements for each of the BOCC, COCC and SOE accounts.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

2. Monthly summary analysis will be provided showing the combined activity for all BOCC, COCC and SOE accounts.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

3. The analysis statements will, at a minimum, itemize the services provided, volume processed, unit charges and extended totals.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

4. Monthly analysis statements will be made available online.

   Bank Statements are mailed to clients within five business days after the statement cycle cut-off. Statements are available online the morning following the statement cycle cut-off and can be downloaded in PDF format. Account Analysis statements are available on the 10th business day of every month and can be retrieved either through a direct send file or by downloading through our Internet portal, Fifth Third Direct. Bank and analysis statements will be sent via US Mail. Analysis statements are typically mailed to the customer within 72 hours after analysis is processed. Alternate delivery methods are direct transmission, or EDI 822.

I. Daylight Overdraft

Occasionally, the BOCC concentration account sends out a large outgoing wire transfer which necessitates the funds to cover these transactions be wired from an outside investment source (i.e., custodial account). Generally, the outgoing wire is ready for processing prior to the receipt of the funds necessary to cover this transaction, thereby creating a daylight overdraft. The successful proposer will demonstrate the ability to cover these overdrafts without assessing penalties or interest.

In the event a ACH file or wire transfer would overdraft the account it would require the approval from the Relationship Manager prior to the payment being released. Fifth Third Bank has the ability to provide daylight overdraft protection, upon credit approval, to assure ACH and wires are processed if an overdraft situation would occur. Fifth Third Bank will work with the County to determine the appropriate amount required if the County determines the service is needed.

J. Foreign Items

Please describe the process required by your financial institution for depositing foreign checks.

Foreign items drawn on the currency of the country (as well as USD in Canada) are given immediate credit if less than $5,000 USD equivalent, and are sent for Collection if over $5,000. Collection can take 2-8 weeks, depending upon the country and response time of the bank on which it is drawn. From time to time, a Relationship Manager may give approval for immediate credit for items over $5,000.

K. Payment for Banking Services

Please discuss the methods of fee payment available to the County. If an earnings credit methodology is proposed please provide the details for its calculation and the calculation of the earnings credit rate (ECR). In addition, please provide a minimum ECR rate. Direct invoice payment terms shall be net 45 days from date of receipt. At no time shall the bank automatically debit any account for service charges or fees.

Fifth Third Bank is able to meet the monthly invoice requirement, however in the event the invoice is not paid by day 60 the amount due will be direct debited from the DDA.

Complete the applicable unit price for services along with the monthly totals for each line item in Exhibit A. In addition, at the bottom of Exhibit A**, include any fees your institution will assess that may not appear in this exhibit or that are related to expanded services.**

Exhibit A has been provided as part of the RFP Pricing Response

L. Retail Lockbox Services

The BOCC currently utilizes a lockbox for the collection and processing of utility payments. A response to the following must be included in each proposal:

1. Provide the bank's retail lockbox agreement.

   Please see the Master Treasury Agreement included as Appendix C. The Master Treasury Agreement includes the Retail Lockbox services.

2. Please indicate the proposed location of the lockbox site, including address. Also, provide an alternate lockbox processing location in the event the primary location is unable to process payments.

   Fifth Third Bank is recommending our Miami, Florida lockbox location as primary processing facility. Our Miami lockbox site is located at 5715 NW 158th Street in Hialeah, Florida. An alternate processing location is located in Cincinnati, Ohio. Our Cincinnati lockbox site is located at 5050 Kingsley Dr, Cincinnati, Oh 45227.

3. Is the retail lockbox processing being performed by the bank, or by a third party? If by third party, please identify and provide appropriate background information for evaluation.

   Fifth Third utilizes a Third Party processor to perform extraction and image services in our Miami location. All data captured by the service provider is housed within Fifth Thirds Retail Lockbox application. No work is captured on a host system and later transmitted to Fifth Third which, in effect, makes the service provider an extension of Fifth Third's extraction and image process. This offers Fifth Third far more control over the process. In addition, agreements are in place to address service levels and performance. The extraction and capture services are performed by HOV Services. The company profile is listed below and additional information can be found at www.hoveservices.com.

HOV Services Company Profile

HOV Services strives to exceed expectations for every one of our customers. As a leader in Global Business Process Outsourcing, we develop fully integrated solutions that combine best-of-breed technology, leading-edge infrastructure and domain expertise to give you the most streamlined process available. Our end to end solutions for healthcare, banking and publishing and our e-content management solutions coupled with workflow based large volume transaction processing services set standards for the industry. HOV Services applies LEAN Six Sigma techniques to improve quality, reduce cost and improve cycle time of your business processes.

HOV Services' customers include over 50% of FORTUNE 100® companies across key verticals such as financial services, telecommunications, healthcare, insurance, construction, publishing, finance and accounting and government. Our customers are serviced from more than 50 locations across North America, as well as India, China and Mexico and our dedicated base of more than 12,000 employees are committed to exceeding expectations every time.

For our customers, we create value by providing quality products and services that are delivered reliably and cost effectively to enhance their ability to operate profitable businesses. We aspire to "Exceed Expectations" through our innovative solutions, superior customer service and competitive desire to be the best BPO provider to our customers and their industry.

4. The bank must accept a CSV file from the BOCC's Utility Billing and Customer Service Department (UBCS) containing all customer numbers. This file will be sent weekly to the bank and this file will be used to verify that the account numbers, and format, match before the payment file is sent to UBCS.

   Fifth Third can accept a CSV file of BOCC's customer numbers.

5. What is the processor's average error rate per 1,000 items processed?

   A comprehensive set of operational controls is built into Fifth Third's Lockbox processing, encompassing hardware, software, procedures, funds controls, and physical site security. These controls are assembled in a cohesive manner to ensure processing integrity, quality, and timely delivery.

   Key control elements include:

   - **Comprehensive, mutually agreed-upon processing instructions, documented within the application and accessible online at all times by our processing staff.**
   - **Multiple systemic check points to monitor the integrity of transactions, batches, and deposits**
   - **A logical separation of duties, reviewed regularly by internal auditors.**
   - **Identification and separation of exception-oriented or complex accounts.**
   - **Strict control of checks, cash, and foreign items.**
   - **Controlled access to the building and Lockbox Operation.**
   - **Partnership with the USPS to ensure optimal performance to standards.**

- **Daily, weekly, and monthly internal meetings and reporting to assess departmental and customer-specific performance.**
- **Incoming mail is delivered on a predetermined schedule that is published for lockbox personnel. Once received, the number of trays are logged and dated. A visual audit is performed at the end of each processing day to ensure that all conforming mail has been processed. Fifth Third's Corporate Audit staff periodically tests these procedures to assure compliance.**

Please see below for Fifth Third Bank's average error rates:

Reports are compiled weekly and monthly on an individual customer basis. Performance levels for each indicator are reviewed for variances to standard, and corrective action is taken as needed. Client Service Representatives proactively communicate with clients when errors are identified.

RETAIL LOCKBOX - ALL SITES	Goal	OCT	NOV	DEC
Encoding Accuracy Rate	99.9974%	99.9979%	99.9987%	99.9989%
Misapplied Payment Accuracy Rate	99.9974%	99.9994%	99.9989%	99.9994%
Procedural Accuracy Rate	99.9974%	100.0000%	100.0000%	100.0000%
Distribution Accuracy Rate	99.9950%	100.0000%	100.0000%	100.0000%
Deposit Reporting Accuracy Rate	99.9950%	100.0000%	100.0000%	100.0000%
Failed / Late Detail Reporting Accuracy Rate	99.5000%	99.6678%	99.6555%	99.3016%

Item Processing Error Rate
# of Items Processed Incorrectly
Incorrectly – 395 x 10,000

99.9986%

Total # of Items Processed - 29,005,475

Failed/Late Processing Error Rate
# of Files Not Processed or
Processed Late – 105 x 1,000

99.6909%

Total # of Files Processed – 33,975

The following is the error rates for Collier County:

	2013	2014
Total files	72,332	33,975
Late files	536	105
Success Rate	99.2590%	99.6909%

	2013	2014
Collier Files	251	108
Collier Late Files	0	0
Success Rate	100.0000%	100.0000%

	2013	2014
LBX Volume	66,305,146	29,005,475
LBX Defects	831	395
LBX Success Rate	99.9987%	99.9986%
LBX DPM	13	14

	2013	2014
LBX Encoding Defects	396	138
LBX Encoding Success Rate	99.9994%	99.9995%
LBX Encoding DPM	6	5

	2013	2014
Collier Volume	311,668	133,153
Collier Defects	5	1
Collier Success Rate	99.9984%	99.9992%
Collier DPM	16	8

	2013	2014
Collier Encoding Defects	2	0
Collier Encoding Success Rate	99.9994%	100.0000%
Collier Encoding DPM	6	0

6. Explain the process that will be used to process payments representing multiple accounts.

Our Retail lockbox currently posts the payments to the multiple accounts listed on the correspondence or check skirt based on the County's processing instructions.

7. The bank must provide online access to payment detail on a same day basis. Such data would include all checks, stub images, customer account number, check number and dollar amount, and be available no later than 2:00 P.M. The bank must also provide internet access to accounts sufficient to allow the viewing of returned checks.

Lockbox file transmission data is currently provided to the County by 3:00 P.M. EST. The transmission time can be adjusted to 2:00 P.M EST if the County desires. Fifth Third Bank has the ability to provide images of the entire transaction in both Retail and Wholesale Lockbox. These images can be presented to the County via Fifth Third Direct, transmission, long term archive, or CD. Images uploaded to Fifth Third Direct are available by 1:00 p.m. ET. Fifth Third Bank will work with the County to provide the images that are required using your preferred media.

In the event an item is returned as insufficient funds the County's account will be debited for the item the day it is received by Fifth Third Bank. Returned checks are processed daily and mailed to the customer. The County will have the ability to see the image via Returns Management the next-business-day. Returns Management via Fifth Third Direct: Provides summary, detail, and chargeback information on returned deposited item activity. Returns Management includes details on both re-presentments and chargebacks, and reporting is maintained for 6 months.

Returns Management via Fifth Third Direct also includes:

- **Images of all returned deposited items (the front and back of each check)**
- **Returned deposited item histories**
- **Robust search tools**
- **The ability to export returned deposited item data (for import into Accounts Receivable applications)**
- **The ability to view, print, and save to local directories returned deposited item images (ex: for attachment in e-mails).**

Optional fields include:

- **Maker name**
- **Location / store number**
- **Check date**

8. All information related to payments that do not have either a payment stub enclosed or an account number shown on the check will be sent via overnight mail to UBCS. All correspondence received by the lockbox will also be sent via overnight mail to UBCS.

Fifth Third offers a wide range of services that enable payment exceptions to be resolved efficiently.

WEB Exceptions is a service that allows the County to decision exceptions the same day work is processed by Fifth Third. Retail Lockbox Operations will process work according to your current instructions, and exceptions are sent to the WEB Exception module within the Bank's Internet portal, Fifth Third Direct. You provide the missing information for each of the transactions prior to an agreed upon deadline and Fifth Third will include the completed information in the County's daily transmission.

Lookup services (online) enable Fifth Third to retrieve crucial payment information that is necessary to resolve payment exceptions. This service utilizes a secure link into your systems to access relevant customer information necessary for payment processing.

Lookup services (file) enables Fifth Third to retrieve crucial payment information necessary to resolve payment exceptions through the use of a comprehensive customer data file provided by the County to Fifth Third on a predetermined schedule. The County is currently utilizing this service to resolve exception items.

Suspense processing allows Fifth Third to utilize default account information provided by the County to resolve payment exceptions missing necessary data elements in order to enable the corresponding check to be deposited same day.

Fifth Third will also work with the County to customize an exception processing solution that fully meets your particular need.

If the County decides not to utilize one of the exception processes listed above, Fifth Third will send all payments that do not have a coupon or the account number written on the check to UBCS via overnight. In addition Fifth Third will return all correspondence in a similar manner.

9. How frequently is the mail picked up at the lockbox? In addition, what is the last mail pickup time that will be included in that days' deposit.

For the Miami site all the mail collected at 8:00 A.M EST would be included in the file transmission same day. Ninety percent of mail from the 5:30 a.m. pickup in Cincinnati is processed for same day deposit. Items received after 5:30 a.m. are processed for the next day's deposit, but still enter the clearing process throughout the evening for collection to obtain optimum availability. All weekend and holiday processing is included in next business day's work.

Site	Time Zone	Monday – Friday	Saturday	Sunday
Cincinnati (5/3)	ET	01:00, 04:00, 05:00, 07:00, 19:00, 21:00, 23:00	01:00, 04:00, 07:00, 23:00	01:00, 07:00, 21:00
Miami	ET	08:00	08:00	

10. Provide the operating hours of the processor's lockbox department and provide a contact person for the UBCS lockbox account.

    The lockbox operating hours are 24 hours 7 days a week. If UBCS has questions or inquiries your contact would be Joan Raborn at 239-591-6398. If additional resources are required to resolve an issue or concern Joan will coordinate those efforts.

11. A fax or e-mail must be provided to the BOCC's Utility Billing Department by 2:00 P.M. EST, each day identifying the total deposit amount and number of transactions.

    Fifth Third Bank has the ability to provide a summary report to the County via fax or email that includes the total deposit amount and the number of transactions.

12. Please define the testing and implementation time required to "go live" after the award of contract, including as detailed a schedule as possible.

    Since Collier County is an existing client the lockboxes are already active. In the event the County decides to implement enhancements to your existing lockbox set up, your Fifth Third Bank team would work closely with key stakeholders at the County to thoughtfully design a customized implementation plan with jointly agreed upon milestone dates and deliverables.

13. Upon bank selection, lockbox testing must be successfully completed in a timely manner.

    Since Collier County is an existing client the lockboxes are already active, therefore lockbox testing would not be required.

14. Please provide protocols for the resolution of errors related to file transmission.

    In the event of a file transmission error your Client Advisor, Joan Raborn, is your first point of contact. If additional resources are required to resolve the issue Joan will coordinate those efforts to resolve the issue as promptly as possible.

Additional technical specifications and requirements for Retail Lockbox Services are available upon request.

M. Wholesale Lockbox Services

The BOCC currently utilizes a lockbox for the collection and processing of Emergency Medical Services (EMS) payments. A response to the following must be included in each proposal:

1. Provide the bank's wholesale lockbox agreement.

   Please see the Master Treasury Agreement included as Appendix C. The Master Treasury Agreement includes the Wholesale Lockbox services.

2. Please indicate the proposed location of the lockbox site, including address. Also, provide an alternate lockbox processing location in the event the primary location is unable to process payments.

   Fifth Third Bank is recommending our Miami, Florida lockbox location as primary processing facility. Our Miami lockbox site is located at 5715 NW 158th Street in Hialeah, Florida. An alternate processing location is located in Cincinnati, Ohio. Our Cincinnati lockbox site is located at 5050 Kingsley Dr, Cincinnati, Oh 45227.

3. Is the wholesale lockbox processing being performed by the bank, or by a third party? If by third party, please identify and provide appropriate background information for evaluation.

   Fifth Third utilizes a Third Party processor to perform extraction and image services in our Miami location. All data captured by the service provider is housed within Fifth Thirds Wholesale Lockbox application. No work is captured on a host system and later transmitted to Fifth Third which, in effect, makes the service provider an extension of Fifth Third's extraction and image process. This offers Fifth Third far more control over the process. In addition, agreements are in place to address service levels and performance. The extraction and capture services are performed by HOV Services. The company profile is listed below and additional information can be found at www.hoveservices.com.

   HOV Services Company Profile

   HOV Services strives to exceed expectations for every one of our customers. As a leader in Global Business Process Outsourcing, we develop fully integrated solutions that combine best-of-breed technology, leading-edge infrastructure and domain expertise to give you the most streamlined process available. Our end to end solutions for healthcare, banking and publishing and our e-content management solutions coupled with workflow based large volume transaction processing services set standards for the industry. HOV Services applies LEAN Six Sigma techniques to improve quality, reduce cost and improve cycle time of your business processes.

   HOV Services' customers include over 50% of FORTUNE 100® companies across key verticals such as financial services, telecommunications, healthcare, insurance, construction, publishing, finance and accounting and government. Our customers are serviced from more than 50 locations across North America, as well as India, China and Mexico and our dedicated base of more than 12,000 employees are committed to exceeding expectations every time.

   For our customers, we create value by providing quality products and services that are delivered reliably and cost effectively to enhance their ability to operate profitable businesses. We aspire to "Exceed Expectations" through our innovative solutions, superior customer service and competitive desire to be the best BPO provider to our customers and their industry.

4. What is the processor's average error rate per 1,000 items processed?

A comprehensive set of operational controls is built into Fifth Third's Lockbox processing, encompassing hardware, software, procedures, funds controls, and physical site security. These controls are assembled in a cohesive manner to ensure processing integrity, quality, and timely delivery.

Key control elements include:

- **Comprehensive, mutually agreed-upon processing instructions, documented within the application and accessible online at all times by our processing staff.**
- **Multiple systemic check points to monitor the integrity of transactions, batches, and deposits**
- **A logical separation of duties, reviewed regularly by internal auditors.**
- **Identification and separation of exception-oriented or complex accounts.**
- **Strict control of checks, cash, and foreign items.**
- **Controlled access to the building and Lockbox Operation.**
- **Partnership with the USPS to ensure optimal performance to standards.**
- **Daily, weekly, and monthly internal meetings and reporting to assess departmental and customer-specific performance.**
- **Incoming mail is delivered on a predetermined schedule that is published for lockbox personnel. Once received, the number of trays are logged and dated. A visual audit is performed at the end of each processing day to ensure that all conforming mail has been processed. Fifth Third's Corporate Audit staff periodically tests these procedures to assure compliance.**

The following is the error rates for Collier County:

Wholesale Lockbox		
	2013	**2014**
LBX Volume	21,772,153	9,506,254
LBX Defects	2585	905
LBX Success Rate	99.9881%	99.9905%
LBX DPM	119	95

	2013	**2014**
LBX Encoding Defects	242	74
LBX Encoding Success Rate	99.9989%	99.9992%
LBX Encoding DPM	11	8

	2013	2014
Collier Volume	27,197	13,464
Collier Defects	1	1
Collier Success Rate	99.9963%	99.9926%
Collier DPM	37	74

	2013	2014
Collier Encoding Defects	0	0
Collier Encoding Success Rate	100.0000%	100.0000%

5. Explain the process that will be used to process payments representing multiple accounts.

Our Retail lockbox currently posts the payments to the multiple accounts listed on the correspondence or check skirt based on the County's processing instructions.

6. The bank must provide online access to payment detail on a same day basis. Such data would include all checks, stub images, customer account number, check number and dollar amount, and be available no later than 2:00 P.M. The bank must also provide internet access to accounts sufficient to allow the viewing of returned checks.

Lockbox file transmission data is currently provided to the County by 3:00 P.M. EST. The transmission time can be adjusted to 2:00 P.M EST if the County desires. Fifth Third Bank has the ability to provide images of the entire transaction in both Retail and Wholesale Lockbox. These images can be presented to the County via Fifth Third Direct, transmission, long term archive, or CD. Images uploaded to Fifth Third Direct are available by 1:00 p.m. ET. Fifth Third Bank will work with the County to provide the images that are required using your preferred media.

In the event an item is returned as insufficient funds the County's account will be debited for the item the day it is received by Fifth Third Bank. Returned checks are processed daily and mailed to the customer. The County will have the ability to see the image via Returns Management the next-business-day. Returns Management via Fifth Third Direct: Provides summary, detail, and chargeback information on returned deposited item activity. Returns Management includes details on both re-presentments and chargebacks, and reporting is maintained for 6 months.

Returns Management via Fifth Third Direct also includes:

- **Images of all returned deposited items (the front and back of each check)**
- **Returned deposited item histories**
- **Robust search tools**
- **The ability to export returned deposited item data (for import into Accounts Receivable applications)**

- **The ability to view, print, and save to local directories returned deposited item images (ex: for attachment in e-mails).**

Optional fields include:

- **Maker name**
- **Location / store number**
- **Check date**

7. All information related to payments that do not have either a payment stub enclosed or an account number shown on the check will be communicated to EMS not later than the next day. All correspondence received by the lockbox will be scanned and made available on the bank's website the following day.

For items that are missing an account number or payment stub, Fifth Third Bank has the ability to image the item with a designated exception account number the County chooses. Once the item is imaged this will allow EMS to apply the payment appropriately without a delay.

Benefits to the County of imaging include:

- **Elimination of the need to receive and store paper receivables**
- **Faster access to specific check images improves dispute resolution**
- **Search capabilities enable rapid access to information**

Fifth Third Bank has the ability to provide images of the entire transaction in both Retail and Wholesale Lockbox. These images can be presented to the County via Fifth Third Direct, transmission, long term archive, or CD. Images uploaded to Fifth Third Direct are available by 1:00 p.m. ET. Fifth Third Bank will work with the County to provide the images that are required using your preferred media.

If the County decides not to utilize one of the exception processes listed above, Fifth Third can send all payments that do not have a coupon or the account number written on the check to EMS via overnight. In addition Fifth Third can return all correspondence in a similar manner.

8. How frequently is the mail picked up at the lockbox? In addition, what is the last mail pickup time that will be included in that days' deposit.

For the Miami site all the mail collected at 8:00 A.M EST would be included in the file transmission same day. Ninety percent of mail from the 5:30 a.m. pickup in Cincinnati is processed for same day deposit. Items received after 5:30 a.m. are processed for the next day's deposit, but still enter the clearing process throughout the evening for collection to obtain optimum availability. All weekend and holiday processing is included in next business day's work.

Site	Time Zone	Monday – Friday	Saturday	Sunday
Cincinnati (5/3)	ET	01:00, 04:00, 05:00, 07:00, 19:00, 21:00, 23:00	01:00, 04:00, 07:00, 23:00	01:00, 07:00, 21:00
Miami	ET	08:00	08:00	

9. Provide the operating hours of the processor's lockbox department and provide a contact person for the EMS lockbox account.

   The lockbox operating hours are 24 hours 7 days a week. If UBCS has questions or inquiries your contact would be Joan Raborn at 239-591-6398. If additional resources are required to resolve an issue or concern Joan will coordinate those efforts.

10. A fax or e-mail must be provided to EMS personnel by 3:00 P.M. each day identifying the total deposit amount and number of transactions.

    Fifth Third Bank has the ability to provide a summary report to the County via fax or email that includes the total deposit amount and the number of transactions.

11. Please define the testing and implementation time required to "go live" after the award of contract.

    Since Collier County is an existing client the lockboxes are already active. In the event the County decides to implement enhancements to your existing lockbox set up, your Fifth Third Bank team would work closely with key stakeholders at the County to thoughtfully design a customized implementation plan with jointly agreed upon milestone dates and deliverables.

12. Upon bank selection, lockbox testing must be completed in a timely manner.

    Since Collier County is an existing client the lockboxes are already active, therefore lockbox testing would not be required.

Additional technical specifications and requirements for wholesale lockbox services are available upon request.

N. Pre-Authorized Debits (Drafts)

Pre-authorized d ebits are used in conjunction with the Board's Utility Billing Department operation; as a result the following criteria exist:

1. The bank must be capable of receiving and processing encrypted pre- authorized debit files received from UBCS.

Fifth Third supports the following encryption methods:

- **FTP over a VPN**
- **Secure File Transfer Protocol (SFTP or FTP using SSH) – Requires the exchange of an SSH key**
- **FTPS or File Transfer Protocol Secure (FTPS or FTP using SSL) – Requires the use of an X509 certificate, or SSL certificate.**
- **Fifth Third Direct (https)**
- **PGP Encryption, which encrypts the transmission payload. PGP can be added to any of the above mentioned protocols.**

Any personal financial information going over a public connection (the Internet) must be encrypted.

2. The bank must provide the required file format.

ACH ENTRY DETAIL RECORD - ARC, BOC

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI ID	CHECK DIGIT	DFI ACCOUNT NUMBER
Field Inclusion Requirement	M	M	M	M	R
Contents	'6'	*Numeric	*TTTTAAAA	*Numeric	Alphameric
Length	1	2	8	1	17
Position	01-01	02-03	04-11	12-12	13-29

6	7	8	9	10	11
AMOUNT	CHECK SERIAL NUMBER	INDIVIDUAL NAME/COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
M	M	O	O	M	M
$$$$$$$$cc	Alphameric	Alphameric	Alphameric	*Numeric	*Numeric
10	15	22	2	1	15
30-39	40-54	55-76	77-78	79-79	80-94

*NOTES:

Field 2 Most common values for this field are:

22 - Credit to Checking Account
23 - Credit Prenote to Checking Account
27 - Debit to Checking Account
28 - Debit Prenote to Checking Account
32 - Credit to Savings Account
33 - Credit Prenote to Savings Account
37 - Debit to Savings Account
38 - Debit Prenote to Savings Account

Field 3 The Transit and Routing number for the bank where the account is held.

NOTE: Any Transit and Routing number that begins with a 5 is INVALID and should not be used.

Field 4 This is the 9th digit of the Transit and Routing number. If the 9th digit is not known, use the following formula to calculate the check digit:

Multiply each digit of the Routing number by the weight factor:

Position: 1 2 3 4 5 6 7 8

Weights: 3 7 1 3 7 1 3 7

Add the results of each multiplication.

Subtract the sum from the next highest multiple of 10. The result is the check digit.

Example: Routing Number - 0 4 2 0 0 0 3 1

Multiply by weight factor: 3 7 1 3 7 1 3 7

Sum: 0 28 2 0 0 0 9 7 = 46

Check Digit = 4 (50 minus 46)

Field 10 The value for this field should be:

0 - If no addenda records follow this record.

1 - If addenda records are included.

Field 11 First 8 digits must contain the following numbers: 24207175

The next 7 digits will be the sequence number of the record beginning with 0000001 for the first record, 0000002 for the second record and so on.

ACH ENTRY DETAIL RECORD - CCD, PPD, TEL

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI ID	CHECK DIGIT	DFI ACCOUNT NUMBER
Field Inclusion Requirement	M	M	M	M	R
Contents	'6'	*Numeric	*TTTTAAAA	*Numeric	Alphameric
Length	1	2	8	1	17
Position	01-01	02-03	04-11	12-12	13-29

6	7	8	9	10	11
AMOUNT	ID NUMBER	INDIVIDUAL NAME/COMPANY NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
M	O	R	O	M	M
$$$$$$$$cc	Alphameric	Alphameric	Alphameric	*Numeric	*Numeric
10	15	22	2	1	15
30-39	40-54	55-76	77-78	79-79	80-94

*NOTES:

Field 2 Most common values for this field are:

22 - Credit to Checking Account	23 - Credit Prenote to Checking Account
27 - Debit to Checking Account	28 - Debit Prenote to Checking Account
32 - Credit to Savings Account	33 - Credit Prenote to Savings Account
37 - Debit to Savings Account	38 - Debit Prenote to Savings Account

Field 3 The Transit and Routing number for the bank where the account is held.

NOTE: Any Transit and Routing number that begins with a 5 is INVALID
and should not be used.

Field 4 This is the 9th digit of the Transit and Routing number. If the 9th digit is not known, use the following formula to calculate the check digit:

Multiply each digit of the Routing number by the weight factor:

Position: 1 2 3 4 5 6 7 8

Weights: 3 7 1 3 7 1 3 7

Add the results of each multiplication.

Subtract the sum from the next highest multiple of 10. The result is the check digit.

Example: Routing Number - 0 4 2 0 0 0 3 1

Multiply by weight factor: 3 7 1 3 7 1 3 7

Sum: 0 28 2 0 0 0 9 7 = 46

Check Digit = 4 (50 minus 46)

Field 10 The value for this field should be:

0 - If no addenda records follow this record. TEL items must be 0.
1 - If addenda records are included.

Field 11 First 8 digits must contain the following numbers: 24207175
The next 7 digits will be the sequence number of the record beginning with 0000001 for the first record, 0000002 for the second record and so on.

ACH ENTRY DETAIL RECORD - WEB

FIELD	1	2	3	4	5
DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DFI ID	CHECK DIGIT	DFI ACCOUNT NUMBER
Field Inclusion Requirement	M	M	M	M	R
Contents	'6'	*Numeric	*TTTTAAAA	*Numeric	Alphameric
Length	1	2	8	1	17
Position	01-01	02-03	04-11	12-12	13-29

6	7	8	9	10	11
AMOUNT	ID NUMBER	INDIVIDUAL NAME/COMPANY NAME	PAYMENT TYPE CODE	ADDENDA RECORD INDICATOR	TRACE NUMBER
M	O	R	R	M	M
$$$$$$$$cc	Alphameric	Alphameric	Alphameric	*Numeric	*Numeric
10	15	22	2	1	15
30-39	40-54	55-76	77-78	79-79	80-94

*NOTES:

Field 2 Most common values for this field are:

22 - Credit to Checking Account
23 - Credit Prenote to Checking Account
27 - Debit to Checking Account
28 - Debit Prenote to Checking Account
32 - Credit to Savings Account
33 - Credit Prenote to Savings Account
37 - Debit to Savings Account
38 - Debit Prenote to Savings Account

Field 3 The Transit and Routing number for the bank where the account is held.

NOTE: Any Transit and Routing number that begins with a 5 is INVALID and should not be used.

Field 4 This is the 9th digit of the Transit and Routing number. If the 9th digit is not known, use the following formula to calculate the check digit:

Multiply each digit of the Routing number by the weight factor:

Position: 1 2 3 4 5 6 7 8

Weights: 3 7 1 3 7 1 3 7

Add the results of each multiplication.

Subtract the sum from the next highest multiple of 10. The result is the check digit.

Example: Routing Number - 0 4 2 0 0 0 3 1

Multiply by weight factor: 3 7 1 3 7 1 3 7

Sum: 0 28 2 0 0 0 9 7 = 46

Check Digit = 4 (50 minus 46)

Field 10 The value for this field should be:

0 - If no addenda records follow this record.

1 - If addenda records are included.

Field 11 First 8 digits must contain the following numbers: 24207175

The next 7 digits will be the sequence number of the record beginning with 0000001 for the first record, 0000002 for the second record and so on.

Additional file formats are available for CIE, CTX, MTE, POP, POS, SHR, and RCK if required.

3. Provide the maximum number of files that can be transmitted to the bank each day.

Fifth Third Bank does not have a limit in the number of files that can be transmitted each day.

4. What is the latest time a transmission will be accepted?

Cut-Off Time Times			
Customer Input Method	Book Transfer (Same Day Settlement)	Next Day Settlement	2 or more Days Settlement
Direct Transmission	10:00 p.m. EST	10:00 p.m. EST	10:00 p.m. EST
Internet	8:00 p.m. EST	8:00 p.m. EST	8:00 p.m. EST

We also offer, as a premium service, an 11:30 p.m. cutoff.

5. The bank must provide a daily e-mail for each file transmitted confirming the following:

- Numbers of records received and returned ACH items
- Total dollar amount of the batch received
- Date payments will be applied to the BOCC's account
- Any errors that have occurred

Fifth Third Bank provides an acknowledgement at the time of processing that contains the data elements requested, including confirmation of the number of transactions, the total dollar amount, the settlement date, and the erred transactions for all files delivered. Fifth Third Bank will provide the acknowledgement within 30 minutes of the receipt and authentication of files.

For Direct Send Transmission origination, Fifth Third Bank will deliver an acknowledgment file to the designated mailbox with 30 minutes of receipt and authentication of files.

If the amount of the file differs from the amount reported, an ACH Customer Service Representative initiates a telephone call to the primary contact on the account to determine and resolve the discrepancy. This process is required to provide additional security for our customers.

For Account Management and Payments file confirmation, online file receipt verification is sent once the file has been accepted by the application.

6. Provide instructions for error resolution in file transmission.

Fifth Third offers an Internet-based File Authentication Module for receipt verification. If the amount of the file differs from the amount reported, an ACH Customer Service Representative initiates a telephone call to the primary contact on the account to determine and resolve the discrepancy. This process is required to provide additional security for our customers.

O. Designated Account Executive and References

The Clerk requests that the proposing banks provide the names of a designated account executive, as well as an alternate. The designated account executives must be local and have the authority to make timely decisions in the normal course of business.

All of the following individuals are designated account executives:

Jim Mitchell
Relationship Manager
Vice President, Government & Institutional Banking
13350 Metro Pkwy.
Fort Myers, Florida 33966
Phone: 239-225-2004
James.Mitchell@53.com

Dawn Choate
Treasury Management Officer
Vice President, Treasury Management
999 Vanderbilt Beach Rd.
Naples, Florida 34108
Phone: 239-591-6480
Dawn.choate@53.com

Joan Raborn
Client Advisor
Officer, Commercial Banking
999 Vanderbilt Beach Rd.
Naples, Florida 34108
Phone: 239-591-6398
Joan.Raborn@53.com

Denesh Kalia
Treasury Management Sales Manager
Vice President, Treasury Management
200 E. Robinson St.
Orlando, Florida 32801
Phone: 407-999-3099
Denesh.Kalia@53.com

The bank should provide at least three (3) governmental clients as references. Please provide names, titles, addresses and telephone numbers.

Fifth Third Bank specializes in, and is committed, to the unique and often complex requirements of municipalities and local governments. Similar clients to Collier County include:

- **District School Board of Collier County**
- **City of Naples**
- **City of Clermont**
- **Nassau County Clerk of the Circuit Court**
- **City of Maitland**

Fifth Third Bank has had the privilege to partner with the Collier County since September 2000 providing Depository, Treasury Management, Merchant, and Investment services. Because Fifth Third Bank has a solid understanding of your business and operations, your

banking team has the opportunity to deliver value-added solutions designed to exceed the County's expectations for service and quality.

While understanding the government sector is key, time will be spent reviewing and documenting Collier County's specific business processes and financial operating routines to tailor solutions to enhance the County's workflows process and create additional efficiencies. The Curious Bank is our brand, value proposition, and our everyday promise to our customers. Our team of talented bankers is passionate about living the brand with every customer interaction, by demonstrating our commitment to better listening, better solutions, and better ideas.

The best indicator of future success— is past success. Collier County has many choices when it comes to meeting your financial needs, and you can't afford to select a bank that doesn't have your best interests at heart. We know that the most important testimonials about our commitment to client satisfaction come not from Fifth Third, but rather from our customers and other independent testimonials.

The School District of Collier County has 48 schools and serves a total student population of 44,481. There are 29 elementary schools, 10 middle schools, 8 high schools, and a PreK-thru-12 school (Everglades City School). There are also 12 Alternative School Programs.

The district's two career/technical centers (Lorenzo Walker Institute of Technology and Immokalee Technical Center) and adult education programs (located at several sites throughout the district) offer students both short- and long-term programs. The District School Board of Collier County became a client of Fifth Third Bank in 2003. Our relationship includes the following*:*

- ACH Transaction Control
- Account Reconciliation
- Check Positive Pay
- Imaging
- Electronic Deposit
- Information Reporting with ACH and Wire
- Branch Cash Services
- ACH Direct Send

Contact:
Sharon Quigley
Director of Accounting
5775 Osceola Trail
Naples, FL. 34109
Phone: 239-377-0058
Email: Quiglesh@colliershchools.com

Naples is a city in Collier County, Florida, United States and was founded during the late 1880s by former Confederate general and Kentucky U.S. Senator John Stuart Williams and his partner, Louisville businessman Walter N. Haldeman, the publisher of the Louisville Courier-Journal.

As of July 1, 2007, the U.S. Census Bureau estimated the city's population at 21,653. Naples is a principal city of the Naples-Marco Island, Florida Metropolitan Statistical Area, which had an estimated total population of 315,839 on July 1, 2007. The City of Naples became a client of Fifth Third Bank in 1992. Our relationship includes the following*:*

- Check Positive Pay
- Imaging
- Information Reporting with ACH and Wire
- Cash Vault Services

Contact:
Ann Marie Ricardi
Finance Director
738 8th Street South
Naples, FL. 34102
Phone: 239-213-1820
Email: ARicardi@naplesgov.com

Clermont was founded in 1884 and incorporated in 1916. The city is located in south Lake County in suburban central Florida. The population was 29,358 as of 2012. The City of Clermont became a client of Fifth Third Bank in 2009. Our relationship includes the following*:*

- Account Reconciliation
- Check and ACH Positive Pay
- Imaging
- Electronic Deposit
- Information Reporting with ACH and Wire
- Returns Management
- Retail Lockbox
- Cash Vault Services
- ACH Direct Send

Contact:
Regina M. Frazier
Finance Manager
P.O. Box 120219
Clermont, FL. 34712
Phone: 352-241-7369
Email: RFrazier@clermontfl.org

Nassau County was created in 1824 from Duval County. As of 2010, the population was 73,314. Nassau County became a client of Fifth Third Bank in 2010. Our relationship includes the following*:*

- Account Reconciliation with Positive Pay
- Imaging
- Electronic Deposit
- Information Reporting with ACH and Wire

Contact:
Ellen Straebel
Investment & Finance Operations Manager
76347 Veterans Way
Yulee, FL. 32097
Phone: 904-548-4661
Email: EStraebel@nassauclerk.com

Maitland is one of the oldest incorporated suburban municipalities in central Florida. The town is named after Fort Maitland, which was built in 1838. The population was 15,751 at the 2010 census. The City of Clermont became a client of Fifth Third Bank in 1978. Our relationship includes the following*:*

- Account Reconciliation
- Check and ACH Positive Pay
- Imaging
- Electronic Deposit
- Information Reporting with ACH and Wire
- Returns Management
- Retail Lockbox
- Branch Cash Services

Contact:
Sharon Anselmo
Finance Manager
1776 Independence Lane
Maitland, FL. 32751
Phone: 407-594-6201
Email: sanselmo@itsmymaitland.com

P. Custodial Arrangements

The Clerk desires to place all of its custodial services with the bank that serves as the depository bank for the County. The custodial services requested will be for various securities that are purchased from other dealers and banks. These securities will be purchased and then transferred to the depository bank to be placed in a custodial account within the bank's trust department. The trust department will act as the Clerk's agent for all custodial transactions. These securities will be held until they are called, sold or mature. The following amounts reflect the Clerk's estimate of the number of securities and par values that will be placed within the custodial account on an annual basis:

- Estimated number of annual transactions (sales, calls, purchases, maturities and coupon maturities): Approximately 80
- Number of securities held as of March 31, 2014: 21
- Fair value of securities held as of March 31, 2014: $609 Million

Monthly reports describing all activities within the custodial account will be provided electronically. As part of its response each bank will provide their general custodial services agreement for review.

The Clerk requires that all investment transactions clear through the respective concentration accounts. This should be construed to mean purchases, calls, maturities, sales and income postings. **This transaction activity shall not be netted in any circumstance.**

Fifth Third Bank acknowledges this requirement and can comply with the request. Fifth Third Bank's Custody Services Agreement has been included as Appendix E.

Q. Merchant Services

The Clerk requires merchant services processing for the BOCC and COCC agencies and requests that all proposers submit their merchant services processing format and processes for evaluation. A proposing bank shall provide merchant services to various departments throughout the BOCC and COCC at one discount rate. The bank shall submit individual merchant services invoices to the Clerk's Office monthly for all merchant charges, as well as provide daily and monthly settlement statements separate from its invoices for merchant charges. Settlement statements, merchant chargebacks and merchant charges shall be available online. The proposal must be inclusive of all rates and charges associated with merchant services. Payment Card Industry (PCI) compliance must be maintained by the successful bidder as a part of the merchant services processing requirement. The BOCC and COCC agencies do not desire to hold or handle cardholder information. The proposing financial institution understands that there are existing merchant services processors providing certain services to the BOCC and COCC agencies that must be integrated as a result of being selected. At the time of renewal of these individual arrangements consideration will be given to consolidating these services.

As an authority in the payments industry, we look forward to having the opportunity to continue to collaborate with you and your teammates to create, implement and support the most effective payment processing solution for your organization. Vantiv is committed to providing you with world-class service, competitive pricing, and over four decades of industry knowledge and experience in transaction processing.

Vantiv will continue to provide Collier County with Individual Merchant Service Statements for each of the locations that process on our network. All of our statements are also provided on our Direct online platform to all users possessing active Direct User IDs.

Our goal is to be an active partner in helping Collier County to succeed and to continue building a long-term business partnership. Although you will find Vantiv's pricing extremely competitive, making any business decisions on price alone is never a good idea. For your review, I have highlighted some key drivers concerning your merchant processing decision that differentiate Vantiv.

TOP QUALITY SERVICE: Vantiv will continue to provide you with a Relationship Manager, who is dedicated to meeting your needs, saving you money on additional interchange exposure, and delivering cutting edge new solutions to your business as they come to market.

DIRECT LINKS to all major credit and debit networks.

ONLINE REPORTING & CHARGEBACK MANAGEMENT (*Direct*): The most comprehensive financial, retrieval, and chargeback management solution of any processor in the business.

***Direct* features include:**

- **View detailed credit card transaction information from the past 18 months**
- **View 36 months of transaction summary data**
- **View 9 months of chargeback data**
- **View 9 months of authorization data**
- **Instantly verify double charges, returns, and other information**
- **Create online credits or debits (i.e. Gift Card sales at corporate office or customer adjustments)**
- **Use detailed interchange reports to ensure best interchange qualification**
- **Identify high occurrences of key-entered transactions in order to reduce downgrades**
- **Check the status of your outstanding retrieval items**
- **Request reversals to dispute chargebacks**
- **Search for particular items, sort on any field, and export data into other applications**
- **Use the report viewer to share reports with staff who do not have online access**
- **Virtual Terminal, which allows the ability to initiate sales & returns to assist with your back office processes.**

Gift Card Program (*Premier Issue*): Vantiv offers an in-house gift card program that runs on the same platform as your credit card transactions.

Prepaid Offerings: Vantiv can offer Collier County customized options and abilities to attract customers and engage employees. Collier County branded Prepaid cards are also ideal to reduce costs from check and cash payments. Prepaid traditionally offers businesses the ability to incent customers and employees, driving engagement and creating a loyal customer base.

Virtual Terminal: The Virtual Terminal functionality, a feature within Direct, allows merchants to authorize and settle credit card sale and return transactions (sales and returns) utilizing Vantiv's industry-leading Internet back-office systems. This feature offers the flexibility to resolve customer issues, re-key problem transactions and issue customer credits through Direct.

VALUE-ADDED SERVICES: Vantiv offers many additional value-added benefits to help you run your business, including:

- **Network Planning: to help you design a more efficient and cost effective communications system (i.e. conversion from Dial to IP/SSL or Frame Relay).**
- **Newsletters & Webinars: to share our knowledge and resources with our valued customers on industry news and association requirements.**
- **Annual Partnership Forum: to present vital industry information, provide networking opportunities, and breakout sessions that focus on critical topics relevant to how you do and grow your business.**
- **Security Products Suite: Tokenization, Encryption, Ecommerce Fraud assistance**

The following is a table outlining all merchant services activities for the period April 1, 2013 to March 31, 2014:

Site	Transactions	Amount
BCC – Utilities Online	112,327	$12,089,595.44
BCC – Utilities OTC/Telephone	13,501	2,362,062.20
BCC – Utilities North Naples	585	86,677.97
BCC – Utilities IVR	51,412	5,446,107.50
BCC – Landfill	8,643	1,080,119.85
BCC – Naples Recycling Center	499	17,623.45
BCC – Marco Recycling Center	188	6,952.30
BCC – Immokalee Recycling Center	559	46,803.02
BCC – North Collier Recycling Center	74	2,336.90
BCC – Growth Management Online	6,371	1,697,162.00
BCC – Parks and Rec. Parking/Beaches	40,672	334,726.35
BCC – Domestic Animal Services	2,188	108,918.53
COCC – Traffic	13,762	2,749,131.98
Total	**250,781**	**$25,992,217.49**

R. Miscellaneous Banking Requirements

All proposals must acknowledge if the financial institution can comply with each of the following requirements:

1. The Clerk's Office requires maximum anti-fraud protection on all BOCC, COCC and SOE accounts. Please indicate account protections and enhancements available to complement positive pay in ensuring that fraud does not impact the Clerk's bank accounts. Any related pricing should be included on Exhibit A.

   Fifth Third Bank offers ACH Positive Pay and Check Block service to protect the County against unwanted ACH and check clearing activity. The pricing for the services is included on Exhibit A.

2. All checks deposited to a BOCC, COCC or SOE account that are returned due to insufficient, unavailable or uncollected funds shall be re-deposited a second time as a standard procedure, without charge.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

3. The Clerk can establish additional accounts at any time utilizing the same fee structure as agreed upon during the contract period.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

4. All banking supplies will be provided free of charge i.e. deposit tickets, deposit stamps and deposit bags. All banking supplies shall be provided prior to contract commencement.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

5. All debit and credit memorandums used to adjust deposit errors on any BOCC, COCC or SOE account will be available online daily, with suitable backup, to the Clerk's Finance and Accounting Department. No debit and credit memoranda required to adjust errors caused by the bank will be charged to the Clerk.

   Our Transaction Inquiry service allows the County to access images of paid checks, deposit tickets with deposited items, and miscellaneous tickets for up to 7 years.

6. The bank must honor all over the counter checks drawn on any BOCC, COCC or SOE as they are presented. Prior to refusing payment on any BOCC, COCC or SOE account the financial institution agrees to contact the Clerk's Finance and Accounting Department.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

7. The bank will treat all BOCC, COCC or SOE checks that are four months or older (from date of issuance) as stale dated and deem them non-negotiable.

   The standard time frame for a check to be considered stale dated is six months after the date of issuance. If the County includes the verbiage on the check that it is void after four month we can comply with the four month stale date period.

8. The bank will provide Magnetic Ink Character Recognition (MICR) check specifications to the check printer.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

9. The bank will annually provide the Clerk's Office a list of all accounts at the bank using the BOCC, COCC and SOE's respective Federal Identification Numbers as part of the Qualified Public Depositor Report filing process.

   Fifth Third Bank acknowledges this requirement and can comply with the request.

10. Please provide the bank's automated teller machine agreement, including relevant specifications and requirements, if any, for review.

    Fifth Third Bank's ATM Agreement has been included as Appendix D.

11. Please include separate pricing for armored courier service to be provided through the bank so that it can be compared to the Clerk's current arrangement for courier services.

    Fifth Third Bank will only provides armored car services in association with our Currency Processing Solution (CPS) Smart Safe Technology. For General cash processing the County may select and contract with any approved armored car service. Many approved armored car providers service our clients into, and out of, Brinks sites. All armored car services provided to the County will be provided directly by the armored car provider. Fifth third Bank does not offer armored car services.

S. Disaster Recovery Plan

In the event of a disaster the availability of information reporting, wire transfers, ACH and payroll services are critical for the emergency operations of the BOCC, COCC and SOE. Please describe your institution's disaster recovery plan and how that plan relates to the continuing operation of the BOCC, COCC and the SOE in a disaster situation. Some specifics follow:

Disaster Recovery and Business Continuity Management at Fifth Third Bank is an enterprise-wide, risk-based program, allowing for consistent execution of business continuance strategies across all lines of business, in all markets, by taking proactive measures to provide for the security and safety of the customers and employees, while mitigating the impact of a service disruption. This is accomplished through planning and analysis, and the creation and execution of business continuity, disaster recovery and event management plans, in collaboration with or as a key component of an integrated risk management initiative.

The Disaster Recovery and Business Continuity Management program is separated into three primary, integrated areas of focus: business continuity planning; disaster recovery planning; and event management. This allows us to concentrate our efforts and resources in the most efficient manner possible.

Due to the size, complexity and unique structure of Fifth Third Bank, plans are developed by business line, national, regional and main office, or in other circumstances, to address specific risks or management of unique events. An example of this is the Hurricane Preparedness Guide that is updated annually and distributed to managers in hurricane susceptible areas prior to the hurricane season.

Fifth Third Bank uses leading-edge technologies to support the disaster recovery components of Business Continuity Management. Our hot-site, back-up facility is Bank-owned, and therefore is available for our exclusive and immediate use whenever needed.

The Emergency Incident Response Team meets on a regular schedule in order to assess threats and respond as needed. This team encompasses a network of certified business continuity professionals throughout the Bancorp who have expertise in all areas of event response and recovery.

Disaster Recovery and Business Continuity Management maintains a framework by which threats that could disrupt normal business operations are mitigated. This framework acts as a guideline in reviewing and addressing potential business exposures. In addition, each business line and department at Fifth Third Bank is required to complete a Business Impact Analysis (BIA) and business continuity Risk Assessment (RA) before building a business continuity plan. The information from the BIA and RA is used to identify the business processes, department resources and related risks.

Fifth Third maintains a data center in Florence, Kentucky and a back-up data processing hot site in Grand Rapids, Michigan. These sites are equipped with sufficient processing capacity, disk storage, input/output devices, and offsite file storage space to support the requirements of our critical applications. Recovery procedures are tested at this site on a periodic basis.

Back-up facilities can be activated immediately. Fifth Third Bank owns and manages our hot-site facility in Florence, Kentucky, which was built to strict data center specifications. Fifth Third Bank has equipped the hot-site with computer equipment and systems that match our key recovery requirements. Since Fifth Third Bank maintains the hot-site facility; it is available for our exclusive use 24 hours a day, 7 days a week.

Periodically, the Fifth Third Audit Division independently evaluates the Bancorp's disaster recovery and business resumption plans to determine their effectiveness, adequacy, and completeness.

Your Relationship Manager, Treasury Management Officer, and Client Services Specialist serve as the primary contacts in the case that your company cannot operate from its own facilities.

1. What is your process of client notification when a disaster situation arises?

   A regional disruption affecting the Fifth Third Main Office and several Financial Centers will result in a voicemail message that directs customers to contact Fifth Third Commercial Support until recovery can be facilitated.

2. How quickly does the bank expect to resume normal operations following a disaster?

   Normal operating hours will be resumed immediately after a disaster provided there is not structural damage or a power outage. In the event the financial center is without power normal operating hours will resume once it is restored.

3. In the event of an impending emergency the BOCC, COCC and SOE may need to withdraw certain amounts of cash from their respective accounts. Describe the procedures required for the bank to accommodate transactions of this type. In addition, the Clerk's Office will require that the bank have available cash amounts of $1,000,000, $100,000 and $25,000, respectively, for the agencies.

   In the event of an emergency the Financial Center can provide up to $1,000,000 with 48 hours notice, $100,000 with 24 hour notice, and can supply up to $50,000 with a 2 hour notification. If the full $1,000,000 is needed the funds can be held in the vault until it is released to authorized personnel with Collier County. In the event that the Financial Center is without power during or after an emergency they will not be able to accommodate this request.

4. Your financial institution must accept emergency pay files at times outside the normal bi-weekly schedule.

   Fifth Third maintains a data center in Florence, Kentucky and a back-up data processing hot site in Grand Rapids, Michigan. These sites are equipped with sufficient processing capacity, disk storage, input/output devices, and offsite file storage space to support the requirements of our critical applications.

T. Available Technologies

The Clerk desires to leverage technology in order to provide safe and effective banking services for public dollars. The Clerk is interested in the proposer's solutions regarding technological advances including, but not limited to:

1. Point of service transaction processing
2. Payroll cards
3. Smart Safe technology, or equivalent electronic deposit management
4. Interactive Voice Response technology, or equivalent
5. Image Replacement Documents
6. Security enhancements

Please include all related pricing on Exhibit A "Pricing Proposal Form". If technologies are not currently available provide estimated availability schedule.

<u>PayCard Solution</u>

The Fifth Third PayCard program is designed to work in tandem with our ACH Direct Deposit service to provide a comprehensive solution for your organization's payroll disbursements. The PayCard is a MasterCard-branded debit card that provides a cost-effective alternative to payroll checks for employees who may be unable or unwilling to receive electronic payroll deposits. Funds deposited to PayCard belong to the employee and are FDIC-insured.

The PayCard receives funds via employer ACH deposits and acts as a prepaid debit card for the employee. The card can be used at any location displaying the MasterCard debit logo to make purchases, payments and ATM withdrawals. Cardholders can also receive cash at any bank displaying the MasterCard logo and cash back with purchase at participating merchants.

Importantly, the Fifth Third PayCard is not a credit card: no credit check is required to obtain a card and the employee can only spend up to the available balance on the card. Fifth Third's PayCard solution provides cardholder support 24x7 via a toll-free cardholder service line and the MyAccount secure Internet site. Among other services, cardholders can check their balance, obtain transaction history, report a card lost/ stolen and request a replacement, and change their PIN. Cardholders also receive a monthly paper statement mailed to them.

Currency Processing Solution

Fifth Third Bank's Cash Processing Solution (CPS) is an innovative remote cash capture solution helping automate the cash-handling process beginning with the time clients collect the cash payment to the time the money is deposited and credited into their account. CPS provides clients with daily provisional credit, delivering faster access to funds, even while the cash is still in the safe. Additionally, the CPS daily provisional credit helps clients consolidate banking relationships, helps reduce the risk of fraud and theft, and can facilitate the bank reconciliation process by virtually eliminating adjustments and assist improving working capital.

Fifth Third offers a unique Managed Services Program for our Currency Processing Solution (CPS) customers like the County. This program is delivered through a single umbrella agreement to provide depository banking services, smart-safe equipment, and armored services all managed through a dedicated Fifth Third Bank Relationship Team. This dedicated team will be the County's single point of contact for the solution.

We have designed our CPS and Managed Services Program to meet your goals, offering an industry-leading product to enhance the processing of cash collected at your locations. This comprehensive solution includes multiple components: depository services and daily cash settlement; smart safe hardware and technology; service and maintenance; armored service; and dedicated program management. The integration and management of these components will drive the success and realization of our CPS program benefits.

Electronic Cash Letter

Electronic Cash Letter (ECL) Service allows you to capture checks using your internal check processing systems, collect the images of these items into an industry standard ANSI X9.37-2003 image cash letter, and to transmit the electronic items to Fifth Third Bank for deposit.

ECL Services provide you with the ability to realize cost and time reductions associated with check processing through the elimination of check encoding. You can elect to transmit a single image deposit file or multiple throughout the day.

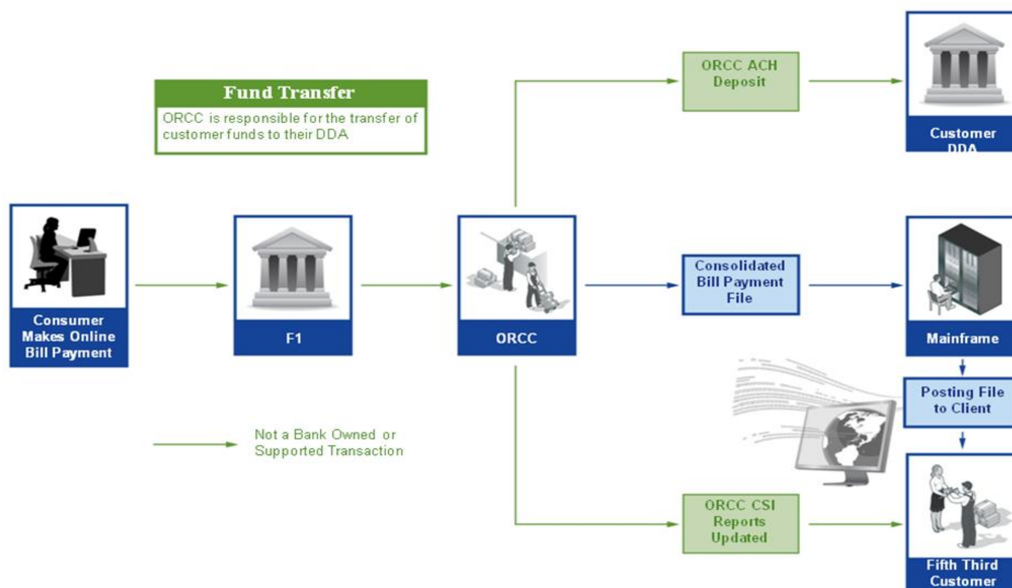
By leveraging Fifth Third's relationships with all major telecommunications companies, you can achieve faster cost effective conversions and reliable connectivity. Fifth Third maintains award winning secure data connectivity, while processing more than ten billion ATM, debit and merchant transactions per year for more than 198,000 retail locations and financial institutions worldwide.

Fifth Third agrees to provide you with 100% for Fifth Third On Us items and availability of 95% on the remainder of the items next business day if the file is received and confirmed by 12:00am EST.

Electronic Lockbox

Fifteen percent of consumer payments are initiated electronically through home banking channels but many of these transactions are converted to paper because billers are not set up to receive payments electronically. Our Electronic Lockbox offering enables the electronic receipt of home banking payments, resulting in improved funds availability and decreased information float.

Fifth Third Bank has developed a strategic partnership with On Line Resources, an industry leader in the electronic payment industry. This partnership provides Fifth Third with the ability to aggregate payments through financial institutions across the country. Our clients are registered on the MasterCard RPPS network, enabling the electronic receipt of home banking payments.



Setting up our Electronic Lockbox Service is as simple as completing a brief requirements document that is administered by a Fifth Third Product Fulfillment Specialist. Our experienced staff will ensure that your implementation is seamless and that your home banking payments are integrated into your Wholesale or Retail Lockbox transmission file should you subscribe to those services.

Fifth Third's Electronic Lockbox solution is a goods funds model, eliminating the headaches associated with processing return items. However, if research is required, a user-friendly Client Service Interface is available that provides daily report totals and transaction level detail.

Card Payables

Fifth Third offers Card Payables, an electronic payables solution that leverages our Commercial Card platform to streamline A/P payments and turn them into a revenue generator. With Card Payables, Virtual Card Numbers (VCNs) are electronically generated to provide a secure and highly efficient payment process for our clients and their vendors. This assists in the continued migration of check-based business-to-business spend to card spend payments. Our clients can continue to use their current front-end processes to issue purchase orders, get approvals, and receive invoices for matching, and then once the purchase is approved for payment, it can be loaded into their AP module for actual payment via a file to us.

VCNs provide a greater level of control and reconciliation capabilities for high volume accounts payable spend. Fifth Third offers two methods to request VCNs:

- **Card Payables Online – allows VCNs to be requested in real-time to pay specific vendors. Collier County would simply provide the vendor with the VCN number to coordinate settlement.**

- **Card Payables Batch – the file-based batch solution provides the ability to send Fifth Third Bank a payment file from your ERP system to be settled to virtual card accounts. Vendors will be notified of payment via secure email. The secure email will contain the payment amount, invoice number, client contact information, expiration date, CVC number, and validity period for card usage. Vendors will then bring payment in for settlement through traditional POS services.**

Features

- **Integrated application with automated payment initiation**

- **Hosted web-application with approval workflows**

- **Enhanced data capture and ability to process multiple invoices/claims with a single payment**

- **Transaction level controls and limited use virtual card numbers**

- **Unlike check, ACH, or wire transfer payments, card payments carry no per-transaction fees**

- **Upon reaching spend thresholds, receive annual rebate as a percentage of spend, representing hard dollar revenue to your organization**

Fifth Third's automated card payables can help Collier County achieve business process efficiency, cost savings, and incremental margin improvements.

Pricing has been provided in separate Pricing Response Proposal

EXHIBIT B
RFP 2014-001 Banking Services

PROPOSAL EXCEPTION FORM

OUR BANK CAN COMPLY WITH ALL ASPECTS OF THE CLERK'S BANKING SERVICE REQUIREMENTS.

____X____ **YES** ______________ **NO If no, detail below.**

EXCEPTIONS to the requirements in this Request for Proposal:

Page: ______________________________

Paragraph or Item Number: ______________________________

Exception/Deviation: ______________________________

Describe: ______________________________

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Page: ______________________________

Paragraph or Item Number: ______________________________

Exception/Deviation: ______________________________

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Page: ______________________________

Paragraph or Item Number: ______________________________

Exception/Deviation: ______________________________

Describe: ______________________________

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EXHIBIT C
RFP 2014-001 Banking Services

GENERAL INFORMATION

Qualifications and Experience

1. Name of Institution:

   Fifth Third Bank

2. Physical address of office proposing to serve the County:

   999 Vanderbilt Beach Rd. Naples, FL. 34108

3. Date institution was chartered:

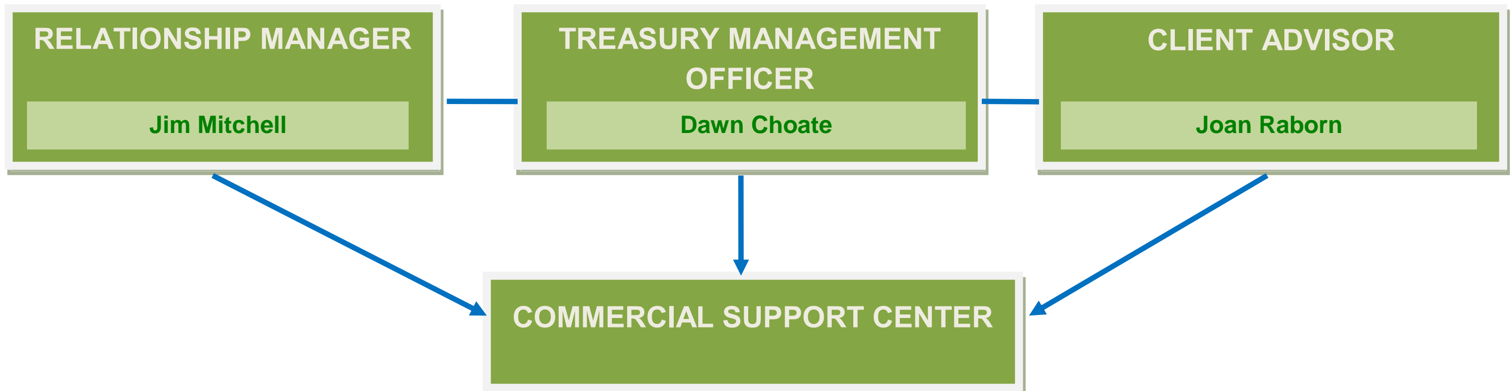
   Fifth Third Bank was originally chartered in 1858 as the Bank of Ohio Valley and Fifth Third Bank South Florida was chartered in 1991

4. Attach a summary showing the institution's organization and principal staff members who will be involved in providing services to Collier County.

   Please see response to question 5 below.

5. Indicate or attached a description of your bank's customer service organizational structure.

Customer Service Organizational Structure



Some of the highlights of the roles and responsibilities are as follows:

- **Relationship Manager**

  Your Relationship Manager is your primary contact for general Fifth Third business. The Relationship Manager knows your corporate objectives, your accounts and your business requirements. This person's role is to consult with you about new and existing services, ensure your continued satisfaction and bring together the right Fifth Third specialists to meet your financial needs.

- **Treasury Management Officer**

  Your Treasury Management Officer consults with you concerning your business needs in order to develop a customized account and payments solution. Your Treasury Management Officer coordinates the work of the service and implementations teams, keeps you informed about industry trends and new services, and makes recommendations to optimize your treasury management processes.

- **Client Advisor**

  Your Client Advisor manages all aspects of daily support and account management and is fully empowered to resolve all issues and initiate projects with various internal partners. They are in direct contact with the Relationship Managers, Treasury Management Officers, and Technical Support Specialist to ensure that the entire team is always aware of needs and questions.

- **Commercial Support Center**

  To ensure quality support and service to the County, Fifth Third Bank does not outsource our Commercial Call Center Support services, believing that our client relationship is too important to trust to others. The Customer Service employees are trained in all aspects of our services. Ongoing training ensures that the customer service representative is kept informed of any changes, and thereby can be responsive and accurate in answering your inquiries.

6. Describe the responsibilities of customer service personnel, including the chain of command for problem resolution.

   Fifth Third Bank approaches Collier County's servicing needs with a team approach. Your Client Advisor, Joan Raborn, is your first point of contact with any servicing issues and/or concerns. Jim Mitchell is the lead Relationship Manager for the County's relationship. Dawn Choate is your Treasury Management Officer and is responsible for all your cash management needs. If Joan cannot solve the issue, she will engage the Commercial Support Center and if needed a specific product area to resolve the issue.

   The responsibilities of Commercial Client Services (CCS) agents are to handle issues regarding technical support, Fifth Third Direct Support, and other technological issues. If the CCS agent cannot solve the issue, it is directed to Level II Support, who will work individually with the County to determine a solution.

7. Describe the local customer service support available.

   Joan Raborn is your first point of contact with any servicing issues and/or concerns. Joan is located in Naples along with your Treasury Management Officer, Dawn Choate. Jim Mitchell, your Relationship Manger, is located in Fort Myers.

8. Who will be the primary contact assigned to our account? From which area of the organization, and from which branch will they be assigned?

Fifth Third Bank approaches Collier County's servicing needs with a team approach. Your Client Advisor, Joan Raborn, is your first point of contact with any servicing issues and/or concerns. Jim Mitchell is the lead Relationship Manager for the County's relationship. Dawn Choate is your Treasury Management Officer and is responsible for all your cash management needs. Your relationship team is part of Fifth Third Bank's Commercial Government and Institutional Banking Division.

8. List names, titles, phone numbers and e-mail addresses, and provide a brief biography of each of the bank contact personnel.

Jim Mitchell, Vice President
Relationship Manager, Government and Institutional Group
Phone: 239-225-2004
Email: James.Mitchell@53.com

Jim is your primary point of contact. Jim joined Fifth Third Bank in February 2005 and serves as Fifth Third Bank's Relationship Manager for governmental entities, political subdivisions and not-for-profit entities in Southwest Florida. His experience includes positions as Internal Auditor at Citizens and Southern National Bank and the Lee County Clerk of Courts and was the Director of Internal Audit for the Collier County Clerk of Courts before he was promoted to Director of Finance and served in that role for eleven years. Jim has a Bachelor of Arts Degree in Accounting from the University of West Florida. Jim has held many professional certifications throughout his career including Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Chartered Bank Auditor (CBA). Jim is very active in the community and has served on the board of directors for numerous not-for-profit entities including the Ronald McDonald House Charities, Inc., the Southwest Florida Council of the Boy Scouts of America, and Crime Stoppers of Southwest Florida. Jim is located in Fort Myers, Florida.

Dawn Choate, Vice President
Commercial Treasury Management Officer
Phone: 239-591-6480
Email: Dawn.Choate@53.com

Dawn is a Certified Treasury Professional, Vice President and Commercial Treasury Management Officer with Fifth Third Bank. Dawn joined Fifth Third Bank in 2003 as a Financial Center Manager and then transitioned into the Commercial Treasury Management team in 2006. Dawn is responsible for partnering with various not-for-profits, government, institutional, higher education, and commercial middle market clients to lend experience, give advice, and offer guidance on the best approaches to meet their cash management needs. Prior to joining Fifth Third Bank, Dawn owned her own business for 3 years and served as the President of Expressions Flooring and Window Treatments in Valparaiso, Indiana. Dawn was also a Financial Center Manager for 6 years with First of America Bank and SouthTrust Bank. Dawn has earned awards for The Employee of the Year, Spirit of the Pin Award for Teamwork & Collaboration, and The President's Circle for her outstanding

support and customer service. Dawn is a member of The Association for Financial Professionals and Fifth Third Bank's Women's Network. Dawn and is located in Naples, Florida.

Joan Raborn, Officer
Client Advisor II
Phone: 239-591-6398
Email: Joan.Raborn@53.com

Joan is a Client Advisor and Officer with Fifth Third Bank. Joan joined the Commercial Treasury Management team of Fifth Third Bank in 2005. Joan is responsible for managing routine inquiries relative to how Commercial Banking services are functioning, determining the nature of any problems, identifying the appropriate follow up action and instituting that action to ensure a swift, accurate and complete resolution. Joan is in direct contact with the Relationship Managers and Treasury Management Officers to ensure that the entire team is always aware of needs and questions as it relates to Commercial products and services. Prior to joining Fifth Third Bank she was a Sales Support Associate and Treasury Management Implementation Officer with Bank of America for over 25 years. Joan is located in Naples, Florida.

10. Is your institution a State of Florida "Qualified Public Depository" pursuant to Chapter 280, Florida Statutes?

Yes, Fifth Third Bank is a Qualified Public Depository

Funds Availability

11. Please describe your controlled disbursement process?

Fifth Third's Controlled Disbursements solution utilizes a zero balance account structure and provides you with same day notification of the dollar amount to be cleared against your account. The Controlled Disbursement account is funded post notification allowing you to determine your cash flow needs earlier in the day to make better investment and borrowing decisions when market rates are more favorable. Controlled Disbursement accounts are automatically funded from your Fifth Third concentration account via ZBA or you can initiate a wire transfer from an external account to your Funding Account.

Early in the morning, the Federal Reserve electronically notifies Fifth Third of all the checks to be presented for that day. The High Dollar Group Sort (HDGS) presentment is made as the second presentment of the day to banks with more than $10 million in daily presentments.

Fifth Third Bank offers two methods of disbursement reporting:

- **Internet-based balance reporting through Fifth Third Direct: Account Management and Payments, and**
- **Bank Balance Reporting (BAI)**

The published times for the two presentments are as follows: the first presentment at 8:30 a.m. and the second at 10:00 a.m. ET. Detail information is available at 11:30 a.m. The City will have access to controlled disbursement reporting through Fifth Third Direct: Account Management and Payments (AMP), our secure Internet portal.

- **The average daily notification times are: 8:10 a.m. and 9:51 a.m. ET for final presentment, with detail available at 11:30 AM.**
- **Two notifications are made daily. The CDA totals will appear on the Account Management & Payments home page.**

Client points for the proposed disbursement account are located in Lansing, Michigan (Central Michigan #072413298), and in Florence, Kentucky (Northern Kentucky #042100272). The points are classified as RCPC.

12. What options for notification and funding exist in the event of a second presentment?

Controlled Disbursement accounts are automatically funded from your Fifth Third concentration account via ZBA or you can initiate a wire transfer from an external account to your Funding Account.

13. How many times have you missed notification deadlines and by how much in a recent ninety day period?

We have met the reporting release time of 10:00 AM EST 100% in the last 90 days.

14. By what methods can you notify your customer of the amount of checks to be charged to their account?

Fifth Third Bank offers two methods of disbursement reporting:

- **Internet-based balance reporting through Fifth Third Direct: Account Management and Payments, and**
- **Bank Balance Reporting (BAI)**

15. Does notification of daily clearings (or funding requirements) include both check and ACH debits?

ACH activity should be directed to a non-Controlled Disbursement account; however, debits can be charged to a Controlled Disbursement account. ACH transactions are not included in CDA presentment totals.

16. At what time do you normally notify customers of their daily clearings? What is the earliest you are able to make daily notifications? What is your latest deadline?

The published times for the two presentments are as follows: the first presentment at 8:30 a.m. and the second at 10:00 a.m. ET. Detail information is available at 11:30 a.m. The City will have

access to controlled disbursement reporting through Fifth Third Direct: Account Management and Payments (AMP), our secure Internet portal.

- **The average daily notification times are: 8:10 a.m. and 9:51 a.m. ET for final presentment, with detail available at 11:30 AM.**
- **Two notifications are made daily. The CDA totals will appear on the Account Management & Payments home page.**

17. Do you have an established maximum dollar value limit that may not be exceeded by an individual check? Do you have any restrictions regarding individual check amounts?

    The maximum dollar value of any check cannot exceed $99,999,999.99.

18. What procedure will be used to resolve overdrafts caused by funding failures as result of improper funding from the County? As a result of the bank's error or delay in notification?

    In the event of an overdraft on the account it would require the approval from the Relationship Manager prior to the payments being released. Fifth Third Bank has the ability to provide daylight overdraft protection, upon credit approval, to assure your checks are processed if an overdraft situation would occur. Fifth Third Bank will work with the County to determine the appropriate amount required if the County determines the service is needed.

    In the event of an overdarft due to bank error the items presented would be paid upon verification of funds availability in the funding account. All overdraft charges associated with the occurance would be waived.

Wire Transfer Services

19. What are the security features in your bank's PC wire system?

    All users are issued a User ID and Password, which are maintained in Fifth Third Bank's Data Security System. Both Passwords and User IDs are system generated. Users are informed of their User ID by the System Administrator and passwords are distributed systematically directly to the user.

    Upon every login, the User ID and Password combination is authenticated against Fifth Third's Data Security System. Fifth Third Direct also retrieves a profile from the data security system that details the services and accounts for which a user is authorized.

    Enhanced Authentication is also employed. First time login users are required to establish and define challenge questions. These questions can be prompted at any time the system detects potentially unauthorized login and IP addresses.

    All System Administrators and users with payment initiation and approval rights are also required to use a token to provide two-factor security. This keychain-sized device displays a random six-

digit code that the user enters in conjunction with his existing Fifth Third Direct ID and password at time of login.

Fifth Third Direct uses industry standard Secure Sockets Layer (SSL) encryption. During all sessions where customer information is being passed or transactions are being performed, Fifth Third Bank uses 128-bit SSL encryption for HTML browser-based applications launched within the Fifth Third Direct portal, or Triple DES encryption for applications serviced within the portal.

In addition, to internet portal and solution safeguards, Fifth Third actively monitors 100% of outgoing wire activity and compares outbound transactions to previous wire activity to detect anomalies. Outbound calls are made directly to clients to validate any suspect wires. Online and email alerts are also available to notify clients of wire activity.

We recommend that customers use an industry best practice of Dual control when sending monetary transactions. Dual control requires a minimum of two separate users to process wires: one to originate and a second, separate user, to approve. It provides an additional hurdle to cyber attackers to prevent access to customer's computer and offers clients enhanced internal risk management.

To help prevent malware, Fifth Third Bank recommends a no-cost browser-based security tool. We offer, directly through Fifth Third Direct, Trusteer Rapport, a downloadable security software plug-in, to compliment anti-virus and other security tools.

The banking industry has experienced an in increase in wire fraud over the past few years. Fifth Third has invested time and resources to ensure our wire solution is and will continue to operate in a secure environment

20. Does your institution have on-line Federal Reserve wire capabilities?

    Yes, Fifth Third has online access to Fedwire as well as connectivity through Fed batch, SWIFT and CHIPS.

Account Reconciliation

21. Explain your institution's capabilities and experience in providing online account reconciliation information.

    Fifth Third Bank offers a full range of Account Reconciliation Program (ARP) services for controlled disbursement and non-controlled disbursement clients. The use of ARP services is optional, but recommended. Fifth Third Bank offers both full and partial account reconciliation.

    The following account types are able to have reconciliation on them: Checking, Controlled Disbursements and Deposit.

    Full Reconciliation is sent within four business days of the receipt of the final monthly check issue file. Image capture of all paid checks for Collier County will be provided through Image File Transmission. Paid check images are available within 2 business days after the end of the calendar month. Imaged bank statements are also available online, which provides small images of individual paid items in addition to the online fully searchable archive.

Partial Reconciliation is sent within four business days of calendar cut off. Image capture of all paid checks for Collier County will be provided through Image File Transmission. Paid check images are available within 2 business days after the end of the calendar month. Imaged bank statements are also available online, which provides small images of individual paid items in addition to the online fully searchable archive. All the following types of transactions can be included in your reconcilement file and we have found oftentimes, they provide efficiencies for our clients (the indicator to the right is customizable):

- **Reconciled [R] – includes issued date**
- **Outstanding [O] – includes issued date**
- **PNI/DNI [N]**
- **Stopped [S] – includes date stop placed**
- **Cancelled [V] – includes date stop placed; timeframe for reporting voids is customizable**
- **Debits [D]**
- **Credits [C]**

Account Reconciliation statements are also available online through Fifth Third Direct. The County will have Internet access to paid check information and associated images through Fifth Third Direct, a secure Internet portal. The service allows you to review paid check activity and view all associated images. Balance reporting tools permit statement data to be re-created in an online environment. DDA statements and separate paid check image statements (in PDF), as well as returns and EDI receivable reports, are also available on Fifth Third Direct.

Conversion

22. Describe a conversion plan to transfer assets of the County to your financial institution.

Fifth Third Bank understands the objective of Collier County and strives to exceed the expectations of its customers and business partners. We understand the importance of collaboration and cooperation. If the County elects to continue processing with Fifth Third Bank, we will continue our commitment to build on the long-term relationship we have established and exceed the expectations of the County. When you choose Fifth Third Bank, you are choosing a partner that will serve the County as a trusted advisor and use our expertise to bring you sustainable, innovative financial solutions – both now and into the future.

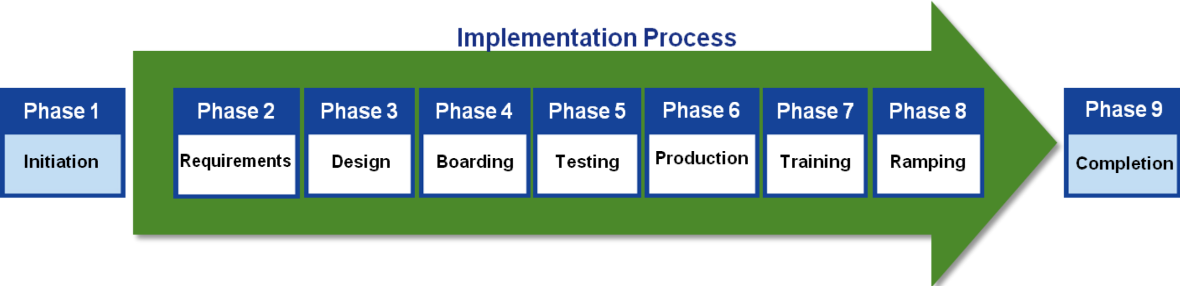
Careful planning ensures a smooth implementation. We will work closely with key stakeholders at the County to determine if it would be in the best interest of the County to make enhancements to their existing services or implement new solutions. In the event the County decides to implement new services or make changes to existing services, your Treasury Management Sales Officer, Client Advisor and dedicated Project Implementation Team would work closely with key stakeholders at the County to thoughtfully design a customized implementation plan with jointly

agreed upon milestone dates and deliverables. Our processes will ensure a timely and seamless transition as a newly introduced or an enhanced solution for the County.

Throughout the implementation, our teams will coordinate the completion of all relevant documentation, including forms for electronic banking and opening of accounts. We will also schedule the necessary training sessions to assure that your team is prepared for the effective utilization of these new products.

Project Management Approach

To gain the maximum benefit of our treasury solutions, your Implementation Team will use a consultative, project management based approach. The Implementations Team consists of your Treasury Management Office, Project Manager, Implementations Manager, and Technical Support Specialist.



Initiation

Within five (5) working days of the award of the contract, Fifth Third Bank will submit to Collier County an initial work plan on any enhancements or new services detailing the activities that will lead to a successful implementation to our recommended solution. Your Implementation Project Manager will schedule a call at that time. During the call, the Implementation Team, including Fifth Third Operations and IT professionals will be introduced.

Requirements

- Identification of specifications for building
- Data gathering
- Product customization
- Determine communication method

Design

Working with team members responsible for executing blueprint-specific requirements for the County

Boarding

Set-up within application systems

Testing

Validation of set-up process for the County

Production

"Go live"

Training

Fifth Third Bank will coordinate user documentation and training. The County employees will be trained on the product services selected by you. User manuals will be furnished and technical assistance will be available, both on-site and by telephone. Our goal is a smooth and successful implementation for the County, Fifth Third will offer one-on-one or group training during the implementation process to ensure a seamless transition for all of our services. Your team will be well-prepared before going live to the Fifth Third Bank solution.

Ramping

The implementations account servicing team will coordinate and resolve any service issues for 60 days post-implementation. Following this 60 day implementation period, the Local Account Management Team will assume primary responsibilities for servicing your account.

Fifth Third Bank understands that an exceptional implementation process will deliver both expected and additional long term benefits to Collier County.

23. What lead time do you expect will be necessary before the conversion begins?

    Since Collier County is an existing client the conversion time would not be applicable. In the event the County decides to implement new or enhance existing services the implementation can begin upon being awarded the business.

24. Indicate your plans for educating and training the Clerk employees in the use of your system.

    Training will be provided to the County based on their preferred method of delivery. Training is available on site, webinars, or conference calls. Training manuals can be provided in an electronic or paper format based on the County's preference.

Should you need additional room for descriptions, please feel free to continue on a separate piece of paper, clearly identifying the question number and "Exhibit C

EXHIBIT D

SWORN STATEMENT UNDER SECTION 287.133 (3)(a), FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Proposal or Contract No. RFP 2014-001 For Banking Services

2. This sworn statement is submitted by Fifth Third Bank
(Name of entity submitting sworn statement)
whose business address is: 999 Vanderbilt Beach Rd., Naples, FL. 34108

(if applicable) its Federal Employer Identification Number (FEIN) is 38-0892620

(If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: __________.)

3. My name is Dawn Choate and my relationship to the entity named
(please print name of individual signing)

above is Vice President, Treasury Management Officer.

4. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), **Florida Statutes**, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision or any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

5. I understand that "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), **Florida Statutes**, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), **Florida Statutes**, means:

a. A predecessor or successor of a person convicted of a public entity crime;
or
b. An entity under the control any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliated" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

c. I understand that a "person" as defined in Paragraph 287.133(1)(e), **Florida Statutes**, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

d. Based on information and belief the statement that I have marked below is true in relation to the entity submitting this sworn statement. **(Indicate which statement applies.)**

__X__ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that is was not in the public interest to place the entity submitting the sworn statement on the convicted vendor list. **(Attach a copy of the final order)**

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPHS 1-3 (ONE THRU THREE) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT HIS FORM IS VALID THOROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

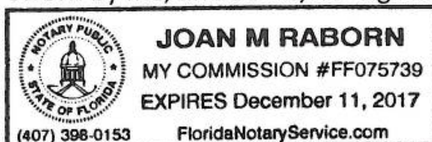
Dawn Choate
(Signature)

June 3, 2014

(Date)

STATE OF Florida
COUNTY OF Collier

PERSONALLY APPEARED BEFORE ME, the undersigned authority, Dawn Choate who, after first being sworn by me, affixed his/her signature in the space provided on this 3 day of June, 2014.



Joan M. Raborn
NOTARY PUBLIC
Commission number: FF075739
Commission expires: 12/11/2017

Exhibit E
RFP 2014-001 Banking Services
Letter of Intent

The Fifth Third Bank intends to respond to the Request for Proposal for Banking Services by the Collier County Clerk of the Circuit Court. We understand that any changes, clarifications and addenda to the Request for Proposal will be promptly communicated to the individual authorized below to receive this information.

Dawn Choate
Name

Fifth Third Bank
Financial Institution

999 Vanderbilt Beach Rd.
Address

Naples, FL. 34108

239-591-6480
Telephone Number

239-449-7106
FAX Number

Dawn.Choate@53.com
E-mail Address

Please fax this form "Attention: Alina Bec" at 239/252-8838.

EXHIBIT F
BAI CRITICAL QUALITY INDICATOR

Critical Quality Indicator	Indicator Reported for the Last BAI Survey	Tracking Frequency	Period Covered	Last Two Measurements
File Processing Error Rate # of Files Processed Incorrectly 0 x 1,000 Total # of Files Processed				We have not had any incidents of processing a file incorrectly.
Item Processing Error Rate # of Items Processed Incorrectly Incorrectly - 395 x 10,000 99.9986% Total # of Items Processed 29,005,475		Daily	2014 YTD	
Failed/Late Processing Error Rate # of Files Not Processed or Processed Late- 1005 x 1,000 99.6909% Total # of Files Processed 33,975		Daily	2014 YTD	
Failed/Late Item Processing Error Rate # of Items Not Processed or Processed Late x 10,000 Total # of Items Processed				We measure Defects Per Million for memo post- for ECL (Lockbox channel), our DPM for 2014 YTD is: 8 DPM
Check Encoding Error Rate # of (Bank Encoded) Items with Encoding Errors- 138 x 100,000 Total # of Items Encoded by Bank 29,005,475		Daily	2014 YTD	
Check Reject Rate # of Rejects x 1,000 Total # of Items Processed				This metric is not tracked as all items are image based processing with no rejected items.

Coin & Currency Provided Error Rate # of Coin and Currency Order Errors x 1,000 ______________ Total # of Coin and Currency Orders Filled				This metric is not tracked
Commercial Deposit Error Rate # of Commercial Deposit Processing Errors x 1,000 ______________ Total # of Commercial Deposits Processed				This metric is not tracked
Reporting Error Rate # of Clearing Total Errors Reported x 100 ______________ # of Clearing Totals Reported				This metric is not tracked
Reporting Delay/Failure Rate # of Total Presentment Files Sent After Deadline x 100 ______________ # of Total Presentment Files				This metric is not tracked
Reconciliation Error Rate # of Reconciliations with Errors by Account x 100 ______________ Total # of Reconciliations by Account				This metric is not tracked
Reconciliation Statement Delay/ Failure Rate # of Reconciliation Statements Not Released after Goal x 100 ______________ Total # of Reconciliation Statements Released				This metric is not tracked
ACH Origination File Error Rate Origination Files Processed with Errors x 1,000 ______________ Total # of Origination Files Processed				We do not track the information requested for ACH. We track straight through processing.
ACH Failed/Late File Delivery Rate # of ACH Origination Files Not Processed or Processed Late x 1,000 ______________ Total # of Origination Files Processed				Straight Through Processing Stats: Jan. 99.89%, Feb. 99.92%, March 99.93%, April 99.93%, and May 99.94%

ACH Failed /Late File Receipt Date # of ACH Receipt Files Not Posted on Time ________________ x 1,000 Total # of ACH Files Processed				This metric is not tracked
Payment Error Rate Wire Transfers Processed with Errors ________________ x 1,000 Total # of Wire Transfers Processed				This metric is not tracked
Failed/Late Execution Rate # of Failed/Late Wire Transfer Payments ________________ x 1,000 Total # of Wire Transfers Processed				This metric is not tracked

STATE OF FLORIDA
Office of the Chief Financial Officer
Division of Treasury
Bureau of Collateral Management

CERTIFICATE OF QUALIFIED PUBLIC DEPOSITORY
UNDER THE FLORIDA SECURITY FOR
PUBLIC DEPOSITS ACT

This is to certify that

FIFTH THIRD BANK
38 FOUNTAIN SQUARE PLAZA
CINCINNATI, OHIO 45263

has fully qualified as a public depository pursuant to Chapter 280, Florida Statutes, otherwise known as the Florida Security for Public Deposits Act. As such, said bank or savings association is hereby designated to receive public deposits, as defined in Subsection 280.02(13), Florida Statutes.

Given under my hand this 17th day of February, 2010.

Alex Sink

CHIEF FINANCIAL OFFICER, STATE OF FLORIDA

DFS-J1-1002
Rev. 3/92

Commercial Master Signature Card

New Account ☐ **Replace Existing Card** ☒

This Signature Card is delivered to Fifth Third Bank by the customer identified below (the "Customer") in connection with the opening and ongoing use of the Customer's accounts identified on this page and the attached Exhibit A. By using the accounts or by signing and delivering this Signature Card to Fifth Third Bank, the Customer acknowledges receipt of, and agrees to the Fifth Third Bank Commercial Account Rules governing the accounts (as amended or updated), and agrees to the related operating policies in effect at Fifth Third Bank with respect to these accounts.

Legal Name of Customer: COLLIER COUNTY CLERK OF THE CIRCUIT COURT	Doing Business As:
Street Address: 3299 TAMIAMI TRAIL E.	
City and State: NAPLES, FL	Account Type: PF TOTAL NOW
Zip Code: 34112	Phone Number: 239-252-8472
Employer Identification Number: 59-6000559	
Type of Organization: Government	Jurisdiction of Formation: FL

Fifth Third Bank is authorized and directed to recognize the signatures of the persons listed on this page and Exhibit A on checks drawn on, for the withdrawal of funds and for the transaction of any other business regarding the indicated account or accounts until such time as Customer gives written notice of a change in authorization and Fifth Third Bank has a reasonable opportunity to act on that notice. Fifth Third Bank is also authorized in its discretion to accept changes and updates to this Signature Card in a separate, written instrument signed by an authorized representative of the Customer.

SIGNATURE OF AUTHORIZED PERSON LISTED IN ACCOUNT RESOLUTIONS

I certify that: I am duly authorized by the Customer named above to execute and deliver this Master Signature Card, and the signatures on the attached Exhibit A are the genuine specimen signatures of the listed persons.

Signature: ______________________ Date: ______________

Name: ______________________ Title: ______________

USA PATRIOT ACT REQUIREMENTS: Please indicate if any person authorized on any account covered by this Signature Card is:

1. a Non-U.S. person with more than $500,000 on deposit or invested with Fifth Third Bank, or
2. a Senior Foreign Official of a government branch, political party, foreign government-owned company, or a close personal or professional associate of one of these.

Yes ☐ No ☐ If Yes, Name of person: ______________

ACCOUNT NUMBER (S): _____

☐ ***Check if Signatures below applies to all Accounts List Above.***

AUTHORIZED SIGNER (TYPE OR PRINT)	SIGNATURE	APPLICABLE ACCOUNT # (indicate all if applicable)
Name: DWIGHT E. BROCK Title: Clerk of Courts ☐ Also authorized on accounts listed on Schedule 1.		
Name: CRYSTAL K. KINZEL Title: Director of Finance ☐ Also authorized on accounts listed on Schedule 1.		

(Use Exhibit A if additional Signors are needed)

Bank Use Only. February 2013 v1

Date:	Assignment #:	Banking Center #:
Opened By:	Commercial Assignment:	Notes:

EXHIBIT A TO
COMMERCIAL MASTER SIGNATURE CARD
FOR Collier County Clerk of the Circuit Court ____________

USA PATRIOT ACT REQUIREMENTS: Please indicate if any person authorized on any account covered by this Signature Card is:

1. a Non-U.S. person with more than $500,000 on deposit or invested with Fifth Third Bank, or
2. a Senior Foreign Official of a government branch, political party, foreign government-owned company, or a close personal or professional associate of one of these.

Yes ☐ No ☐ If Yes, Name of person: ________________

ACCOUNT NUMBER (S): _____

☐ ***Check if this Exhibit Applies to all Accounts List Above.***

AUTHORIZED SIGNER (TYPE OR PRINT)	SIGNATURE	APPLICABLE ACCOUNT # (indicate all if applicable)
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		

Note: For additional signers on this account or other accounts for the same entity with different signers, attach separate copies of this Exhibit A.

Bank Use Only. February 2013 v1

Date:	Assignment #:	Banking Center #:
Opened By:	Commercial Assignment:	Notes:

Commercial Master Signature Card

New Account ☐ **Replace Existing Card** ☒

This Signature Card is delivered to Fifth Third Bank by the customer identified below (the "Customer") in connection with the opening and ongoing use of the Customer's accounts identified on this page and the attached Exhibit A. By using the accounts or by signing and delivering this Signature Card to Fifth Third Bank, the Customer acknowledges receipt of, and agrees to the Fifth Third Bank Commercial Account Rules governing the accounts (as amended or updated), and agrees to the related operating policies in effect at Fifth Third Bank with respect to these accounts.

Legal Name of Customer: COLLIER COUNTY BOARD OF COUNTY COMMISSIONERS	Doing Business As:
Street Address: 3299 TAMIAMI TRAIL E. STE 403	
City and State: NAPLES, FL	Account Type: PF TOTAL NOW
Zip Code: 34112	Phone Number: 239-252-8481
Employer Identification Number: 59-6000558	
Type of Organization: Government	Jurisdiction of Formation: FL

Fifth Third Bank is authorized and directed to recognize the signatures of the persons listed on this page and Exhibit A on checks drawn on, for the withdrawal of funds and for the transaction of any other business regarding the indicated account or accounts until such time as Customer gives written notice of a change in authorization and Fifth Third Bank has a reasonable opportunity to act on that notice. Fifth Third Bank is also authorized in its discretion to accept changes and updates to this Signature Card in a separate, written instrument signed by an authorized representative of the Customer.

SIGNATURE OF AUTHORIZED PERSON LISTED IN ACCOUNT RESOLUTIONS

I certify that: I am duly authorized by the Customer named above to execute and deliver this Master Signature Card, and the signatures on the attached Exhibit A are the genuine specimen signatures of the listed persons.

Signature: ________________________________ Date:________________

Name: _______________________ Title:_______________

USA PATRIOT ACT REQUIREMENTS: Please indicate if any person authorized on any account covered by this Signature Card is:

1. a Non-U.S. person with more than $500,000 on deposit or invested with Fifth Third Bank, or
2. a Senior Foreign Official of a government branch, political party, foreign government-owned company, or a close personal or professional associate of one of these.

Yes ☐ No ☐ If Yes, Name of person: ___________________

ACCOUNT NUMBER (S): _____

☐ ***Check if Signatures below applies to all Accounts List Above.***

AUTHORIZED SIGNER (TYPE OR PRINT)	SIGNATURE	APPLICABLE ACCOUNT # (indicate all if applicable)
Name: TOM HENNING Title: Chairman ☐ Also authorized on accounts listed on Schedule 1.		
Name: TIM NANCE Title: Vice Chairman ☐ Also authorized on accounts listed on Schedule 1.		

(Use Exhibit A if additional Signors are needed)

Bank Use Only. February 2013 v1

Date:	Assignment #:	Banking Center #:
Opened By:	Commercial Assignment:	Notes:

EXHIBIT A TO
COMMERCIAL MASTER SIGNATURE CARD
FOR Collier County Board of County Commissioners

USA PATRIOT ACT REQUIREMENTS: Please indicate if any person authorized on any account covered by this Signature Card is:

1. a Non-U.S. person with more than $500,000 on deposit or invested with Fifth Third Bank, or
2. a Senior Foreign Official of a government branch, political party, foreign government-owned company, or a close personal or professional associate of one of these.

Yes ☐ No ☐ If Yes, Name of person: ________________

ACCOUNT NUMBER (S): _____

☐ ***Check if this Exhibit Applies to all Accounts List Above.***

AUTHORIZED SIGNER (TYPE OR PRINT)	SIGNATURE	APPLICABLE ACCOUNT # (indicate all if applicable)
Name: DWIGHT E. BROCK Title: Clerk of Courts ☐ Also authorized on accounts listed on Schedule 1.		
Name: CRYSTAL K. KINZEL Title: Director of Finance ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ______________ Title: ______________ ☐ Also authorized on accounts listed on Schedule 1.		

Note: For additional signers on this account or other accounts for the same entity with different signers, attach separate copies of this Exhibit A.

Bank Use Only. February 2013 v1

Date:	Assignment #:	Banking Center #:
Opened By:	Commercial Assignment:	Notes:

Commercial Master Signature Card

New Account ☐ **Replace Existing Card** ☒

This Signature Card is delivered to Fifth Third Bank by the customer identified below (the "Customer") in connection with the opening and ongoing use of the Customer's accounts identified on this page and the attached Exhibit A. By using the accounts or by signing and delivering this Signature Card to Fifth Third Bank, the Customer acknowledges receipt of, and agrees to the Fifth Third Bank Commercial Account Rules governing the accounts (as amended or updated), and agrees to the related operating policies in effect at Fifth Third Bank with respect to these accounts.

Legal Name of Customer: COLLIER COUNTY SUPERVISOR OF ELECTIONS	Doing Business As:
Street Address: 3299 TAMIAMI TRAIL E.	
City and State: NAPLES, FL	Account Type: PF TOTAL NOW
Zip Code: 34112	Phone Number: 239-252-8333
Employer Identification Number: 59-2562792	
Type of Organization: Government	Jurisdiction of Formation: FL

Fifth Third Bank is authorized and directed to recognize the signatures of the persons listed on this page and Exhibit A on checks drawn on, for the withdrawal of funds and for the transaction of any other business regarding the indicated account or accounts until such time as Customer gives written notice of a change in authorization and Fifth Third Bank has a reasonable opportunity to act on that notice. Fifth Third Bank is also authorized in its discretion to accept changes and updates to this Signature Card in a separate, written instrument signed by an authorized representative of the Customer.

SIGNATURE OF AUTHORIZED PERSON LISTED IN ACCOUNT RESOLUTIONS

I certify that: I am duly authorized by the Customer named above to execute and deliver this Master Signature Card, and the signatures on the attached Exhibit A are the genuine specimen signatures of the listed persons.

Signature: ________________________________ Date:________________

Name: ________________________ Title:_______________

USA PATRIOT ACT REQUIREMENTS: Please indicate if any person authorized on any account covered by this Signature Card is:

1. a Non-U.S. person with more than $500,000 on deposit or invested with Fifth Third Bank, or
2. a Senior Foreign Official of a government branch, political party, foreign government-owned company, or a close personal or professional associate of one of these.

Yes ☐ No ☐ If Yes, Name of person: ___________________

ACCOUNT NUMBER (S): _____

☐ ***Check if Signatures below applies to all Accounts List Above.***

AUTHORIZED SIGNER (TYPE OR PRINT)	SIGNATURE	APPLICABLE ACCOUNT # (indicate all if applicable)
Name: JENNIFER J. EDWARDS Title: Supervisor of Elections ☐ Also authorized on accounts listed on Schedule 1.		
Name: CRYSTAL K. KINZEL Title: Director of Finance ☐ Also authorized on accounts listed on Schedule 1.		

(Use Exhibit A if additional Signors are needed)

Bank Use Only. February 2013 v1

Date:	Assignment #:	Banking Center #:
Opened By:	Commercial Assignment:	Notes:

(#)

EXHIBIT A TO
COMMERCIAL MASTER SIGNATURE CARD
FOR Collier County Supervisor of Elections

USA PATRIOT ACT REQUIREMENTS: Please indicate if any person authorized on any account covered by this Signature Card is:

1. a Non-U.S. person with more than $500,000 on deposit or invested with Fifth Third Bank, or
2. a Senior Foreign Official of a government branch, political party, foreign government-owned company, or a close personal or professional associate of one of these.

Yes ☐ No ☐ If Yes, Name of person: ________________

ACCOUNT NUMBER (S): _____

☐ ***Check if this Exhibit Applies to all Accounts List Above.***

AUTHORIZED SIGNER (TYPE OR PRINT)	SIGNATURE	APPLICABLE ACCOUNT # (indicate all if applicable)
Name: DWIGHT E. BROCK Title: Clerk of Courts ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		
Name: ________ Title: ________ ☐ Also authorized on accounts listed on Schedule 1.		

Note: For additional signers on this account or other accounts for the same entity with different signers, attach separate copies of this Exhibit A.

Bank Use Only. February 2013 v1

Date:	Assignment #:	Banking Center #:
Opened By:	Commercial Assignment:	Notes:

Account Resolutions Certificate for Treasury Management Services (Government Entity)

To Fifth Third Bank:

I HEREBY CERTIFY THAT:

I am the duly elected or appointed and currently serving official, manager or trustee (the "O*fficial*") of the governing body or governmental entity identified below (the "*Governmental Entity*");

I am duly authorized to make the following certifications to you; and

The following resolutions ("*Account Resolutions*") were duly adopted by the governing body of the Governmental Entity in accordance with applicable law, are the binding resolutions and statements of the Governmental Entity, are in full force and effect, and have not been rescinded or modified:

> RESOLVED, Fifth Third Bank is hereby designated as an authorized depository of this Governmental Entity and that one or more checking, savings or other deposit accounts ("*Accounts*") be opened and maintained with Fifth Third Bank in the name of the Governmental Entity;
>
> RESOLVED FURTHER, that the opening and maintaining of the Accounts, all transactions in connection with the Accounts and all related services will be governed by written agreements provided by Fifth Third Bank, and by such rules, regulations and policies as Fifth Third Bank shall from time to time establish;
>
> RESOLVED FURTHER, this Governmental Entity is authorized to obtain banking services from Fifth Third Bank including treasury management and corporate card services, and to enter into such agreement or agreements and documentation for such services as are required by Fifth Third Bank from time to time, including a Master Treasury Management Agreement, Terms and Conditions for various banking services, Signature Card, Commercial Card Agreement and Commercial Account Rules ("*Banking Agreements*") each of which, when accepted or signed by an Authorized Person described below is approved and authorized in all respects;
>
> RESOLVED FURTHER, that the Governmental Entity is authorized to incur and repay indebtedness, grant or give security, and incur and perform related liabilities and obligations to Fifth Third Bank in connection with the banking services obtained by the Governmental Entity under the relevant Banking Agreements, including, without limiting the foregoing, with respect to: (a) transactions executed for the Governmental Entity by Fifth Third Bank, (b) credit card services under the Commercial Card Agreement, and (c) import and export services for letters of credit as provided in the Terms and Conditions for such import and export services and related reimbursement, financing and security or collateral arrangements;
>
> RESOLVED FURTHER, that the Governmental Entity is authorized to enter into, execute and deliver to Fifth Third Bank applications, documents, notes and agreements

reflecting or evidencing such indebtedness, security, liabilities and obligations including those related to letters of credit, confirmation and payment services, reimbursement arrangements and related loans, lines of credit or similar financing arrangements, and security and collateralization arrangements, and a note or notes, security, pledge or similar agreement evidencing or securing such arrangements ("*Banking Services Financing Agreements*") each of which, when submitted, accepted or signed by an Authorized Person is authorized and approved in all respects;

RESOLVED FURTHER: that (a) each of the individuals identified in the table entitled "Authorized Persons" appearing below and (b) any other person designated by any such individual whose identity and signature are provided to Fifth Third Bank (each, an "*Authorized Person*" and for purposes of certain Banking Agreements, an "*Authorized Agent*") is authorized on behalf of the Governmental Entity and in its name to do any of the following:

- *Accounts and Agreements.* Open or close any deposit or other Account and execute on behalf of the Governmental Entity signature cards (and designate persons with check signing authority), application forms, authorization, set-up and other documentation and agreements with Fifth Third Bank with respect to the Accounts and any services related to the Accounts including each of the Banking Agreements and Banking Services Financing Agreements;

- *Payment Instructions.* Issue, and designate persons with the authority to issue written, telephonic, electronic, internet-based or oral instructions and payment orders for the transfer or payment of funds of the Governmental Entity on deposit with Fifth Third Bank (or at any other financial institution) including by wire transfer, automated clearing house debit, book transfer and other physical and electronic means;

- *Implementation and Setup.* Select the services the Governmental Entity will obtain from Fifth Third Bank, and instruct Fifth Third Bank on service options and features desired by the Governmental Entity, and the set up, implementation and security procedures relating to the services selected; and,

- *Authorization.* Designate, and advise Fifth Third Bank of the identity of persons (including officers and employees of this Governmental Entity or its service providers) who have some or all of the authority of an Authorized Person with respect to one or more Accounts of the Governmental Entity or services utilized by the Governmental Entity, and limitations on the scope of such authority, if any, including a person or persons who will serve as administrator or service administrator with respect to a service or services obtained by the Governmental Entity and will have authority to: manage the service on behalf of the Governmental Entity; select and administer security and operating procedures; designate persons as authorized users of a service; and, enable and administer user identification codes, passwords and other identification data.

RESOLVED FURTHER, that all actions of the Authorized Persons, and all agreements, applications, documents and authorizations executed and delivered by the Authorized Persons prior to the date of these resolutions and in connection with the transactions contemplated by these resolutions are ratified, confirmed and approved in all respects;

RESOLVED FURTHER: Fifth Third Bank is authorized to rely on the full and unrestricted authority as provided in these resolutions of any one Authorized Person unless otherwise certified to Fifth Third Bank by the Official;

RESOLVED FURTHER, that the Official is authorized to deliver a certified copy of these Resolutions to Fifth Third Bank and certify to Fifth Third Bank the name, title and specimen signature of each Authorized Person.

I further certify that:

- these resolutions do not conflict with or contravene the laws, rules, regulations or ordinances creating, authorizing or empowering the Governmental Entity or governing the organization or management of the Governmental Entity or similar governing documents of, or any agreement, law or regulation applicable to the Governmental Entity; and

- each of the following persons has been designated by the Governing Entity as an Authorized Person with the authority specified in the foregoing resolutions, and the signatures indicated below are genuine signatures of the indicated persons:

AUTHORIZED PERSONS

Name of Authorized Person	**Title of Authorized Person**	**Specimen Signature of Authorized Person**
1.		
2.		
3.		
4.		
5.		
6.		

******EXECUTION PAGE FOLLOWS******

IN WITNESS WHEREOF, I have subscribed my name to this Certificate on behalf of the following Governmental Entity:

Exact Name of Governmental Entity: ____________________

Acting under the laws of ______________________________

Signature: ____

Print Name: ____

Title: ____

Dated: ____

Note: a "Governmental Entity" includes any federal, state, county or municipal governing body or entity, or any of their respective branches, departments, agencies, or divisions.

COMMERCIAL ACCOUNT RULES

These Commercial Account Rules ("*Rules*") govern all commercial deposit accounts at Fifth Third Bank ("*Accounts*") and constitute an agreement between our customer, the entity (or entities) that has established the Account ("*you*" in these Rules) and Fifth Third Bank, an Ohio banking corporation ("*we*" or "*us*" in these Rules). By opening an Account and either signing the signature card for the Account or using the Account in any way, you accept and agree to these Rules.

Account Documentation

***Customer Identification Program*. To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person or business entity that opens an Account. When you open an Account with us, you must provide us with your business entity name, principal and local (if different) address, date of establishment, employer identification number and other information. We may also seek additional information or documents. You agree that we may seek information about you from third parties to confirm your identity and for other Account related purposes. We are required to follow these procedures even if you are already a customer of ours.**

Authorizations Forms. The forms we require when you open your Account include account resolutions, a commercial signature card and other documents that establish the authority of the person or persons authorized to access your Accounts and conduct banking business with us. An "*Authorized Person*" is any person identified to us as such or as an agent of yours in the account resolutions you give us or in the signature card or other account implementation forms we require, and any other person or agent acting for you with actual or apparent authority to transact business on your behalf. We may require additional information and documents for these purposes at any time. You agree to keep the information you provide us current and up-to-date including for any change in your business name, address, Authorized Persons and contact information. You authorize us to recognize the authority of each Authorized Persons until we receive authorized written notice that the existing authorization is changed or terminated and we have had a reasonable opportunity to act on that notice. We are not responsible for any losses if you fail to timely and properly notify us of changes in your information, authorizations or Authorized Persons. We are not obligated to honor checks or process transactions until we receive properly completed authorization forms.

Compliance With Law. You agree that you will use your Account only for lawful business purposes and in compliance with Applicable Law (as defined below).

Master Treasury Management Agreement. Our Master Treasury Management Agreement and the Terms and Conditions for Services (collectively, the "*Master Agreement*") govern the treasury management Services (as defined in the Master Agreement) we provide to our customers. If we have executed a Master Agreement with you, the Master Agreement governs the Service and these Rules continue to govern your Accounts. Should there be any conflict between the provisions of these Rules and the provisions of the Master Agreement, the provisions of the Master Agreement will prevail as necessary to resolve the conflict. If you have not executed a Master Agreement but use one of these Services, you will be deemed to have accepted and agreed to be bound by the Master Agreement and the Terms and Conditions for the Services you use in each case, in the form provided to you.

Additional Documentation. We may, from time to time, require that you provide us with additional documentation to verify your identity, the authority of individuals acting on your behalf and other matters relating to your Account.

Deposits

Collection. When you deposit or cash a check, draft or other item with us (in whatever medium including a substitute or imaged check, an "*Item*") by any means, we act as your agent in collecting the Item. You have the risk of loss for each Item throughout the collection process and are solely responsible for the return, rejection and collectability of each Item. We may charge your Account for, or otherwise obtain a refund of the amount of any credit we gave you for the deposited Item (including interest and earnings credits), if we are unable to collect the Item for any reason including loss or destruction of the Item, regardless of when the Item is returned. You agree to assist us in any case in collecting lost, destroyed or returned Items. We are not responsible for the insolvency or any act or failure to act of any other bank, processor or intermediary in the collection process. We reserve the right to process an Item on a collection basis only. We are not required to examine Items for, and have no responsibility for any legends or restrictions appearing on any Item deposited to your Account.

Verification. All deposits and credits to your Account (even those for which we have provided a receipt) are subject to final verification by us. We recommend that you maintain thorough records of all deposits. Credit for any deposit is always provisional and subject to verification and correction at any time without notice if we determine it to be incorrect for any reason. We may refuse to accept deposits or specific Items for deposit and may limit the minimum or maximum balance that you may maintain in any Account. We reserve the right to produce images of deposit documents including Items and destroy the original, subject to our retention policy.

Preauthorized Drafts. If you deposit a preauthorized draft, you represent and warrant to us that you have legal, valid and binding authorization from the maker of the draft to create a draft against the maker's account. You agree to furnish valid proof of such authorization upon request and that we may reverse any credit we gave you (and related interest) if the draft is returned at any time. We reserve the right to refuse to accept preauthorized drafts at any time.

Returned Items. Items you deposit in an Account are subject to collection. If any Item is returned to us unpaid by any means (including electronically) or form at any time for any reason, we will reverse the credit to, or otherwise debit your Account or any other Account of yours with us for the amount of the credit and any applicable fees, service charges and other damages we suffer. If there are not sufficient funds in the Account, we may obtain a refund of the amount of any credit we gave you for the Item by any legal means (and reverse or recover any associated interest or earnings credit) regardless of any applicable midnight deadline or other circumstances. We may, in our discretion present an unpaid Item for payment or collection again without notice to you including electronically. You understand that an Item drawn on a financial institution in a foreign country may be returned at any time and your obligation with respect to the returned Item could arise at anytime. If a deposited Item is returned unpaid, and resubmitted for payment, we reserve the right to charge a re-presentment fee. If a deposited Item is returned unpaid and charged back to your Account, we reserve the right to charge a returned item fee. If an Item is returned as a counterfeit item, altered item, or for any other reason, you are liable to us for any loss we suffer regardless of any confirmation of availability of funds we may have provided to you. You may not receive an original of a deposit item that is returned unpaid; instead you may receive an image or other record of the item.

Endorsements. We may accept for deposit any Item last endorsed by you (including as you instruct us). We have adopted specific endorsement requirements that are set forth in our Funds Availability Policy included with these Rules. You agree to abide by the endorsement requirements and acknowledge that we have no responsibility for any improper endorsement or marks by you. You understand that we may refuse to accept Items not properly endorsed by you. We may, however, supply a missing endorsement on an Item we cash or take for collection, and you authorize us to do so.

Encoding. If you encode any information on a check you deposit with us, you are solely responsible for the accuracy and completeness of the encoding.

Foreign Currencies. We may accept deposits of Items payable in foreign currencies that are convertible to U.S. dollars. We will credit your Account when we receive proceeds in U.S. dollars, and you will bear exchange rate exposure until that time. We will convert foreign currencies to U.S. dollars in accordance with our customary practices. The processing and collection of foreign checks may be subject to foreign law and regulations including with respect to collection and review periods that are different than U.S. periods. We may accept a foreign check on a collection basis only.

Funds Availability. Funds from your deposits will be available for withdrawal as provided in our Funds Availability Policy. Deposits to your Account are subject to our published cut-off times and policies. The availability of funds as provided in the Funds Availability Policy does not mean the funds have been collected, that the applicable Item or other credit or deposit is "good" or has been finally paid or settled, or that the deposit is not subject to chargeback or reversal. We may reverse or chargeback any deposit or other credit to your Account if it is reversed or returned to us for any reason at any time, or was otherwise the subject of an error.

Substitute Checks. To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states "this is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check. Some or all of the checks you receive back from us may be substitute checks. We reserve the right to refuse to accept a substitute check created by a person other than a bank that has not yet been transferred by another bank unless otherwise agreed to by us in writing. We may limit or impose conditions on your right to deposit a substitute check at any time. In no event are you authorized to identify us as a reconverting or truncating bank.

Withdrawals and Transfers

Presentment. We may charge your Account on the day the Item is presented to us by any means. We may charge your Account or place a hold on funds if we receive an electronic or other notice that your Item has been deposited for collection at another bank. We have no obligation to honor any Item drawn on, or any withdrawal or transfer from an Account if an Overdraft (as defined below) would be created or increased. We make the decision to pay or return an Item in a single determination between the time the Item is presented to us by any means or we receive notice of it, and the time we are required to honor or refuse an Item.

Overdraft. If the Available Balance (as defined below) in an Account plus available credit in an overdraft protection plan you have in place with us is insufficient, at any time, to pay all Items, debits, fees and other transactions presented for payment from the Account, that Account is in an overdraft position (an "*Overdraft*"). If an Overdraft is created, we may, at our option and in our discretion pay or return any Item or debits regardless of the order of presentment, or whether payment creates an Overdraft. You understand that such payment does not constitute an application for credit and that the amount of deficiency, whether from the amount of the Overdraft or any fees assessed, in the Account is immediately due and payable without further demand. In case of any Overdraft, whether by error, mistake, inadvertence, or otherwise, you agree to immediately pay the amount of such Overdraft to us, plus any fees or charges we assess. We may assess an Overdraft fee whether we pay the Item or debit.

Available Balance. The "*Available Balance*" is an Account's balance as of the end of the previous business day's processing, plus or minus any pending transactions, direct deposits that have not posted or holds (including deposited funds being held for verification). If multiple Items are presented against the Account for payment and the Available Balance of the Account is insufficient to pay all of those Items, we (not you) have the right to decide whether to pay any or all of those items or not. We will post Items and other debits to your Account and pay them as follows: we will first post all deposits made prior to the end of day cutoff time; next, we will post all fees, including but not limited to, any overdraft fees; next, the Bank will post ATM and debit card purchases in the order they took place; finally, we will post all other debits, including checks, electronic bill payments, wire transfer and ACH debits in the order of highest

amount to lowest amount. This posting order may change due to circumstance beyond our control, for example, changes or disruptions in network processing or processing delays by a third party. If we decide to change the order, we will notify you as and to the extent required by Applicable Law.

Electronic Presentment and Representment. In certain cases, your check may be converted to electronic information and presented to us electronically. If we return a check you wrote, it may be represented to us electronically. You authorize us in our sole discretion to return any Item drawn on your Account by any legally permissible means including returning an Image or other electronic return.

Dates and Restrictions. We may, without inquiry or liability honor or refuse to honor any Item drawn on your Account that is (a) is post-dated or contrary to special instructions or restrictive legend identified on the Item, or (b) undated or has a date on the Item more than six months old. If you do not want us to honor these Items, you must give us a stop payment order.

Processing Requirements. You understand that we, like most other financial institutions, process Items using high speed automated equipment based on the Magnetic Ink Character Recognition (MICR) line information encoded on such Items. While we select some Items for physical review based on our internal criteria that changes from time to time, we do not visually inspect each Item. You agree that we may disregard any information on an Item other than the MICR data amount, signature of drawer and identity of payee.

Signature Requirements. If you establish an Account that purports to require two or more signatures on an Item or impose any conditions or restrictions in any way, you understand that such signature requirements, conditions, and restrictions are solely for your own internal control purposes. We will not be liable for paying any Item lacking the required number of signatures, or otherwise not in compliance with any such conditions or restrictions. In addition, if you use an ink or form that is not recognized by imaging equipment, it may not be processed properly or at all and we may return it unpaid without liability.

Facsimile or Mechanical Signatures. If you use a stamp, computer printer or software, facsimile or other mechanical or electronic device or method (collectively, "*Mechanical Signatures*") to sign or endorse Items, we are authorized to conclusively rely on that signature as your authorized signature regardless of the person or means by which such signature may have been made, or the color or combination of colors of the signature or any other marking, legend, identifier or code. We will treat the Item that has such signature (or any signature that reasonably resembles the specimen you provide to us) as authorized by you and properly payable, and we will honor it. You acknowledge that you understand and appreciate the risks associated with using Mechanical Signatures, and agree that you assume sole responsibility for maintaining the security of the device or computer that operates the Mechanical Signature. We are not liable to you or any other person for any unauthorized use or misuse of a Mechanical Signature or if we dishonor an Item when we believe in good faith that the signature is not genuine or authorized.

Checks Presented Over the Counter. If anyone who is not one of our customers presents your check to us "over-the-counter," we may require proper identification and may charge a fee. We may dishonor the check if the person refuses to pay the required fee or provide proper identification.

Savings Deposits. We specifically reserve the right to require seven (7) days written notice before funds deposited into savings accounts may be withdrawn.

Account Information

Availability. We will send to you by mail at the address we have in our files or send or make available to you by other agreed or permitted means periodic statements, notices and other information regarding the Accounts and transactions in the Accounts ("*Account Information*"). If you are subject to a Master Agreement, you may elect to not receive periodic statements. You may also access and view your Account Information by a variety of internet based and electronic reporting or Account Management Services.

Your Obligations. You acknowledge that you are in the best position to discover an error or problem with your Account including, for example: the payment of an unauthorized (including counterfeit) check, Item or other activity charged to your Account; unauthorized access; an unauthorized or incorrect debit or other charge to your Account; an altered check charged to your Account; a check with a missing or unauthorized signature; erroneous fee charges, credits, debits or other entries, including ACH entries; missing or incorrect deposits and other credits; and other problems with your Account or activity in your Account (an "*Account Problem*"). You agree to promptly and carefully examine and reconcile all Account Information available to you and to notify of us of any Account Problem as soon as possible so that we will be in a better position to address it. Your failure to exercise reasonable care in examining your Account Information or provide reasonably prompt notice to us may affect any rights you may have against us with respect to the Account Problem. You must notify us of, and assert any claim you may have with respect to any Account Problem within a reasonable time under the circumstances (not to exceed 30 days) after the date we sent or otherwise made available to you the Account Information indicating the Account Problem. If you fail to notify us promptly within this timeframe: (a) you will be deemed to have failed to exercise reasonable care and promptness in examining your Account Information; (b) any Item charged to your Account will be deemed fully enforceable against you; (c) we will not be obligated to recredit or refund the amount of the Account Problem; and (d) you will be precluded from asserting the Account Problem against us.

Account Problems. If you timely assert an Account Problem, we may require you to provide us with information and evidence relating to the Account Problem. You agree to cooperate with us at your expense in any investigation of an Account Problem, including providing an appropriate affidavit or filing a police report as we may reasonably request. We may delay taking action on the Account Problem until we complete our investigation. If you fail to cooperate with us, we will be relieved of any liability for the Account Problem.

Time Limitation. Without regard to care or lack of care by you or us, you agree that you cannot commence any legal action or proceeding against us regarding any Account Problem unless you do so within one year after we mail or otherwise make available to you the first statement or other information on which the Account Problem appeared (or would have appeared in the case of missing debts or credits) or was otherwise indicated.

Imaging. We typically do not retain paper copies or originals of deposit tickets, checks or other paper transaction documents except as required by law. We will make and store images of these document in accordance with our internal policies and procedures. You acknowledge that these images will be treated as originals for all purposes.

Wire Transfers and Electronic Credits. We will give you notice of the receipt of wire transfers, ACH credits and other electronic transfers to your Account through your Account Information.

Compliance

These Rules, your Account and use of the Account and activity in the Accounts are subject to all applicable state, federal, local and foreign laws, rules, regulations and other laws including, without limitation, rules, regulations and operating rules and operating guidelines established by NACHA - the Electronic Payment Association ("*Operating Rules*") and any money transfer system, check clearing organization and payment clearinghouse used by us in connection with your transactions and the regulations and operating circulars of Federal Reserve Board (collectively, "*Applicable Law*"). Both parties agree to be bound by the Operating Rules where applicable, and to comply with Applicable Law including any control or sanction administered by the Office of Foreign Asset Control.

Remittance Transfer Rule

Application. The provisions of this Section apply to you to the extent you are or may be classified as a "Remittance Transfer Provider" under Regulation E and the regulations and related interpretations adopted by The Bureau of Consumer Financial Protection amending Regulation E, which implements the Electronic Fund Transfer Act set forth in 12 CFR 1005 (collectively, the "*Remittance Transfer Rule*"). If you use any of our funds transfer Services or otherwise make a payment through us in connection with making a Remittance Transfer (as defined below), we will be acting as your agent (within the meaning of the Remittance Transfer Rule) and not a Remittance Transfer Provider in carrying out your Remittance Transfer.

Definitions. As used in this Section, the following terms have the indicated meanings:

(a) "*Designated Recipient*" means any person specified by the Sender as the authorized recipient of a Remittance Transfer to be received at a location in a foreign country;

(b) "*Remittance Transfer*" means the electronic transfer of funds requested by a Sender to a Designated Recipient that is sent by a

Remittance Transfer Provider. The term applies regardless of whether the Sender holds an account with the Remittance Transfer Provider, and regardless of whether the transaction is also an electronic fund transfer, as defined in Regulation E;

(c) "*Remittance Transfer Provider*" means any person that provides Remittance Transfers for a consumer in the normal course of its business, regardless of whether the consumer holds an account with such person; and,

(d) "*Sender*" means a consumer in a state, territory or possession of the United States (including the District of Columbia and Puerto Rico) who primarily for personal, family, or household purposes requests a Remittance Transfer Provider to send a Remittance Transfer to a Designated Recipient.

The foregoing terms shall be used and construed as provided in the Remittance Transfer Rule.

Customer Undertakings. You represent and warrant to us that you have implemented reasonable and effective policies and procedures to comply, and each funds transfer sent to or through us using one of our Services complies, with the Remittance Transfer Rule. Without limiting the generality of the foregoing, you agree to provide the disclosures to each Sender, obtain required Sender consents, be responsible for error resolution procedures and providing remedies to the Sender, and be responsible for the cancellation and refund of Remittance Transfers, all as required of Remittance Transfer Providers by the Remittance Transfer Rule.

Fifth Third Bank. You acknowledge that our Services do not include complying with, or monitoring your compliance with, the Remittance Transfer Rule with respect to your Remittance Transfers. You agree that we are not responsible or liable for your compliance with Applicable Law including the Remittance Transfer Rule.

Funds Transfers

Application. This Section applies to payment orders to the extent we and you have not entered into a separate written agreement for you to use our one of our funds transfer Services or Global Cash Services.

*System Rule*s. All funds transfers including payment orders, wire transfers, ACH entries and other instructions to make payments or transfers (including amendments and cancellations, "*payment orders*") to or from your Account are subject to the rules then in effect for the funds transfer system through which the transfers are made, including, for ACH transactions, the Operating Rules and any local clearing house used in the process, and for transfers through the funds transfer system of the Federal Reserve Banks, the applicable laws and regulations of the Board of Governors of the Federal Reserve System and related operating circulars.

Legal Compliance. Without limiting your obligation to comply with Applicable Law generally, you agree to comply with regulations and requirements administered by the Office of Foreign Assets Control (*OFAC*) and the U.S. Department of the Treasury's Financial Crimes Enforcement Network including screening your transactions and payment orders for OFAC compliance and to maintain an effective education program within your organization to insure compliance with such regulations and requirements.

Credits. Your Account Information will notify you of funds transfer payments and other credits to your Account. We are not required to provide any other notice of the receipt of funds transfers. All credits to your Accounts for funds transfers are provisional until we receive final settlement. If we do not receive final settlement, we are entitled to a refund (through reversal debit or otherwise) of the amount credited to your Account for that transfer, together with any associated interest or credit.

Funds Processing. You are solely responsible for the contents and accuracy of each payment order sent to us by you or on your behalf by your representatives. In the absence of specific written instruction, we will choose the funds transfer system processor and intermediary banks as necessary to carry out your instructions. In any payment order, we and any bank or intermediary are entitled to rely on the Account number and bank identification number provided to us without any obligation to look at the name of the receiving customer or bank that may also appear on the payment order. If we are given written notice of an error, we will advise you promptly.

ACH Entries. You authorize us to debit or credit your Account for ACH entries to or from your Account. ACH entries must be transmitted to us by you or on your behalf in accordance with the NACHA rules and our policies and procedures. You are responsible for all entries that are authorized by you or submitted by authorized person on your behalf.

Payment. Unless otherwise agreed to by us in writing, you must pay us the amount of the payment order, plus any applicable fees, before we will execute your payment order.

Interest. If we are responsible for interest under Applicable Law for our failure to execute, or a delayed or improper execution of a payment order, our liability for interest is limited to the payment of interest at the applicable Federal Funds rate for that period.

Fees and Charges

Subject to any separate written agreement between you and us that has been signed by one of our authorized officers, you agree to pay our standard fees and other charges in connection with your Accounts as established by us from time to time. A copy of the fees and charges applicable to you may be obtained from our relationship officer for your Accounts. You also agree to pay us our costs and hourly fees for complying with subpoenas or other legal orders and your requests. Unless we have agreed to allow you to pay fees through account analysis or compensating balances, you authorize us to debit or otherwise deduct the fees and other charges, and costs from your Accounts, even if it

creates an overdraft. For electronic transfers, we may deduct our fees from the proceeds of such transfers. Unpaid amounts due to us may be subject to a finance charge.

Stop Payment Instructions

Checks. You may, through an authorized person instruct us in writing to stop payment on an Item that has not been paid, accepted or certified by us or converted to an electronic payment. A stop payment instruction is only effective if you have given us the proper account name, account number, check number and corresponding amount of the Item and we have had a reasonable opportunity to take action prior to us paying, accepting, certifying or otherwise acting with respect to or, becoming obligated on the check. A stop payment instruction is valid for six months. We reserve the right to require additional information. All of the required information must be exactly correct for the stop payment instruction to be effective. Oral stop payment orders, if we accept them, must be confirmed in writing or they become void after fourteen days. We may pay a check after the stop payment instruction expires or if required by law. Stop payment orders will not be accepted for cashiers checks, certified checks or other bank obligations. By placing a stop payment instruction, you agree to indemnify us and hold us harmless for all expenses, costs, and reasonable attorneys' fees incurred by us due to our refusal to pay the Item. If we recredit your Account after payment over a valid stop payment instruction, you agree to assign to us your rights against the payee of the Item and to assist us in enforcing those rights. Our liability with respect to any stop payment instruction is limited in all cases to the face amount of the applicable Item.

Preauthorized Payments. If you have told us in advance to make regular payments from your Account, you can stop any of these payments by calling Customer Service at 1-800-972-3030 or call the Banking Center where your account is located or write to:

Customer Service Department
Fifth Third Bank
Madisonville Operations Center
MD 1MOC3A
Cincinnati, Ohio 45263

in time for us to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require that you put your request in writing and send it to us so we receive it within fourteen (14) days after your telephone call. We will charge you a fee for each stop payment order you give. Once you have placed a stop payment order on a pre-authorized transfer, we will not make any more preauthorized transfers to the person you were going to pay until we receive a new written authorization from you. We will honor only the exact information given to us and we are not responsible if the information is not correct. Once you have placed a stop payment order on a preauthorized transfer, we will not make any more preauthorized

transfers to the person whom you were going to pay until we receive a new written authorization from you.

Protecting Your Accounts

You acknowledge that your Accounts are subject to growing and constantly changing risks of unauthorized or fraudulent activity from sources inside and outside your company, and that you have responsibility for addressing these risks and working to prevent fraudulent or unauthorized use of your Accounts. In addition to the following, we offer useful information about protecting your accounts on our website, and we encourage you to review that information.

Internal Controls. You agree to institute and maintain reasonable and effective procedures to prevent fraud, misuse and unauthorized use of your Accounts and to ensure the security of your checks and check stock, account numbers, security procedures, access devices, access to the Accounts and your internal procedures Including those anti-fraud measures we provide or make available on our website or through customer communications ("*Anti-Fraud Measures*"). You represent and warrant that you have in place and will enforce effective internal controls including Anti-Fraud Measures to ensure that the Accounts are used by your personnel only if authorized by you.

Bank Services. In addition to the Anti-Fraud Measures you can implement on your own, we offer a variety of Services designed to assist you in reducing or stopping the incidence of check, ACH and other fraud and unauthorized activity in your Accounts including positive pay, ACH transaction control, disbursement control and information reporting and Account management Services. To the extent you choose not to use one of these Services or fail to implement or take Anti-Fraud Measures reasonable for your Accounts, and the use of that Service or Anti-Fraud Measure could reasonably have prevented the incidence of fraud, unauthorized activity or loss suffered by you, you will be deemed to have assumed the risk of such fraud, unauthorized activity or loss so suffered and you will be precluded from asserting that we are responsible for such fraud, unauthorized activity or loss.

Lost Checks or Devices. You must notify us as soon as possible of any known or suspected loss, theft, or unauthorized use of your checks or any card, code, or access device. Until we have received and had a reasonable opportunity to act on such notice, we may maintain debits and honor transactions effected in your Account (except as otherwise provided by law) through the use of any such checks, card, code or device. We may close the Account, permit withdrawals by you or issue new evidence of an Account on such conditions as we may require.

Account Access. We offer for your convenience and protection various methods and procedures (including cards, access devices, ID's and passwords) by which you can use, access and obtain information about your Accounts. While these methods embody or require security procedures, we cannot absolutely ensure against "unauthorized" inquiries or transactions using these procedures. You agree that you are fully responsible for, and release us from all liability for, the release of Account or balance information to, and

transactions by, any person who uses any access device or your Account access information to execute transactions or gain such information.

Account Holds. If we suspect or are alerted to a security breach, fraud or other apparently unauthorized activity in or affecting your Account, you agree that we may suspend or freeze the Account or place a hold on some or all of the funds in the affected Account. You understand that such actions may mean that valid transactions in the affected Account are returned or not processed, and release us from any and all for our actions.

FDIC Insurance

The FDIC protects the depositors of insured banks against loss of their deposits due to a bank failure. The basic amount of deposit insurance is $250,000 per depositor. Insurance coverage is dependent upon account ownership categories and is subject to FDIC requirements.

Certificate of Deposits (CD)

CD Terms range from seven days to seven years. No additional deposits or withdrawals are accepted. Penalty for early withdrawal is based on the term of the CD (see below). CDs are FDIC-insured up to the maximum amount permitted by law.

CD Interest Rates and Yields. Current interest rates and annual percentage yields are available at all Fifth Third Banking Centers. The interest rate will remain the same until the maturity date of the CDs. The annual percentage yield assumes interest remains on deposit until maturity. A withdrawal of interest will reduce earnings. Interest begins to accrue on the business day of deposit. Interest will be calculated using the daily balance method. This method applies a periodic rate to the balance in the account each day. For CDs issued in an amount less than $100,000, interest is compounded continuously. For CDs issued in an amount of $100,000 or more and with a term greater than one month, interest is compounded if “Capitalized” is selected as the interest payment method. All CDs issued in the amount of $100,000 or more will compound and credit interest monthly if “capitalized” is selected. For CDs with a term of one month or less, the simple interest method is used, interest is not compounded and interest is paid at maturity.

Interest Credit. Depending upon the account term, interest may be credited to the CD, credited to a Fifth Third checking or savings Account, or received in the form of a check. If the interest payment method is by “Transfer,” “Check” or “Capitalized,” interest may be credited monthly (with a principal balance of $5,000 or more), quarterly, semi-annually, annually or at maturity. For variable rate CDs, the interest rate and annual percentage yield may change. Interest will not be paid after the maturity date unless the Account is renewed. If the CD is closed before accrued interest is credited, interest will not be paid.

CD Renewals. If you choose the automatic renewal feature for your Certificate of Deposit, there is a one-day grace period (for terms of less than 32 days) or a ten-day grace period (for terms of 32 days or more) after the maturity date to redeem it without

penalty. Interest will not be paid after the maturity date unless the Account is renewed. If you do not choose the automatic renewal feature for your Certificate of Deposit, interest will not be paid after the maturity date unless the Account is renewed.

CD Penalties for Early Withdrawal.

For CD's with a term of 7 days to 89 days, the Penalty for early withdrawal is 1/2 stated interest for the remaining term, 7 days interest or all interest earned, whichever is greater, and the minimum deposit is $5,000.

For CD's with a term of 90 days to 364 days, the penalty for early withdrawal is 1/2 stated interest for the remaining term, three months interest or all interest earned, whichever is greater, and the minimum deposit is $500.

For CD's with a term of 365 days to 84 months the penalty for early withdrawal is 1/2 stated interest for the remaining term, six months interest or all interest earned, whichever is greater, and the minimum deposit is $500.

We may from time to time offer promotional CDs. Promotional CDs may require a minimum deposit and will be subject to early withdrawal penalties stated in the promotion.

General Account Matters

Account Forms. All checks, withdrawal slips and deposit slips (collectively, "*forms*") must be obtained through us or comply with our specifications. You are responsible for verifying the accuracy of all information on the forms you use. Our liability, if any, for any printing errors on forms obtained through us is limited to the cost of replacement. We are not responsible for losses you may incur attributable to your use of forms not obtained through us or that do not strictly comply with our specifications. If you use checks not provided by us, you must obtain our MICR specifications and provide us with a sample of 50 checks and deposit slips for testing prior to use. You may be required to reprint or modify your checks at your expense if we encounter rejects or problems in testing your documents.

Account Usage. You acknowledge and agree that (a) we have no obligation to examine or question the source of any funds deposited in your Accounts, and (b) if you establish any Accounts for which you are acting in a fiduciary, agency, escrow or other representative capacity, then you are solely responsible to the principals, beneficiaries and others with an interest in connection with any such Account. We are not responsible for monitoring your actions, verifying your compliance with any governing instruments or other obligations you may have.

*Checking Subaccounts***.** For regulatory and our internal accounting purposes, each checking account will consist of a checking subaccount and a non-interest bearing

savings subaccount. Checks, debits and other items presented for payment will be posted to the checking subaccount. We may transfer funds between these subaccounts from time to time as follows. We may establish a threshold balance for your checking subaccount by reviewing the master account historic activity to determine the amount not routinely needed to pay debits ("*threshold balance*"). If the balance in your checking subaccount during any calendar month exceeds this threshold balance, we may transfer the excess funds to the savings subaccount. We may also sweep the entire balance of your checking subaccount into the savings subaccount during the weekend when no items will post to your account. If the balance in your checking subaccount falls below the threshold balance during any calendar month, we will transfer funds to your checking subaccount from your savings subaccount sufficient to restore the checking subaccount to the threshold balance. We may not make more than six transfers out of the savings subaccount during any calendar month. If a sixth transfer is necessary, all funds in the savings subaccount will be transferred to the checking subaccount for the remainder of the calendar month. In that event, at the end of the calendar month, we will transfer funds in excess of the threshold balance from the checking subaccount to the savings subaccount. Because the savings subaccount is used for internal purposes only, you cannot access it directly. Our transfers of funds into and out of the savings subaccount will be the only transactions on the savings subaccount. Transfers between subaccounts will not appear on your statement and will not be subject to any fees. The combined balances of both subaccounts will be used to determine the balance of your account for any minimum balance requirement or any other reason that a balance is considered. For interest-bearing checking accounts, the subaccounts will not affect your use of your interest-bearing checking account, funds availability, or the interest paid on your account. The interest rate that applies to your interest-bearing checking account will apply to both subaccounts.

Electronic Access. If you access your Accounts through our internet portal, by telephone or similar means, your authorization to us to carry out your instructions or enable access to your accounts may be given by the use of codes, personal identification numbers, passwords, private keys, and similar means. All communications and access to your Account using such methods are deemed valid, authentic and duly authorized by you.

Disclosing Information

We will maintain the privacy of information about you, your accounts and your transactions in accordance with Applicable Law and our Commercial Privacy Policy that is available via the Internet at www.53.com or upon request.

Indemnity and Limitations

YOU AGREE TO THE MAXIMUM EXTENT PERMITTED BY LAW THAT IN NO EVENT WILL WE BE LIABLE OR RESPONSIBLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL (INCLUDING ATTORNEYS' FEES), PUNITIVE OR INDIRECT LOSS OR DAMAGE THAT YOU OR ANY OTHER PERSON MAY INCUR OR SUFFER IN CONNECTION WITH ANY ACCOUNT OR YOUR USE OF ANY ACCOUNT, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF

SUCH LOSS OR DAMAGES OR COULD REASONABLY FORESEE SUCH LOSS OR DAMAGE.

You further agree, to the maximum extent permitted by law, that our liability to you arising in any way from the Accounts and your use of the Accounts will be limited to actual monetary damages that are the direct result of our failure to exercise reasonable care.

You agree to indemnify and hold us and our officers, directors, employees, affiliates, shareholders and agents harmless from and against any and all losses, liabilities, damages, actions, claims and expenses including court costs and reasonable attorneys' fees and expenses ("*Losses*") resulting directly or indirectly from, or arising in connection with: (a) your breach of any obligation to us; (b) your violation of Applicable Law; (c) your use of the Account and any transaction in the Account; and (d) our complying with or carrying out any instruction or other direction given to us in accordance with these Rules. You are not, however, obligated to indemnify us for any Loss directly resulting from our gross negligence or bad faith.

Termination

We reserve the right to close your Accounts, with or without cause, at any time. You may, at any time, close the Accounts after we have received written notice and have had a reasonable opportunity to act on it. The existence of a zero balance in an Account does not itself terminate an Account. Our rights under these Rules will survive the closing or termination of your Accounts.

Set Off and Security Interest

Definitions. As used in these Rules:

"Obligation(s)" means all loans, advances, indebtedness and each and every other obligation or liability owed by you to us or a Bank Affiliate (as defined below), however created, of every kind and description, whether now existing or hereafter arising and whether direct or indirect, primary or as guarantor or surety, absolute or contingent, liquidated or unliquidated, matured or unmatured, participated in whole or in part, created by trust agreement, lease, overdraft, agreement or otherwise, whether or not secured by additional collateral, whether originated with us or owed to others and acquired by us by purchase, assignment or otherwise, and including, without limitation, all loans, advances, indebtedness and each and every obligation or liability arising under any loan document, any and all Rate Management Obligations (as defined below), letters of credit now or hereafter issued by us or any Bank Affiliate for you benefit or at your request, all obligations to perform or forbear from performing acts, and agreements, instruments and documents evidencing, guarantying, securing or otherwise executed in connection with any of the foregoing, together with any amendments, modifications and restatements thereof, and all expenses and attorneys' fees incurred by us or any Bank Affiliate in connection with any of the foregoing; provided, however, that all Excluded Swap Obligations (as defined below) are specifically excluded from Obligations.

"Rate Management Obligations" means any and all of your Obligations to us or any Bank Affiliate, whether absolute, contingent or otherwise and howsoever and whenever (whether now or hereafter) created, arising, evidenced or acquired (including all renewals, extensions and modifications and substitutions) under or in connection with (i) any and all Rate Management Agreements (as defined below), and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Agreement excluding, for avoidance of doubt, Excluded Swap Obligations.

"Rate Management Agreement" means any agreement, device or arrangement providing for payments which are related to fluctuations of interest rates, exchange rates, forward rates, or equity prices, including dollar-denominated or cross-currency interest rate exchange agreements, forward currency exchange agreements, interest rate cap or collar protection agreements, forward rate currency or interest rate options, puts and warrants, and any agreement pertaining to equity derivative transactions (e.g., equity or equity index swaps, options, caps, floors, collars and forwards), including without limitation any ISDA Master Agreement between you and us or any Bank Affiliate, and any schedules, confirmations and documents and other confirming evidence between the parties confirming transactions thereunder, all whether now existing or hereafter arising, and in each case as amended, modified or supplemented from time to time.

"Excluded Swap Obligation" means, with respect to any guarantor of a Swap Obligation, including the grant of a security interest to secure the guaranty of such Swap Obligation, any Swap Obligation if, and to the extent that, such Swap Obligation is or becomes illegal under the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute or any rule, regulation or order of the Commodity Futures Trading Commission (including the application or official interpretation of any thereof, the "Commodity Exchange Act") by virtue of such guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time the guaranty or grant of such security interest becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Swap Obligation or security interest is or becomes illegal.

"Swap Obligation" means any Rate Management Obligation that constitutes a "swap" within the meaning of section 1a (47) of the Commodity Exchange Act.

Bank Affiliates. In these Rules, "*Bank Affiliate*" means any one or more direct or indirect subsidiaries of Fifth Third Bancorp and its successors and assigns, now in existence or created or acquired in the future. These subsidiaries include entities with a name that includes "Fifth Third" and entities without the Fifth Third name and include the following entities:

Fifth Third Insurance Agency, Inc.
Fifth Third Mortgage Company
Fifth Third Securities, Inc. Member FINRA/SIPC
Vista Settlement Services, LLC

Fifth Third Real Estate Capital Markets, Inc.
The Fifth Third Leasing Company
Fifth Third Asset Management, Inc.
SLK Global BPO Services Pvt. Ltd.
Fifth Third Holdings, LLC
Home Equity of America, Inc.
Fifth Third Mortgage, MI, LLC
The Fifth Third Auto Leasing Trust
Transactive Ecommerce Solutions, Inc.

Rights. Any Obligation may be charged to any Account in your name or in your name and the name of another or others or any account, and you hereby grant to us a security interest in your Accounts to secure the Obligations, regardless of the amount of your contribution to such Account. You agree that the security interest you have granted to us is consensual and is in addition to our common law right of set off. You also grant to us the right, on you own behalf and on behalf of any Bank Affiliate, to set off against any and all funds in your Account to pay any Obligation owed by you to us or any Bank Affiliate. You acknowledge that the Obligations that are secured by our security interest and set off rights include all present and future Obligations owed by you to us or any Bank Affiliate. You agree that we may act in accordance with instructions received from any such Bank Affiliate regarding disposition of any funds in your Account without any further consent or action by you. We may exercise our right of set off and our security interest without recourse to other collateral, if any, even if such action causes you to lose interest, have transactions drawn on your account returned, incur an early withdrawal penalty or any other consequence. If we exercise our rights under this paragraph, we will notify you to the extent required by Applicable Law. Our right of set off and our security interest do not apply to any Account expressly held by you, and to which you have access, solely in a fiduciary capacity for the express benefit of others, and such rights may not apply to your Account to the extent expressly prohibited by Applicable Law. Solely for purposes of this paragraph, the term "Account" as used in this paragraph means and includes any account (as that terms is defined in Article 9 of the UCC) you have with any Bank Affiliate.

Pledged or Assigned Accounts

You agree that we may terminate or place a hold on, and dishonor all Items drawn on any Account that you have assigned or in which you have granted a security interest to any third party (whether or not we consented to such assignment or security interest). Upon receipt of oral or written notice from any party of a claim regarding an assigned or pledged Account, we may place a hold on the Account. You agree that we will have no liability to you or any other person for our failure or refusal to honor any Item drawn on, or any other withdrawal instruction regarding your pledged or encumbered Account.

Legal Process

If your Account becomes subject to any claim, or legal process or proceeding ("*claim*"), we may suspend payment on, freeze or take other actions regarding any Account that we

believe to be affected until final determination or appropriate resolution of the claim, regardless of the circumstances. We are not liable to you in that event provided we acted in good faith. You may be subject to our fees and other charges in connection with a claim on or against your Accounts.

If we are brought into or must initiate any legal proceedings regarding you or your Account, including for the collection of overdrafts, you agree to reimburse us, to the extent allowed by law, for any reasonable attorneys' fees and costs that we may incur. We may also, at our option, pay the funds subject to a claim to the clerk of an appropriate court, so that the court may decide who owns or controls the money.

We may also create a hold on the Account in anticipation of such fees and expenses. We will have no liability for complying with such legal process, or if there are insufficient funds available in or another restriction on the Account because of actions we take in response to such legal process.

Negotiable Order of Withdrawal (NOW) Account Eligibility Restrictions

A NOW Account is an interest-bearing transaction account. NOW accounts are only available to individuals, sole proprietorships, non-profit organizations (operated primarily for religions, philanthropic, charitable, educational or other similar purpose), and governmental units.

Unlawful Internet Gambling Enforcement Act Notification

Restricted transactions are prohibited from being processed through any Account or relationship. A restricted transaction includes, but is not limited to, any transaction or transmittal involving any credit, funds, instrument, or proceeds that any person engaged in the business of betting or wagering knowingly accepts, in connection with the participation of another person in unlawful Internet gambling. It includes credit or the proceeds or extension of credit (including credit extended by use of a credit card); electronic fund transfers or funds transmitted by or through a money transmitting business; or a check, draft or similar instrument that is drawn on or payable at or through any financial institution.

Unlawful Internet gambling means to place, receive, or otherwise knowingly transmit a bet or wager by any means that involves the use, at least in part, of the Internet where such bet or wager is unlawful under any applicable Federal or State law in the State or Tribal lands in which the bet or wager is initiated, received, or otherwise made.

Amendment

From time to time, we may amend, add to or change (an "A*mendment*") these Rules. We will give you notice of an Amendment by any reasonable means permitted by law, including electronic notice or posting on our website. Amendments will be effective on the date indicated in the notice. If an effective date is not indicated, the effective date will be thirty (30) calendar days from the date the notice was sent or posted. If you do not wish to be bound by an Amendment, you may close the Account before the effective

date of the Amendment. Your continued use of the Account after the effective date is deemed your agreement to the Amendment. A change in our interest rates, fees or service charges, funds availability or security or operating procedures does not constitute an Amendment of these Rules and we may effect such changes at any time without prior notice to you.

Subsidiaries and Affiliates

These Rules also apply to each of your subsidiaries and affiliates that have an Account with us or have access to or use your Accounts as if they were a party to these Rules. You represent and warrant to us that you have the authority to act for and bind such subsidiaries and affiliates to these Rules, and agree to be responsible for any unpaid fees, charges or other Obligations of such subsidiaries or affiliates. Otherwise, except as expressly provided in these Rules (including with respect to Obligations) or by Applicable Law, these Rules are not for the benefit of any other person, and no other person will have any right against you or us in connection with these Rules.

Waiver of Jury Trial

You agree that any suit, action or proceeding, whether as part of a claim or counterclaim, brought or instituted by you on or with respect to these Rules or any event, transaction or occurrence arising out of or in any way connected with these Rules shall be tried only by a court and not by a jury. YOU EXPRESSLY, KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. You acknowledge that we would not have opened or maintained any Account for you if this waiver of jury trial were not part these Rules.

Miscellaneous

Entire Agreement. These Rules, together with our Funds Availability Policy and Privacy Policy, account opening forms, schedules and information specifically referred to in these Rules, and the Master Agreement and any separate service terms or agreement in effect between us constitutes the entire agreement between us regarding your Accounts and supersedes any and all prior representations, understandings and proposals. There are no oral agreements between us. These Rules are binding upon and for the benefit of you, your successors and permitted assigns, and us and our successors and assigns. Our internal rules and procedures are for our own internal benefit and do not create any rights for you.

Force Majeure. We shall not be responsible for, nor shall we incur any liability to you for any failure, error, malfunction or any delay in carrying out any of our obligations under these Rules if any such failure, error, malfunction or delay results from causes beyond our reasonable control, including without limitation, fire, casualty, breakdown in equipment or failure of telecommunications or third party data processing services, internet disruptions, lockout, strike, accident, act of God, act of terrorism, riot, war or the enactment, issuance or operation of any adverse governmental law, ruling, regulation, order or decree, or an emergency that prevents us from operating normally.

Governing Law; Severability. These Rules are governed by and shall be interpreted under the laws of the United States and of the State of Ohio (including the Uniform Commercial Code of Ohio, as in effect from time to time), and other Applicable Law. To the extent any Applicable Law may be modified or supplemented by agreement of the parties and the provisions of these Rules or any other agreement or document applicable to your Account or transactions have done so, you and we agree to such modifications and supplements and the term "*Applicable Law*" shall be construed to include such laws as so modified or supplemented. To the extent any term or provision in these Rules or the application of such provision to any person or situation is invalid or unlawful under Applicable Law, such provision shall be deemed modified to comply with Applicable Law, and the remainder of these Rules and the application of such provision to other persons or situations shall not be affected.

Notices. Except as otherwise provided in a separate agreement between you and us, or as indicated in our brochures or materials with respect to a specific aspect of your Account, all notices and other communications by you or us relating to your Accounts must be in writing and,

- if to you, addressed to your primary address as shown in our records,
- if to us, at the branch office where you opened the Account, or at such other address as we may specify in writing.

Any notice or communication to you or us will be effective no later than when actually received, and there has been a reasonable time to act on it. We are entitled to rely on any written notice or other communication that we believe in good faith to be genuine and to have been authorized by you. We may give notices and communications to you in any reasonable form or medium and by such means as are permitted by Applicable Law.

Facsimiles and E-mail. E-mail communications from you, including instructions, are not binding on us and do not constitute notice to us as contemplated by these Rules unless we otherwise expressly agree in writing. We may, however, rely on the content of e-mail communications from you as being authorized if we accept the communication in good faith and reasonably believe it was sent by an Authorized Person. **We will NEVER ask you for such information in an e-mail. You must NEVER provide your Account number, security information or other confidential information in an e-mail to us or any person.**

Processors. You acknowledge that we may arrange for some or all of our services to be performed or provided by third party processors, who may or may not be affiliates. You further agree that any such processor is a third party beneficiary of these Rules and as such is entitled to rely on, and avail itself of, the provisions of these Rules as if it was us, including the limits on liability and indemnities. We are responsible for the processors we select.

Inactive Accounts. If an Account has had no withdrawal or deposit activity, and we have had no contact from you regarding the Account for six (6) months, we may consider the

Account inactive and stop sending Account statements. Service fees and other terms applicable to active Accounts will apply to the Account while it is inactive except where prohibited by law. Inactive Accounts may be subject to additional fees. You understand that under state abandoned property laws, we must turn over to the state your Account if it has been inactive for a specified period of time as prescribed by Applicable Law.

Relationship. The relationship created by any deposit is that of debtor and creditor and otherwise the relationship between us is that of independent contractor. No fiduciary or other special relationship exists except as required by law.

Recording. You authorize us to monitor, record and retain telephone calls, electronic messages and other data transmissions at any time without notice for any reason including to provide a record of instructions with respect to your Accounts, but we are not obligated to do so.

Transfer and Assignment Restrictions. You may not transfer or assign any of your rights to, or grant a security interest in any Account or right to use the Account without our prior written consent.

Other Agreements. To the extent that terms of these Rules directly conflict with the terms of any other written agreement between you and us relating to any Accounts or services provided by us, the specific terms of such other agreement shall control. Even if a provision of these Rules is held to be invalid, illegal, or unenforceable, the validity, legality, or enforceability of the other provisions of these Rules will not be affected or impaired by such holding.

Waiver. We may waive, but only in writing, any provision of these Rules, but the waiver will apply only to that provision and on that occasion. In no event is any waiver or series of waivers to be construed as creating or requiring a waiver of any provision in the future.

Time Limitation. Except as otherwise specifically provided in these Rules, any claim by you under these Rules or to recover a loss or damages related to your account must be commenced within one year from the date that the event giving rise to the claim first occurred.

FUNDS AVAILABILITY POLICY FOR TRANSACTION ACCOUNTS

Fifth Third Bank is continually working to improve the collection of checks and the availability of funds. The Expedited Funds Availability Act gives the Federal Reserve Board powers to increase the speed of check clearings. As a result, Fifth Third Bank is required to notify you of the details of this regulation which affect the availability of funds deposited to your checking Account.

For deposits made on Saturday, Sunday or a Federal Holiday, the day of your deposit is the next business day. "Business Day" is defined for purposes of this Availability Policy as Monday through Friday, excluding federal holidays or as otherwise posted in the Banking Center.

If you make a deposit at any affiliate banking center on a Business Day that the affiliate banking center is open and prior to closing, we will consider that day to be the day of deposit. However, if you make a deposit on a day that we are not open or after the banking center is closed, we will consider that the deposit was made on the next Business Day that we are open. Contact your local banking center or www.53.com for additional information on your banking center's hours of business. Funds received after certain cut-off times for certain channels and products may be credited as of the next business day. The earliest cut-off time for funds transferred to your checking Account using Fifth Third Direct is 7:00 PM EST. To determine if later cut-off times are available, please contact your local banking center.

The "day of deposit" for deposits made at an Automated Teller Machine (ATM) at or after 2:00 PM (7:00 PM in Western Pennsylvania, Georgia and North Carolina, St. Louis, Tampa, Central Ohio, South Florida, Central Florida or Chicago) local time is the next Business Day.

Funds from cash, wire transfer and electronic direct deposits to your Account will be available on the day we receive the deposit.

The types of deposits available on the first business day after the day your deposit is received by a Fifth Third Bank employee are:

- U.S. Treasury checks that are payable to you,
- Federal Reserve Bank checks that are payable to you,
- Federal Home Loan Bank checks that are payable to you,
- Postal money orders that are payable to you.
- State and local government checks *
- Cashier's checks *
- Certified checks *

* A special deposit slip must be obtained from a Fifth Third Bank customer service representative in order to process these types of deposits for next day availability, provided the Item(s) are payable to you and deposited into your Account.

If you do not make your deposit of the Items listed above in person to a Fifth Third Bank employee (for example if you mail the deposit), funds will be available no later than the second business day after the day your deposit is received.

If you present an item to be cashed, we may place a hold on a corresponding amount of available funds in your Account for the same amount of time the funds would not have been available had the item been deposited into your Account.

Availability of Other Check Deposits

The availability of funds for commercial and business accounts, in most cases, is as follows:

1. The first $200 from a deposit of a check(s) will be available on the first business day after the day of your deposit. The remaining funds will be available no later than the second business day after the day of your deposit.

2. In the case of some credit union drafts that are payable through another bank, the determining factor will be the location of the credit union, not the payable through bank whose routing number may appear on the check.

Deposits Made At Automated Teller Machines (ATM)

Deposits, including deposits made from a transfer between Accounts, made before 2:00 PM, 7:00 PM in Western Pennsylvania, Georgia and North Carolina, St. Louis, Tampa, Central Ohio, South Florida, Central Florida or Chicago) local time on a regular business day, at a Fifth Third Bank ATM will be treated as deposited that day. Deposits made at and after 2:00 PM (7:00 PM in Western Pennsylvania, Georgia and North Carolina, St. Louis, Tampa, Central Ohio, South Florida, Central Florida or Chicago) local time on a regular business day or on a non-business day at a Fifth Third Bank ATM, will be treated as deposited on the next business day. You will receive the first $100 from ATM non-cash deposits received after 2:00 PM EST, but before 9:00 PM EST, on the day we receive the deposit. Cash deposits received prior to 9 PM EST into an ATM with image capabilities, where the deposit does not require an envelope or deposit slip, will be available on the day we receive the deposit. Deposits made at a non Fifth Third Bank ATM will be treated as deposited when received and credited by your Bank. Any item deposited through an ATM may not, at our discretion, be considered a deposit until it is accepted by us. For purposes of determining the applicable ATM cut-off time, the location where the deposit account was opened will determine which ATM cut-off time applies. Acceptance will occur when we place the item in the collection process. An unprocessable item, including but not limited to unendorsed items, non-processable items, etc, will not be considered a deposit. Deposits at an ATM may not be permitted prior to Account opening. In all other respects, ATM deposits will be accorded the availability described herein for the type of items deposited. ATM deposits are limited to $50,000 for Fifth Third ATMs and $10,000 for all non-Fifth Third ATMs.

Extraordinary Circumstances

In some cases, funds that you deposit by check will not be available according to the schedule defined herein.

If all the funds from your non-ATM deposit will not be available according to the scenarios described herein, a customer service representative will notify you when your funds will be available at the time you make your deposit. If we decide to take this action after you leave the premises, we will mail you notice of when the funds will be available by the business day after we receive your deposit (or the Business Day following the day the facts upon which a determination to hold your funds become known to us).

If your deposit is not made directly to a bank employee, and if we decide to take this action, we will mail you notice when the funds will be available by the business day after we receive your deposit.

If you want to be sure when a particular deposit will be available for withdrawal, you should ask us when the funds will be available. It's important to know that, even though your Account may show available funds, the check you deposited may not be authentic or may not have cleared the bank it was drawn on.

Extraordinary circumstances, which may delay the availability of funds deposited for a longer period include, but are not limited to:

- Reason to believe the check deposited will not be paid.
- Checks totaling more than $5,000 that are deposited on the same day.
- A check is redeposited that has been returned unpaid.
- The deposit Account has been repeatedly overdrawn in the last six months.
- An emergency, such as failure of communications or computer equipment, occurs.
- An operational issue has occurred, such as failure of an ATM owning financial institution to timely balance or reconcile the ATM and/or the ATM deposits.

Availability of funds will generally be no later than the seventh business day after the day of your deposit.

The Following Applies To New Accounts During The First 30 Days

Funds from deposits of cash and the first $5,000 of a day's total deposits of cashier's, certified, traveler's and state and local government checks will be available on the first business day after the day your deposit is received by us provided all checks are payable to you and you use a special deposit slip, if required. If you do not make this deposit in person to one of our employees, the first $5,000 will be available on the second business day after the day your deposit is received by us. The excess over $5,000 will be available no later than the ninth business day after the day of your deposit.

The first $5,000 from a deposit of U.S. Treasury checks, U.S. Postal money orders, Federal Reserve Bank checks and Federal Home Loan checks payable to you and deposited in person to one of our employees will be available on the first business day after the day of your deposit. The excess over $5,000 will be available no later than the ninth business day after the day of your deposit.

Funds from electronic direct deposits to your Account will be available on the day we receive the deposit.

Funds from wire transfers into your Account will be available on the first Business Day after the day we receive the transfer.

Funds from all other check deposits will be available no later than the ninth Business Day after the day of your deposit.

An Account is not considered a new Account if you have had, within 30 calendar days before the Account is established, another transaction Account with us for at least 30 calendar days.

Endorsements

The Expedited Funds Availability Act includes provisions to standardize check endorsements.

As a depositor of checks, the regulation limits the location of your endorsement to the top 1.5 inches at the trailing edge of the check. The trailing edge is directly behind where the "Pay to the Order" is printed. This is where most endorsements are usually placed.

Any marks below the 1.5 inches on the back of the check may obscure the bank's information and ultimately result in a delay in returning the check, and could result in the forfeiture of your right to the recovery of those funds.

Transfer Limitations

The following limitations apply:

- For security reasons, there are limits on the amount of cash withdrawals from the Account that may be made from Fifth Third ATMs or other ATMs.

- There are limits on the amount of cash you may withdraw or transfer immediately after you make a deposit.

- No deposits or withdrawals may be made on a dormant Account through Fifth Third ATMs or other ATMs.

- For security reasons, there may be other limits on the number and amount of transactions you can make using Fifth Third Bank ATMs or other ATM terminal systems.

Savings/MMDA Account Transaction Policies

Unlimited Transactions:

- You may make an unlimited number of payments from your savings/mmda Account(s) to repay your Fifth Third loan or credit card Accounts.

- Withdrawals/Transfers made in person or at an ATM are unlimited.

Limitations:

You are limited to six of the following transactions from your savings accounts each month:

- Preauthorized or automatic withdrawals/transfers including but not limited to:

    - Automatic transfers from your savings account to cover an overdraft.

    - Internet Banking - transfer of funds or bill payment from your savings account to third parties or to other deposit accounts at Fifth Third.

    - Preauthorized ACH or Electronic Transfers.

    - Fifth Third Telephone Banking or any money management payment from your savings account.

- Point-of-sale transactions with a debit card.

- Checks or drafts payable to third parties.

Notification of Excessive Transfers:

We will send you notice after the first and second month of excessive withdrawals or transfers. After three instances of exceeding the allowable number of withdrawals or transfers, your savings/MMDA Account may be closed and funds placed in a checking Account, or you may be offered other options to eliminate future excessive transfers, including but not limited to, removal of the savings/MMDA Account's transfer and draft capabilities.

Fees:

A fee may be assessed for each preauthorized or automatic withdrawal of transfer over six per month.

FIFTH THIRD PRIVACY NOTICE FOR COMMERCIAL CUSTOMERS

I. Introduction

This Privacy Notice for Commercial Customers (the "*Notice*") applies to Company Information (as defined below) about individuals and business or other entities that seek or obtain financial products and services from Fifth Third for business or commercial purposes ("*Commercial Customers*"). This Notice does not apply to information received from individuals who seek or obtain financial products or services from us for personal, family or household purposes; such consumer information is governed by the Fifth Third Privacy Notice for Consumer Information.

For purposes of this Notice, "*Company Information*" means any information about a Commercial Customer from which the Commercial Customer could be identified, whether obtained directly from the Commercial Customer or from another source. Company Information may include, but is not limited to: (a) Company name; (b) physical address, including street name and name of city or town; (c) an e-mail address or other electronic contact information; (d) a telephone number; (e) a tax identification number; (f) a credit history; (g) a bank or credit card account number; (h) financial statements; (i) information about officers, directors, and other control persons; and (j) any other information from or about a Commercial Customer. However, the following is not considered Company Information: (a) aggregated or anonymous information that does not identify a customer and (b) information that Fifth Third obtains from a public source (or knows to be available from a public source).

Fifth Third may make changes to this Notice from time to time. It is available to you at https://www.53.com/site/global/privacy-security/.

II. How We Gather Company Information

We may gather and retain Company Information about Commercial Customers from the following sources:

- Applications or other forms that you provide to us;
- Financial account activity and transactions (such as payment history, account balances and usage);
- Credit-related information from credit reporting agencies;
- Information from website visits (such as cookies, usage and transaction history, and other technical data that we use for security purposes and to enhance the online experience);
- Information we receive from third parties such as data providers or independent researchers.

III. How We Share Company Information

Fifth Third shares Company Information among and between all of its affiliates. You may not opt-out of this sharing.

Fifth Third may share Company Information with non-affiliated third parties and with Vantiv, LLC ("Vantiv") in order to offer you additional products and services. Fifth Third has an ownership interest in Vantiv. You have the right to opt-out of such sharing, as described below in "How To Change Your Privacy Options."

Fifth Third may also disclose Company Information to non-affiliated third parties for routine business reasons. For example, Fifth Third may disclose Company Information to service providers and other third parties as necessary to facilitate a transaction requested by a Commercial Customer. You may not opt-out of this sharing.

Each of the above third parties with which we share Company Information as described above is obligated to keep the information we provide to them confidential.

In addition to the above, Fifth Third may also disclose Company Information to non-affiliated third parties in response to a subpoena, warrant, or court order, or as otherwise required or advisable considering applicable law or regulation.

Fifth Third may collect certain financial information about individuals – such as business owners or loan guarantors - that Fifth Third receives in connection with providing products or services to a Commercial Customer. Fifth Third will not use or transfer such information for any purpose other than facilitating the commercial transaction for which the information as originally provided, except with the consent of the individual.

Please note that Fifth Third does sell loans and other obligations to third parties for a variety of reasons. Consent of the individual, guarantors or borrowers is not required and notice will not be provided in the event of a sale of any loan or other obligation to a third party.

IV. How To Change Your Privacy Options

We will share Company Information as described in Section III above unless you direct us otherwise by taking one of the below steps. Note that based on the sharing practices above, there are certain instances that you may not opt out of.

- Write to us at Fifth Third, Customer Service, Privacy Administration, Post Office Box 4444, Cincinnati, Ohio 45263-4444. Requests must include Company name, address, contact telephone number, relation Tax Identification Number ("TIN") for all business entities that will opt out and account number(s) (if applicable). Incomplete information will delay or possibly prevent our ability to honor your request.

- Call a Fifth Third Customer Service Professional at 1-800-889-5269.

- Visit any Fifth Third Banking Center.

Our system will be updated to reflect your privacy preferences within 30 days following receipt of the request with complete information. You can verify the update by calling the Customer Service number listed above or visiting any Fifth Third Banking Center.

If you have already shared with us your privacy preferences under this Notice, it is not necessary to contact us again. We will continue to honor the preferences you have provided.

V. Security

To protect Company Information from unauthorized access and use, we use appropriate physical, procedural and technical safeguards as required by law.

VI. Fifth Third Companies Covered by this Notice

This notice will apply to all affiliates of Fifth Third, now existing or hereafter arising. This list is available to you at https://www.53.com/affiliatedcompanies.

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MASTER TREASURY MANAGEMENT AGREEMENT

This Master Treasury Management Agreement ("*Agreement*") governs the provision of Treasury Management Services ("*Services*") to the undersigned "*Customer*" by Fifth Third Bank ("*we*" or "*us*") and is effective when and as of the date executed by us.

Services

Customer desires to obtain, and we agree to provide the Services as provided in this Agreement and the applicable Terms and Conditions for the Services ("*Terms and Conditions*"). Customer may request a Service by any means we approve ("*Service Request*"). If we accept and approve a Service Request, we and Customer are subject to the Terms and Conditions for that Service. If Customer uses a Service before the Service Request is approved by us, Customer's first use of the Service shall be deemed to be Customer's agreement to the Terms and Conditions for that Service.

Customer acknowledges receiving a copy of the Terms and Conditions for the Services it desires. Once a Service Request is approved by us or Customer is deemed to have accepted the Terms and Conditions for a particular Service, the applicable Terms and Conditions are incorporated into, and made a part of, this Agreement. Neither party is bound by or subject to the Terms and Conditions for any Service Customer does not use.

We provide the Services for the sole and exclusive benefit of Customer, and if we approve in writing, Customer's Subsidiaries (as defined below). The Services may only be used for business purposes and not for personal, household or consumer purposes.

For some of our Services, we may provide in hard copy or make available online an operating manual or user guide ("*User Guide*") to assist Customer in using the Service.

Customer Information

Customer agrees to provide any information that we reasonably require to enable us to provide the requested Services to Customer. For some of our Services, Customer may be required to complete a set up and implementation process and complete related information forms. We will rely on the information provided to us by Customer in this process and the Service Request in providing the Services to Customer. Any changes by Customer to the information provided to us must be made in writing and will be effective after we have had a reasonable opportunity to act on the changed information.

We are entitled to rely upon the accuracy of all information and authorizations received from an officer or authorized employee or representative of Customer (an "*Authorized Agent*"), and on the authenticity of any signatures purporting to be of an Authorized Agent. Customer agrees to notify us immediately of any change in the status of an Authorized Agent. Customer acknowledges that we may require a reasonable time period before we act upon any such change. Customer agrees that we may refuse to comply with requests from any individual until we receive documentation reasonably satisfactory to us confirming the individual's authority.

Fees and Taxes

Except as expressly provided in a separately agreed and executed pricing agreement referring to this Agreement ("*Pricing Agreement*"), Customer agrees to pay our standard account and Service fees and charges in effect from time to time as billed by us. In addition, Customer agrees to pay our standard fees and charges for any requested or required special service or handling. Customer is responsible for all taxes attributable to its use of the Services or this Agreement (excluding taxes based on our employees, property or net income).

Instructions

Each payment order, wire transfer instruction, ACH entry, file, batch release and other message or instruction to us (an "*Instruction*") that is sent to us electronically in accordance with this Agreement or the applicable Terms and Conditions shall be considered to be an original writing and to have been signed by an Authorized Agent. Neither party will contest the

validity or enforceability of an Instruction on the ground that it was not in writing, not signed by an Authorized Agent or not an original. A valid digital signature shall, at all times, be deemed to be conclusive proof of due authorization by Customer of the communication, Instruction or document to which it relates. Customer is solely responsible for the accuracy and completeness of each Instruction or communication sent to us.

Our Representations and Warranties

We represent and warrant to Customer that: (a) we are duly organized, validly existing, and in good standing in the jurisdiction in which we are organized; (b) the execution, delivery and performance by us of this Agreement has been authorized by all necessary corporate and governmental action; (c) the persons signing this Agreement on our behalf are duly authorized to do so; (d) this Agreement represents our legal, valid and binding obligation; and (e) our execution and performance of this Agreement and our provision of the Services do not and will not violate any Applicable Law (as defined below), our articles of association or bylaws or any material agreement by which we are bound.

We agree to provide the Services in accordance with reasonable commercial banking standards prevailing for similarly situated financial institutions.

Except as expressed elsewhere in this Agreement or in the applicable Terms and Conditions, we make no other representations or warranties, either express or implied, of any kind with respect to any Service or our performance of the Services, including, without limitation, those of merchantability and fitness for a particular purpose. No descriptions or specifications constitute representations or warranties of any kind.

Customer Representations and Warranties

Customer represents and warrants to us that: (a) Customer is duly organized, validly existing, and in good standing in the jurisdiction in which Customer is organized, and is validly qualified in any other jurisdiction where Customer does business and is required to be qualified except where the failure to be so qualified would not have a material adverse effect on Customer; (b) the execution, delivery and performance by Customer of this Agreement and the Related Agreements (as defined below) have been authorized by all necessary entity and governmental action; (c) the persons signing this Agreement and the Related Agreements on Customer's behalf are duly authorized to do so; (d) this Agreement represents Customer's legal, valid and binding obligation; (e) the execution and performance of this Agreement and the use of the Services do not and will not violate in any material respect any Applicable Law, Customer's entity governing documents, or any material agreement by which Customer is bound; and (f) each transaction Customer conducts, and each account Customer has with us is conducted or maintained for a business or commercial purpose and not a personal, family or household purpose.

Customer reaffirms these representations and warranties each time it uses a Service. In addition, Customer agrees to immediately notify us if any representation or warranty made by Customer is no longer true.

Security Procedures; Operating Procedures

Establishment. Access to our Access Channels (described below) and to some of our Services is subject to Security Procedures ("*Security Procedures*"). Our Security Procedures include the use of identification codes, personal identification numbers and passwords ("*Identification Codes*"), call back protocols, tokens and other systems or procedures. The Security Procedures enable the use of the Access Channels and verify the origin of Instructions and communications sent to us. We and Customer will agree on the Security Procedures for a particular Service in the set up process for that Service and to changes as needed. Customer agrees to select the Security Procedure that is suitable for Customer in light of its intended use of the applicable Service or Services. The Security Procedures are not designed to detect errors in any Instruction to us.

Verification. If we accept and act in good faith on a payment order issued to us in Customer's name and in accordance with the Security Procedures and any written agreement between Customer and us, the payment order is effective as Customer's payment order whether or not it is authorized, and Customer is bound by it. Any other Instruction communicated to us in Customer's name in compliance with the Security Procedures and all access to and use of

Services and Access Channels using the Security Procedures are considered authorized by Customer.

Authority. The Security Procedures are in addition to and do not limit, revoke or affect the authority of any person (whether by course of dealing or otherwise) to transmit Instructions in Customer's name. We may continue to rely upon such authority and we are authorized to act upon Instructions received from persons acting pursuant to such authority. Customer is bound by any authorized payment order or other Instruction, and by use of the Access Channels by authorized personnel.

Other Procedures. In addition to the Security Procedures, we may, in our discretion, use additional procedures to verify the authenticity of Instructions communicated to us. We will not be responsible for our refusal to act upon any Instruction received that does not comply with this Agreement or the applicable Terms and Conditions, including where our reasonable efforts to verify Instructions in accordance with the Security Procedures have failed or where such action is delayed until verification can be obtained.

Safeguarding the Security Procedures. Customer agrees to (a) maintain the complete security and confidentiality of the Security Procedures, and (b) institute and use prudent procedures and practices to control access to the Services and use of the Security Procedures. Customer's failure to protect the confidentiality of the Security Procedures may enable an unauthorized person to use the Services and access Customer's accounts and data. Customer must notify us immediately if there has been a breach of its security, or any Security Procedure has been lost, stolen, misused or compromised.

Breach Incidents. We notify customers (and will notify Customer) of security breach incidents involving their information in accordance with the "Federal Banking Interagency Guidance on Response Programs for Security Breaches dated March 23, 2005," as amended, and applicable state laws.

Access Channels

Fifth Third Direct is our internet access portal and Account Management & Payments ("*AMP*") is our internet-based suite of Services available through Fifth Third Direct. The features and options available through Fifth Third Direct and AMP (together with any other means to access our Services electronically, "*Access Channels*") are described in greater detail below and in the User Guide for these Services.

Administration. As part of the set up process for Fifth Third Direct, Customer will appoint a person ("*Administrator*") with authority to manage Customer's use of Fifth Third Direct including the authority to: designate personnel ("*Users*"), including the Administrator, with access to some or all of the Services or Service features through Fifth Third Direct; establish approval processes and limitations (such as dollar amount and transaction type) on the User's authority for certain Services; enable the assignment of Identification Codes; and, accept and act on all communications from us regarding Fifth Third Direct and AMP.

Security Procedures. Customer's use of the Access Channels and the accessed Services are subject to Security Procedures. The Fifth Third Direct Service generates unique Identification Codes for each User. The use of Identification Codes and, where applicable, Access Devices (as described below) together with any additional measures agreed to by the parties constitute the Security Procedure for the Access Channel and the Service accessed through that Access Channel.

Access Devices. Access to some Services may require the use of a security token or other security or authentication device and related software (an "*Access Device*"). Proper, controlled and authorized use of the Access Device is part of the Security Procedure for these Services. The use of the Access Device is subject to any terms of use accompanying the Access Device or any required license, and may only be used as and where delivered to Customer and only for the purpose of accessing our Services. Each Access Device and the related technology, documentation and materials at all times remain our or our vendor's property.

Customer Responsibilities. In addition to using the Security Procedures, Customer agrees to: (a) institute and use reasonable measures to mitigate the risks of conducting banking transactions through the Internet; (b) institute and enforce effective policies and procedures to ensure that its personnel use the Services only as authorized

and within the limits of their permission or authority; (c) incorporate and use reasonable security features and technology in its computer software, hardware and systems; and (d) educate and update itself and its employees on the proper and secure use of the Internet, and the existing and emerging threats from computer viruses and attacks, email scams, cybercrimes and other attempts to gain Customer's banking information, and use reasonable efforts to address these threats.

Equipment and Software. Customer is solely responsible for having and maintaining at its expense proper functioning hardware, software, communication devices and Internet access and service necessary for use with the Access Channels.

Intellectual Property. All software related to the provision of the Access Channels, the content, pages, and other materials, and other works of authorship and material displayed or utilized in connection with the Access Channels, the names, trademarks, logos, slogans and service marks used, displayed and found on our websites, and all other intellectual property relating to the Access Channels (collectively, "*Intellectual Property*") are owned by and proprietary to us or our vendors or licensors, except as otherwise specified. No Intellectual Property may be copied, modified, disassembled, reproduced, used in any way (other than as authorized in connection with the Services) or publicly displayed, or distributed in any medium of expression without our prior written permission.

Since the Internet is inherently insecure and since there is a risk that data communications and transfers may be subject to interruption, interception, failure, unavailability, delay or unauthorized access or dissemination ("*Failure Events*"), we agree to take commercially reasonable steps to maintain the security of such data communications and transfers, including using encryption and other industry standard security features. Except where we fail to take commercially reasonable steps, we shall not be liable for any Failure Events that occur, including any loss of privacy or data, or use by others of such data communications or transfers. Under no circumstances, shall we be liable for any Failure Events that occur prior to Customer establishing a secure connection to our authorized portal or after properly terminating that connection.

Account Management & Payments

AMP enables Customer to manage daily cash balances, research and reconcile account activity, and initiate funds transfers. Customer may elect to enable one or more or all of the modules for Customer or a particular User. The features and options available through AMP are described in greater detail below and in the User Guide for AMP. AMP is only available through Fifth Third Direct.

Administration. AMP is administered on behalf of Customer by the "*AMP Administrator*." Initially, the Administrator for Fifth Third Direct is the AMP Administrator. In addition to any other authority the AMP Administrator may have with respect to Fifth Third Direct and other Services, the AMP Administrator has the authority with respect to AMP to:

- designate Users with authority for some or all features of AMP,
- appoint other AMP Administrators with the authority of an AMP Administrator,
- give us Instructions and access reports relating to AMP,
- elect to enable email Alerts as further described in this Agreement,
- elect to enable access to our ACH Service, Wire Transfer Service and account transfers between deposit accounts and commercial loan accounts ("*Funds Transfers*") and designate Users (including the AMP Administrator) with authority to execute Funds Transfers, and
- establish approval protocols and limitations for Funds Transfers and other transactions.

AMP Administrator's Authority. Customer may authorize the AMP Administrator to have non-functional authority (i.e., authorized only to add and administer Users) or functional authority (i.e., authority to use the Service including for Funds Transfers). In the set up process for AMP, the AMP Administrator will have the option to require "Dual Control Administration," meaning that the approval of a second AMP Administrator is required to verify the designation and authorization of a designated

User. We recommend that Customer elect to require Dual Control Administration. We will rely on the authority of the AMP Administrator and Users designated by the AMP Administrator until we receive written notice of a change and we have a reasonable opportunity to act on the notice. Customer is solely responsible for the actions, instructions and decisions of the AMP Administrator and the designated Users.

Funds Transfers. The use of our Funds Transfer Services through AMP is subject to the Security Procedures for those Services, including the use of an Access Device. The Security Procedures include a variety of approval options, User limitations and controls which are described in greater detail in the User Guide. We recommend that Customer establish an approval protocol appropriate for Customer's particular circumstances. If Customer does not establish and require adherence to an approval protocol for Funds Transfers or if Customer selects a "no approval" option, Customer assumes the risks of all transactions that could have been prevented by requiring approval. Funds Transfers involving only internal account transfers may not be subject to all of the Security Procedures for other Funds Transfers.

Account Information. Depending upon the service level Customer selects, Customer will have access to account and transaction information on a prior day or intraday basis, or both. Account information changes frequently and is subject to updating, verification and correction. We assume no responsibility for Customer's reliance on any account or Service information subsequently updated, verified or corrected.

Email Alerts

Some of our Services including AMP offer an email alerts feature. If Customer elects to use this feature, our system will send an email alert (an "Alert") to Users designated by the Administrator that an activity, status or action selected by the Administrator regarding a selected account has occurred. The Alerts feature is set up by the Administrator.

Informational Use. Alerts are provided for Customer's information and convenience only. An Alert does not constitute a bank record for the account to which it pertains. The Alerts feature is meant to assist Customer in managing Customer's accounts, but is not intended as a substitute for proper account management or regular use of our AMP and other information Services.

Delivery Risks. Alerts may be delayed or prevented by a variety of circumstances beyond our control. We do not guarantee the delivery of any Alert. Alerts are sent via the Internet without being encrypted or otherwise coded in any way. We will not be liable in any way for non-delivery, delayed or wrong delivery of an Alert, the content in an Alert, or Customer's use of, or reliance on, the absence of any Alert for any purpose.

Replies. Customer is not permitted to reply to email Alerts. Any reply Customer sends will not be read or acted upon. **Customer should never respond to any request purportedly from us to provide Customer's account numbers or information, or security details such as passwords.** Customer agrees to report to us promptly any such purported request or other unusual emails.

Compliance

This Agreement, the Terms and Conditions and the use and provision of our Services are subject to all applicable state, federal, local and foreign laws, rules, regulations and other laws, including without limitation, the Uniform Commercial Code in effect in the State of Ohio, the NACHA Operating Rules & Guidelines ("*Operating Rules*"), rules and regulations of any money transfer system, check clearing or payment clearing house, association or network used by us in providing the Services to Customer and the regulations and operating circulars of the Federal Reserve Board (collectively, "*Applicable Law*"). Both parties agree to be bound by the Operating Rules where applicable and to comply with Applicable Law in using or providing the Services, as the case may be, including any control or sanction administered by the Office of Foreign Asset Control. Customer will not make or accept any payments through or in any accounts with us in connection with unlawful internet gambling.

Business Continuity

We maintain off-site business continuity capabilities designed to permit us to recover from a disaster and continue providing Services in accordance with our business continuity plan

and capabilities. Our business continuity capabilities will permit the recovery from a disaster and resumption of the provision of the Service to Customer within a commercially reasonable period as dictated by the particular recovery rating of the system or application in question. A copy of a summary of the Fifth Third Bank Business Continuity Plan as in effect from time to time will be provided to Customer upon written request.

Limitation of Liability

CUSTOMER AGREES TO THE MAXIMUM EXTENT PERMITTED BY LAW THAT IN NO EVENT WILL WE BE LIABLE OR RESPONSIBLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR SPECULATIVE LOSSES OR DAMAGES (INCLUDING LOST PROFITS, GOODWILL AND OPPORTUNITIES) THAT CUSTOMER OR ANY OTHER PERSON MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT OR ANY SERVICE PROVIDED BY US, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES AND REGARDLESS OF THE TYPE OF CLAIM.

Customer further agrees, to the maximum extent permitted by law, that our liability to Customer arising from any Service will be limited to actual monetary damages that are the direct result of our failure to exercise reasonable care in providing the Service. Notwithstanding the foregoing, for Instructions which are subject to UCC Article 4A, we are liable only for damages required to be paid under UCC Article 4A.

Indemnification Obligations

Customer agrees to indemnify and hold us and our officers, directors, employees, affiliates, shareholders and agents harmless from and against any and all losses, liabilities, damages, actions, claims and expenses including court costs and reasonable attorneys' fees and expenses ("*Losses*") resulting directly or indirectly from, or arising in connection with: (a) Customer's breach of any of Customer's agreements, representations, warranties or covenants in this Agreement, the Terms and Conditions or any other agreement with us relating to the Services; (b) Customer's violation of Applicable Law; or, (c) Customer's use of the Services and our complying with or carrying out any Instruction or other direction given to us in accordance with this Agreement. Customer is not, however, obligated to indemnify us for any Loss directly resulting from our gross negligence or bad faith.

We agree to indemnify and defend at our own expense or settle any action brought against Customer to the extent that it is based on a claim that Customer's use of a Service directly infringes a copyright, trademark or patent or constitutes misappropriation of a third-party trade secret, provided, however, that Customer: (a) promptly notifies us in writing of such claim; (b) has not made any admission of liability or agreed to any settlement or other material issue relating to such claim; (c) reasonably cooperates with us at our expense in the defense or settlement; and (d) gives us sole control and authority over all aspects of the defense or settlement of such claim.

Recordings; Imaging Records

Customer authorizes us (but we are not obligated) to record electronically and retain telephone conversations between Customer and us. Imaging and electronic records will be retained by us in accordance with our policies and procedures and copies of such records will be available at Customer's request and expense.

Confidentiality

Subject to Customer's duties under Applicable Law, Customer agrees to keep confidential and not disclose to any third party (other than its agents) our fees and charges, terms of Service, User Guides, software, non-public Service features and other proprietary information and systems we or our Processors provide and disclose in connection with the Services. Customer acknowledges the exclusive ownership by us or our Processors of such information, and agrees to use such information solely for purposes of using the Services.

We acknowledge that non-public information we obtain from Customer in connection with providing a Service to Customer may be confidential. We will maintain the confidentiality of such information in accordance with our normal procedures for safeguarding customer information. Notwithstanding the foregoing, we may disclose Customer's information as

provided in our Fifth Third Privacy Notice for Commercial Customers.

Duty to Inspect

Information regarding transactions with the Services is reported on Customer's periodic account statement and is also available with one or more of our reporting Services or Access Channels. Customer is responsible for monitoring its use of our Services and all activity in its accounts with us including individual transactions. Customer agrees to: (a) regularly review the account information we make available to Customer through our reporting services; (b) promptly review the account statements we send to Customer; and (c) notify us as soon as reasonably possible of any error, unauthorized transaction or other similar matter but, in any case, not more than thirty (30) calendar days after the information is so made available or sent to Customer.

Customer agrees to institute, maintain and enforce reasonable and effective procedures to prevent fraud, misuse and unauthorized use of the Services ("*Customer Measures*"). In addition to the Customer Measures, we offer a variety of Services and other tools designed to assist Customer in reducing or stopping the incidence of fraud and unauthorized activity in Customer's accounts including positive pay, ACH transaction control, disbursement control, information reporting and account management Services. To the extent Customer chooses not to use one of these Services or implement reasonable Customer Measures, and the proper use of that Service or Customer Measure could reasonably have prevented the incidence of fraud, unauthorized activity or loss suffered by Customer, Customer will be deemed to have assumed the risk of such fraud, unauthorized activity or loss so suffered and will be precluded from asserting that we are responsible for such fraud, unauthorized activity or loss.

Overdrafts

We may delay or refuse to process any item, transaction or Instruction that exceeds the amount of available funds in the account on which it is drawn or presented or would reduce the balance in such account below any required minimum balance (i.e., the item, transaction or Instruction would create an "*Overdraft*"). We process Items and other debits to Customer's account in the order described in the Commercial Account Rules or similarly named agreement provided to Customer governing Customer's accounts with us ("*Account Rules*"). If we decide in our discretion to process an item, transaction or Instruction despite the Overdraft, Customer agrees to reimburse us upon demand for: (a) the full amount of any Overdraft or shortfall created by that item, transaction or Instruction; (b) all Overdraft fees and charges; (c) interest on the amount of the Overdraft or shortfall for the day the Overdraft or shortfall was created and for each following day until the Overdraft or shortfall has been paid or restored; and (d) all Losses we incur in collecting from Customer the Overdraft, or any fees, charges or interest relating to it.

Transaction Limits

If we in good faith determine that: (a) providing any Service to Customer could reasonably be expected to result in a violation of any Applicable Law or a material loss to us; (b) we would be entitled to terminate the applicable Service under the "**Termination**" section of this Agreement (with or without the lapse of time or notice) other than under the first sentence of such section; or (c) Customer is in default under this Agreement or any Related Agreement, we may limit Customer's transaction volume or dollar amounts, refuse to execute transactions, or terminate that Service to Customer. In addition, we may restrict or limit the types of Instructions Customer may send to us for processing or execution. We will, to the extent not restricted by law, promptly communicate our decisions regarding such restrictions to Customer. We reserve the right to limit transaction volume or dollar amounts in circumstances not described in the first sentence of this section, provided we give you prior notice of any material limitation or decrease in previously communicated limitations. Customer agrees to provide us, upon our request from time to time, with such financial information and statements and other documentation as we reasonably determine to be necessary or appropriate to enable us to evaluate our exposure or risk.

Except as expressly provided in the applicable Terms and Conditions, nothing in this Agreement requires us to extend any credit of any type, even if we have done so in the past.

Limited Audit

General. Subject to the limitations expressed in this section and only for a Required Purpose (as defined below), we reserve the right for ourselves and our regulatory authorities to audit, inspect and, if warranted, test Customer's equipment, IT infrastructure, workflow and processes, and security policies and procedures relating to a Service (collectively, "*Processes*") and Customer's books and records relating to the origination and sending to us or our Processors of payment orders and other Instructions, and check images. Customer agrees to reasonably cooperate with us and make its facilities, Processes and all relevant records, reports, information and personnel relating to the Processes reasonably available to us.

Limitations. The purpose of any audit we may conduct is limited to assessing the security and compliance with applicable standards and Applicable Law, of the Processes related to the Services and Customer's use of our Services. We will not exercise this right except to the extent required by our regulatory authorities or we are made aware of actual or potential incidents of material weaknesses or security breaches in the Processes relating to the Service or a violation of Applicable Law ("*Required Purpose*"). If we desire to conduct an audit, we will give Customer at least twenty (20) days' advance notice, conduct the audit only during business hours and strive to avoid any disruption or interference with Customer's operations. The results of any audit or the fact that we do not conduct an audit are not to be taken as an assessment of the Processes or Customer's compliance with any standards including Applicable Law. We and Customer will each bear our own costs in connection with the audit.

Confidentiality. We will keep confidential the information Customer provides us in connection with the audit, as well as the results and our findings with respect to the audit, except to the extent disclosure is required by our regulatory authorities or Applicable Law or legal process. We will not seek access to any information Customer is prohibited by law or contract from providing or making available to us, including personal financial and other confidential or protected information of its customers.

Recommendations. If, as a result of an audit, we make a material recommendation relating to Processes and Customer fails to institute any such recommendation, we have the right to terminate or suspend each affected Service pending satisfactory resolution of the circumstances giving rise to the recommendation.

Processors

Customer acknowledges and agrees that we may arrange for certain or all of the aspects of the Services including software and processing to be performed or provided by third-party processors expressly engaged by us ("*Processors*"). To the extent we have engaged a Processor, we are responsible for the aspects of the Service provided by them.

Vantiv

If Customer is using the services of Vantiv, LLC (including its successors, "*Vantiv*"), Customer understands that Vantiv is no longer a division of us and is a separate, independent legal entity. Customer acknowledges and agrees that Vantiv is not our Processor and that we are not responsible for Customer's selection of, any agreement Customer has with, or the actions or obligations of, Vantiv or any agent or vendor engaged or used by Vantiv.

Vendors

Any third party servicer or vendor used by Customer in connection with the Services ("*Vendor*") is Customer's agent and not ours, and Customer will be liable and solely responsible for: (a) any Vendor's failure to comply with this Agreement, the Terms and Conditions or any Security Procedures or operating requirements relating to the Services; and (b) all fees, costs and expenses owed to each Vendor for its services.

Use of System

If a Service involves the use of software, hardware, processing, or databases provided by or through us or a Processor to Customer (a "*System*"), we or the System vendor may require Customer to execute a license or other agreement to use or acquire the System. Customer agrees to treat the System as strictly confidential at all times. Customer is solely responsible for the use

or misuse of the System and assumes the risk of all consequences of the use or misuse of the System by Customer, its personnel or third parties (other than us and our personnel).

Setoff

Customer grants us a contractual right of setoff against Customer's deposits and funds in Customer's accounts with us or any of our affiliates at any time (excluding any account expressly titled to clearly demonstrate that the account is held by Customer in a fiduciary or representative capacity for a third party) in order to satisfy any unpaid or unperformed obligation to us under this Agreement, now or at any time in the future. We may exercise our right of setoff without demand or notice, and without recourse to any other collateral but we will use reasonable efforts to provide notice to Customer following the exercise of our rights. Our rights as described above are limited to the extent of limitations and restrictions imposed by Applicable Law.

Force Majeure

Neither party shall be responsible, and neither shall incur any liability to the other, for any failure, error, malfunction or any delay in carrying out any of its obligations under this Agreement directly resulting from causes beyond such party's reasonable control, including without limitation, fire, casualty, lockout, strike, unavoidable accident, act of God, act of terrorism, riot, war or the enactment, issuance or operation of any adverse governmental law, ruling, regulation, order or decree, or an emergency that prevents such party from operating normally; provided, however, that Customer shall not be relieved of its responsibility for timely performance of any of its payment obligations to us.

Termination

Either party may terminate this Agreement or any Service at any time by giving 30 days' prior written notice of termination to the other party. We may terminate or suspend immediately any Service without notice to Customer if Customer fails to maintain sufficient available funds in any account maintained for such Service. In addition, we may terminate this Agreement or terminate or suspend any Service immediately upon notice to Customer if: (a) Customer closes any account established in connection with the Services without establishing a replacement account; (b) Customer breaches a material obligation under this Agreement, any Applicable Law or any other material agreement with us; (c) Customer becomes insolvent, is placed in receivership or is adjudicated bankrupt or Customer becomes subject to any voluntary or involuntary bankruptcy proceeding or any assignment for the benefit of its creditors; (d) Customer's financial condition has become impaired in our good faith opinion; (e) any person or group acting in concert that is not a controlling stockholder of Customer on the date of this Agreement acquires, directly or indirectly (whether by merger, stock purchase or issuance, recapitalization, reorganization or otherwise), a majority of Customer's outstanding stock; or (f) the continued provision of Services in accordance with the terms of this Agreement would, in our good faith opinion, violate Applicable Law or subject us to an unacceptable risk of loss.

Upon any termination of this Agreement, Customer shall: (a) promptly pay to us all sums due or to become due under this Agreement; (b) return immediately to us at Customer's expense, the System (if applicable), and all related materials, and all copies and reproductions thereof, whether written or in magnetic media and whether received from us or otherwise and shall pay us for any damages to any such materials (ordinary wear and tear excepted); and (c) have no further right to make use of the System or the Services.

Termination of a Service or this Agreement does not relieve or excuse Customer's payment obligations for any Services that we provide to Customer before or after the Service or this Agreement is terminated, nor does it release Customer or us from any of our respective obligations that arose or became effective prior to such termination. In addition, all provisions of this Agreement relating to the parties' warranties, representations, confidentiality or non-disclosure obligations, proprietary rights, limitation of liability and indemnification shall survive the termination of a Service or this Agreement.

Entire Agreement

This Agreement, together with the Terms and Conditions, any applicable User Guide, the

Service Requests, Account Rules, the signature card, Pricing Agreement, account fees, terms of use and any resolution or other document establishing Customer's authority to engage in the Services and open accounts with us (collectively, the "*Related Agreements*") constitutes the complete and exclusive statement of the agreement between the parties with respect to the Services and supersedes any prior or contemporaneous agreements between the parties with respect to such Services. If there is a conflict between this Agreement and the Terms and Conditions or the Account Rules, the Terms and Conditions or the Account Rules, as applicable, shall prevail to the extent necessary to resolve the conflict. Nothing in this Agreement confers a right or benefit on any person or entity other than us and Customer, except for our Processors.

Amendment

This Agreement and the Terms and Conditions may be modified by a written agreement executed and signed by the parties. We may, however, modify this Agreement or the Terms and Conditions by giving Customer thirty (30) calendar days' prior written notice. If Customer continues to use any Service or the affected Service, as the case may be, after the expiration of the thirty-day period or a later effective date specified in such notice, Customer is bound by the Agreement or Terms and Conditions, as the case may be, as so modified.

Notwithstanding the foregoing, if a modification to this Agreement or the Terms and Conditions is required by or under Applicable Law or by a regulatory authority with jurisdiction over us or is, in our good faith opinion, necessary to preserve or enhance the security of a Service, we may modify this Agreement or the Terms and Conditions by giving Customer notice of the modification by any means permitted by Applicable Law, and the modification will be effective immediately upon us giving such notice.

Assignment

Customer may not sell, assign or transfer, or grant a security interest in any of its rights or obligations under this Agreement without our prior written consent. We may assign our rights and obligations under this Agreement in whole or in part without Customer's consent (a) pursuant to, or in connection with any merger, consolidation or amalgamation involving us or our parent company, or the sale or transfer of all or substantially all of our assets or stock, or (b) in connection with the sale or other disposition involving a line of our business to which this Agreement relates. We will use reasonable efforts to notify Customer of any such assignment. Customer expressly reserves its right to terminate any or all Services in the event of any such transaction.

Governing Law; Venue

This Agreement and any claims or disputes relating to or arising out of this Agreement or the Service shall exclusively be governed by, and construed in accordance with, the laws of the State of Ohio, without regard to Ohio's conflict of law principles, and with applicable federal laws and regulations. Customer irrevocably submits to the nonexclusive jurisdiction of the courts of the state and federal courts in Ohio and agrees that any legal action or proceeding with respect to this Agreement may be commenced in such courts.

Waiver of Jury Trial

Customer agrees that any suit, action or proceeding, whether as part of a claim or counterclaim, brought or instituted by Customer on or with respect to this Agreement or any event, transaction or occurrence arising out of or in any way connected with this Agreement shall be tried only by a court and not by a jury. CUSTOMER EXPRESSLY, KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING.

Miscellaneous

Notices. Except as otherwise specifically provided in the Terms and Conditions or User Guide with respect to a particular Service, all notices and other communications by either party relating to this Agreement or the Services shall be given promptly in writing or electronic medium and shall be effective either on the date it is actually received or five (5) days after it is mailed, sent by courier, transmitted or posted, whichever is earlier. The address to which all notices (other than notices given electronically as permitted in this Agreement) concerning this Agreement or a Service shall be sent to

Customer is that address we have in our records with respect to this Agreement or that Service, respectively. The address for notice to us will be as we specify to Customer in writing.

<u>Counterparts</u>. The Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument.

<u>Severability</u>. If performance of Services in accordance with the terms of this Agreement would result in a violation of any Applicable Law or governmental policy to which we are subject, then this Agreement and any Related Agreement shall be deemed amended to the degree necessary to comply with such Applicable Law, and we shall incur no liability to Customer as a result of such violation or amendment. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such provision shall be valid, legal and enforceable to the maximum extent permitted by such holding and the validity, legality, or enforceability of the other provisions of this Agreement will not be affected or impaired by such holding.

<u>Headings</u>. Headings are for reference purposes only and are not part of this Agreement.

<u>Waiver</u>. No party's failure or delay in exercising any right or remedy under this Agreement will operate as a waiver of such right or remedy, nor shall any waiver by either party of any breach of the other party's obligations under this Agreement operate as a waiver of any prior, current or subsequent breach. No waiver will be effective unless made in writing.

Subsidiaries

By executing this Agreement, Customer, each "*Subsidiary*" of Customer listed below (if any), and we agree that each such Subsidiary shall have all of the rights and obligations of, and shall for all purposes be a party under this Agreement as "*Customer.*" Each Subsidiary will be deemed to make to us all representations and warranties of, and will be subject to and undertake all obligations as "*Customer*" under this Agreement and the Related Agreements. Additional Subsidiaries can be added through an addendum to this Agreement in the form required by us and executed by Customer and us.

Customer represents and warrants to us that Customer (or another Subsidiary) owns a majority of the outstanding shares or equity interests of each such Subsidiary.

Each Subsidiary acknowledges and agrees that it is responsible for the payment of fees or maintenance of required balances for the Services that it receives from us, and for all obligations and liabilities it incurs.

Customer unconditionally guarantees to us the full and prompt payment and performance by the Subsidiaries of all obligations they or any of them may incur under this Agreement or the Related Agreements, including in any case that any payment to us by a Subsidiary is set aside, rescinded or otherwise required to be returned in any bankruptcy or similar proceeding.

Customer represents and warrants to us that all transfers and commingling of funds, if any, between or among Customer and any Subsidiary whether or not listed (the "*Group*") in connection with any Service are supported by adequate consideration between and among the members of the Group and have been duly authorized by all necessary entity and governing body action on the part of each member of the Group. These representations and warranties shall be continuing while we are providing the Service. Customer agrees to provide to us upon our reasonable request adequate documentary evidence of such authorization from each member of the Group.

******SIGNATURE PAGE FOLLOWS******

SIGNATURE PAGE TO MASTER TREASURY MANAGEMENT AGREEMENT

WITNESS, the parties have caused this Agreement to be executed by their respective duly authorized representatives.

CUSTOMER NAME:

____

Tax ID:__________________________

By: ____________________________________

Print name: _____________________________

Print title: ______________________________

NOTE: If required by resolution, second officer of Customer must sign below

By: ____________________________________

Print name: _____________________________

Print title: ______________________________

Signing as a duly authorized officer or agent of each of the Subsidiaries listed below:

By: ____________________________________

Print name: _____________________________

Print title: ______________________________

FIFTH THIRD BANK

By: ____________________________________

Print name: _____________________________

Print title: ______________________________

DATE: __________________________

This Agreement includes the following Subsidiaries:

Subsidiary Name:	Tax ID No.:
______________________	______________________
______________________	______________________
______________________	______________________
______________________	______________________

TREASURY MANAGEMENT SERVICES

TERMS AND CONDITIONS BOOK

October 2013

Introduction

Fifth Third Bank is proud to offer the treasury management services ("*Services*") listed and described in this Terms and Conditions Book ("*T&C Book*"). This T&C Book sets forth the "*Terms and Conditions*" or "*Service Terms*" for each of our Services described in this T&C Book. All of our Services are provided under and subject to the Master Treasury Management Agreement or similarly titled agreement("*Master Agreement*") in effect between you, as our "*Customer*" (or "*you*") and Fifth Third Bank ("*we*" or "*us*") governing Services. Services may be obtained as described in the Master Agreement. If you are not using a particular Service described in this T&C Book, the Service Terms for that Service do not apply to you or us. If you are using a Service, the Service Terms for that Service as described in this T&C Book apply to you and us.

Definitions

Capitalized terms used in this T&C Book without definition have the meaning given those terms in the Master Agreement except where otherwise specified. The following terms have the indicated meaning when used in this T&C Book:

"*Available Funds*" means those funds that are made available in an account with us in accordance with our Funds Availability Policy;

"*Banking Day"* or *"Business Day*" means a weekday on which our processing center or bank office providing the applicable Service is open to the public for the transaction of business;

"*Cutoff Times*" means those cutoff times or periods of time applicable to a Service that we establish from time to time;

"*Designated Account*" mean the account with us to be used for or affected by a particular Service as designated by you in the set up process for that Service;

"*Funds Availability Policy*" means our policy, as in effect from time to time, which sets forth when funds deposited into your accounts will be available a copy of which is included with the Account Rules;

"*Items*" means checks and other items of payment excluding electronic transfers but including substitute checks (where the context allows it);

"*Operating Rules*" means the Operating Rules and Operating Guidelines of NACHA - The Electronic Payments Association, in effect from time to time, and the rules of local payment associations, clearing houses and networks in which we participate with respect to your transaction; and,

"System" means the hardware, software, disks, documentation and materials we provide or make available to you for your use of a particular Service. Any System we provide may only be used for the Service for which it is provided.

Rules and Regulations

Your accounts with us and deposits to, and transactions in your accounts are subject to the Commercial Account Rules or, if applicable, Rules and Regulations Applicable to all Fifth Third Accounts provided in connection with your opening of such accounts (the "*Account Rules*").

Set Up and Implementation

For many of our Services, you must complete a set up and implementation process before the Service is available for your use. In this process, you will

- provide us with important information about you and your desired use of the Services you select

- designate the Designated Account
- make elections among various options available with the Service including selecting communication channels and optional Service features, and,
- appoint an Administrator for the Service as further described below

As part of this process, we will, where necessary test the Service with you and provide you with any applicable operating procedures and processes. We will rely on the information you provide us, and the decisions and features elections you make in this process.

User Guides

For some of our Services, we will provide you a printed or online copy of a user manual or user guide (a *"User Guide"*) that will provide operating procedures and service details to assist you in your use of the Service.

Administrator

For many of our Services, we require that you designate one or more persons as your principal Authorized Agent (as defined in the Master Agreement) to serve as the Administrator for the Service on your behalf ("*Administrator*"). The Administrator has significant authority on your behalf to:

- manage the Service,
- select Service options offered with the Service,
- designate accounts to be subject to the Service,
- administer Security Procedures related to the Service and designate users (and assign user IDs and passwords) with authority to act as Authorized Agents for the Service,
- and access reports generated with respect to the Service, and
- for certain services, select your approval process or authorization protocols.

We will rely on the authority of the Administrator and users designated by the Administrator until you give us written notice of a change and we have a reasonable opportunity to act on the notice. We do not monitor your use of the Service. You are solely responsible for the actions, instructions, orders and decisions of your Administrator and the designated users.

Statements and Notices

Activity in your accounts with us using a Service will be reflected in the periodic account statements we provide you. Such information is also available through one or more of our reporting Services.

Communication Alternatives

In the set-up process for many of our Services, you and we will establish the means by which you can communicate with us to use that Service. We offer a variety of alternatives for you to access our Services including VPN, telephone, written instructions, *Fifth Third Direct*® or another Internet portal or name, and direct transmission, among others.

Customer Equipment

For some of our Services, unless we have expressly agreed to provide you equipment pursuant to a written sales, license or lease agreement, you are responsible for having and maintaining secure and proper functioning hardware, software, communication devices, Internet access and communication and related services necessary for use with the Service.

Service Interruptions

If you experience Service interruptions or delays, we will work with you to restore the Service and use commercially reasonable efforts to establish alternate means for conducting your banking business.

Customer Support

For many of our Services, our service team representatives are available to assist you in using the Service during posted hours of operation. Contact information is provided in the set-up process.

Additional Services

The Terms and Conditions for certain Services we offer are not included in this Service Book. Some of those Services are the subject of a separate written agreement that is, like this T&C Book, subject to the Master Agreement. Contact your Relationship Manager for information about these other Services and to obtain documentation to implement these Services. All of our Services are subject to the Master Agreement.

Remittance Transfer Rule

Application. The provisions of this Section apply to you to the extent you are or may be classified as a "Remittance Transfer Provider" under Regulation E and the regulations and related interpretations adopted by The Bureau of Consumer Financial Protection amending Regulation E, which implements the Electronic Fund Transfer Act set forth in 12 CFR 1005 (collectively, the "*Remittance Transfer Rule*"). If you use any of our funds transfer Services or otherwise make a payment through us in connection with making a Remittance Transfer (as defined below), we will be acting as your agent (within the meaning of the Remittance Transfer Rule) and not a Remittance Transfer Provider in carrying out your Remittance Transfer.

Definitions. As used in this Section, the following terms have the indicated meanings:

(a) "*Designated Recipient*" means any person specified by the Sender as the authorized recipient of a Remittance Transfer to be received at a location in a foreign country;

(b) "*Remittance Transfer*" means the electronic transfer of funds requested by a Sender to a Designated Recipient that is sent by a Remittance Transfer Provider. The term applies regardless of whether the Sender holds an account with the Remittance Transfer Provider, and regardless of whether the transaction is also an electronic fund transfer, as defined in Regulation E;

(c) "*Remittance Transfer Provider*" means any person that provides Remittance Transfers for a consumer in the normal course of its business, regardless of whether the consumer holds an account with such person; and,

(d) "*Sender*" means a consumer in a state, territory or possession of the United States (including the District of Columbia and Puerto Rico) who primarily for personal, family, or household purposes requests a Remittance Transfer Provider to send a Remittance Transfer to a Designated Recipient.

The foregoing terms shall be used and construed as provided in the Remittance Transfer Rule.

Customer Undertakings. You represent and warrant to us that you have implemented reasonable and effective policies and procedures to comply, and each funds transfer sent to us or through us using one of our Services complies, with the Remittance Transfer Rule. Without limiting the generality of the foregoing, you agree to provide the disclosures to each Sender, obtain required Sender consents, be responsible for error resolution procedures and providing remedies to the Sender, and be responsible for the cancellation and refund of Remittance Transfers, all as required of Remittance Transfer Providers by the Remittance Transfer Rule.

Fifth Third Bank. You acknowledge that our Services do not include complying with, or monitoring your compliance with, the Remittance Transfer Rule with respect to your Remittance Transfers. You agree that we are not responsible or liable for your compliance with Applicable Law including the Remittance Transfer Rule.

TABLE OF SERVICES

	SERVICE	Page Number
1.	ACCOUNT ANALYSIS 822	1
2.	ACCOUNT RECONCILIATION	2
3.	AUTOMATED CLEARING HOUSE	4
4.	ACH POSITIVE PAY	10
5.	ACH TRANSACTION CONTROL	13
6.	AUTOMATED PAYABLES MANAGEMENT	14
7.	BAI FILE	17
8.	CASH SERVICES	18
9.	CHECK IMAGING	23
10.	CHECK ISSUANCE	24
11.	CHECK RETURNS	25
12.	CONTROLLED DISBURSEMENT	27
13.	DEPOSIT MANAGEMENT	29
14.	DEPOSIT SERVICES	30
15.	ELECTRONIC CASH LETTER	31
16.	ELECTRONIC DEPOSITS MANAGER	35
17.	ELECTRONIC LOCKBOX	40
18.	ESCROW MANAGER	41
19.	INFORMATION REPORTING	45
20.	INTEGRATED PAYABLES	46
21.	INTEGRATED RECEIVABLES	47
22.	LOCKBOX	48
23.	PAYCARD	52
24.	POSITIVE PAY	56
25.	RE-PRESENTED CHECK ENTRIES	59
26.	SWEEP	60
27.	TAX LINK 53	64
28.	WIRE TRANSFER	66
29.	ZERO BALANCE ACCOUNTS (ZERO BALANCE AND CORPORATE ONE ACCOUNTS)	69

ACCOUNT ANALYSIS 822

Service

Account Analysis 822 is our basic reporting tool providing balance, Service charge and fee information and adjustments electronically in Standard Transaction Set 822 Format.

Set Up

In the set up process, you will select the type of information to be reported, and you and we will together establish transmission protocols and timing for this Service.

ACCOUNT RECONCILIATION

Service

Our Account Reconciliation Service helps you reconcile and manage your credit and debit activity in Designated Accounts by providing detailed information on all paid and outstanding items. We offer partial, full, and deposit reconciliation as described below and in the User Guide we provide for this Service. The information generated with this Service is provided to you using the communication channel you select.

Check Stock. This Service is dependent upon your use of checks meeting industry standards for check quality and the impression of clear information on each check. If your checks result in high reject rates for poor MICR quality, you may be subject to reject fees. We generally require that you submit a minimum of 30 checks during the implementation process to establish check and MICR quality.

Storage and Retrieval. Almost all of your checks will be presented to us as an image or substitute checks. These checks and the related check information will be stored and may be retrieved as electronic images. We will store your images in archive for a seven year period. Check images can be retrieved for viewing through *Fifth Third Direct* or made available on a CD-ROM.

Customer Obligations. Use of the Account Reconciliation Service does not affect your obligation to discover and report unauthorized checks or any other discrepancies or problems with your accounts. As part of this Service, your may choose to receive or send electronic data to help you with the reconcilement of your Designated Accounts. The method, frequency, and format of such electronic data transfer will be established in the set up process. We strongly recommend that you use our Positive Pay Service with this Service to assist you in identifying unauthorized checks.

Set Up. We will provide the features of the Service you select in the set up process. If you select our Full Reconciliation Service, we will test your file transmission; the Service will not begin until we have approved the transmission.

Partial Reconciliation

Partial Reconciliation is our basic reconciliation service. With Partial Reconciliation, we review the check numbers of clearing checks, make corrections as necessary and report cleared check information on a daily basis through your selected reporting channel. You may use electronic data files we provide to post paid check activity directly to your internal system to assist in monthly account reconciliation.

Full Reconciliation

Check Issue File. Full Reconciliation is a more complete reconcilement of your issued and paid check activity and is provided on a monthly basis. This option requires you to transmit to us a "Check Issue File" that includes issued and voided check information. We use the information in this file to review your account activity and make corrections to your check information which we then report to you through your selected reporting channel. We will establish the file transmission method and format requirements with you in the set up process. Check Issue Files must be transmitted by our processing Cut off Time on the last business day of the statement cutoff cycle or as often as you issue checks. Should the complete listing not be received by the 20th business day of the following month, you will be contacted and a Partial Reconciliation provided for that month. All daily files should be transmitted to Fifth Third Bank by 7:00 p.m. ET for "end of cycle" processing (last day of your cycle period). Your initial Check Issue File must contain all outstanding check information as of the date of the start of service. This requirement ensures that outstanding checks in the payment system will clear against the account as validly issued checks.

Acknowledgement. If you transmit the Check Issue File to us electronically, you have the

option to receive automated transmission acknowledgement or you may email your transmission total verification to the address we specify. The email should contain your company name, dollar amount of the file, total items on the file, as well as a contact name and number. If the file that we receive is different than the information provided, we will contact you to resolve the issue.

Deposit Reconciliation

We offer a feature of this Service that enables you to create special serial numbers associated with deposit locations such as stores. We provide a deposit report tracking deposits by those serial numbers.

Check Management

Check Management is a suite of tools available through Fifth Third Direct that helps you manage and respond to data surrounding check payments. The suite includes Issue Management and Check Inquiry tools for customers who use Account Reconciliation services.

Issue Management allows you to enter and manage check issue information to be used to create a Check Issue File or to add to your existing Check Issue Files. This information can then be used for Account Reconcilement services and to enable our Bank Maintained Positive Pay Service. Check information entered via Issue Management will be collected once per day for batch input in accordance with our processing schedule and subject to the applicable Cut Off Time. This tool also allows you to view, manage and edit entered information before it is processed and to review and audit information that was entered through Issue Management for up to 90 days.

Check Inquiry allows users to search for the status of a single check or batch of checks and subsequently view the associated images for paid items. Images are available on the Business Day following posting. When combined with Account Reconcilement Services, this tool also features an online Stop Payment function for unpaid checks..

<u>AUTOMATED CLEARING HOUSE</u>

Service

<u>Description</u>. Our Automated Clearing House ("*ACH*") Service allows you to

- make payments from the Designated Account to receiving accounts by means of ACH credit entries ("*Credit Entries"*) or by means of internal transfers ("*On-Us Entries*") when the receiving account is maintained with us; and
- collect payments from receiving accounts by means of ACH debit (*"Debit Entries"*) provided you have obtained and maintain proper authorization from the Receiver.

ACH Transactions can be initiated through our internet portal, Fifth Third Direct or direct file transmission. Other methods of communication may only be used with our prior written consent. We offer a variety of information reporting Services for our ACH Service which are subject to the Service Terms for those Services.

<u>Set-Up Process</u>. In the set up process, we will establish communication links and Security Procedures, and provide you with our file specifications and other information about your use of the Service.

Operating Rules

<u>Application</u>. The ACH Service is governed with respect to Entries by the Operating Rules. You agree to comply with, and be bound by the Operating Rules. Any fines or penalties assessed against or imposed on us for your violation of the Operating Rules will be passed along and charged to you. If there are any inconsistencies between these Terms and Conditions and the Operating Rules, the Operating Rules shall govern, except with respect to an On-Us Entry. A copy of the Operating Rules is available through NACHA upon request at current NACHA prices.

<u>Definitions</u>. With this Service, you are the *"Originator"* of the Entries and we are the "*Originating Depository Financial Institution*" or "*ODFI*" with respect to these Entries as those terms are defined in the Operating Rules. "*Entry*" has the meaning set forth in the Operating Rules and includes the data you send us from which we prepare Entries. Other capitalized terms used in these Service Terms without definition have the meaning given such terms in the Operating Rules.

ACH Transactions

<u>Entries</u>. We authorize you to transmit to us Credit and Debit Entries of the type we approve in the set up process for this Service. We agree to process such Entries as provided in and subject to these Terms and Conditions and the Operating Rules.

<u>Receiver Authorization</u>. You shall provide notice to, and obtain the authorization of any individual or entity, in accordance with the Operating Rules and Applicable Law, before initiating any Debit Entry to a Receiver's account. You agree to retain the original or a copy of each authorization for such period of time as may be required by the Operating Rules or Applicable Law, whichever is longer.

<u>Specifications</u>. Your Entries must conform to our file specifications and be transmitted in a format that we approve. We reserve the right to reject or refuse to execute individual Entries or entire files that do not meet our specifications. We may, but shall not be required to, act on Entries provided by telephone, facsimile, or otherwise that are not in strict compliance with the requirements of these Terms and Conditions.

Third Parties. You are authorized to use this Service solely for your own direct benefit and not directly or indirectly for the benefit of anyone else.

Content. You are solely responsible for providing all information necessary for the proper origination of each Entry you send us and for the content in the Entries you send us. We are not responsible for detecting or reporting any error in any Entry you transmit to us. We are not responsible for the consequence of acting on an Entry or information you provide to us.

Limitations

Exposure. In the set up process, we will establish with you the types of Entries we will accept and the exposure limits and transaction limitations applicable to your origination activity. We may at any time determine to restrict or change the amount or type of transactions we are willing to accept from you, and you agree to observe and honor those restrictions once established. You are authorized to use this Service solely for your own account and you agree not to transmit to us any Entries to us for anyone other than you. The establishment of an exposure limit is not a commitment on our part to process transactions up to that limit.

IAT. The Operating Rules provide for a Standard Entry Class Code International ACH transaction ("*IAT*"). An IAT is an ACH Debit or Credit Entry in any currency (including U.S. Dollars) that is part of a payment transaction originating from or transmitted to an office of a financial agency located outside the territorial jurisdiction of the United States. You are not authorized to initiate or send to us any IAT Entries (or any Entry that meets the definition of an IAT Entry, no matter how coded) unless there has been executed by you and our duly authorized representative in advance a written addendum to these Terms and Conditions specifically authorizing the initiation of IAT Entries by you. In connection with any such addendum, you will be required to agree: (a) that you will comply with Applicable Law relating to IAT Entries including regulations and requirements of the Office of Foreign Asset Control ("*OFAC*") and Applicable Law of the Receiver's jurisdiction; and (b) you bear all currency risk associated with payments in a currency other than U.S. Dollars including for any return entries or reversals.

Agreements. You agree not to send or initiate any Entries in violation of the limitations set forth in these Service Terms, and, in particularly, you agree not to initiate any Entry: (a) of the class or type not approved by us; (b) in excess of the Available Balance in the Designated Account or any transaction limitations that we establish from time to time and communicate to you; or (c) that would violate any Applicable Law including the Operating Rules.

Foreign Currency. ACH Entries may only be originated in U.S. Dollars. If you wish to originate Entries in a currency other than U.S. Dollars, you must obtain one of our Global Funds Services.

Security

Security Procedures. In the set up process, you and we will agree upon the Security Procedures to be used with this Service. We and you, respectively agree to comply with the Security Procedure requirements so established with respect to Entries you transmit to us. You acknowledge that the purpose of such Security Procedure is for verification of authenticity and not to detect an error in the transmission or content of an Entry. No procedure for the detection of any such error has been agreed upon between us.

Internal Controls. You agree to establish and maintain effective processes, procedures and controls to safeguard against unauthorized transmissions through this Service. You warrant to us that no individual will be allowed to initiate transfers in the absence of proper supervision and safeguards, and you agree to take commercially reasonable steps to maintain the security of your communications facilities and the confidentiality of the Security Procedures. If you believe or suspect that any Security Procedure or your systems have become known to, or been accessed by unauthorized persons, you agree to notify us immediately and follow up your notification with written confirmation. The

occurrence of unauthorized access will not affect any action taken prior to receipt of such notification and within a reasonable time period to act on such notification.

Effect of Security Procedures. You are responsible for any Entry or other transaction authorized by you or, as further provided in the Master Agreement, which was transmitted to and accepted by us in compliance with the Security Procedures, regardless of whether the Entry was not authorized or was erroneous in any respect.

Data Breach. If you suffer a breach of your security that has or may result in the unauthorized release or disclosure of confidential or protected information of you or your customers, you agree to notify us immediately.

Processing

Transmittal. Except as otherwise provided below, we shall process Entries we receive from you that conform with our specifications and the Operating Rules, transmit those Entries as an ODFI to an ACH Operator, and settle for those Entries as provided in the User Guide and the Operating Rules.

Time. We shall transmit each Entry to an ACH Operator by the Cutoff Time, on the day before the Effective Entry Date if we receive the Entry from you before the Cutoff Time on the Business Day prior to the Effective Entry Date, and the Effective Entry Date is a Banking Day for the ACH Operator and also a Business Day for us; otherwise, we will use reasonable efforts to transmit the Entry to the ACH by the deadline of the ACH Operator on the next day that is a Banking Day for such ACH Operator and that is also a Business Day.

File Confirmation and Control Total. For each file, we require that you send to us control total and related data to assist us in confirming the origin of your file. You may communicate this data to us by the means agreed upon in the set up process. You may use one of the optional features of our Service to obtain confirmation of our receipt of you file.

Data Retention. You agree retain data on file adequate to permit remaking of Entries for thirty (30) days following the Settlement Date of the Entry, and agree to provide such data to us upon request.

Your Representations and Warranties. With respect to each and every Entry you initiate, you represent and warrant to us, and agree that (a) each person shown as the Receiver on the Entry has authorized the initiation of the Entry as required by the Operating Rules and Applicable Law and the crediting or debiting of your account in the amount and on the Effective Entry Date shown on such Entry, (b) such authorization is in effect at the time of your transmission of the Entry to us, (c) the Entry is of the type authorized by us for transmission as established in the set up process, and (d) the Entry complies with these Service Terms and Applicable law. You further make to us each and every representation and warranty that we make with respect to your Entries under Applicable Law including the Operating Rules.

Payments with Respect to Entries

Credit Entries. You agree to pay us for each credit Entry. We will debit your Designated Account for Credit Entries (including debit Reversals) on the Settlement Date of the Entry as specified by the ACH Operator, unless we require you to pre-fund your Entries. Pre-funding means that you must pay for the Credit Entry by such time before the Effective Entry Date as we may specify. We use our reasonable efforts to process your Entries to enable payment to of from your Receiver on the Effective date of your Entry. We may require funding at any time. If we do require you to pre-fund an Entry, the pre-funding is solely for our benefit and no interest will be paid on those funds while held by us.

Returns. You agree to pay us for any returned Debit Entries (including rejected Debit Entries) or any adjustment Entries which we previously credited to your account. We are not required to send a separate notice of Debit Entries which are returned unpaid.

On-Us Entries

Except as otherwise provided in these Terms and Conditions, in the case of an On-Us Entry, we credit or debit the Receiver's account in the amount of such entry on the Effective Entry Date contained in such entry, provided that such entry satisfies the requirements of these Terms and Conditions.

Rejection of Entries

We have the right to reject any Entry: (a) if there are not sufficient funds in the Designated Account to pay for the Entry; (b) that does not comply with the Operating Rules or these Service Terms; (c) that we are unable to read due to errors, in format or content, or otherwise; or (d) for any other reason for which Entries may be rejected under the Operating Rules. We may notify you of such rejection but shall have no liability to you by reason of such rejection of the Entry or our failure to give, or your failure to receive such notice.

Returns, Reversals, and Changes

Returned Entries. Except for an Entry that you retransmit in accordance with our requirements, we have no obligation to retransmit a returned Entry to the ACH Operator if we have complied with these Service Terms with respect to the original Entry. Either party may initiate a dishonored return as permitted by the Operating Rules. Returned Entries are credited to the original Account upon receipt. Notice of a returned Entry is given through the reporting Service chosen by you.

Reversals. We have no obligation to initiate reversing Entries but may do so from time to time at your request and at your sole risk and expense, all in accordance with, and subject to the Operating Rules.

Corrections. We shall use commercially reasonable efforts to notify you of any correction necessitated by an error on our part in completing properly prepared and submitted Entries. This is our sole obligation for an error on our part.

Cancellations and Amount. We have no obligation to cancel, correct or amend ("*Change*") an Entry after we receive it. However, if we receive a request for a Change in accordance with the Security Procedures, we will use reasonable efforts to act on the request, provided that the request complies with our requirements for a Change of Entry data. We cannot make a Change after the Entry has been submitted to our ACH Operator or to the network. We will have no liability if such a Change is not effected.

Rejections. Notice of rejection of an Entry is given to you through the reporting Service chosen by you. Notices of rejection will be effective when given. We are not liable for the rejection, and we are not obligated to pay you interest for the period before you receive the notice of rejection. If any Entry is rejected, it is your responsibility to correct and resubmit any Entry you wish to resubmit.

Settlement; Provisional Credits

Settlement for Entries will occur as provided in the Operating Rules, except that we may, upon notice to you, require settlement on the Effective Entry Date, or prior to the Effective Entry Date if we require you to pre-fund a transfer. Payment of an Entry by the Receiving Depository Financial Institution (RDFI) is also provisional until receipt by the RDFI of final settlement for such Entry. You acknowledge that, if such final settlement is not received, the RDFI shall be

entitled to a refund from the Receiver of the amount credited. This means that the Receiver will not have been paid.

You acknowledge and agree that: all credits to the Designated Account are provisional until we receive final settlement for the funds in accordance with the Operating Rules; and if we do not receive such final settlement, we are entitled to a refund (including any accrued interest or earnings credit applied) of the amount credited to the Designated Account.

Designated Account

Payment. You agree that the Designated Account specified in the Service set up process shall be the Account for settlement from which credits will be drawn and debits will be made on account of Entries that we initiate on your behalf. You agree to maintain in the Designated Account sufficient Available Funds to cover your payment obligations for all Entries transmitted to us. You agree to pay us and authorize us to debit from the Designated Account, the amount of each Credit on the Settlement Date. The Designated Account shall be adjusted for any float costs incurred by us as a result of processing Entries, paper checks, returns, reversals or adjustments.

Availability. We shall credit to the Designated Account the Debit Entries that we transmit to the ACH Operator on the Settlement Date for the Entry. We reserve the right to place a hold on your account for Credit Entries you send to us.

Additional Limitations

We are entitled to rely solely on the information, representations, and warranties provided by you pursuant to these Terms and Conditions. We are responsible only for performing the Service as expressly provided for in these Terms and Conditions. We are not liable or responsible for your acts or omissions (including with respect to the amount, accuracy, timeliness of transmittal or authorization of any Entry received from you) or those of any other person, including any Federal Reserve Bank, ACH Operator or transmission or communications facility, any Receiver or Receiving Depository Financial Institution, and no such person shall be deemed our agent. We are excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in us having exceeded any limitation upon our intra-day net funds position established pursuant to present or future Federal Reserve guidelines or would, in our reasonable good faith opinion otherwise violate any provision of any present or future risk control program of the Federal Reserve or any rule or regulation or any other regulatory authority.

Subject to the limitations set forth in the Master Agreement, our liability for loss of interest resulting from our error or delay shall be calculated by using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved. At our option, payment of such interest may be made by crediting your Account

Audit

We reserve the right for ourselves and for our regulatory authorities and network to audit you and your systems and records solely for the purpose of evaluating your compliance with the provisions of these Terms and Conditions and the Operating Rules, and you agree to provide reasonable cooperation in such audit upon request. We will not exercise this audit right except to the extent required by our regulatory authorities or NACHA, or we are made aware of actual or potential incidents of material non-compliance with these Terms and Conditions or the Operating Rules. If we exercise this right, we will provide you with at least ten (10) Banking Days advance notice of any audit; conduct the audit only during business hours; and use commercially reasonable efforts to avoid any disruption or interference with your operations.

Inconsistency of Name and Number

An RDFI can make payment to a Receiver based solely on the account number, even if the name in the Entry differs from the name on the account. We may send an Entry to an RDFI based solely on the bank identifying number, even if you provide us with a different RDFI name.

Third Party Service Provider or Sender

If you engage a third party to create or initiate Entries for you, that third party is your Authorized Agent and Vendor for purposes of this Service and the Master Agreement. You and the third party are required to enter into a Third Party Service Provider Agreement with us in the form we require.

Third Party Senders, as that term is defined in the Operating Rules, are not permitted to use this Service. Third Party Senders are required to enter into a Third Party Sender Agreement with us in a form we specify.

ACH Transaction Management

ACH Transaction Management is a feature of this Service that enables you to receive reports on and view your ACH activity. This feature can be enabled in the set up process or by calling your Relationship Manager.

ACH POSITIVE PAY

Service

Description. Our ACH Positive Pay Service is a tool that assists you in protecting your Designated Accounts from unauthorized automated clearinghouse Debit Entries by providing you on daily basis exception reports of unapproved Debit Entries for decision, all through *Fifth Third Direct* and the Service website. **This Service does not cover checks or drafts including preauthorized orders and drafts, or electronic checks.**

Administrator. In addition to the general authority of an Administrator, the Administrator for this Service has the authority to give us Instructions and orders with respect to the disposition of Debit Entries to your accounts and to select your approval process as described below.

Service Process

Approved Originator Profile. As part of the set up process, you may develop a profile ("*Originator Profile*") of vendors and other persons ("*Originators*") who are authorized by you to initiate Debit Entries to your accounts as Receiver. For each Originator from whom Debit Entries are authorized by you, you must provide in their profile the ACH company identifier and indicate whether Debit Entries from them should always be paid (an "*Always Pay Originator*") or always returned (an "*Always Return Originator*"). For an Always Pay Originator, you may also specify a dollar amount maximum for Debit Entries from them you authorize to be paid. You must have agreed with an Always Pay Originator that you will both be bound by the Operating Rules. Each Debit Entry to your Designated Account initiated by an Always Pay Originator in an amount equal to or less than the dollar threshold you specify for that Originator, if any, will be treated by us as authorized by you for all purposes, and will be accepted and paid from the Designated Account to which they are sent, subject to the availability of Available Funds. You are solely responsible for all Debit Entries so treated as authorized by you. If you designate an Originator as an Always Return Originator, Debit Entries initiated by an Always Return Originator will be returned and you will be deemed to have instructed us to not pay those Debit Entries even if you have authorized the Originator to initiate that Debit Entry; we will have no liability for carrying out your instruction. All other Debit Entries will appear on the Exception Report described below. We will rely on the content of, and information in the Originator Profile (including the exact correctness of the ACH company identifier) you have provided to us until you give us written notice that you have changed it or revoked the authority of an Originator to transmit Debit Entries, and we have had a reasonable opportunity to act on your written notice. We will also rely on the accuracy of the information in the Originator Profile you provide us. You may also update your Originator Profile from time to time on the Service website through your Administrator.

Approval Process. You may specify whether directions establishing the Originator Profile and decisions regarding Debit Entries appearing on the Exceptions Report will require the approval of an additional user. We recommend you require a second user to approve all pay decisions. This process is part of the Security Procedures for the Service.

Default Decision. For all Debit Entries to your account from Originators not addressed in the Originator Profile, you will in the set up process specify whether those Debit Entries should be paid or not paid in the absence of a timely decision by you on the Exceptions Report described below. That decision, which will sometimes be referred to as your "default decision" will be the instructions we carry out with respect to a Debit Entry which is neither addressed by your Originator Profile nor the subject of timely action by you on an Exceptions Report described below.

Exceptions Reports. On each Banking Day, you can access through the Service website a list of Debit Entries presented against your account the previous banking day which have not

been the subject of a decision which are neither from an Always Pay Originator in an amount in excess of your specified threshold for that Originator nor from an Always Return Originator (an "*Exceptions Report*"). For each Debit Entry appearing on the Exceptions Report, you will be given the option through your selected approval process to "pay" or "return" the Debit Entry (however described in the Exceptions Report). You will also have the additional options of specifying that Debit Entries from that Originator always be paid (with or without a dollar threshold) or always returned, in which case that Originator becomes an Always Pay Originator or Always Return Originator, respectively, and added as such to your Originator Profile. If you enter a "pay" instruction you are authorizing and instructing us to pay the Debit Entry from the Designated Account. If you enter a "return" instruction, you are authorizing and instructing us to return the Debit Entry. You must communicate the basic pay or return decision (alone or in conjunction with an "Always Pay" or "Always Return" decision) to us through the Service by the cutoff time specified in the Bank User Manual. It is your responsibility to timely access the Exceptions Report and enter decisions with respect to Debit Entries presented on the Exceptions Report. If you do not timely enter a decision, we will execute your default decision without further input from you. You have no right to cancel or amend any decisions or instructions after transmitting them to us. We will, however use reasonable efforts to act on your request to cancel or amend your decisions or instructions, but we will have no liability to you or anyone if such cancellation or amendment is not timely effected.

Procedures in the Event of Unavailability of Exceptions Report. If you experience system or communications problems which may prevent you from accessing the Exceptions Reports or communicating instructions to us prior to the applicable deadline, you should immediately inform us and indicate the time that you expect to be able to receive and respond to such Exception Report. Conversely, if we are experiencing website, system or processing problems which may prevent us from transmitting or otherwise making Exceptions Reports available to you by the applicable deadline, we will notify you of the expected time that the Exceptions Report we will be available. If such problems prevent us from acting on Debit Entries on your instructions prior to the applicable NACHA deadline, then we will act in accordance with your default decision.

Audit and Search Capabilities. The Service also allows you to search Debit Entry records by a variety of criteria as further described in the User Guide.

Dispositions Information. Dispositions of Debit Entries to your Designated Accounts from Originators included in your Origination Profile as Always Pay Originators or Always Return Originators will not appear on an Exception Report but may be accessed through search features of the Service. All dispositions of successfully applied Debit Entries to your account will be reflected on your regular account statement. You can also access information about transactions in your Designated Accounts through one of our information reporting services.

Additional Features

Security Procedures. The use of user Id's and passwords, in addition to access requirements for our internet service, and the approval process are part of the Security Procedures for the Service.

Limitations. No Service can guarantee your accounts will be free from unauthorized activity including Debit Entries. You continue to bear responsibility for monitoring your accounts and preventing unauthorized transactions. Our respective responsibilities for unauthorized transactions will be governed by the Master Agreement and the applicable provisions of the Operating Rules and Uniform Commercial Code.

Excluded Entries. Debit Entries received under the NACHA-designated Accounts Receivable Conversion (ARC), Point-of-Purchase (POP), Back Office Conversion (BOC), and Destroyed Check (XCK) Standard Entry Class Codes cannot be managed or addressed through the Service. In order to block or manage these Debit Entries, you must enroll in one of our

check positive pay Services. Unauthorized Debit Entries received under the Web-initiated Entries (WEB), Telephone-initiated Entries (TEL), Prearranged Payments or Deposits (PPD), ARC, BOC, POP, XCK and International ACH Transaction (IAT) Standard Entry Cass Codes may be returned as unauthorized transactions outside of the Service according and subject to the Operating Rules. In addition, the Service does not operate to restrict or block transactions between you and us or transactions including Entries, reversals or adjustments we are required to accept under Applicable Law.

ACH TRANSACTION CONTROL

Service

Description. Our ACH Transaction Control Service allows you to block all automated clearinghouse ("*ACH*") debit entries ("*Debit Entries*") to your Designated Accounts and to filter debit entries by designating originators whose Debit Entries are authorized by you, or both.

Directions. The Administrator you appoint for this Service and users designated by the Administrator are authorized to provide information about vendors and other persons who may originate Debit Entries to your accounts, including authorized Debit Entries ("*Originators*"), and to give us Instructions and orders for handling Debit Entries to your account. We rely on the authority of these individuals in providing the Service to you.

Service Options

This Service gives you two options for addressing Debit Entries originated by Originators to your Designated Accounts:

Block. The Block feature offers the highest level of security available with this Service but does not allow for exceptions from Originators other than you. All Debit Entries against your Designated Accounts selected in the set up process will be automatically returned. You understand even Debit Entries you have authorized or wish to pay will be returned and you accept full responsibility for that return decision and any claims from the Originator of the returned Debit Entry.

Filter. The Filter option allows you to approve in advance Originators who are authorized by you to initiate Debit Entries to your Designated Accounts. You will develop and provide to us a profile ("*Originator Profile*") of Originators who are authorized by you to initiate Debit Entries to your Designated Accounts, and with whom you have both agreed to be bound by the Operating Rules. For each Originator who will originate Debit Entries you want to pay, you will provide their ACH company identifier in the Originator Profile. We will treat as authorized by you for all purposes each Debit Entry to your Designated Account which is initiated by an approved Originator in your Originator Profile. Those Debit Entries will be accepted and paid from the Designated Account to which they are sent, subject to the availability of funds in that account as provided in our Funds Availability Policy applicable to that Designated Account. You are solely responsible for all Debit Entries so treated as authorized by you. Debit Entries initiated by any other Originator will be returned and you will be deemed to have directed us to not pay those Debit Entries even if you have authorized that person or entity to initiate that Debit Entry. We will have no liability to you for carrying out your directions or orders. We will rely on the Originator Profile (including the exact correctness of the ACH company identifier) you have provided to us until you give us written notice that you have changed it or revoked the authority of an Originator to transmit Debit Entries, and we have had a reasonable opportunity to act on your written notice. We will also rely on the accuracy of the information you provide us in the Originator Profile.

Reports. An as optional feature of the Service, you may access reports listing blocked attempted Debit Entries to your Designated Accounts.

Account Information. You will not receive notice of Debit Entries to your Designated Accounts from Originators included in your Origination Profile except through your regular account statement. You can also access information about transactions to your Designated Accounts through one of our information reporting services.

Exclusions. The Service does not operate to restrict or block transactions between you and us or transactions including Entries, reversals or adjustments we are required to accept under Applicable Law.

AUTOMATED PAYABLES MANAGEMENT

Service

Description. Our Automated Payables Management Service provides a comprehensive electronic workflow system that creates and routes digital images of invoices for electronic approval and general ledger coding which can then be uploaded into your accounting system and sent to us for payment by ACH, wire transfer or check. Our Service enables you to:

- Accept, process and image all your paper invoices, and create an electronic file based on data from those invoices as well as fax and email invoices you transmit to us,
- Match converted invoices to purchase orders (PO) or receiving file data,
- Create an integrated file of the converted invoices and other invoice data in a standard format,
- Electronically route unmatched invoices through your work flow system to your designated approvers for action based on your selections among standard business rules,
- Electronically transmit invoices matching PO or receiving files for input into your accounting system and release for payment; non-matching files are routed for further review and disposition,
- Create resulting payment files and transmit them to us for execution by ACH, wire transfer or check as you designate,
- Access and research stored Images and data,
- Have 24-hour, web-based access to the Service through a secure, dedicated portal, and
- View payment status, manage your payments and create reports via the web.

Requirements relating to the various aspects of the Service are described in greater detail below.

Set Up. In the set up process, you will select the features of the Service you wish to use, make elections regarding various aspects of the Service and configure business rules for the handling and approval of invoices and payments. A representative of our Automated Payables Management service team will assist you with, and coordinate the pre-Service data exchange, establishment of communication links and systems, and web interface. Your use of the Service is subject to the operating procedures and instructions provided in the User Guides or that we otherwise communicate to you.

Authorizations. A critical element of the set up process is the designation of one or more individuals as your principal authorized person or Authorized Agent to serve as Administrator for this Service with authority to manage the Service on your behalf, accept reports, approve invoices, give payment orders and instructions, and administer Security Procedures, user set-up and passwords. You understand that we will conclusively rely on the authority of the person or persons you designate with this important authority to establish business rules for the handling of invoices and to issue payment orders and instructions to us. Once established, the business rules will be part of, and govern the disposition of invoices and payments until you give us written notice of a change and we have a reasonable opportunity to act upon the notice and implement the change.

Access. You agree to make available to us adequate personnel and access to your facilities to enable timely set-up, connection, testing and training.

Invoice Processing and Conversion

Invoice Collection. We will provide a remitter address for receipt of all paper invoices, and a method for transmission to us of fax or email invoices.

Vendor Data Forms. As part of the set up process, you will provide us with vendor data and general ledger coding to enable us to establish a standard format for invoice files. We will conclusively rely on the accuracy and timeliness of the vendor and general ledger data you provide.

Imaging. We will open mail received at your address and scan all paper and fax invoices received by us in accordance with the standard service level. Original invoice documents are retained for 60 days then destroyed. Scanned images are archived and retained for access by you for the duration of our Service and for as long after that period as we mutually agree in writing.

File Creation and Workflow. We will create a standardized voucher file based on data derived from your imaged invoices. Invoices not associated with a purchase order or receiving data are routed to you for disposition according to your selected business rules.

Disposition. Matched invoices and resolved non-matching invoices are transmitted directly to you for payment. All unmatched invoices or non-purchase order invoices are automatically routed for approval or dispute resolution based on your selected business rules.

Payment Orders and Instructions. Once an invoice is approved, either affirmatively by you or pursuant to your selected business rules, that file is delivered to your accounting software program. Your accounting system then creates a transaction designating invoices for payment and the payment method. This feature enables you to send us an integrated payments file that we then process through the payment Service you select. That file must be transmitted to us in an agreed upon format as provided in the Terms and Conditions for the payment Service you select (ACH, check issuance or wire transfer) in compliance with the applicable Security Procedures for that Service. You will at that point be giving us a payment order or issuing us an instruction to make a payment by check, as further described in "**Payment Systems**" below. We will then execute your payment order or instruction on the date you specify or the default date. We are not responsible for system compatibility or the failure of any system other than ours to accept data from the Service.

Service Access. You are responsible for controlling and limiting access to the Service to your authorized personnel, and complying with the security features and Security Procedures for the Service.

Data Retrieval and Access. We will store and archive images and integrated invoice data which you can retrieve, research, review and print. You will be able to:

- Search for invoices and payments via one or multiple fields (e.g., account number, invoice date, vendor name, charged amount, paid amount), and

- View the underlying invoice and payment data.

Training. During the set up and implementation process, we will provide train-the-trainer user training and user guides to your designated personnel covering all Service applications.

Service Levels. Processing and transmission will occur on the schedule established in the set up process. Service level options are described in the User Guide.

Errors or Lost Data. If an error is discovered in the imaging or file creation process, we will promptly correct the error and provide you with a corrected file. This is our sole obligation with

respect to such errors. We will use reasonable care to prevent the loss or destruction of your data and invoices once they are is in our possession and control. If we then lose or destroy your data or documents, we will be responsible for recreating such data or documents to the extent reasonably possible as your sole remedy. We are not responsible for data or documents until they are transmitted or delivered to us and we acknowledge receipt though the natural workflow process.

Payment Systems

We offer multiple payment services including prepared checks, automated clearinghouse (ACH) and wire transfer. We will issue checks as directed by you through our Check Issuance Service and process payments as provided in our Automated Clearing House, Wire Transfer or Electronic Data Interchange Service, as applicable. If you make payments by check, we recommend that you use one of our Positive Pay Services. If you make payments through ACH, we recommend that you use our ACH Transaction Control or Positive Pay Service. The payment features of the Service are provided pursuant to the "Terms and Conditions" for the payment Service you choose for this Service. You must complete the Service enrollment and setup procedures for the payment Service you wish to use.

Security Procedures

The transmission of payment instructions through the Service is subject to the Security Procedures described in the User Guide for this Service.

Customer Support

Our implementation service team will assist you throughout the set up and transition process. Our Commercial Services Center is available to assist you in using the Service during posted hours of operation and will provide additional training if requested.

Subcontractors

You understand that we may delegate or subcontract some of our obligations regarding the Services to outside vendors or processors, including our affiliates. Our scanning, processing and conversion services may be outsourced to a third party.

<u>BAI FILE</u>

Service

We will provide you on each Banking Day with an electronic file containing information about your transactions as we mutually agree upon in the set up process for this Service in a format and medium, and at a time or times also agreed upon in the set up process. You may also elect multi-bank reporting which enables you to send to us account data from your other financial institutions which we report to you, or to direct us to report information to another financial institution or destination. This feature can be enabled in the set up process. You are responsible for authorizing your other financial institutions to provide data to us. We are not responsible for the timing or accuracy of any data furnished to us by another financial institution.

CASH SERVICES

Service

Our Cash Services allow you to deliver your coin and currency ("*Prepared Funds*"), and checks for deposit with us to:

- one of our branch locations *("Branch")* or cash vaults (a "*Bank Control Vault*"), or
- any one of the cash virtual vaults operated by a third party cash logistics company (a *"Virtual Vault")*

These locations are sometimes referred to as "*Deposit Points*." Through our relationship with a number of national cash logistics companies, those companies will make available to you their private or Virtual Vault network. A deposit at a Virtual Vault has the same effect as a deposit at one of our Branches, subject to applicable Cutoff Times.

Deposits of Prepared Funds

Locations. You may choose any Deposit Point for delivery of your Prepared Funds.

Deposit Bags. You are responsible for supplying and maintaining clear, tamper proof bags *("Bags")* approved by us to be used for delivery of your Prepared Funds and checks. If you use Bags not approved by us, we reserve the right to charge an additional processing fee for each such Bag. Prepared Funds and checks for deposit must be placed in a Bag with a completed deposit slip for the Designated Account. We are not responsible for the Bag or its contents until accepted by us (or our agents) at the Deposit Point.

Process. On each Business Day, we or our agent will open any Bag that we receive at a Deposit Point during posted hours, physically count and bundle the Prepared Funds contained in the Bag and deposit the Prepared Funds under the deposit slip to the Designated Account. Any deposits received after the posted Cutoff Time for that location or on a day that is not a Business Day will be credited to the Designated Account on the next Business Day.

Courier. You are responsible for the selecting and contracting with a courier as your agent to transport your deposit activity to a Deposit Point and for picking up and delivering Change Orders. We are not responsible for contents of your delivery until it is accepted by us or by our agent at a Virtual Vault and a receipt acknowledging acceptance is given. We and your courier are separate, independent entities and we are not acting for or with your courier, and we have no responsibility or liability for any obligation of the courier to you.

Checks. Any checks, drafts or items included in the contents of a Bag will be forwarded for processing. We may create images of checks received and subcontract the imaging to our cash processing agent, retaining the originals only as required by Applicable Law.

Credit of Funds

Deposits. We will credit the Designated Account selected in the set up process with the aggregate dollar amount of the Prepared Funds stated on the corresponding deposit slip. Such credit is provisional and subject to adjustment upon physical receipt of the funds at the appropriate Federal Reserve Bank, or after we complete the physical count. You acknowledge that we will adjust your account for any errors including bundle differences and strap differences or as a result of counterfeit or contraband Prepared Funds.

Counts. You agree that our or our agent's count of Prepared Funds or any other delivery is final and conclusive. We are not be liable for any shortage due to any counterfeit or contraband Prepared Funds, whether discovered upon delivery of the Prepared Funds to us or thereafter. In no event are you entitled to any amount in excess of the correct balance of the deposit, whether the error was caused by improper commingling of funds, inaccurate counts, clerical error or otherwise.

Change Orders

Process. You may order currency and coin from us *(*a *"Change Order")* at any time. We will physically count and bundle the currency or coin ordered by you and make them available to you at a Deposit Point designated by you in the set up process, provided we receive the Change Order prior to the Cutoff Time on a Business Day. If the Change Order is received after the Cutoff Time or is received on a day that is not a Business Day, the order will be processed on the next Business Day. Change Orders are available for pickup according to the schedule we establish with you. Change Orders not timely accepted by will be returned to our inventory and you may be subject to an additional processing charge. You must notify us of any discrepancy pertaining to Prepared Funds ordered pursuant to a Change Order within two Business Days after you receive them. You must provide us with documentation to support any such discrepancy.

Debit. We will debit the Designated Account with the dollar amount of the Change Order on the day the Change Order is prepared for you.

Statements and Notices

Your deposit activity and Change Orders through the Service will be reflected on your regular monthly statement for the Designated Account as provided in and subject to the Rules. You should carefully and promptly review the statements we provide or make available to you. We offer a number of additional options for deposit reporting and viewing your account activity. You must notify us of any error or other problem as required and within the time frames specified in the Rules.

Banking Center VRU Order

Description. This optional feature of our Service enables you to place a Change Order for currency through a Voice Response Unit ("*VRU*") with your touch-tone telephone and receive the Change Order in person at one of our Banking Centers. Your Change Order will be prepared by a Bank Control Vault or Virtual Vault (a "*Cash Vault*") and delivered to a Banking Center for pick up by you. All Change Orders placed through the VRU are subject to this Addendum.

Set Up and Implementation. The VRU feature will be available to you once we have completed the set up process for this feature with you. As part of the set up process, you will provide us with important information for the use of the VRU feature including designating the users authorized by you to use the VRU feature and establishing the Banking Center for the pickup of Change Orders. We will rely on the information you provide us.

Availability Day. We will notify you of the Business Day of the week on which Change Orders you submit will be available ("*Availability Day*"). Once you complete the set up and implementation process for the VRU, we may require seven days advance notice before fulfilling a Change Order made directly to one of our Banking Centers.

User Guides. Your use of the VRU feature is subject to the procedures and instructions found in the User Guide which we provide you for the VRU feature.

Users. Each user designated by you in the set up process will be assigned one or more identification numbers ("*User ID's*") and passwords to enable them to access and use the VRU feature. You are solely responsible for the use, security and confidentiality of the User ID's and passwords.

Orders. The VRU system is available for currency Change Orders 24 hours a day, seven days a week. Orders for coin are not permitted through the VRU feature and will not be honored. The VRU requires your designated user to enter his or her assigned User ID and password, and to follow the prompts from the VRU for the Change Order. Change Orders received through the VRU before the posted cutoff time will be available for pickup at the designated Banking Center on the date of your Availability Day. If the Change Order is received after that time or that Availability Day is not a Business Day, the Change Order will be available on your next Availability Day. Your Change Order will be processed by our cash vault Processor and placed in a sealed, tamper proof bag marked with identification information for your order, and delivered to the Banking Center for your pick up.

Pickup. One of our representatives will call you at the number specified in the set up process to confirm that your Change Order is available. Your Change Order will be available following that call at the Banking Center established in the set up process. The following individuals are authorized to receive your Change Order from us: (a) each person authorized by you with withdrawal authority on the Designated Account as indicated on your Signature Card on file with us or (b) persons and entities designated by you in a Letter of Authorization as described below. You must pickup your Change Order on the day we make your Change Order available or the next succeeding Business Day. If you do not pick up your Change Order within that timeframe, your Change Order will be returned to the Cash Vault and you will incur not only your original order fees, but also an additional fee for the order to be re-deposited into your account. That fee will be described on your statement as a 'Returned Deposit' fee or similar description. If you fail to timely pick up your Change Order more than four times, we reserve the right to suspend or terminate the VRU feature and the Service.

Letter of Authorization. If you wish to designate a person or entity that is not authorized by your Signature Card to have the authority to receive your Change Order from us at a Banking Center, you must complete, sign and submit to us a Letter of Authorization in the form we require. If you later would like to designate an additional person or entity with that authority, you must revoke the existing Letter of Authority complete and submit another Letter of Authorization with a list of all of the persons or entities authorized by you to receive your Change Orders. In order to revoke the authority of a person or entity you have designated, you must complete, sign and submit to us a Revocation of Authority in the form we require that revokes the entire Letter of Authorization, and submit a new Letter of Authority designating the person, persons or entity you wish to have authority to receive your Change Orders.

Security. This Service involves the transporting of significant amounts of cash by your personnel. You should take every precaution to ensure the safety and security of your personnel and your Change Order. We are not responsible for the Change Order once it has been given to you or your agent.

Account. You may only place a Change Order to the extent you will have Available Funds in the Designated Account at the time the Change Order is prepared by the Cash Vault. Your Designated Account will be charged for all purposes (service fee, analysis fee and withdrawal) when your Change Order is prepared by the Cash Vault, not when it is picked up. You understand that there may be a delay between the time your Change Order is prepared and the day you pick up your Change Order. If your Designated Account is overdrawn at the time you pick up your Change Order, we may refuse to deliver your Change Order to you and return your Change Order at your expense.

Discrepancies. You must notify us of any discrepancies in the Change Order within two Business Days after you pick it up. Order Discrepancies, missing orders and other problems with your Change Order must be promptly reported to the Commercial Support Center at 800-795-6705. You must provide us with documentation to support any such discrepancy. The documented count and records of our Deposit Point and Banking Center will be final and binding.

Security Procedures. The use of a User ID and individual password constitute the Security Procedures applicable to the VRU feature. We will treat every Change Order placed though the VRU feature with the assigned user ID and proper password as having been authorized by you. In addition

to safeguarding the confidentiality of the User IDs and passwords, you agree to institute and enforce reasonable security precautions to prevent unauthorized or fraudulent use of the VRU feature by your employees, agents, contractors, customers and third parties.

Termination of VRU Feature. If the VRU feature is terminated or suspended by you or us for any reason, we may require seven days notice before we honor your Change Order directly through a Banking Center.

iOrder

Our Service includes an option for you to request a Change Orders received through the iOrder^{SM} system offered and operated by Brink's Incorporated ("*Brink's*"). Once you have completed the set up process for this feature, you can request a Change Order using the iOrder system. You are solely responsible for the data you input to the iOrder system, and for insuring that you have sufficient collected balances to cover the amount of the Change Order. Once the Change Order request is received in the iOrder System and confirmed, your Change Order will be handled and fulfilled as a Change Order as described above. We will treat all Change Orders made through the iOrder system as having been authorized by you. Your use of this feature is subject to the procedures and instructions found in the User Guide for this feature.

The iOrder system is owned and provided to you by Brink's and not us. We are not responsible for your use of the iOrder system.

DTS

Deposit Tracking.

We have in place a contractual arrangement with International Financial Services Inc. ("*IFS*") that enables you to use the DTS® system to track certain deposits made to your Accounts. The DTS system is a service provided to you by IFS and DTS is a registered trademark of IFS. Once you contract with IFS for the DTS system, you can use the DTS system to track any deposit transported to our vault sites. The ability to use DTS for your deposit activity with us is an optional feature of our Service.

The information we provide for the DTS system does not include any account number or other nonpublic personal information except for information you enter into the system and data about the physical status of your deposit (deposited, received, processed, adjusted and adjustment detail). If you elect this feature of our Service, you consent to our furnishing of this information to IFS for purposes of DTS system tracking of your deposits.

In addition to any deposit documentation supplied by the DTS system, we require that you include an MICR encoded deposit slip with each check deposit you wish to have subject to this feature.

Change Orders.

Our arrangement with IFS also enables you to process Change Orders received through the DTS. Once you have obtained the completed the setup process for the Change Order feature through DTS, you can request a Change Order using the DTS system. You are solely responsible for the data you input into the DTS system, and for insuring that you have sufficient collected balances to cover the amount of the Change Order. Once the Change Order request is processed in the DTS system and confirmed, it is submitted to us through the DTS system. Once we receive your Change Order, we will handle and fulfill it like any other Change Order we receive from you. All Change Orders made through the DTS system are considered authorized by you.

DTS and IFS.

The DTS system is provided to you exclusively by IFS and is not one of our Services. We and IFS are

separate, independent companies and are not acting jointly or as a partnership or agency in any way. Our only relationship with IFS and DTS system is the provision of information about the physical status of your deposits and the ability to accept Change Orders through DTS as described above. You must look solely to IFS for all matters relating to DTS system, software and service.

iDeposit

Description. This optional feature of our Service allows us to accept your deposits through the Brink's iDeposit[SM] system. Once implemented, this feature enables you to direct Brink's as your courier to deliver to any Virtual Vault operated by Brink's the Brink's iDeposit deposit slip ("*iDeposit Ticket*") and associated clear, tamper-proof iDeposit Bag ("*iDeposit Bag*"). Brink's will, as our cash processing agent, accept the iDeposit Ticket and iDeposit Bag as your deposit. All deposits are subject to verification and correction by physical count of the contents of the iDeposit Bag under our normal procedures, and adjustments and corrections will be made accordingly.

Deposit. Once the iDeposit Ticket is scanned and the corresponding iDeposit Bag is accepted and processed, the Brink's iDeposit system will transmit to us a report detailing the amount and denominations of currency, and amount of coins in the iDeposit Bag ("*iReport*"). We have no obligation to you until the iDeposit Ticket has been properly scanned by Brink's and the corresponding iDeposit Bag has been accepted and processed (excluding counting) by Brink's acting as our cash processing agent at the agreed Virtual Vault location. We will treat all deposits made directly by you through the Brink's iDeposit system as having been authorized by you. In all other respects your deposits with iDeposit are treated the same as any other deposit of Prepared Funds with us. You may only use iDeposit Bags and iDeposit Tickets provided by Brink's to make a deposit with this Service.

Transmission of iReport. If you elect to use the iDeposit feature, you authorize Brink's to transmit to us, and us to receive the iReport. We are not responsible for any failure of the iReport to be timely communicated to us or for any errors in the iReport. If we do not receive the iReport or there are any failures or problems with the Brink's iDeposit system, your deposit will be processed as any other deposit of Prepared Funds.

Contents. Only the exact amount of your activity reported in the iDeposit Ticket may be placed in the iDeposit Bag. You may not place other non-cash items or any coin or currency not counted on the iDeposit Ticket in an iDeposit Bag. Any claim based on a miscount or other issue with the amount of your deposit must be made within thirty (30) days of the date you delivered the iDeposit Bag to Brink's for delivery to us.

Provisional Credit. The iDeposit features described above do not include any form of provisional credit prior to actual counting and verification of the deposit. We offer an additional feature of iDeposit with provisional credit that is only available pursuant to a separate written agreement executed by you and us.

CHECK IMAGING

CD Rom Service

Account Activity. Check Imaging via CD-ROM enables you to automate the research of checks drawn on your Designated Accounts using the System that we designate for such purposes. From time to time on a Banking Day, we shall create a CD-ROM containing images of checks presented on your Designated Accounts for a given cycle. We shall also provide you with software and related utilities required to view presented checks.

Your Obligations. You agree to maintain the software we provide for this Service, including installing updates we send you. You must use the software to create a file reflecting each check that cleared during the business cycle. When you receive the CD-ROM, you will use the provided utilities to update your systems with the presented check information delivered on the CD-ROM. Your CD-ROM is not encrypted so it is essential that you maintain this security of the CD once you receive it. We are not responsible if an unauthorized person obtains access to your account information from the CD-ROM.

Fifth Third Direct

Our Check Imaging Service is also available through Fifth Third Direct. Viewing and research functionality are provided through the portal. Instructions for use of the Check Imaging through Fifth Third Direct are provided in the User Guide for this Service.

Transaction Inquiry is a tool available through Fifth Third Direct that enables you to search our long-term image archive to retrieve both paid check and deposit transactions and associated images. Search criteria available include account number, check number, date range and dollar amount. Images are available for up to seven years.

CHECK ISSUANCE

Service

Our Check Issuance Service enables you to request us to create checks on your behalf drawn on a Designated Account by means of by issuing a Check Issuance Request. A "*Check Issuance Request*" is an Instruction (as defined in the Master Agreement) to issue a check on your behalf and are submitted to us in the form and manner mutually agreed upon from you to us.

Check Issuance Requests may be delivered to us through the communication channels agreed upon in the set up process. Check Issuance Requests may only be submitted by Authorized Agents designated by you in the set up process using forms we provide or allow.

Once we receive a Check Issuance Request, we prepare a check drawn on the Designated Account in the amount and to the payee identified in the Check Issuance Request and send the check to the address you specify in the Check Issuance Request.

Your Responsibilities

You must create and transmit to us a Check Issuance Request for each check you want us to issue on your behalf. You must make certain that each Check Issuance Request conforms in form and substance to the requirements, including Cutoff Time on a Business Day, described in the User Guide.

You must retransmit any Check Issuance Request or other message initially transmitted to us through the Service if you have not received an acknowledgment message from us within the time period specified in the User Guide.

You are required to have Available Funds sufficient in amount to cover the total of all checks in the Check Issuance Request. We will debit your Designated Account to cover such checks when we receive your Check Issuance Request. You agree not to send Check Issuance Request(s) unless there are sufficient Available Funds in the Designated Account to cover the checks you request.

CHECK RETURNS

Service

Our Check Returns Service includes a variety of options to assist you in managing your Returned Deposited Items ("*RDI's*"), checks you have deposited to your Designated Accounts that have been returned to us by the paying bank for any reason. RDI's are generally charged back to the account of original deposit in accordance with the Account Rules and Applicable Law and returned to you. The options and features available with this Service are described in greater detail in the User Guide and provide for special processing of your RDI's including special instructions for the handling and routing of RDI's, additional data capture options, redeposit and chargeback options and reporting options.

The conversion of returned checks to an ACH transaction is not available with this Service but can be obtained with our RCK Service. This Service does not impose on us any obligation to collect any RDI except as described in these Service Terms.

Notifications and Reporting Options

We are required to notify you of a return deposit item for any of your accounts. You can receive notification via the following methods:

- Paper mailed statement including the original return deposit item and RDI detail including standard and non-standard data you request,
- Returns Reports via Fifth Third Direct: a static, next-day report detailing RDI activity,
- File Transmission: a next-day file (not human readable) detailing RDI activity, available via file transfer,
- Returns Management via Fifth Third Direct offers next-day detail on all RDI activity (similar to the data available in Returns Reports via Fifth Third Direct), including images of the RDI's, or
- Image CD ROM's or the RDI check images can be made available upon request.

Returns Management

Returns Management via Fifth Third Direct is a feature of the Service that enables you to receive summary, detail, and chargeback information on returned deposited item activity on a next-business-day basis. This feature also includes:

- Images of all returned deposited items (the front and back of each check)
- Returned deposited item histories
- Search tools
- The ability to export returned deposited item data (for import into A/R systems)
- The ability to view, print, and save to local directories returned deposited item images (ex: for attachment in e-mails)

RDI data and images are available through Fifth Third Direct following the completion of processing of your daily volume as more fully described in the User Guide.

Return Deposit Item Reports

Returns Reports via Fifth Third Direct enables you to obtain basic summary, detail, and chargeback information on RDI activity on a next-business-day basis. Reports are prepared upon completion of our processing of the day's transaction activity. Returns Reports can be retrieved and viewed on Fifth Third Direct, and printed although images are not available. Reports are searchable by return date although the Reports cannot be exported or manipulated in any way. Data is maintained on Returns Reports for a 45-day period.

Data File Transmissions

Returned Deposited Item Data Transmissions via Fifth Third Direct allows you to obtain detailed information on all RDI activity, on a next-business-day basis. Files are available through Fifth Third Direct for retrieval and upload into accounts receivable applications. Each RDI is transmitted as a separate detail record within the transmission.

Returned Deposited Item Transmissions via Fifth Third Direct are obtained within the File Transfer module. Transmissions are populated to Fifth Third Direct following the final cycling of the Returns Operations Department's processing day. Depending on volume, the conclusion of the processing day may be anywhere from 3:00 PM EST to 6:00 PM EST. The default format for all transmissions is outlined below in the file layout document. All fields identified in this document below are separated within the transmission using commas (in other words, the file is always sent to the customer as a comma-delimited file). Note: Specific Formatting will be provided during the set-up process.

Consolidated Returns

Consolidated Returns Management is a feature of our Service that allows you to use a special endorsement to route all RDI's to us for processing, regardless of where the Item was originally deposited.

Settlement Account. In the set up process, you must specify a settlement account with us for RDI's from other institutions. Any items received for consolidated processing will be charged to this Fifth Third account. The bank of first deposit maintains the original credit, and we accept the debit responsibility through the settlement account. You agree to maintain a balance in the settlement account sufficient at all times to offset the incoming returns. The account is subject to overdraft fees if the returns on a particular Banking Day exceed the settlement account balance.

Special Endorsement. We utilize a unique routing and transit number so that items can be routed to, and received by us and processed through the settlement account. Each Item that you wish to be returned to us must include an electronic endorsement in the form, and with the quality, location on the Item and consistency we require. The form of endorsement is provided in the set up process and must be used exactly as we specify. You are solely responsible for requiring your depositing banks to use the required electronic endorsement associated with the check images you wish to be subject to this feature of our Service.

Late Returns

You may experience late returns in your Account for a variety of reasons. We will not initiate a late return claim for any RDI unless you submit a request to us in the manner we require. Such a request is subject to our standard fees.

CONTROLLED DISBURSEMENT

Service

Our Controlled Disbursement Service enables you to use reporting tools to learn each Banking Day the total amount of checks and ACH Entries that have been presented against specified Accounts on an intraday basis. This information enables you to provide adequate balances in your funding account to cover such checks and Entries transferred to the specified Accounts to cover your payments. This Service is only available through Fifth Third Direct or with our BAI Service though Fifth Third Direct.

Accounts

Controlled Disbursement Services require the establishment of two kinds of accounts: a "*Controlled Disbursement Account*" on which you can draw checks using checks bearing the required routing number, and to which you can initiate, or authorize third parties to initiate debit Entries; and a separate "*Funding Account*" in which you will maintain sufficient balances to fund activity in the Controlled Disbursement Account. **We require a special routing number to be used for checks drawn on the Controlled Disbursement Account**. The Service cannot be used until both types of accounts have been established.

Debit Totals

On each Banking Day, we will determine the total dollar amount of all checks and debit Entries on each Controlled Disbursement Account that were presented to us for payment prior to the final presentment totals on that Banking Day (the "*Debit Total*"). In providing the Service, we rely on clearing information that we receive from the applicable Federal Reserve Bank, ACH Operator, or other clearing entity, the accuracy and timeliness of which we do not control and for which we assume no responsibility or liability. You may, prior to the Cutoff Time on each Banking Day, use one of our information reporting Services to obtain information regarding each Controlled Disbursement Account. If the Debit Total is unavailable on a Banking Day for any reason, we will work with you to establish funding requirements for that Banking Day. Checks drawn on the Controlled Disbursement Account that are presented over the counter may not appear in the Debit Total for that Banking Day and will appear in the Debit Total for the next Banking Day.

Available Funds in Funding Account

Prior to the Cutoff Time on each Banking Day you must ensure that each Funding Account has Available Funds in an amount at least equal to the aggregate Debit Totals for that Business Day for all Controlled Disbursement Accounts to which that Funding Account relates as designated in the set up process (the "*Related Controlled Disbursement Account*"). We may require you to maintain a specified minimum or "*Target Balance*" in each Funding Account. We are not obligated to fund any shortage in any Controlled Disbursement Account.

Transfer of Funds

After the Cutoff Time on each Banking Day, we will transfer from each Funding Account to each Related Controlled Disbursement Account, Available Funds in an amount equal to the Debit Total for that Business Day for that Related Controlled Disbursement Account. If the Available Funds in a Funding Account are less than the aggregate Debit Totals for all Related Controlled Disbursement Accounts (the "*Aggregate Debit Totals*"), then we will transfer to the Related Controlled Disbursement Accounts whatever Available Funds are in the Funding Account, and we will have the right to dishonor one or more of the checks or Entries for which there are not adequate Available Funds in the Related Controlled Disbursement Account as provided in our Availability Policy. We are not obligated to provide overnight or daylight funding unless we

have underwritten and expressly agreed in a written agreement signed by one of our authorized officers to provide such funding.

Notice of Debit Total; Notice of Required Funding

If we fail to provide you with notice of the Debit Total for any Controlled Disbursement Account, we will systematically cover the checks or Entries presented as to which we have failed to give you notice, and incorporate the difference in the next Business Day's intraday report. If we fail to provide you timely notice of the required funding amount for the Controlled Disbursement Service, and if you fund such Controlled Disbursement Account according to the procedures described in the applicable User Guide, we will elect to either (a) hold checks or Entries and present them the following Business Day, or (b) post to your Controlled Disbursement Account all checks presented for payment, and Entries received for settlement that day. Should the latter option be exercised, the following Business Day's reporting will include the prior Business Day's Debit Total, and you will be required to ensure that there are adequate Available Funds in the Funding Account to fund the Controlled Disbursement Account.

Stop Payments

You may request stop payments on checks drawn through the Controlled Disbursement Service by following the procedures specified in the applicable User Guide or the Account Rules.

Limitations

Controlled Disbursement is not designed to prevent the payment of unauthorized checks or debits. We offer a variety of Services to complement our Controlled Disbursement Service and assist you in addressing unauthorized activity in your Accounts.

DEPOSIT MANAGEMENT

Service

Our Deposit Management Service facilitates the collection of distributed cash and enables you to automate the updating of general ledger activity for your accounts. You may only receive the Deposit Management Services by using the System or access channel we designate for such purposes. From time to time on a Business Day, we shall create a receipt file of your Account activity. The collection of this data is facilitated through the Service and is available the next Business Day.

Your Obligations

You agree to maintain the information you provide us in the interfaces for the files reflecting the receipt activity for any Business Day. You also agree to comply with all requirements established in the set up process for this Service including the Security Procedures.

<u>DEPOSIT SERVICES</u>

Deposit CD Rom Imaging

With this Service we will create an image of your deposit documents and download the images to a CD-Rom and deliver the CD-Rom to you.

Deposit Collection

While we do not offer or provide courier services to our customers, we have long standing relationships with couriers and cash logistics companies. As a result of these relationships, we can, at your request, assist you in contacting providers to enable you to obtain courier services, and in establishing rates for courier service.

We offer this Service as a courtesy to our customers. The couriers are independent and separate entities from us and we are not operating as a partnership, joint venture or other combined enterprise with any of them. The courier and related services are provided to you by the courier you select, and are not part of any Service or any other service we provide. You are solely responsible for the terms of your relationship with the courier you select and agree to look solely to the courier for any problems or disputes you have with them. We are not responsible for any obligation or liability of your courier to you.

ARP Deposit Recon

By using pre-encoded deposit slips that contain unique location identifiers in the auxiliary on-us number field of the deposit ticket, this Service enables you to track and subtotal deposits by location using one demand deposit Account.

ELECTRONIC CASH LETTER

Service

Description. Our Electronic Cash Letter Service enables you to electronically transmit to us cash letter files from your place of business or another approved location that we will then process and credit to your Designated Account.

Law and System Rules. The Service is subject to Applicable Law including applicable image exchange, network and clearing house rules (collectively, "*System Rules*").

Processing

Check Image Files. We will accept from you an electronic file ("*ECL File*") containing electronic images of the front and back of checks (each, a "*Check Image*") with the associated MICR line information from the original check, together with deposit instructions in the format we establish with you in the set up process. Each Check Image must contain all the information on the MICR line of the original check at the time the original Check was issued. Each Check Image is considered a "check" or "item" as the case may be, under Applicable Law, System Rules and our account agreement with you to the same extent as the original check. You are responsible for the quality and accuracy of each Check Image you create, and for insuring that the corresponding MICR data matches the correct Check Image and Check.

Check Eligibility. Checks eligible for use with the Service are checks or drafts, payable on demand to you for your account in United States Dollars, but not including non-cash items ("*Checks*"). Only Checks written on a financial institution subject to regulation by one of the United States financial institution regulatory authorities and Checks that have not previously been presented to us (in any form) may be submitted through the Service. All other Checks including foreign checks and US Savings Bonds must be presented in original form by means other than this Service. You may not transmit or deposit Checks drawn on your own account or the account of an affiliate of yours or third party Checks with this Service.

Image Quality. All Check Images you create must meet the requirements specified in the image specifications and code documents we provide in the set up process. You acknowledge that we will not review or verify any data or dates in the Check Images in your ECL File, nor will we review or have any responsibility for any restrictive endorsements or other similar information on any Check Image.

Transmission. Check Images must be transmitted to us via the communication protocol, in the format and to the destinations we establish with you in the set up process. The Service is subject to the cutoff and processing times specified in the User Guide. Your communications are also required to conform to the security requirements including protocols for this Service as mutually established in the set up process.

Deposit. Upon receipt and validation by us of a Check Image, you authorize us to, at our option, create a substitute check from the Check Image, process the Check through our clearing channels physically or electronically or through an image exchange network, or convert a Check Image and submit the converted Check through our ACH processor. Each Check Image is deemed presented to us when we have received and validated the related ECL File provided that your transmission and the Check Images comply with the requirements of these Terms and Conditions. We will acknowledge receipt of your transmission through the acknowledgement reporting features of the Service depending upon the communications protocol you select. Deposits are subject to our Funds Availability Policy included with the Account Rules.

Processing. We will process Check Images in accordance with our processing procedures and schedule as in effect from time to time for the Service. We reserve the right to clear through the channel we deem appropriate in our discretion to achieve expedited processing

and least cost routing. Our processing Cut-Off times will be communicated to you in the set up and implementation process but are subject to change in our processing procedures generally. If we are unable to process any Check Image or ECL File as a result of poor image quality or any other reason, we will follow the procedures outlined in the User Guide. We reserve the right to process any Check on a collection basis only and to require that you present the original Check of any Check Image. You authorize us to correct, repair and delete Check Images that do not conform to these terms and Conditions.

Exceptions. We are not responsible for detecting or reporting any error in a Check Image or other data transmitted to us but we shall make reasonable efforts to notify you if we detect any such error. We may reject any Check Image if we in good faith determine it does not meet our specifications or otherwise does not comply with these Terms and Conditions, and we have no liability to you for such determination. Erroneously presented checks that we discover (such as Checks not payable to you) and nonconforming ECL Files and Check Images will be returned to you for further instructions. You may be subject to charges for exception processing

Reports. In addition to developing reports with features of the Service you select, you may select from among a variety of standard reporting options in the set up process.

Image Archive. We will archive all of the Check Images you transmit to us or which we create. Check Images are searchable and may be accessed through optional archive features available with the Service.

Unavailability of Access. If you are unable to transmit ECL Files to us for any reason (other than during period of regular maintenance), you must notify us promptly and we will work to restore access or provide an alternative method of communication as promptly as possible. In the meantime, should you wish to make a deposit of Checks, you must physically present them to us through other means.

Your Responsibilities

Equipment. You are solely responsible for having and maintaining at your expense proper functioning hardware, including scanning equipment, software and communication devices, and Internet access and related services (collectively, the "*Scanning Components*"), including maintenance support and training necessary to transmit Images to us. We are not responsible for any equipment, software, devices or services used by you.

Compatibility. You are responsible for insuring that your Scanning Components are compatible with the Service. If necessary, you agree to make all modifications to Scanning Components at your expense as we may require in order to provide the Service to you. We are not responsible for any modifications you may be required to make in order to use the Service.

Security. You agree to: (a) maintain the security of the Scanning Components; (b) secure and limit access to the Scanning Components and the Service so that the Service is used only by authorized persons for transactions authorized by you; and (c) insure the security of all scanned Checks and related data so that they are not available to unauthorized person or used for unauthorized or improper purposes. You agree to maintain a complete and accurate list of all locations at which you have established equipment for use in connection with the Service, and make that list available to us upon request.

Training and Supervision. You acknowledge that regular training and supervision of your employees and agents who use the Service are critical to the proper and secure use of the Scanning Components and the Service. You are responsible for: (a) training, or arranging for the training of your employees and subcontractors in the proper and secure use of your Scanning Components; (b) having, periodically reviewing and enforcing effective policies and procedures to insure the proper, secure and authorized use of the Scanning Components and the Service; (c) supervising and auditing the use of the Service by your employees, agents and vendors; and (d)

maintaining adequate records to reflect the actions described in this paragraph. You agree to make your policies and procedures relating to the Service available to us upon our reasonable request.

Internal Controls. You represent and warrant to us that you have in place adequate internal controls over the use of the Service in your environment, and adequate process to assess the effectiveness of your internal controls. You agree to maintain adequate records of your review of your internal controls and to make those records available to us upon our reasonable request.

Errors. You are solely responsible for the accuracy of the Check Images, MICR data, control totals and other information you transmit to us with the Service, and for timely notifying us if you discover an error in any Check Image you transmit to us. You must also notify us promptly if you discover an error in the reconcilement of the applicable Account, subject to the Rules. If we cause an error in or lose any Check Image, our sole obligation is to recreate or correct the Check Image.

Your Representations and Warranties. In connection with each Check Image you transmit to us, you are deemed to make the same representations and warranties and give the same indemnities with respect to the Checks, Check Images and substitute checks created by us as we are deemed to make and give with respect to Items under Applicable Law or in connection with any applicable System Rules. In addition to all warranties and covenants provided by law with respect to presentment and collection of Checks, you represent and warrant with respect to each Check Image submitted to us that:

(i) the Item is properly payable to you and you have the legal authority to accept and negotiate each Item you transmit or present to us;

(ii) each Item was properly endorsed prior to transmitting it to us for processing and has not been altered;

(iii) the Check Image accurately represents all of the information on the front and back of the Check, all such information is legible on the Check Image and the MICR-line information is accurate;

(iv) the control total accompanying each transmission is accurate and equals the sum of the individual Items in the applicable file; and

(v) no person will receive presentment of the original Check, a substitute check based on original Check not created by us, or a paper or electronic representation of the original Check or a substitute check.

Originals. You agree to: (a) maintain and safeguard original Checks for a reasonable period of time not less than 14 days and allow us to review and inspect them during reasonable business hours; and (b) timely and securely destroy the original Checks promptly following the expiration of such 14 day period or any shorter or longer period we specify with respect to a particular Check or Checks. In addition, you agree to supply all financial information, financial records and documentation regarding the Checks that we may request. You are solely responsible if an Item, Check Image or data on which a Check Image is based is presented to any person or if any person is charged other than based on presentment of the Check Image by us. You agree to indemnify us for any costs or liabilities we may incur or suffer if any person is presented with or charged for the original Item, you fail to maintain the security of the original Check, any original Check or Check data (other than through the Check Image) is presented by any person, or you fail to timely provide us an original Check upon our request.

Credit; Rejected and Return Items

Credit for all deposits is provisional and subject to verification and collection, and to availability as set forth in our Funds Availability Policy. We will use reasonable efforts to notify you of Check Images or Items we reject through the reporting features of the Service. You agree to pay us for any returned or rejected Item (to the extent we previously gave you credit), and agree that we may debit the appropriate account for, and otherwise adjust (including for any related interest or earning credit we gave you) or chargeback for any and all previous deposits of: (a) any returned or other uncollectible Check; (b) any Check not payable to you or not properly endorsed; (c) any Check that is presented for deposit more than once; and (d) any non-conforming, ineligible or rejected Check Images. In accordance with our customary practices, we will re-qualify returned Checks to the bank of first deposit.

Suspension or Termination of Service

We may determine to suspend the Service if we believe security has been compromised, we encounter significant Image quality issues, or other risks are present with respect to your use of the Service. If we determine to suspend the acceptance of Check Images, we will provide you notice as promptly as practical but will have no liability for suspending the Service or any failure to notify you of the suspension. We reserve the right to limit the amount of deposits made with this Service including as a result of excessive returns, suspected unauthorized activity or unacceptable risk exposure.

Security Procedures

The use of user Id's and passwords, in addition to access requirements for our internet portal are part of the Security Procedures for the Service. In the set up process, you will be offered options for Security Procedures to use with this Service. You must select the procedure that suits your individual requirements. The transmission of ECL Files and the related Check Images and other data to us using the agreed upon Security Procedures will be deemed for all purposes to be authorized by you.

Audit

We reserve the right for ourselves and for our regulatory authorities and network to audit you and your systems and records solely for the purpose of evaluating your compliance with the provisions of these Terms and Conditions and Applicable Law, and you agree to provide reasonable cooperation in such audit upon request. We will not exercise this audit right except to the extent required by our regulatory authorities, or we are made aware of actual or potential incidents of fraud or material non-compliance with these Terms and Conditions or Applicable Law. If we exercise this right, we will provide you with at least ten (10) Banking Days advance notice of any audit; conduct the audit only during business hours; and use commercially reasonable efforts to avoid any disruption or interference with your operations.

ELECTRONIC DEPOSITS MANAGER

Service

Description. Our Electronic Deposit Manager Service enables you to electronically transmit to us check images from your place of business or another approved location which we will then process and credit to your designated account with us. Our Service also includes an optional EDM Payments Feature that enables you to convert the remittance data associated with your checks to an image and transmit that image to us for additional processing. The Service is accessed through our internet portal, *Fifth Third Direct*®.

Law and System Rules. The Service is subject to Applicable Law including applicable image exchange, network and clearinghouse rules (collectively, "*System Rules*").

Lockbox. This Service is designed to be compatible with our Lockbox Service but may be utilized without our Lockbox Service. If you also have our Lockbox Service, several reporting file transmission features of the Payments Feature are combined with the corresponding features of our Lockbox to provide you with consolidated payment information and processing.

Processing

Check Images. We will accept from you an electronic image of the front and back of one or more checks (each, a "*Check Image*") with the associated MICR line information from the original check, together with deposit instructions in the format we require. Each Check Image must contain all the information on the MICR line of the original check at the time the original check was issued. Each Check Image is considered a "check" or "item" as the case may be, under Applicable Law, System Rules and the Rules to the same extent as the original check. You are responsible for the quality and accuracy of each Check Image you create, and for insuring that the corresponding MICR data matches the correct Check Image and check.

Check Eligibility. Checks eligible for use with the Service are checks (including substitute checks) or drafts, payable on demand to you for your account in United States Dollars, but not including non-cash items ("*Checks*"). Only Checks written on a financial institution subject to regulation by one of the United States financial institution regulatory authorities and Checks that have not previously been presented to us in any form may be submitted through the Service. All other Checks including foreign checks must be presented in original form by means other than this Service. You may not deposit Checks drawn on your own account or the account of an affiliate of yours or third party Checks with this Service.

Scanning. The Service includes a module accessible through Fifth Third Direct that enables the creation of Check Images using the Scanning Components described below (the "*ED Program*"). Check Images are created and transmitted to us by you following the ED Program instructions. Each Check must be indorsed (by you or through a feature of the ED Program selected by you) prior to scanning through the ED Program. All Check Images sent to us with the Service must be created using, and comply with the requirements of the ED Program. We may, but are not obligated to test the quality and reliability of Check Images created by you and to screen for duplicates. You acknowledge that we will not review or verify any data or dates in the Check Images, nor will we review or have any responsibility for any restrictive endorsements or other similar information on any Check Image.

Deposit. Each Check Image is deemed deposited with us when the ED Program acknowledges receipt of the Check Image provided it complies with the requirements of the Service. You are responsible for using the ED Program to determine our acceptance and for responding to any errors or other problems noted through the ED Program. Checks are deemed deposited at our processing facility near Cincinnati, Ohio unless otherwise specified in accordance with the Rules and are subject to availability as provided in the Rules.

Processing. We will process Check Images in accordance with our processing procedures and schedule as in effect from time to time for the Service. We may, however, reject any Check Image in good faith and without liability if we determine it to be a duplicate image or if it fails to meet the requirements specified in these Terms and Conditions. Our processing cut-off times will be communicated to you in the set up and implementation process but are subject to change in our processing procedures generally. If we are unable to process any Check Image as a result of poor image quality or any appropriate reason, the Check Image will be deleted from your file, your deposit total will be adjusted accordingly and notice of the rejection of the Check Image will be available through one of the reporting service available through Fifth Third Direct. You authorize us to correct, repair and delete Check Images in order to conform to the requirements of these Service Terms.

Collection. We will forward send your images to a clearing house, processor or correspondent. You authorize us to, at our option, create a substitute check from the Check Image, process the Check through our clearing channels physically or electronically, or through an image exchange network including our own. We reserve the right to require that you present the original Check of any Check Image.

Exceptions. We are not responsible for detecting or reporting any error in a Check Image or other data transmitted to us but we shall make reasonable efforts to notify you if we detect any such error. Checks not payable to you and Check Images that we determine do not conform to the requirements of these Terms and Conditions will not be processed.

Reports. In addition to developing reports with features you select, you may select from among a variety of standard reporting options provided through the ED Program.

Image Archive. We will archive all of the Check Images you transmit to us or which we create. Check Images are searchable and may be accessed through a discrete module available through the ED Program.

Unavailability of Access. If you are unable to transmit Check Images to us for any reason (other than during period of regular maintenance), you must notify us promptly and we will work to restore access or provide an alternative method of communication as promptly as possible. In the meantime, should you wish to make a deposit of Checks, you must physically present them to us through other means.

Your Responsibilities

Equipment. With respect to any scanning or other equipment and software ("*Scanning Components*") required in connection with the Service, you may choose to use Scanning Components provided by us or through one of our vendors (the "*Bank Option*") or you may use Scanning Components not provided by us (the "*Customer Option*"), subject to our approval with respect to reliability and compatibility. Under either option, you are responsible for having and maintaining communication devices and equipment and Internet access necessary for the Service.

Bank Option. If you select the Bank Option, you may lease or purchase the Scanning Components from us or our vendor as may be agreed upon in the set up process.

Leasing. If you choose to lease the Scanning Components, title to the Scanning Components remains in us or our vendor and you agree to return the Scanning Components to the destination we specify upon termination of the Service for any reason. We will provide a maintenance service agreement as part of the lease but you are responsible for general maintenance of the Scanning Components. The lease payments will be agreed upon in the set up process. You will be separately billed for the lease payments which will include a charge for the maintenance agreement. Your maintenance agreement includes access to customer service for the Scanning Components. Unless we otherwise expressly agree in writing, Scanning Components are leased to you for a term of two years beginning on the date of delivery to you. If the Service is terminated by you or us prior to the end of such two

year period for any reason, other than a termination by you due to our material breach of the Master Agreement or these Terms and Conditions, we reserve the right to require you to pay us, and upon notice from us you agree to pay us a termination fee in an amount determined by us in our discretion not to exceed the product of: (a) the monthly lease payments multiplied by (b) the number of whole months remaining in the two year lease term at the time of termination. The termination fee is payable by you promptly upon demand following notice from us of the amount of the termination fee. Payment of the termination fee does satisfy any other obligation you have to us.

Purchase. If you elect to purchase Scanning Components from us, we or our vendor will deliver the agreed upon Scanning Components to you for the purchase price and other terms agreed upon in the set up process. Unless we otherwise agree in writing, you will be billed for the purchase price in your regular account analysis. We provide a two year manufacturers warranty with Scanning Components purchased from us that we will transfer to you if it is transferrable. A maintenance agreement is not included with a purchase.

Warranties and Other Terms. The purchase or lease of the Scanning Components is also subject to the manufacturer's or distributor's documents accompanying the Scanning Components including warranties. Except for manufacturer's warranties that accompany the Scanning Components and the two year warranty described above, we make no warranties of any kind regarding the Scanning Components including the warranties of merchantability and fitness for a particular purpose.

Compatibility. If you choose the Customer Option, you are responsible for insuring the compatibility of your Scanning Components with our systems including the ED Program. If necessary, you agree to make all modifications to your Scanning Components at your expense as we request in order to provide the Service to you. We are not responsible for any modifications you may be required to make in order to use this Service. You are also responsible for ensuring that all Scanning Components and your communications channel used in connection with the Service are functioning properly at all times.

Security. You agree to: (a) maintain the security of the Scanning Components; (b) secure and limit access to the Scanning Components and the Service so that the Service is used only by authorized persons for transactions authorized by you; and (c) insure the security of all scanned Checks and related data so that they are not available to unauthorized person or used for unauthorized or improper purposes. You agree to maintain a complete and accurate list of all locations at which you have established equipment for use in connection with the Service, and make that list available to us upon request.

Training. You are responsible for training your employees and vendors in the proper and secure use of the Service and the Scanning Components, and for supervising and auditing the use of the Service and Scanning Components by your employees, agents and vendors.

Errors. You are solely responsible for the accuracy of the Check Images, MICR data, control totals and other information you transmit to us with the Service, and for timely notifying us if you discover an error in any Check Image you transmit to us. You must also notify us promptly if you discover an error in the reconcilement of the applicable Account, subject to the Rules. If we cause an error in or lose any Check Image, our sole obligation is to recreate or correct the Check Image.

Your Representations and Warranties. In connection with each Check Image you transmit to us, you are deemed to make the same representations and warranties and give the same indemnities with respect to the Checks, Check Images and substitute checks created by us as we are deemed to make and give with respect to Items under Applicable Law or in connection with any applicable System Rules. In addition to all warranties and covenants provided by law with respect to presentment, transfer and collection of Checks, you represent and warrant with respect to each Check Image submitted to us that:

- the Item is properly payable to you and you have the legal authority to accept and transfer and negotiate the Item to us;
- the Items is properly endorsed (other than endorsements supplied through the ED Program) on the original Check prior to transmitting them to us for processing and have not been altered;
- the Check Image accurately represents all of the information on the front and back of the Check, all such information is legible on the Check Image and the MICR-line information is accurate;
- the control total accompanying each transmission is accurate and equals the sum of the individual Items in the applicable file; and
- no person will receive presentment of the original Check, a substitute check based on the original Check not created by us, or a paper or electronic representation of the original Check or a substitute check.

Originals. You agree to: (a) maintain and safeguard original Checks for a reasonable period of time not less than 14 days and allow us to review and inspect them during reasonable business hours; and (b) timely and securely destroy the original Checks promptly following the expiration of such 14 day period or any longer period we specify with respect to a particular Check or Checks. In addition, you agree to supply all financial information, financial records and documentation regarding the Checks that we may request. You are solely responsible if an Item or data on which a Check Image is based is presented to any person or if any person is charged other than based on presentment of the Check Image. You agree to indemnify us for any costs or liabilities we may incur or suffer if any person is presented with or charged for the original Item, you fail to maintain the security of the original Check, any original Check or Check data (other than through the Check Image) is presented by any person, or you fail to timely provide us an original Check upon our request.

Credit; Rejected and Return Items

Credit for all deposits is provisional and subject to verification and collection, and to availability as set forth in our Availability Policy. We may reject any Item for any permissible reason. We will use reasonable efforts to notify you of Check Images or Items we reject through the reporting Service you use with Fifth Third Direct or this Service. You agree to pay us for any returned or rejected Item (to the extent we previously gave you credit), and agree that we may debit the appropriate account for, and otherwise adjust (including for any related interest or earnings credit) or chargeback for any and all previous deposits of: (a) any returned or other uncollectible Check; (b) any Check not payable to you or not properly endorsed; (c) any Check that is presented for deposit more than once; and (d) any non-conforming, ineligible or rejected Check Images. In accordance with our customary practices, we will re-qualify returned Checks to the bank of first deposit.

If you are a financial institution and you are or are serving as bank of first deposit for an Item, we are not responsible for any liability you may incur for any returns routed to us in error.

Suspension or Termination of Service

We may determine to suspend the Service if we believe security has been compromised, we encounter significant Image quality issues, or other risks are present with respect to your use of the Service. If we determine to suspend the acceptance of Check Images, we will provide you notice as promptly as practical but will have no liability for suspending the Service or any failure to notify you of the suspension. We reserve the right to limit the amount of deposits made with this Service including as a result of excessive returns, suspected unauthorized activity or unacceptable risk exposure.

Security Procedures

The use of user Id's and passwords, in addition to access requirements for Access Services are part of the Security Procedures for the Service. In the set up process, you will be offered options for Security Procedures to use with this Service. You must select the procedure that suits your individual requirements. The transmission of Check Images or other data to us using the agreed upon Security Procedures will be deemed for all purposes to be authorized by you.

Audit

We reserve the right for ourselves and for our regulatory authorities and network to audit you and your systems and records solely for the purpose of evaluating your compliance with the provisions of these Terms and Conditions and Applicable Law, and you agree to provide reasonable cooperation in such audit upon request. We will not exercise this audit right except to the extent required by our regulatory authorities, or we are made aware of actual or potential incidents of fraud or material non-compliance with these Terms and Conditions or Applicable Law. If we exercise this right, we will provide you with at least ten (10) Banking Days advance notice of any audit; conduct the audit only during business hours; and use commercially reasonable efforts to avoid any disruption or interference with your operations.

EDM Payments Feature

We offer EDM Payments as an optional feature of this Service. EDM Payments enables you to send to us imaged remittance data along with your Check Images from which we create and transmit to you an electronic file of the imaged remittance data, all as described below.

Remittance Image Files. If you elect the EDM Payments feature, you will have access to a module in the ED Program that enables you to use the Scanning Components to scan and create an electronic file containing an electronic image of the remittance data ("*Remittance Image*") related to the Check Images you submit to us. You are responsible for the quality and accuracy of the Remittance Images you create and submit to us. We will accept Remittance Images from you as part of the Service.

Conversion of Data. We will translate and convert your Remittance Image to an agreed upon electronic format. We then transmit a consolidated file to you through an agreed upon channel. If you have our Lockbox service, we can combine remittance data from the lockbox in that consolidated file. In the set-up process we will develop with you compatible file transfer protocol to facilitate payment posting in your accounting system from the Remittance Image. Processing and transmission will occur on the schedule selected by you in the set-up process. You may also elect to download Remittance Images through the Service.

Error Resolution. If an error is discovered in the conversion process, we will promptly correct the error and provide you with a corrected file. This is our sole obligation with respect to such errors.

Data Retrieval and Access. We will store and archive Remittance Images which you can retrieve, research, review and print, through one or more access channels we offer including through Fifth Third Direct. If you have our Lockbox Service, you may also view Remittance Images through the viewing features of that Service.

Reports. In addition to developing reports with features you select, you may select from among a variety of standard reporting options provided through the ED Program.

ELECTRONIC LOCKBOX

Service

The Fifth Third Electronic lockbox process allows you to collect consumer initiated home banking payments through our Processor for payment collections. Utilizing the MasterCard RPPS network or direct relationships with payment companies or paying banks, our Processor consolidates these payments and transmits to us for inclusion in your daily Lockbox transmission file.

We will act as your sponsor in the MasterCard network facilitating concentration and processing of MasterCard RPPS transactions and returns in accordance with MasterCard RPPS operating rules. Similarly, our Processor will facilitate concentration and processing of transactions and returns directly with other third party bill payment companies and bank in accordance with their processing requirements.

Settlement will occur same day or next day depending upon transmission time.

ESCROW MANAGER

Service

Description. Our Escrow Manager Service enables you to control and administer pooled funds belonging to multiple clients and includes *Escrow Manager Online*, our online access management tool available through *Fifth Third Direct*. The Service is structured with: a "*Master Account*" including a "*Master Sub-Account*," "*Sub-Accounts,*" and an optional "*Disbursement/Billing Account*." Funds from your clients are initially deposited into the Master Account which will be titled as an escrow account. The deposited funds are then allocated by you in the appropriate Sub-Account which you establish for each of your clients and manage through Escrow Manager Online. Your client's unique identifying number, name or tax identification number will identify each Sub Account. Funds may be transferred at your direction from the appropriate Sub-Account to your Master Sub-Account to fund withdrawals or payments. The Master Account, and Sub-Accounts, and Disbursement/Billing Account may be referred to collectively as the "*Account*" or "*Escrow Account*." We will also prepare and timely mail to your clients Form 1099-INT or Form 1042-S, as the case may be, for interest paid on the Sub-Accounts as required by Internal Revenue Service (*IRS*) regulations, and file annually Form 1096 or Form 1042, or both, as the case may be, with the IRS on your behalf as and when required by law.

Set Up. Before we can make the Service available to you, you must:

- complete and sign a signature card for the Master Account and, if you choose to set it up, the Disbursement/Billing Account;
- have obtained proper and effective authorization from each of your clients to hold your clients' funds though the Account, and provide us with reasonable evidence of that authority upon request;
- provide us with a signed and completed Form W-9 (or applicable Form W-8) for each of your clients for whom a Sub-Account will be created;
- authorize and complete the set up process for *Fifth Third Direct*; and
- establish the access rules for authorized users of the *Escrow Manager Online* feature of the Service.

Your Fifth Third representative will assist you in the set up process for this Service.

Other Services. If you wish to use any of our other Services in connection with this Service, including our Wire Transfer and ACH Origination Services, you must separately obtain those Services from us, and your use of that Service will be subject to the Terms and Conditions for that Service.

Transfer Limitations. The Sub-Accounts are interest bearing accounts. Accordingly, the Sub-Accounts are subject to a limitation of six transfers from such accounts as provided under Federal Reserve Regulation D. If applicable limitations are exceeded, we may be required to limit the number of transfers or convert the Sub-Account to a non-interest bearing account, all as further provided in the Rules.

Deposits

Deposits. There is no limit on the number of deposits which may be made into the Master Account and recorded in a Sub-Account. We will accept checks and other items of payment ("*Items*"), as well as electronic funds transfers provided we have the necessary Sub-Account information with or prior to the transfer. Paper deposits should be accompanied by an Escrow Manager deposit ticket we provide to you.

W-9 Forms. You must obtain and provide to us a signed Form W-9 or applicable Form W-8 in the case of foreign clients (*"Form W-9"*) in the form we provide you or other form acceptable to us for each of your clients for whom a Sub-Account is established. You are responsible for insuring that

all of the information on the Form W-9 is exactly correct and appropriately signed. There is a modified Form W-9 on the backside of the Escrow Manager Deposit ticket which you may use. You must provide your client's name, address, and tax identification number for each Sub-Account on the front and have your sub account holder sign the backside, limiting one client per deposit ticket. Deposit tickets can be submitted with checks through one of our branches. You may also fax deposit tickets (front and back) to our Deposit Operations at 513-358-1165 or another number specified in the User Guide for that purpose. You must provide us a deposit ticket or Form W-9 for a new set up made online even if you electronically transmit your deposit. You must provide us with original signed copies of Form W-8. Originals should be mailed to the Escrow Manager Customer Service, MD 1MOC2X, Madisonville Operations Center, Cincinnati, OH 45263 or another address specified for this purpose in the User Guide.

Sub-Account Allocations. You are solely responsible for allocating deposited funds to the proper Sub-Account via Escrow Manager Online. You may allocate a deposit to one or multiple Sub-Accounts. Transfers from Sub-Accounts are also made through Escrow Manager Online by either closing a Sub-Account or making a transfer to the Master Sub-Account for further distribution.

Electronic Transfers. If you wish to initiate any ACH debits to your clients' accounts for credit to a Sub-Account, you must use, and we must have agreed to provide, our Automated Clearing House Service.

Returned Items and Reversals. The amount of any Item or other deposit or credit that is returned to us or reversed may be deducted from the Sub-Account in which the funds were recorded, and reflected in the resulting Master Account aggregate balance. You will also be subject to a returned deposit fee. If we do not have sufficient Account identification information for such Item or other deposit or credit, we may not be able to determine the Sub-Account to which the returned Item or reversal applies. In that case, we may deduct the amount of the returned Item or reversal from your Disbursement/Billing Account or other account (other than a Sub-Account) you have with us.

Escrow Manager Online

Features. The Service includes our *Escrow Manager Online* feature which enables you to manage the Accounts via the internet through, *Fifth Third Direct*®. You must have completed the set up process for Fifth Third Direct in order to have access to this feature of our Service. The features and functionality of Escrow Manager Online are described in greater detail in the User Guide we provide you with this Service and include the ability to view Account summaries, establish, change and close Sub-Accounts, generate and print reports, obtain alerts, view and manage transactions and allocate funds among Accounts. We may update the User Guide from time to time to add or modify the features and functionality of this feature of our Service.

Administrator. The Service is administered for you by your Fifth Third Direct Administrator who is appointed by you in the set up process for Fifth Third Direct. Unless you instruct us in writing to the contrary, the Administrator has the authority, in addition to any other authority the Administrator may have, to establish access rules and designate users and other Administrators with authority to act as Authorized Agents for this Service, including authority to allocate funds to Sub-Accounts and transfer funds to the Disbursement/Billing Account.

Security Procedures. The use of Escrow Manager Online through Fifth Third Direct is subject to Security Procedures. The use of an Administrator with authority to designate users, the requirement of user and Administrator ID's and passwords for access to the Service through Fifth Third Direct, and other security features of Fifth Third Direct constitute the Security Procedures we offer for this Service. You acknowledge that you must notify us in writing of your wish to utilize some other procedure in light of your expected use of, or particular needs for this Service. You understand that all access to, and use of the Service using the Security Procedures is considered for all purposes and without further investigation to be authorized by you. You authorize us to act and rely upon any communications, Instructions and directions to us through Escrow Manager Online using the Security Procedures. We do not monitor your use of the Service.

Customer Assistance. Our implementation specialists will assist you throughout the set up process. Our Commercial Support Center is available to assist you in using the Service during posted hours of operation and will provide additional assistance if requested. The Service also includes online guides to assist you in using the Service.

Our Relationship

You acknowledge that:

- we are only acting as a depository bank; we will not be providing escrow services or otherwise acting as an escrow agent or other agent for you, your customers or any other person; and, we have no legal or contractual relationship with your customer;
- any and all responsibility for providing escrow agent services to your clients remains with you;
- different states may have different laws regarding the obligations of an escrow agent or persons holding the funds of others; you are solely responsible for ensuring compliance with those laws and we assume no responsibility for your compliance with those laws; and
- we are not performing trust functions or otherwise acting as a trustee.

Interest

For interest bearing Accounts, interest accrues daily and is compounded and credited to the various Sub-Accounts on a monthly basis. The interest rate on the Sub-Account may change at any time in our discretion, thus the annual percentage yield for your account may change at any time as well. Interest will be calculated based on the collected balance recorded in each Sub-Account. No minimum balance per Sub-Account is required but the Master Account may be subject to monthly maintenance fees. Interest will be credited to each Sub-Account on the last day of each month. The amount of interest credited on each Sub-Account will appear on the next monthly statement you receive after such payment of interest.

1099-INT Preparation

As the holder of funds for your clients on which interest is being paid, you must provide your clients each year with Form 1099-INT (for U.S. clients), Form 1042-S (for Canadian clients) or successor form, as applicable ("*Form 1099*"), pursuant and subject to Internal Revenue Service regulations. As part of the Service, we will, as your agent prepare Forms 1099 for each Sub-Account as required by law and mail them directly to all Sub-Account holders (unless an exemption applies) at the latest addresses you provide us for your clients. You are solely responsible for furnishing to us, as requested and in mutually acceptable format, all client information we require for this purpose, including the Form W-9 for each Sub-Account. You are solely responsible for any untimely, incorrect or out of date client data you provide to us. While we are providing the Service to you, you authorize as your agent and direct us to file with the IRS Form 1096 or Form 1042, or both, as the case may be.

Withdrawals

Withdrawals from the Master Account must have a corresponding transfer from a Sub-Account to fund the Master Sub-Account. Closing a Sub-Account automatically transfers funds to the Master Sub-Account for further distribution. Exception transfers can be made by calling or faxing our Cash Management Department subject to our normal procedures. We have no obligation to respond to transfer requests in any other format. If any Account is overdrawn at any time for any reason, you agree to immediately deliver to us sufficient funds to repay the following:

- the amount necessary to replenish the overdrawn Account,
- any applicable overdraft fee, and

- any interest we paid the holder of the affected Account.

We can refuse to execute any withdrawal request or transfer order if there is or would be created an insufficient balance of available funds in the Account. You also agree to reimburse us for any reasonable costs we incur to collect that deficit (including court costs and reasonable attorneys' fees).

Authorization and Know Your Customer

You represent and warrant to us that you have been duly authorized to hold the funds of your clients which you deposit with us and that each withdrawal from a Sub-Account initiated by you is authorized by your clients. You acknowledge that you and not your clients are our customer and that you bear all responsibility for all applicable "know your customer" and similar laws including anti-money laundering laws.

Liability to Third Parties

In addition to your obligations to us under the Master Agreement, you agree to indemnify and hold us harmless from any Losses whatsoever claimed by any third party, including your clients, and any expense we incur in investigating or defending any claim relating to, or resulting from our providing the Service to you, except for such Losses resulting from our gross negligence or willful misconduct.

Termination

We reserve the right to terminate the Service and close your Account as provided in the Master Agreement. You may close the Account at any time after we have received notice and have had a reasonable opportunity to act on it. In connection with the closing of the Account, we will mail you a final statement listing the closing balance in each Sub-Account.

<u>INFORMATION REPORTING</u>

Service

We provide a wide variety of options for you to obtain balance, transaction and related information about your Accounts, including intra-day and prior day information, and information generated from other Services you use. Information Reporting is available through Fifth Third Direct, Accounts Management and Payments, and our BAI Service, and other communication channels agreed upon in the set up process.

With our multi-bank reporting option, you may elect to have accounts maintained at other financial institutions reported to us or authorize us to report your account and transaction data to other financial institutions. If you choose to have us report data from other financial institutions, you are responsible for authorizing the other financial institution to transmit data to us on based on their requirements. You may also direct us to report information to another financial institution or destination; you are solely responsible for the delivery information you provide to us.

Electronic information is subject to update, correction and verification.

INTEGRATED PAYABLES

Service

Our Integrated Payables Service is a comprehensive payables solution that enables you to make multiple payments through multiple platforms from a single, standard payment file. You can consolidate payment by wire, ACH or check into a single file to initiate payments to vendors, employees and other payees.

In the setup process we will establish the file format and Security Procedure for the authentication of the file. Files are transmitted by direct transmission. The file must contain full details for of all payments to be made including date of disbursement, payee and requested method of payment. We acknowledge receipt of your file by the method agreed upon in the set up process. We then execute your payment Instructions as set forth on the date set forth for each payment in the payment file, subject to the file meeting our Cut Off Times.

Payments made by ACH are subject to the Service Terms for our Automated Clearing House Service. Payments made by wire transfer are subject to the Service Terms for our Wire Transfer Service. Payments made by check are subject to the Service Terms for our Check Issuance Service.

INTEGRATED RECEIVABLES

Service

Our Integrated Receivables Service provides you with payment information from multiple payment Services in a single, integrated file ("*Receivables Data*") enabling you to automatically update your accounts receivable system, including ACH and incoming wire payments, Lockbox, electronic payments and our Biller Direct Service. Your receipt of funds related to Receivables Data is governed by the Terms and Conditions of the Service you use for that purpose and the Commercial Rules.

Receivables Data

When we receive funds and remittance-related information through one of our collection Services, we extract invoice and other standard data to create Receivables Data. We may perform certain edits to the basic payment information and will translate the information into a standard file format. Receivables Data Files will be sent to you in the manner and at the times identified in the User Guide. While we strive to provide complete accuracy of the Receivables Data we produce, we cannot assure the complete accuracy of the data we produce. Our sole obligation for any incomplete or inaccurate data is to correct the relevant data and resend it to you in a correction file. We are not responsible for the content of the remittance data provided to us.

LOCKBOX

Service

With our Lockbox Services, we will process checks and other items ("*Items*"), credit card payments and cash (collectively, "*Payments*"), along with remittances including vouchers ("*Remittances*") directed to a Lockbox or sent directly to our processing facility, post Items and cash for deposit to the Designated Account, transmit credit Payment information to your card processor, process the Remittances according to your instructions and provide you with remittance data electronically through the channel you select. We offer two types of Lockbox services:

> *Wholesale Lockbox,* designed for customers who receive a relatively small volume of large dollar remittances, usually business-to-business payments, collected from a broad geographic area using an invoicing method.

> *Retail Lockbox,* designed for customers who receive a large volume of small dollar remittances, usually customer-to-business payments, collected from a broad geographic area using a scannable invoicing method allowing for high speed straight through processing.

Establishing the Lockbox

At your request, we will provide such number of post office boxes ("*Lockboxes*") at a mail facility as we and you mutually agree are required in order to handle the anticipated volume of Payments and Remittances. You authorize us to act as your agent to have exclusive and unrestricted access to the Lockbox for the purpose of collecting and processing all Payments, Remittances and other materials contained in the Lockbox ("*Mail*").

In the setup process you will designate an account with us to be the Designated Account for this Service. The Service will be available on a mutually agreed upon date.

Notifications

For Payments and Mail you wish to be processed through the Service, you must notify your customers and other obligors ("*Obligors*") to:

- mail their Payments and Remittances to the Lockbox; and
- not to use the Lockbox for any purpose other than sending Payments and Remittances.

Users of Retail Lockbox also agree to require their Obligors to use remittance forms we specifically approve. If you change the form of coupon or other remittance, you may be subject to additional processing charges until we test and approve the new form.

Lockbox Items Processing

Mail. On each Banking Day, we will remove all Mail from the Lockbox in accordance with our regular collection schedule then in effect. We may refuse to accept any Mail which we deem inappropriate, including packages, boxes and C.O.D. mail. We will open all Mail so removed from the Lockbox and process it according to your instructions. All Mail that we do not accept for deposit or collection will be returned to you without further processing at the address you specify to us the set up process. Mail shall not be deemed to have been received by us until it has been picked up by us from the designated mail facility, or in the case of the Wholesale Lockbox, delivered to us at the address we specify.

Items. We will use commercially reasonable efforts to process Items received and make funds available from the Items in accordance with our Funds Availability Policy. If you use Retail Lockbox, you understand that we process your Items using high speed automated processing equipment and we do NOT inspect any Items. You accept full responsibility for any Item not properly payable to you or another Acceptable Payee (as defined below) and for any or missing signatures or endorsements, restrictive endorsements or other problems with the Item. You acknowledge that the cost of manual processing would be significant, that you do not wish to incur such costs. You release us from all liability for processing checks sent to the Lockbox but not payable to an Acceptable Payee.

Acceptable Payee. Payments sent to the Lockbox must be payable to a payee whose name you have provided to us ("*Acceptable Payee*"). You represent and warrant to us that you are duly authorized to receive, and have the full and unrestricted right to receive all Payments payable to each Acceptable Payee, and to deposit or process the Payments into your Account.

Wholesale Lockbox. If you select Wholesale Lockbox, we process Items pursuant to standard industry practices. Items not payable to the name of an Acceptable Payee or which fail to designate a payee name may not be processed. Items payable to an Acceptable Payee name and another party must be endorsed by such second party in order to be processed. If we discover that an Item is not endorsed, the Item may not be processed. If the date is missing on an Item, we may, but need not, insert the current date, and then process the Item. Items dated (a) more than six months prior to the date of presentation, or (b) more than five days after the date of receipt may not be processed in our sole discretion. If the written amount and the numeric amount on the Item differ, the supporting documentation, if any, may be examined to determine the correct amount. If the correct amount cannot reasonably be determined, the Item may be returned to you unprocessed. Items we discover that do not bear the drawer's signature shall not be processed.

Restrictions. We are not required as part of this Service to inspect the Items or to isolate and not process Items bearing restrictive legends or endorsements on the fronts of such Items (e.g., "paid-in-full," "final payment" or words of similar meaning). We will not process an Item if we discover that such Item contains any such legend or endorsement or is accompanied by written matter purporting to restrict the nature of payment. However, we are not liable or responsible if we fail to investigate or discover any such restrictions on the Items. Items that we do not process will be forwarded to you unprocessed according to your instructions.

Endorsements. You irrevocably make, constitute and appoint us (and all persons we designate for such purpose) as your true and lawful attorney-in-fact to endorse your name on all such Items with the endorsement "Credit to the account of the within-named payee" or similar Lockbox endorsement used by us.

Foreign Items. Any Item drawn on a bank located outside the United States and any Item payable in foreign funds will be accepted for collection only, and the amounts of such Items will not be credited to the Designated Account until we receive final payment of the Item.

Credit Card Payments

We will accept and process credit card Payments only if you have a merchant processing agreement with a processor with which we have the appropriate contractual arrangements. You authorize us to key in the credit card payment information included in the Remittance and transmit that information to the card processor designated by you in the setup process.

Cash Payments

Processing. Cash Payments identified in Mail are subject to our internal procedures for handling cash Payments.

Counts. If there is any variance between our count of cash in an individual envelope included in your Mail and the dollar amount of such cash as stated on any related remittance data included in the Mail, we will identify such variance and follow mutually agreed upon procedures for reporting such variance to you. You agree that our count of the cash contents in Mail is final and conclusive. We are not liable for any shortage or variance for any reason, whether discovered upon initial processing or thereafter. In no event are you entitled to any amount in excess of the correct balance of the deposit, regardless of the basis of the original error.

Deposits

We prepare Items for deposit to the Designated Account throughout each Banking Day. Each Business Day, we will provide you with information through your selected reporting service regarding each Item processed from the Lockboxes in a manner mutually agreed upon in the set up process.

Cash received in the Lockbox will be aggregated and deposited to a special processing account we maintain for you. We will draw a check on that account payable to you in the amount of the cash processed each Banking Day, and process that check for deposit to your Designated Account the following Banking Day.

Chargebacks; Returned Items

All Items received in the Lockbox, processed and deposited in the Designated Account by us and then returned to us unpaid or returned for any reason will be sent to you along with a debit advice. You understand that we are not authorized to collect any payment other than through customary lock box processing. We offer a variety of Services for addressing returned items.

Imaging and Truncation

All Items and Remittances we receive within this Service will be imaged with the understanding that these imaged Items will be truncated. These truncated Items and all Remittance originals will then be destroyed five (5) Business Days after image capture occurs and you acknowledge and understand that we will no longer be able to retrieve the originals after destruction. You may, for a fee, choose to have original Items and Remittances returned to you through a mutually agreed upon method.

Images are available through one or more reporting options or upon request.

Correction of Errors

If we make an error in processing Mail, our sole responsibility for the error shall be to process a correction in the next processing after we resolve the error with you.

Transition Services

If you terminate the Services for any reason or we terminate the Service for convenience, we will maintain the Lockbox and process Mail and Payments under these Service Terms for a period (not to exceed ninety (90) days) we reasonably determine is required to transition your lockbox requirements to another provider. At the expiration of such period, you will incur additional charges at our then prevailing rates for post termination services for any other work processed by us. We reserve the right to close the Lockbox and cause all Mail to be returned to sender at the conclusion of the transition period.

<u>PAYCARD</u>

Service

Our PayCard Service enables you to provide your employees with a MasterCard® branded Debit Card for payment of their salaries and wages instead of payroll checks.

Definitions

As used with this Service, the following terms have the indicated meanings:

"Card User" means the Participating Employee and anyone designated by him or her as an authorized user of the PayCard.

"Cardholder Agreement" means the Fifth Third Bank MasterCard Terms and Conditions (or similarly titled document) between us and a Participating Employee specifying the terms and conditions for use of a PayCard, including applicable fees.

"*Employee Payroll Account*" means a non-interest bearing sub-account of a pooled account with us that is established for the sole benefit of a Participating Employee and is funded by you, as the employer.

"*Enrollment Form*" means the forms required under Applicable Law to enable an Employee to participate in the Program with you.

"Labor Laws" mean Applicable Laws addressing (i) labor standards, employment or payroll taxes, (ii) payment of payroll, salaries, wages or bonuses, including form, manner and conditions of payment, and (iii) disclosure of pay or payroll deductions.

"MC Rules" means the Bylaws and Rules of MasterCard International as they relate to payroll cards and as such bylaws and rules are effect from time to time.

"Participating Employee" means an employee designated by you who has provided Authorization and for whom we have received from you correct and current Employee Set Up Data; only Employees who have reached the age of majority in their state of residence are eligible to participate in the Program.

"PayCard" means a MasterCard® Debit Card issued by us to a Participating Employee that can be used to make purchases at any location at which MasterCard Debit Cards are accepted and to withdraw cash at our branches and at participating automated teller machines and other locations.

"Program" means the aspect of the Service by which Participating Employees can obtain, and you can pay their wages by means of a PayCard and the related functionality and services available to you and Participating Employees.

Administrator

In addition to the general authority of the Administrator you appoint for this Service, unless restricted by you in the set up process, the Administrator has the authority to:

- designate and provide access credentials to personnel ("*Users*") including the Administrator for access to some or all of the features of the Service on your behalf,

- designate your employees to us as Participating Employees for purposes of the Program, and provide us with Employee Set Up Data as described below, and

- initiate ACH transactions to fund Employee Payroll Accounts;

Program Operations

Service Set Up. As part of the initial set up process and for each Participating Employee added after that point, you will provide to us, in such format and through such means as we request: (a) complete and accurate enrollment information required by for each Participating Employee in the Program; and (b) any other information we reasonably request related to the enrollment of your employees in the Program, the issuance of a PayCard or the establishment and ongoing administration of the Program ("*Employee Set Up Data*"). You will also provide your logo for display on the Cards and Website and you authorize us to use your name and logo for this purpose.

Eligible Employees. Our PayCard Service is only available within the United States of America and for payment of wages and salary in U.S. Dollars to individuals lawfully employed by you. We reserve the right to refuse to issue a PayCard to any employee and to terminate any PayCard at any time without prior notice to you or employee, except as required by Applicable Law.

Participating Employee Verification. Each time you provide us with Employee Set Up Data for an employee, you represent and warrant to us that you have verified the identity of such employee and shall collect and retain for at least five years such employee's name, address, date of birth, and social security number or other government-issued identification number. At our request, you shall reasonably cooperate with us to verify the identity of prospective Participating Employees. You agree that we may request and obtain information directly from a current or prospective Participating Employee to verify the identity of such individual and seek information about them from third parties.

Compliance with Applicable Law. Notwithstanding anything in these Terms and Conditions to the contrary, you are solely responsible for compliance with Applicable Law in connection with the employment of your employees, including Labor Laws.

Limitations. The Cards are subject to an aggregate load limitation (currently $240,000 per card), withdrawal limitation ($300 per withdrawal and $900 per day) and load limitation ($10,000 twice per day). We may change these limitations upon thirty days' notice to you.

Program Implementation

Enrolling Your Employees. As part of the program, we will provide you with our standard Cardholder Agreement (including our Consumer Privacy Policy) and work with you to develop other related disclosures and materials for distribution to your Employees (collectively the "*Program Materials*").

Authorization. You are required to obtain from each employee desiring to participate in the Program: (a) a properly completed and executed Enrollment Form and Cardholder Agreement; and (b) all authorizations required by Applicable Law for you to transfer to, and for that person to accept and access their net pay as provided in the Program, and for the issuance of any additional Cards as permitted under the Cardholder Agreement (the "*Authorization").* You are solely responsible for determining the manner and form of the Authorization required from your employees, making required disclosures and for complying with Applicable Law in obtaining and maintaining that Authorization. You further agree to maintain an original of the signed Enrollment Form, Authorization, and other records adequate to establish that each Card User has received the Program Materials (including revisions or amendments) and given Authorization to participate in the Program.

Card Distribution. Once we have received satisfactory evidence of the enrollment of a Participating Employee in the Program and their Authorization, we will distribute a PayCard to

each Card User along with their personal PIN.

Program Website and Call Center. We will maintain a dedicated website ("*Website*") which you may access for the administrative purposes provided in the User Guide provided by us or on the Website. We will assign to your Administrator a user ID and password for your access to the Website. Card Users will also be able to access the Website and an interactive voice response system to obtain balance and other information related to card usage. We will also maintain and make available to you and Card Users a call center for your personnel and your inquiries and service.

Cooperation. You agree to cooperate fully with us in furnishing any information or performing any action reasonably requested by us in connection with the Service or to comply with Applicable Law including furnishing us with true, accurate and complete copies of the Authorizations; provided, however, that you are not required to divulge any records to the extent prohibited by Applicable Law. For avoidance of doubt, to the extent Applicable Law (including rules and examination policies of regulatory authorities) changes or imposes new requirements, you and we both agree to comply with such requirements

Non-Issuance, Suspension or Cancellation. We are not obligated to issue a PayCard and may suspend or cancel any PayCard for reasons of compliance with Applicable Law including safe and sound banking practices. If we fail to issue, suspend, or cancel a PayCard, we will notify you promptly. Except as prohibited by Applicable Law, we will disburse to the Participating Employee any funds underlying a cancelled PayCard and return to you any funds relating to a PayCard we fail to issue. We may also cancel any PayCard or close the associated Employee Payroll Account under the circumstances described in the Program Materials.

Funding

You agree to deposit good and immediately available funds into each Employee Payroll Account in the amount necessary to fund the aggregate amount to be loaded to Employee Payroll Account. Unless we otherwise agree, you will fund the Employee Payroll Accounts by ACH credits with a data file containing the information and in the format we require (the "*Funding Data*") so that the credits are settled in each Employee Payroll Account on the date you have agreed to pay the Participating Employee. You acknowledge that it may take up to two (2) Business Days for ACH credits to settle. You acknowledge that, upon depositing funds into an Employee Payroll Account, you have no further right to, or interest in, such funds and, as between you and a Participating Employee, such funds belong to the Participating Employee. You represent and warrant that the Funding Data is current, accurate and complete. Upon receipt of your Funding Data and the settlement of the ACH transfer to Employee Payroll Accounts, we will credit the respective Employee Payroll Accounts. We are not obligated to fund the Employee Payroll Account in the absence of the timely receipt of corresponding funding from you, and we have no liability to participating Employees for any delay or failure of funding by you.

Representations and Warranties

Each time you transmit Funding Data to us, you represent and warrant to us that:

(a) you are permitted, under Applicable Law, to deposit the wages of Participating Employees into an Employee Payroll Account and you have properly withheld, deposited and reported taxes (including backup withholding taxes, if any), and withheld any other amounts you are required or have agreed to withhold; and

(b) each Participating Employee: (i) is lawfully employed by you and you possess a completed U.S. Citizenship and Immigration Services Form I-9, *Employment Eligibility Verification*, for each Participating Employee; (ii) has provided you (and you have in your possession) a completed and signed written or electronic Authorization, and such Authorization has not been revoked and is in full force and effect; and (iii) is

receiving his or her Wages in accordance with Applicable Law, his or her Authorization and your contractual obligations to him or her.

Accuracy of Data

You are solely responsible for providing us with the correct Employee Set Up Data and for the accuracy of the Funding Data. We are not liable to you, any Employee or any third party for any loss or damage arising out of, or relating to your failure to provide us with the correct Employee Set Up Data or for errors in the Funding Data. You shall promptly notify us of any errors in Employee Set Up Data or the Funding Data. You are solely responsible and liable for the resolution of disputes with Participating Employees arising from such errors or any other failure of your employees to timely receive the proper amount of their wages. We will use commercially reasonable efforts to assist you in the correction of any errors in the execution of ACH credits that may occur through the Service, subject to Applicable Law and the Cardholder Agreement.

Card User Security

The Service requires Participating Employees to establish user names, passwords and related credential information for use in accessing their payment account on the Website. Your Participating Employees are responsible for maintaining the confidentiality and security of their credentials to access their information.

Access to Information; Audit and Inspection

You agree that we and any regulatory authority that has jurisdiction over us shall have the right, as necessary to comply, or confirm compliance with Applicable Law, and upon reasonable prior written notice, to audit and inspect your books and records related solely to the Program and your performance of your obligations in connection with the Program. Any such audit shall be conducted only upon request of such regulatory authority or as necessary in our reasonable good faith opinion to permit us to comply with Applicable Law and only during your normal business hours and in a manner reasonably intended to minimize any disruption to your business, and shall not include inspection of any information which you are legally or contractually obligated to maintain as confidential on behalf of a third party.

Term and Termination

We agree to provide the Service and you agree to utilize the Service for a period agreed upon in the set up process. The term is subject to our respective rights to terminate the Service as provided in the Master Agreement. We may also terminate the Service if a change in Applicable Law (including, but not limited to, the rules of any financial network used by the Service) would make it unlawful or impractical for us to provide the Service or if our Processor is unable or otherwise ceases, to provide its services to us.

POSITIVE PAY

Service

Description. Our Positive Pay Services consists of:

- Bank-Maintained Positive Pay, which includes Payee Line Positive Pay and an optional enhancement called Teller Line Positive Pay, and

- Customer-Maintained Positive Pay.

Our Service enables you to automate the reconciliation of checks drawn on your Designated Accounts to better monitor and detect unusual or unauthorized disbursement activity. You may only receive the Positive Pay Services through *Fifth Third Direct*. Unless you select our Teller Line feature, our Positive Pay Service does not apply to checks presented over the counter to us.

Set Up. The Service will not be available to you until we complete the set up and implementation process with you. In the set up process, we will establish communication links and provide you with our file specifications and other information about your use of the Service.

Account Reconciliation. If you desire to have our Account Reconciliation Service included in the Bank Maintained Positive Pay Services, you must request and complete the set up and implementation process for that Service.

Perfect Posting. Perfect Posting is an optional feature of our Service. With Perfect Posting we perform additional work on the check information reported to you to increase the reliability of the reported information with the objective of reducing the incidence of exceptions reported to you.

Positive Pay Decisions

You are responsible for determining whether to pay or return any and all reported Unmatched Checks (as defined below) or any other checks that may be suspect. Each Banking Day, we will take action in accordance with your instructions, including default instructions which authorize us to accept or reject each specified check.

You are solely responsible for your decisions, action and inaction with respect to this Service and checks presented on your accounts. We have no liability to you for acting on your decisions or for not acting upon, of for carrying out your default decision if you fail to act on a particular check.

We retain our right to dishonor any check that (a) we believe is not properly payable, (b) is in excess of the Available Balance in the applicable account, or (c) we are required by law or legal process not to pay.

Bank-Maintained Positive Pay, Payee Line Positive Pay and Optional Teller Line Positive Pay

Check Information

You agree to transmit to us on a Banking Day an electronic file that contains the serial number, date and amount of each check drawn on each Designated Account and dated the prior Business Day (the "*Check Register Information*"). If you elect to use Payee Line Positive Pay, you must also transmit to us the payee name exactly as it appears on each check. The Check Register Information must be transmitted to us in the manner, format and medium, and at the times agreed upon in the set up process or otherwise in writing.

Operating Procedures

Check Register Comparison. We will maintain a file containing all of the current Check Register Information that you transmit to us (the "*Check Register File*"). On each Banking Day, we will compare all of the Check Register Information that is in the Check Register File at the Cutoff Time on the prior Business Day with the serial numbers and amounts that are MICR-encoded on all unpaid Checks presented on the Designated Account (other than checks presented to one of our tellers) before the Cutoff Time on the prior Business Day (a "*Presented Check*").

Unmatched Checks. If a Presented Check has a MICR-encoded serial number, date, amount, or payee (if elected) that is not the same as the serial number, date, amount, or payee of any check described in the Check Register Information, or is not described in the Check Register File (each, an "*Unmatched Check*"), and such Unmatched Check has been presented for deposit, we will send you, in the format and medium and by the time agreed upon by you and us, a description of such Unmatched Check before the Cutoff Time on the Business Day following our receipt of such Unmatched Check. If, however, such Unmatched Check has been presented to one of our tellers, we will take such action as we deem necessary and appropriate to prevent fraud from occurring. Whenever we pay a check drawn on a Designated Account, we will delete the description of that check from the Check Register File.

Matching Checks. If a Presented Check is not an Unmatched Check, we will make final payment of the check and charge it to the Designated Account.

Positive Pay Decisions. All Presented Checks that are not Unmatched Checks shall be deemed properly payable; and we will finally pay and charge the Designated Account for such Presented Checks. For Unmatched Checks, you must timely communicate your pay or return decision to us.

- If you timely tell us to pay an Unmatched Check or you fail to timely communicate your decision and your default decision is to accept the Unmatched Check, that Unmatched Check is properly payable for all purposes and we will finally pay and charge the Designated Account for the check.
- If you instruct us not to pay an Unmatched Check or your default decision is to reject or return the Unmatched Check, we will not pay the Unmatched Check and will return it to the depositing or presenting bank, and you agree that we shall not be liable for, and you waive, any claim for wrongful dishonor of the check.

Payee Line

Pay Mismatches. If you elect the Payee Line Feature, we will lift for comparison with your Check Register File, the payee line from those checks. Payee lines that do not match your Check Register File ("*Payee Mismatches*") will be reviewed and presented to you as Payee Mismatch exceptions for which you shall make a pay or no pay decision. We will not, however, be responsible for detecting any error contained in any Check Register File or any other communication provided to us.

Suspension or Termination of Service. We reserve the right to suspend or terminate the Payee Line feature if, in our sole discretion, we experience an unusually high volume of Payee Mismatches. We will provide reasonable notice to you by telephone or electronic mail of such suspension or termination, but shall have no liability for failing to give such notice or our decision to suspend or terminate the Payee Line Feature.

Teller Line Positive Pay

If you make an election NOT to receive the benefits of Teller Line Positive Pay, any checks presented to one of our teller windows shall be processed in accordance with our standard practices and shall not be deemed to be a Presented Checks on the Designated Account. If, however, you elect

to receive the benefits of Teller Line Positive Pay, the account number and the amount of any checks presented to one of our teller windows shall be verified against the Check Register File.

Customer-Maintained Positive Pay

Our Obligations

From time to time on a Business Day, we shall transmit to you the serial number, presentment date, amount, and if you elect, the Payee (the "*Paid Check Information*") of each Presented Check.

You agree to maintain a file reflecting each check that you issue on the Designated Accounts (the "*Issued Check File*"). One each Banking Day, you will use the Service and your records to compare all of the Paid Check Information delivered by us to the Issued Check File by no later than the Cutoff Time. If you fail to provide us with instructions for a single check or all checks in Customer Maintained Positive Pay, you authorize us to ***accept*** all reported suspect checks.

RE-PRESENTED CHECK ENTRIES

Service

Our RCK Service allows for the conversion of returned paper checks into ACH Entries for re-presentment for collection. RCK Entries are initiated through the ACH network and are subject to the Operating Rules.

Compliance with the Operating Rules and Laws

You agree to comply with the Operating Rules for the origination of RCK Entries. You act as Originator and we act as the ODFI with respect to the Entries. You agree to deliver Entries to us as provided in the User Guide and the Operating Rules. The Operating Rules govern in the case of any conflict with these Terms and Conditions, except that the file specification requirements in the User Guide govern if they conflict with the Operating Rules.

Eligible Items

To be eligible for collection through the RCK Service, a check must have been previously presented: (a) no more than two times in its physical form, if the Entry is an initial RCK Entry; or (b) no more than one time in its physical form and no more than one time as an RCK Entry. The entire listing of qualifications for eligible checks for RCK is outlined in the Operating Rules. You agree to comply with, and be bound by the Operating Rules. In addition, qualifying checks may be subject to UCC Article 4A.

Warranties

Each time you use the RCK Service, you: (a) represent and warrant to us that you have provided the Receiver with notice that clearly and conspicuously states the terms of the RCK Entry policy in advance of receiving the check to which the RCK Entry relates; and (b) make the same warranties to us as we make under the Operating Rules.

Obligations of Originators

You must retain (a) the original check to which the RCK Entry relates for 90 days from the Settlement Date of the RCK Entry, and (b) a copy of the check to which the RCK Entry relates for seven years from the Settlement Date of the RCK Entry to which the copy of the check relates. Upon our request, the Originator must provide the original check or a copy of the front and back of the check to the ODFI for its use or for the use of a RDFI requesting the information. If it has been finally paid, the original check or a copy of the check must indicate the fact on its face. These provisions are outlined in detail in the Operating Rules.

<u>SWEEP</u>

Service Description

Our Sweep Services allow you to systematically transfer Excess Funds out of your Designated Accounts and enter into transactions in which we agree to transfer:

- Excess Funds which exceed a mutually agreed maximum balance to a master money market Account ("*Money Market Sweep*");
- Excess Funds to a master Negotiable Order for Withdrawal ("*NOW*") Account;
- Excess Funds to a master federal funds Account, subject to a certain minimum investment balance requirement ("*Federal Funds Sweep*");
- Excess Funds to a master Eurodollar Account, subject to a certain minimum investment balance requirement ("*Eurodollar Sweep*");
- Excess Funds for credit to your line of credit ("*Commercial Credit Sweep*"); or
- if you have a floor planning agreement with us, Excess Funds to a Contra Account that earns the same rate of interest that you pay under your Credit Agreement ("*Dealer Floorplan Sweep*").

We also offer a Consolidated Sweep, an optional feature of the Service that enables you to combine the total amount of account balances eligible for sweep to obtain the benefits of a higher sweep amount.

Notice

The FDIC requires that we give our depositors notice of the status of their deposits and transactions in the event of a bank failure. In all cases, funds not swept to a sweep product prior to the applicable cut-off time will be treated as a Deposit with us and insured under the applicable FDIC insurance rules and limits. The status of funds swept to one of the sweep products before the applicable Cut-off Time are described below.

Definitions

Collected Funds means those funds that are made available in accordance with our Funds Availability Policy plus any holds on an Account.

Contra Account means the Credit Facility Account that we hold on your behalf which holds at least 50% of the then-outstanding balance under your Credit Agreement and into which we will transfer your Excess Funds in increments that you designate from your Designated Account, provided, however, that minimum increments may be established by the Bank from time to time. The interest rate you pay on the funds held in the Contra Account is the same as the interest rate you pay under your Credit Agreement.

Credit Agreement means any loan agreement, promissory note, guaranty or other agreement, instrument or document that evidences, secures or guarantees the Credit Facility Account.

Credit Facility Account means any line of credit or other loan arrangement between the parties for business or commercial purposes that is designated as the "credit facility account" in the set up process.

Deficiency Amount means the amount by which the Target Balance exceeds the amount of Collected Funds at the close of business on any Business Day.

Excess Funds means the amount of Collected Funds as of the close of business on any Business Day that exceeds the Target Balance.

Target Balance means the amount of funds that you desire to maintain in a Designated Account in connection with a specific Service.

Target Balances

You agree that the Target Balance shall be subject to our approval. You may request a change to the Target Balance by notice to us. We may, in our sole discretion, accept or decline your request and may accept oral notice of any such request from you. No change shall be effective until we have agreed to it and have had a reasonable opportunity to implement the change. We are not responsible if, in the absence of our negligence, your sweep option is not available or your transaction is not complete due to, for example market disruptions, technical difficulties or fund restrictions.

Money Market Sweep

Description. As of the close of each Business Day, we shall withdraw all Excess Funds in your Designated Account in excess of the Target Balance in specific increments established by us and shall deposit the funds into your master money market Account. Our Money Market Sweep Service also allows you to appoint us as your agent and direct us to take other actions with respect to Money Market Sweep Service.

Notice.

External (outside Fifth Third Bank): Funds swept to an external money market fund ("*MMMF*") are not considered a Deposit, and you will have an ownership interest in the MMMF to the extent of the amount of funds swept from your Deposit into the MMMF.

Internal (within Fifth Third Bank): Funds swept to an internal deposit account maintained by the MMMF will be insured under the applicable FDIC insurance rules and limits.

Return of Balances. When the Designated Account's balance falls below the Target Balance, we will automatically return certain Excess Funds to the Designated Account to reach the target requirement. If the master money market Account is drawn upon more than five (5) times during a statement cycle, the entire master money market Account balance will be returned to the Designated Account and the Money Market Sweep Service will be suspended until the beginning of the following cycle.

NOW Sweep

Description. Our NOW Sweep allows you to direct us to: (a) withdraw Excess Funds in specific increments established by us, as of the close of each Business Day from your Designated Account that is a demand deposit Account and deposit them into a master NOW Account; and (b) take other actions related to your NOW Sweep Service. **Deposits held in the Master NOW Account are considered Deposits and are insured by the Federal Deposit Insurance Corporation to the extent permitted by Applicable Law.**

Return of Balances. When the Designated Account's balance falls below the Target Balance, we will automatically return certain Excess Funds to the Designated Account to reach the target requirement.

Federal Funds Sweep

Description. Our Federal Funds Sweep Service allows you to direct us to: (a) withdraw Excess Funds, as of the close of each Business Day, in specific increments established by us, from your Designated Account that is a demand deposit Account and deposit them into a master

federal funds Account; and (b) take other actions related to your Federal Funds Sweep Service. We invest the funds held in master federal funds accounts in federal funds transactions on behalf of our customers (a "*Federal Funds Transaction*"). **A FEDERAL FUNDS TRANSACTION IS NOT A DEPOSIT AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.**

Return of Balances. When the Designated Account's balance falls below the Target Balance, we will automatically return certain Excess Funds to the Designated Account to reach the target requirement.

Security Interest. In the event that any Federal Funds Transactions are deemed to be loans, we shall be deemed to have pledged to you as security for the performance by us of our obligations under each such transaction, and shall be deemed to have granted to you a security interest in, that portion of the purchased federal funds and income thereon attributable to you.

Notice. Funds remaining in the domestic deposit account (below the Target Balance) will be treated as a Deposit for FDIC insurance purposes. Funds that have been swept into the Fed Funds Account will be treated as unsecured general creditor claims against the receivership in the event of the liquidation of Fifth Third Bank.

Eurodollar Sweep

Description. Our Eurodollar Sweep allows you to direct us to transfer Excess Funds, as of the close of each Business Day, in specific increments established by us, from your Designated Account that is a demand deposit Account into a Eurodollar (US dollar denominated) account maintained offshore at our Cayman Islands Branch. You authorize us to take all necessary action to effect the transfer and make investment. Your investment may be registered in our name or a nominee name. **FUNDS HELD IN THE EURODOLLAR ACCOUNT ARE NOT DEPOSITS INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC) OR GUARANTEED BY ANY GOVERNMENT AGENCY OR FIFTH THIRD BANK**

Return of Balances. Your earnings in the Eurodollar account are credited to your Designated Account on the last Business Day of each month. If Designated Account's balance falls below the Target Balance, we will automatically return Excess Funds from the Eurodollar account to the Designated Account to reach the Target Balance requirement.

Notice. Funds remaining in your Designated Account and not swept to the Eurodollar account will be treated as a Deposit for FDIC insurance purposes. Funds that have been swept into the Eurodollar account are not a Deposit insured or guaranteed by the FDIC and your claim with respect to those funds would be treated as an unsecured general creditor claim against the receivership in the event of a liquidation of Fifth Third Bank. Funds held in the Eurodollar account may lose value and are subject to investment and cross border risks including the possibility of the imposition of exchange controls or other restrictions, and risks arising from any action taken by or against the Government of the Cayman Islands.

Commercial Credit Sweep

Description. If you have a line of credit with us, our Commercial Credit Sweep Service allows you to direct us to: (a) withdraw Excess Funds, as of the close of each Business Day, in specific increments established by us, from the Designated Account and apply such funds as a payment on the Credit Facility Account; and (b) take other actions with respect to your Commercial Credit Sweep Service.

Repayment Transactions. As of the close of business on each Business Day, we shall determine the Excess Funds in your Designated Account, if any, and we will debit the Designated Account in which there are Excess Funds and credit the Credit Facility Account in an amount equal to the lesser of (a) the amount by which the Available Funds exceed the Target Balance or (b) the then outstanding balance of the Credit Facility Account ("*Repayment Transaction*"). However, we shall not be required to initiate any Repayment Transaction in an amount less than a minimum sum mutually agreeable by the parties.

Loan Transaction. As of the close of business on each Business Day, we will determine the Deficiency Amount, if any. If we determine that there is a Deficiency Amount, we will debit the Credit Facility Account in an amount equal to the lesser of (a) the Deficiency Amount or (b) the amount which is available to be borrowed under the Credit Agreement (the lesser of such amounts being referred to as the "*Available Credit*"), plus the amount of any fees and charges payable under the Credit Agreement, and credit the Designated Account in an amount equal to the Available Credit ("*Loan Transaction*"). However, we will not be required to initiate any Loan Transaction in an amount less than a minimum sum mutually agreed to by the parties, and we will not be required to initiate any Loan Transactions if any default exists under any Credit Agreement or the Master Agreement, or we are otherwise excused or prohibited under any Credit Agreement or Applicable Law from making an advance to you. Should the Credit Agreement mature, only loan payments will be made until the outstanding balance has been paid in full, and we will not be required to initiate any Loan Transaction. The Commercial Credit Sweep Service shall immediately and automatically terminate without notice, if (i) the Credit Agreement has been terminated; (ii) you have closed the Credit Facility Account; or (iii) we have demanded payment under the Credit Agreement.

Notice. Funds that have been swept out of the deposit account will be used to reduce the Loan balance; funds remaining in the deposit account are Deposits and insured under the applicable FDIC insurance rules and limits.

Dealer Floor Plan Sweep

If we have a floor planning agreement with you, our Floor Plan Sweep Service allows you to appoint us as your agent and direct us to: (a) withdraw certain Excess Funds, as of the close of each Business Day, in specific increments established by us, from your Designated Account that is a demand deposit Account and deposit them into your Contra Account; and (b) take other actions with respect to your Floor Plan Sweep Service.

Consolidated Sweep

The Consolidated Sweep feature allows you to aggregate Excess Funds from multiple accounts in order to obtain any higher rate offered for the amount of the aggregated Excess Funds as compared to an account by account basis. Excess Funds and balances are not commingled or physically combined. This feature is available with any investment sweep.

TAX LINK 53

Service

Description. Our Tax Link 53 Service allows you to give us an Instruction, using a touch-tone telephone or through Fifth Third Direct, to pay any of your taxes that are reported or filed using the tax forms listed in the applicable User Guide ("*Tax Payment Instructions*"). Based on your Tax Payment Instructions, we will prepare and remit your tax payments.

Cutoff Times. You must comply with our cutoff times for initiation of Tax Payment Instructions. If you send Tax Payment Instructions to us after the Cutoff Time, or on a non-Banking Day, we may treat these Tax Payment Instructions as if we received them on the next Banking Day.

Communication Expense and Risk. Transmission of Tax Payment Instructions to us will be at your expense, except that we may provide a toll-free number telephone service. If that service is disrupted for any reason, you have the responsibility and risk of using alternative means of communicating Tax Payment Instructions to us accurately and in time for us to perform any Tax Payment Service.

Process and Procedures

Tax Forms and Remittances. After we have received complete Tax Payment Instructions from you, we will prepare the related tax forms (by electronic transmission as authorized by the Internal Revenue Service or other tax authority, as applicable) for submission to the appropriate tax authority.

Funding. If you do not specify a "Settlement Date" for payment to the taxing authority's account, we will debit your Designated Account for any tax payment on the Business Day of transmission. If you specify a Settlement Date, we generally debit your Designated Account on the Settlement Date unless we require you to pre-fund your tax payments. Pre-funding means that you pay for all tax payments by such time before the Settlement Date as we may specify. At our discretion, we may at any time without notice debit the Designated Account on the Business Day that Tax Payment Instructions are transmitted to us (or on any other later date). If we debit the funds on the transmission date (or any other date before the payment date), we hold funds as your deposit liability, and not as trust funds, until the date when we remit the funds to the appropriate tax authority. We will not pay you interest for any lost use of funds.

Early Payment. We reserve the right to debit the Designated Account and to make a tax payment on your behalf earlier than the tax due date if the information in your Tax Payment Instructions is unclear or inadequate to permit us to determine the later due date or if we otherwise reasonably decide that any delay in the payment of the tax may expose you to a liability for a tax penalty. In such cases, we will not be liable to you for any lost use of funds.

Rejection of Instructions

We may reject your Tax Payment Instructions during or immediately after transmission to us if they do not comply with the requirements of this Service or if we have been unable to verify them through use of the applicable Security Procedure. You will be informed of any such rejection only as specified in the User Guide, and no other notice of rejection will be provided.

In addition, we may decline to execute you Instructions or to report any tax, file any tax form, or pay any related tax for you, even if we have received Tax Payment Instructions to do so, if the tax payment and our related fee exceed the Available Funds in your Designated Account or your ACH processing limit. If we reject Tax Payment Instructions for that reason, we will promptly notify you by telephone or facsimile. We will not be liable to you for the tax payment, any interest on the amount of your tax liability, or for any tax penalty imposed on you in connection

with the tax liability. You agree that these means of communication are a reasonable means of notification.

Cancellation

You may cancel Tax Payment Instructions prior to disconnection of the telephone call in the case of an instruction initiated by touchtone telephone or prior to transmission to us of an instruction initiated through the computer. Thereafter, Tax Payment Instructions may be canceled only if:

- The tax payment has not been remitted, credited or otherwise made available to a tax authority;
- A request to cancel provides sufficient information for us to effect the request; and
- The request is received by us by telephone or in writing (including facsimile) in time (but in no event later than the applicable deadline) to afford us a reasonable opportunity to effect the request.

Overpayments

If we make an overpayment of your tax liability due to our error, we will credit your Designated Account for the amount of the overpayment, and you agree to take such actions as we reasonably request to obtain a refund of the overpayment and to arrange for payment of such refund to us. In any event, you agree to repay us for any overpayment upon the earlier of: (a) your recovery of such overpayment, or (b) the application of the related tax credit to another of your tax payment obligations.

Records and Notice of Errors

We will provide you with statements and confirmations containing information about your tax payments as described in the set up process.

Nothing in these Terms and Conditions or the Master Agreement relieves you of, or imposes on us, any duty imposed by law or contract regarding the maintaining of records or from employing adequate audit, account and review practices customarily followed by similar businesses. You will promptly review for accuracy all records, information and statements delivered from time to time to it by us.

You must send us written notice, with a statement of relevant facts, within 15 calendar days after you receive the first notice or statement indicating a discrepancy between our records and yours. If you fail to give the required notice, we will not be liable for any loss of interest or for any compensation for any other loss or cost relating to an unauthorized or erroneous debit to your account or because of any other discrepancy in the notice of your Designated Account statement. You must notify us promptly by telephone, confirmed in writing, if you learn or discover from any source other than a notice or statement from us of information concerning an unauthorized or erroneous debit to the Designated Account.

Supplemental Limitation of Liabilities

If our Service is interrupted or unavailable for any reason and you are unable to complete transmission of your Tax Payment Instructions to us, you will not be relieved of your obligation to make any tax payment otherwise contemplated to be made by such Service. We will not incur any liability if you fail to make any required tax payment by other means in the event of such interruption or unavailability.

Notwithstanding the "**Limitation of Liabilities**" section of the Master Agreement with respect to tax penalties, our liability under the Tax Payment Service is limited to the amount of penalty actually imposed on you in good faith by the Internal Revenue Service or by the appropriate tax authority for our failure, solely by reason of our negligence, to report any tax or file any tax form or to make any tax payment on time that you have properly and timely submitted to us.

WIRE TRANSFER

Service

Description. Our Wire Transfer Service permits you to transfer U.S. dollars by wire transfer through Fedwire, internal wire transfers and international funds transfer via SWIFT and, as appropriate, to transmit or receive related messages and other channels we select. These transfers are typically to or from your Designated Account for this Service with us or at other eligible domestic or foreign banks. These transfers may also include transfers from your Accounts with us in accordance with your Instructions or batch payments made according to multiple Requests within a single electronic data file for transfers from your Accounts.

Set Up. In addition to appointing an Administrator for access to this Service you will provide a written list, in a form acceptable to us, of the Authorized Agents you designate to use the Service on your behalf, including without limitation, any financial institution or other third party you designate as your agent to make Drawdown Requests.

Direct Use. The Service may only be used for your direct benefit. You agree not to, directly or indirectly, re-sell, allow third party access to or contract out through use of "payable-through" or "concentration" accounts or otherwise any feature or aspect of the Service.

User Guide. The User Guide will contain information and guidance to assist you in your use of the Service and will include the Security Procedures available with this Service.

Definitions

Request means your instructions (including the Instructions of any Authorized Agent) to execute a payment order and to debit your account (including for purposes of executing a Drawdown Request) or another person's account in connection with a payment order. A Request is a payment order and is considered an Instruction as defined in the Master Agreement.

Drawdown Request means a Request from another financial institution to initiate a wire transfer on your behalf for or from an account with us or that financial institution.

Compliance with Applicable Law

You agree to comply with Applicable Law in connection with the Service including all applicable payment system rules, national payment system rules, and any applicable laws and regulations of the receiving country of your transaction. Any terms used and not defined in these Terms and Conditions shall have the meaning given them in UCC Article 4A.

Requests

Templates. Wire transfers may be Repetitive or Non-Repetitive. A Repetitive wire transfer is a wire transfer being sent to the same party on an ongoing basis; you create a wire transfer template for that beneficiary one time and access this template each time you need to wire funds to that business partner. The only information that needs to be changed is the amount and the date. A Non-Repetitive Wire Transfer is generally a single use wire for which you provide all of the beneficiary information each time you initiate a wire transfer.

Representations and Warranties. Each time you send a Request including each time a repetitive Wire is executed by us pursuant to your Instructions, you make to us the following representations and warranties: (a) all transaction details you have provided to us in connection with the Request are complete, truthful and accurate; (b) the Request is for your direct benefit only and not the benefit of any other person or entity; and, (c) you are in compliance with all Applicable Laws in connection with the Request.

Security Procedures. Access to this Service is subject to Security Procedures. You agree to select the Security Procedures that are appropriate for you in light of the size, frequency and nature of your wire activity and desired means of communication of Requests. The Security Procedures and our compliance with the Security Procedures have the effects specified in the Master Agreement.

Transmitting Requests. Requests may be submitted to us via the communications channels agreed upon in the set up process. Requests are subject to our Cut-off Times and processing schedule. You agree to provide all information we may require or specify in connection with your Request. Any error in the information you provide, including amount, incorrect beneficiary account number or name, beneficiary bank name, or other account, IBAN or routing or transit numbers is your sole responsibility and liability. You are solely responsible for the accuracy and completeness of each Request or communication sent to us in connection with this Service.

Automated Standing Wire. An Automated Standing Wire is a Request to make a recurring wire transfer in which all of the payment order information remains the same for each transfer, except for the date of the transfer**.** This feature of our Service enables you to issue a Request for a fixed payment to be made at recurring intervals as you specify. If the specified date to execute a Request falls on a day that is not a Business Day, the order will be executed on the next Business Day. Requests for a standing wire must be given in a manner and form approved by us. You are responsible for having sufficient collected funds in the Designated Account from which payment for the order is to be made to cover the order and related fees and expenses. We will not execute a Request if there are not sufficient Available Funds in the Designated Account to pay for the Request, and may terminate the Request. Once established, a standing Request will remain in effect until we receive written notice of cancellation from an Authorized Agent and have had a reasonable opportunity to act on that notice.

Payment

You may initiate a Request only if the offsetting debit to the applicable Account will not reduce your Available Funds in the Account below $zero. If, however, we in our sole discretion act on a Request absent Available Funds in the Account, you are obligated to pay us the amount of any such Request once we act on your Request. We may at any time require Available Funds before we process a Request. Even if we have done so in the past, we are not obligated to process any Request without having first been paid by you the full amount of your Request, but, if we do, the amount is immediately due and payable without notice or demand. Prior to initiating any Request to debit an account of a third party, you must provide us with documents, in a form acceptable to us, evidencing the third party's authorization.

Processing Requests

Execution. We will execute Requests received in your name provided that: (a) if we require, you have paid us for the amount of the Request including our fees and other charges; (b) the Request is received in the medium, at the place and with the information we specify; (c) the Request complies with the requirements of these Terms and Conditions including the Security Procedures and Applicable Law; and (d) the Request is for payment in US Dollars to a beneficiary in the United States.

Transmission. We will use any means of transmission, funds transfer system (including Fedwire), association, clearing house, or intermediary we select in our discretion to transfer funds. After we receive a Request by the applicable processing deadline as specified in the User Guide, but no later than the value date stated in your Request (if such date is not earlier than the day such Request is received), we will act upon such Request by making applicable accounting entries or by transmitting payment instructions to the applicable bank or other party. If applicable, our acting on your Request will also be subject to the Business Day schedule of any of our offices holding an Account to be debited or credited under a Service. We may treat

Requests we receive after a Cut Off Time or deadline as if we received them on the next Business Day.

Rejection of Requests

We may reject and delay any Request if we determine, in good faith and our sole discretion: (a) that the Request is not authentic; (b) executing the Request would create for us a risk of violating Applicable Law or an unacceptable risk of financial loss; (c) the Request is incorrect, incomplete or unsatisfactory for any reason; (d) the Request does not comply with the requirements of these Terms and Conditions or the applicable User Guide, including any processing or exposure limits we establish for you or to which we are subject; or (e) the Request exceeds the Available Funds on deposit with us in the Designated Account. We may also reject a Request if it is or we believe it would be returned for any reason under the Operating Rules or applicable national payment system rules of the receiving country of your transaction. If we reject a Drawdown Request, we will use reasonable efforts to notify you by telephone. Otherwise, we will confirm each Drawdown Request that we execute by a written advice and by an entry on the applicable Account statement.

Cancellation or Amendment

If you send us a Request instructing us to cancel or amend a prior Request and we are able to verify the authenticity of the cancellation or amendment Request using the Security Procedure, we will make a reasonable effort to act on that Request, but we will not be liable if it is not effected. You agree to indemnify us against and hold us harmless from any and all Losses we incur in connection with your Request to amend or cancel.

Provisional Payments

Payment by us for any transaction we credit to your Account is provisional until we receive final settlement for the transaction. If final settlement is not received, we are entitled to a refund and we may charge your Account for the amount credited.

Inconsistency of Name and Number

A beneficiary's bank (including us when we are the beneficiary's bank) may make a payment to a beneficiary based solely on the account number or other identifying number. We, or an intermediary bank, may send a Request to an intermediary bank or to beneficiary's bank based solely on the bank's identifying number. We, any intermediary bank, or any beneficiary's bank may do so even if the Request includes names inconsistent with the account number or other identifying number as long as the inconsistency is not known by us or such other bank. Neither we nor any other bank has a duty to determine whether a Request contains an inconsistent name and number.

Unauthorized or Erroneous Drawdown Requests

You agree to exercise ordinary care (a) to determine whether each Drawdown Request that we execute has been authorized by you and to discover any errors relating to any such executed Drawdown Request, and (b) to notify us of the facts relating to any authorized Drawdown Request that we execute or error immediately after discovering them.

You must notify us in writing in a manner provided for in the User Guides of any erroneous or unauthorized Drawdown Requests that we execute as soon as possible, but in any case within fifteen (15) days after we notify you that the Drawdown Request has been executed or the Account has been debited to pay for the Drawdown Request, whichever is earlier. If you fail to notify us in writing within that time period and we are required under Applicable Law to refund all or part of your payment, we will not pay any interest on the amount refunded and, except as otherwise provided by UCC Article 4A or other Applicable Law, we will not be liable for the transaction and you agree to reimburse us for our Losses.

ZERO BALANCE ACCOUNTS (ZERO BALANCE AND CORPORATE ONE ACCOUNTS)

Service

Our Zero Balance Account Service lets you control the transfer of funds between Accounts with us to eliminate excess balances in your Accounts. Zero Balance and Corporate One Accounts, also known as ZBAs, are covered under this Service. This Service may be restricted to certain account types.

Our Obligations

Transfers you make from your Account using these Services are considered preauthorized transfers. You may instruct us to make balance-related transfers as described below. Once you instruct us to transfer funds between Accounts, transfers begin on a mutually agreeable date.

In a balance-related transfer, you may have funds transferred to an Account based on Available Funds or ledger, when the balance falls below a certain amount; or from an Account, when the balance rises above a certain amount; or both. We transfer the amount required to meet the Account balance you specify in the set up process.

Your Obligations

You may elect to have funds transferred to or from accounts of one or more depositors which are different legal entities using the Zero Balance Account Service. You agree that for each such account, the company or organization will provide us with written authorization, in a form acceptable to us, for such transfers. However, you do not need to provide us such written authorization if such other company or organization is your wholly-owned, U.S. subsidiary and it has authorized us to transfer funds between the US subsidiary's accounts and your Accounts.

Corporate One

Corporate One includes the above services and BAI.

ATM LEASE AGREEMENT

This ATM Lease Agreement ("Agreement") is entered into as of this ______ day of May, 2014 ("Effective Date"), between FIFTH THIRD BANK, an Ohio banking corporation ("Lessee") and _____________________ a (an) __________________ corporation ("Lessor").

1. **PREMISES:** The Lessor does hereby lease to Lessee sufficient space at _______________________ located at __________________________ in ____________________ for the installation of one (1) remotely controlled device which automatically performs certain services normally performed by a bank teller (hereinafter "ATM"). The ATM shall be located _________________________________, as depicted on Exhibit A, attached hereto and made a part hereof. Lessee represents and agrees that the ATM will be placed in a cleared space allowing convenient access to customers. The location of the ATM shall be referred to as the "Premises."

2. **TERM:**

a. ***Initial Term:*** The term of this Agreement shall be for a period of five (5) years ("Initial Term"), commencing on the date on which the ATM begins to operate ("Commencement Date"). Lessor acknowledges and agrees as a condition to this Agreement, if Lessee is unable to obtain all necessary governmental approvals, Lessee may immediately terminate this Agreement by giving written notice of such to Lessor and that Lessee shall have no liability for any claims in law or in equity arising from said termination.

b. ***Renewals:*** Except as set forth below, and provided that Lessee is not then in default under this Agreement beyond any grace or cure period, Lessee shall have the option to renew this Agreement for additional terms of five (5) years ("Renewal Term") by providing written notice to Lessor at least sixty (60) days prior to the expiration of the Initial Term or any Renewal Term.

c. ***Termination for low usage/Termination for Damages***: At any time after six (6) months from the Commencement Date, should Lessee determine that the ATM is not profitable, Lessee may terminate this Agreement by giving written notice to Lessor at least thirty (30) days in advance. In the event the ATM is damaged or vandalized during the Initial Term or Renewal Term, Lessee shall have the right to terminate this Agreement by giving thirty (30) days notice to Lessor. If Lessee terminates pursuant to this Section, Lessee shall pay all net monies up to and including the termination date, but shall have no further liability hereunder.

d. ***Holdover Tenancy:*** If, without the execution of a new lease or written extension and with the consent of Lessor, Lessee shall holdover after the expiration of the Initial Term or any Renewal Term of this Agreement, Lessee shall be deemed to be occupying the Premises as a tenant from month to month, which tenancy may be terminated by either Lessor or Lessee upon thirty (30) days prior written notice to the other. During any holdover tenancy, Lessee agrees to pay to Lessor one hundred and twenty five percent (125%) of the monthly installment of Rent which was payable in the month immediately preceding the month in which the expiration or

termination occurs, and to be otherwise bound by all of the other terms, covenants and conditions as herein specified.

3. RENT: Rent shall be _______________ and 00/100 Dollars ($____) per month, payable to Lessor at _________________________.

4. LIGHTING AND SIGNAGE: Lessee, at its sole option and expense, shall have the right to place lighting and signage on and around the ATM and the adjacent portions of the Premises in accordance with Lessee's standard practices and procedures. Additionally, Lessee may install, with the prior written consent of Lessor, which consent shall not be unreasonably withheld or delayed, other signage on Lessor's premises identifying Lessee, the ATM, or the services provided therein.

5. COVENANTS OF LESSEE: Lessee does hereby covenant and agree that it shall: (i) erect and install the ATM and related improvements on the Premises; (ii) not commit any waste on the Premises; (iii) not use or occupy the Premises for any unlawful purpose; (iv) not make alterations or additions, subsequent to the installation, on or to the Premises without the written consent of Lessor, which consent shall not be unreasonably withheld, except that adjustments in signage shall not require Lessor's consent; (v) furnish separate electrical power to the ATM; and (vi) at its expense, have the option, after consultation with Lessor, to install theft deterrent devices in and on the Premises to prevent theft and/or losses to the ATM, including but not be limited to, dye packs, audible alarms, smoke packs and visual alarms.

6. COVENANTS OF LESSOR: Lessor does hereby covenant and agree that it shall: (i) if necessary, fully cooperate with Lessee to obtain approval of all public and governmental authorities as to all matters relating to zoning, building permit, special use permits or similar requirements for use of the Premises in accordance with Lessee's plans and specifications; (ii) permit the Lessee, its agents, servants and employees access to the ATM and/or related Lessor's property during normal hours of operation for the purposes of installation, maintenance, and servicing of the ATM, or at such designated pre-opening or post-closing hours as mutually agreed upon; (iii) permit the Lessee, its agents, servants and employees to park motor vehicles on the Lessor's premises, subject to such limitations as may, from time to time, be required; (iv) provide normal cleaning around the ATM; (v) maintain the area around each ATM in orderly fashion so that customers have convenient and safe access to the ATM; (vi) provide security and lighting, consistent with the normal operating standards of Lessor; (vii) pay for relocation when requested by Lessor; (viii) during the term of this Agreement and any extensions thereof, not permit any other ATM or electronic device to be installed or operated in the building or on the campus where the Premises are located, by any bank, savings and loan association, financial institution, securities or brokerage firm, or other enterprise offering any financial services or products offered by Lessee without the express written consent of Lessee, which consent may be withheld in Lessee's sole discretion; (ix) permit such inspections of the Premises as are necessary, including but not limited to, fire and electrical hazards, by authorized personnel.

7. DEFAULT:

a. ***Lessee Default and Remedy***: If Lessee shall be in default in the performance of any covenant of this Agreement and has not commenced to cure such default within thirty (30) days after notice thereof by Lessor, Lessor may terminate this Agreement and resume possession of the Premises thereby wholly discharging Lessee from its obligations under this Agreement.

b. ***Lessor Default and Remedy***: If any default by Lessor under the terms of this Agreement shall continue for thirty (30) days after written notice thereof from Lessee without Lessor's having commenced to cure the same, Lessee may terminate this Agreement without penalty.

8. FIXTURES AND PERSONAL PROPERTY; SURRENDER: Upon termination of this Agreement, Lessee shall return the Premises in as good condition as received, normal wear and tear excepted. Trade fixtures, furniture and other personal property installed or placed in or on the Premises at the cost of Lessee shall be the property of Lessee unless otherwise specified in this Agreement and Lessee shall remove the same, at Lessee's sole expense, within thirty (30) days of the expiration or termination of this Agreement. Lessee shall, at its own cost and expense, promptly and completely repair any and all damage to the Premises resulting from or caused by such removal. If Lessee fails to remove all or any of such property, Lessor may at Lessor's option retain all or any of such property and title thereto shall thereupon vest in Lessor, or Lessor may remove from the Premises and dispose of in any manner all or any of such property, in which latter event Lessee shall, upon demand, promptly pay to Lessor the actual expense of such removal and disposition and the cost of repair of any and all damage to the Premises resulting from or caused by such removal.

9. QUIET ENJOYMENT: Lessor covenants that so long as Lessee fulfills the conditions and covenants required of it to be performed, Lessee will have peaceful and quiet possession of the Premises;

10. ASSIGNABILITY: Lessee may assign the Premises, without Lessor's consent, to (i) any entity controlled by, controlling or under common control of Lessee or (b) to any entity that that succeeds to or acquires all or substantially all of the business of Lessee through merger, consolidation, acquisition of stock or assets, or other business combination.

11. INDEMNIFICATION: Each party agrees to defend, indemnify and hold harmless the other party, its employees, directors, officers, agents, successors and assigns, from and against any third party for any losses, damages, costs, expenses and liabilities, directly or indirectly arising out of or attributed to, or in connection with the negligence or willful misconduct of the indemnifying party, its agents or employees.

12. INSURANCE: Lessee and Lessor each agree to carry comprehensive general liability insurance according protection to the other party under a policy, which shall insure against a combined loss of not less than One Million Dollars ($1,000,000.00) for each occurrence.

13. <u>EXCUSE FROM PERFORMANCE</u>: In the event of any judicial or other governmental determination that ATMs may not be operated in one or more mutually agreed locations covered by this Agreement, this Agreement shall be terminated with respect to such ATM, with no further liability of either party**.**

14. <u>CONDEMNATION</u>: If the whole or any part of the Premises shall be taken under the power of eminent domain, then the Agreement shall terminate as to the part taken on the day when Lessee is required to yield possession thereof, and Lessor, to the extent of the condemnation award, shall make such repairs and alterations as may be necessary in order to restore the part not taken to useful condition. The Rent shall be reduced proportionately as to the part of the Premises taken, the reduction to be effective on the date that Lessee is required to yield possession. If the amount of the Premises so taken is such as to impair substantially the usefulness of the Premises for the purposes for which the same are hereby leased, then either party shall have the option to terminate this Agreement as of the date when Lessee is required to yield possession.

15. <u>NOTICES</u>: Any notices under this Agreement shall be personally delivered, delivered by the deposit thereof in the U.S. Postal Service, postage prepaid, registered, or certified, return receipt requested, or by reputable overnight courier service to the party at the address listed below or at another address hereafter designated by notice. Any such notice shall be deemed to have been delivered and given upon personal delivery or delivery by overnight courier service, or deposit with the United States Postal Service:

LESSEE:
Fifth Third Bank
Fifth Third Center
38 Fountain Square Plaza
MD 10ATA1
Cincinnati, Ohio 45263
Attn: SVP Corporate Facilities

And

Fifth Third Bank
Fifth Third Center
38 Fountain Square Plaza
MD 10 ATA1
Cincinnati, OH 45263
Attn: ATM Administrator

LESSOR:

Attn:

With copy to:

16. <u>MISCELLANEOUS:</u>

a. ***Governing Law*****:** The laws of the State of Ohio shall govern this Agreement without reference to the choice-of-law provisions thereof.

b. ***Entire Agreement:*** This Agreement represents the entire agreement between the parties with respect the subject matter hereto, and supersedes all other proposals, agreements, representations and covenants, oral or written. Any modification of this Agreement, unless otherwise indicated herein, must be in writing and signed by both parties.

c. ***Provisions Binding:*** This Agreement shall be binding upon and inure to the benefit of the respective successors or assigns of the parties to this Agreement, except as otherwise prohibited by this Agreement

d. ***Invalid or Illegal Provisions:*** Any provision or provisions of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and the remaining provisions hereof shall nevertheless remain in full force and effect.

e. ***Captions of Paragraphs:*** The captions of the paragraphs in this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction. The parties hereby agree that they have read and fully understand all terms, conditions and covenants contained within this Agreement and enter the Agreement freely, without reservation. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

f. ***Rights, Options, Election, Powers and Remedies:*** The various rights, options, elections, powers and remedies contained in this Agreement shall be construed as cumulative and no one of them shall be exclusive of any of the others, or of any other legal or equitable remedy which either party might otherwise have in the event of breach or default in the terms hereof, and the exercise of one right or remedy by such party shall not impair its right to any other right or remedy until all obligations upon the other party have been fully performed.

g. ***Time***: Time is of the essence with respect to the performance of each of the covenants and agreements under this Agreement.

h. ***Relationship of Lessor and Lessee:*** Nothing contained herein will be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, nor any other provision contained herein nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of lessor and lessee.

i. ***Force Majeure***: In the event Lessor shall be delayed or hindered in or prevented from the performance of any obligation required under this Agreement by reason of strikes, lockouts, inability to procure labor or materials, failure of power, fire or other casualty, acts of God, restrictive governmental laws or regulations, riots, insurrection, terrorist acts, war, or any other reason not within the reasonable control of Lessor, then the performance of such obligation shall be excused for a period of such delay, and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

j. ***Waiver of Jury Trial***: Both parties hereby knowingly and voluntarily waive the right to a jury trial in any action, proceeding, or permissive counterclaim involving any matters whatsoever arising out of or in any way connected with the Agreement, the relationship of Lessor and Lessee, Lessee's use or occupancy of the Premises, or any claim for injury or damage.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed as of the date and year first above written.

LESSEE:	LESSOR:
FIFTH THIRD BANK	
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________
Date: _____________________________	Date: _____________________________
By: ______________________________	
Name: ____________________________	
Title: _____________________________	
Date: _____________________________	

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The foregoing ATM Lease Agreement was acknowledged before me this ___ day of ___________, 2014 by _________________, the ___________________ of the Fifth Third Bank, a(n) Ohio banking corporation, on behalf of the corporation.

____
Notary Public

STATE OF OHIO)
) SS:
COUNTY OF HAMILTON)

The foregoing ATM Lease Agreement was acknowledged before me this ___ day of ___________, 2014 by _________________, the ___________________ of the Fifth Third Bank, a(n) Ohio banking corporation, on behalf of the corporation.

____
Notary Public

STATE OF)
) SS:
COUNTY OF)

The foregoing ATM Lease Agreement was acknowledged before me this ___ day of ___________, 2014 by _________________, the ___________________ of the _________________________________, a(n) ___________________ corporation, on behalf of the corporation.

____
Notary Public

Exhibit A

Premises

Form **W-9**
(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See **Specific Instructions** on page 2.

Name (as shown on your income tax return)

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

Exemptions (see instructions):

Exempt payee code (if any)

Exemption from FATCA reporting code (if any)

Address (number, street, and apt. or suite no.)

Requester's name and address (optional)

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

☐☐☐ – ☐☐ – ☐☐☐☐

Employer identification number

☐☐ – ☐☐☐☐☐☐☐

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here | **Signature of U.S. person ▶** | **Date ▶**

VENDOR DIRECT DEPOSIT REQUEST

Vendor Number:

Vendor Name:

Vendor Address:

City, State, and Zip:

(Vendor) sells goods and/or services to Fifth Third Bank and/or one or more of its subsidiaries.

Fifth Third Bank is requesting the flexibility to make payments for such goods and/or services by Electronic Funds Transfer (EFT) through the Automated Clearing House (ACH) Network and/or Federal Reserve Wire System. (Vendor) agrees to grant such flexibility.

Therefore, (Vendor) hereby (1) authorizes Fifth Third Bank to make payments for goods and/or services by EFT and to initiate, if necessary, adjustment or debit entries for any credit entries made in error, (2) certifies that it has selected the following financial institution to receive such payments on its behalf, and (3) directs that all such electronic funds transfers be made as provided below:

Receiving Financial Institution:

Name ____________________

Address ____________________

City ____________________

State,Zip ____________________

Routing and Transit Number ____________________

Your Account Name ____________________

Your Account Number ____________________

Your Account qualifier (please circle one):

Direct deposit (OR) Savings

(Vendor) will give thirty (30) days advance, written notice to Fifth Third Bank of changes in financial institution or other payment instructions. This authorization will remain in full force and effect until Fifth Third Bank has received written notification from (Vendor).

Name of Company: ____________________

By: ____________________
(printed name)

By: ____________________
(authorized signature)

Title: ____________________

Date: ____________________

Custody Services Agreement Customer Profile Schedule Governmental Entity (Non ERISA)

Account Type:		Account Number:	
Customer Information			
Institution Name (Full Legal Name. DO NOT USE ABBREVIATIONS)			
Tax I.D. Number			
Institution Contact and Title			
Telephone Number			
Street Address of Institution			
Account Service Instructions			
Type of Institution:		Additional Service Options:	
☐ Governmental Entity ☐ Other (Describe)		☐ Monthly Statements ☐ Quarterly Statements ☐ Fifth Third Direct ☐ Other (Describe)	
Payment For Custody Services:			
☐ Bill monthly ☐ Charge monthly ☐ Other, please specify			
Name of Investment Advisor (If self-directed, indicate "self-directed.")			
Proxy Communication:			
☐ Forward all proxies to the below mailing address and I will execute and mail said proxies to the address specified.			
Proxy Contact:			
Name			
Address			
Phone			
Fax			
E-mail			

Revised 01.17.14

☐ Forward all proxies to our proxy service provider to mailing address and contact information listed below to be executed on our behalf:

Company Name	
Client Number (if applicable)	
Contact:	
Name	
Address	
Phone	
Fax	
E-mail	

SEC Shareholder Communications Disclosure

The Securities and Exchange Commission (SEC) has adopted a rule that requires Fifth Third Bank, as holder of securities, to contact Client, the beneficial owner having authority to vote those securities, to determine whether Client would like Fifth Third Bank to provide Client's name, address and share position to companies whose shares Fifth Third Bank holds for Client's benefit. If Client does not object, Fifth Third Bank will release the above information to requesting companies and Client will receive annual and quarterly reports, proxies and other corporate communications directly from these companies. These companies are prohibited from using Client's name and address for any purpose other than corporate communications.

If Client does object to such release or to the receipt of shareholder information, Fifth Third Bank will not release Client's shareholder status to requesting companies.

☐ Client authorizes Fifth Third Bank to release Client's name to companies.

☐ Client does not authorize Fifth Third Bank to release Client's name to companies.

BankSafe Election

Fifth Third Bank maintains a deposit account product called a BankSafe Account. A BankSafe Account has a rate of return that may vary from time to time based on market conditions. If Client elects to invest the Account in BankSafe, Fifth Third Bank agrees to act on the direction of Client to invest and reinvest funding in the Account into BankSafe or a successor or similar investment offered by Fifth Third Bank. If Client makes this election by initialing and checking the box below, subsequent instructions to make any other investment must be made by completing a new Custody Services Agreement.

☐ Client authorizes Fifth Third Bank to invest the entire Account in BankSafe or a similar product.

____

(Client Initials)

If Client does not make the BankSafe Election above, Client instructs Fifth Third Bank to handle all excess cash in the following manner:	
☐ Invest/ Withdraw from the following money market:	
Name of the Fund	
☐ Check or Wire Transfer according to the following instructions:	
Address of Bank and ABA Routing Information	
☐ Credit/ Charge our Fifth Third Checking or Savings account	
Account Number	
☐ Net Settlement as directed by client	

Form W-9: Taxpayer Identification Number
Please visit www.IRS.gov and print the most updated version of the W-9 Form to complete the custody agreement process.
Changes to Customer Profile Schedule
Any changes to this Customer Profile Schedule will not be effective until a new Customer Profile Schedule is executed by the Customer and, when applicable, any other person authorized to direct the account, including an Investment Advisor.
Persons Authorized to Direct Account (Including Investment Advisor when applicable)

Client Signature *Date (Month/Day/Year)*

Title

Client Signature *Date (Month/Day/Year)*

Title

Fifth Third Bank Custody Services Agreement

This Custody Services Agreement (collectively with all schedules, exhibits, amendments, and addenda hereto, this "Agreement") is made effective as of *Date (Month/Day/Year)* by and between **Fifth Third Bank,** (Street), (Mail Location), (City), (State) (ZIP) ("Custodian"), and the undersigned customer ("Customer"). Custodian and Customer hereby agree as follows:

1. DEFINITIONS. For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below.

"Account" means the custodial account maintained by Custodian pursuant to this Agreement established in the name of and on behalf of Customer.

"Agreement" means this Custody Services Agreement and all schedules, exhibits, amendments and addenda hereto.

"Applications" means, collectively, the CAD Application and the FTD Application.

"Class Actions" means lawsuits initiated by or on behalf of a corporation that entitle the shareholders of such corporation to participate in such lawsuit by electing to so participate.

"Corporate Action Information" means all information communicated to Customer via the CAD System related to Corporate Actions when securities related to such Corporate Actions are held in the Account.

"Corporate Actions" means any actions undertaken by an issuer corporation that have an effect upon shareholders or entitlement holders of the corporation's securities (so long as such securities are held in the Account) including, without limitation, the inception of Class Actions.

"Custodian" means Fifth Third Bank, an Ohio banking corporation, acting pursuant to this Agreement.

"Customer ID" means a Customer-specific user identification code.

"Customer" means the party executing this Agreement for which the Custodian is performing the Services.

"Depository" means the Depository Trust Company, the Federal Reserve or such other sub-custodian as Custodian may from time to time nominate.

"CAD Application" means the Corporate Actions Direct software application licensed hereunder by Custodian to be downloaded by Customer that will enable Customer to access and use the CAD System via an Internet connection, a dedicated line or a direct dial-up connection.

"CAD Interface" means the methodology by which Customer uses the CAD Application to create an online connection to the CAD System, which will allow Customer to perform Transactions from a remote location.

"CAD Services" means the then-current Services made available by Custodian to Customer pursuant to this Agreement on the CAD System.

"CAD System" means the overall concept or program, including the then-current systems, computers and communication facilities made available to Customer for the purpose of receiving Corporate Action Information and delivering Voluntary Election Instructions or Other Instructions to Custodian by means of the CAD Interface.

"Information" means the methods, techniques, programs, devices and operations of Custodian arising in connection with the CAD System and the FTD System and the services and products provided in connection therewith.

"Instructions" means the data messages, in a form and format acceptable to Custodian, submitted by Customer and successfully received by the Workstations, which requests that a task be performed on behalf of Customer or its customers regarding trust and/ or demand deposit account funds maintained in the Account.

"Interfaces" means, collectively, the CAD Interface and the FTD Interface.

"Mandatory Corporate Actions" shall mean those Corporate Actions for which the effect on the shareholders or entitlement holders may not be modified by the Customer, including but not limited to, cash dividends, stock dividends, mergers, name changes, mandatory calls, and other mandatory corporate reorganizations.

"Manuals" means on-line user manuals that describe the process and assist with the use of the Workstations.

"Other Instructions" means the messages, in a form and format acceptable to Custodian, submitted by Customer and successfully received by Custodian through the CAD System, which request that a task be performed on behalf of Customer or its customers regarding stock or other securities held in Customer's Account that does not relate to Voluntary Corporate Actions or the Customer's Voluntary Election Instructions.

"Proper Instruction" means the written and manually signed instructions of the person(s) identified in writing by Customer as being duly authorized by Customer to have authority over the Property.

"Property" means the property listed on a certain receipt(s) or as indicated on the confirmation separately supplied by Custodian to Customer in connection with this Agreement, which may include, without limitation, common and preferred stocks, bonds, debentures, notes, money market instruments or other obligations, and any certificates, receipts, warrants or other instruments or documents representing rights to receive, purchase or subscribe for any of the foregoing, or evidencing any other rights or interests therein.

"FTD Services" means the then-current services made available by Custodian to Customer via the FTD Interface.

"FTD System" means Custodian's then-current systems, computers and communication facilities made available by Custodian to receive Customer requests for information and Customer Instructions via the FTD Interface.

"Services" means the custody services specified in the Custody Services Schedule attached hereto as **Schedule 1.**

"FTD Application" means the Fifth Third Direct software application licensed hereunder by Custodian to be downloaded by Customer that will enable Customer to access and use the FTD System via an Internet connection, a dedicated line or a direct dial-up connection.

"FTD Interface" means that methodology by which Customer uses the FTD Application to create an online connection to the FTD System that will allow Customer to perform Transactions from a remote location.

"FTD Price List" means those items related to the FTD Application on the Fee Schedule.

"Transactions" means the Custodian's performance of certain tasks pursuant to Proper Instructions.

"Voluntary Corporate Actions" means those Corporate Actions for which shareholders or entitlement holders are entitled or required to make an election or decision among alternative courses of action such as, among other things, certain tender offers, conversions, distributions or exchanges that are voluntary by their terms.

"Voluntary Election Instructions" means those messages timely delivered from Customer to Custodian through the CAD System unambiguously identifying Customer's election or decision among alternative courses of action triggered by the occurrence of a Voluntary Corporate Action.

"Workstations" means, collectively, the overall concept or program by which Custodian allows Customer to access its FTD System by means of the FTD Interface and the CAD System by means of the CAD Interface.

2. DEPOSIT OF PROPERTY. Customer has deposited the Property, or may deposit additional Property, with Custodian. The purpose of such deposit is to obtain from Custodian the Services. The Services shall include those normally and customarily provided by Custodian with respect to Property including safekeeping, trading, deposits, withdrawals, income, corporate actions, puts, calls, overdrafts, record retention, reports and such other related services as Custodian may offer from time to time.

3. DESCRIPTION OF PROPERTY. Customer represents and acknowledges that the description of the Property listed on the receipt(s) or confirmation is an accurate description of Property. Custodian shall not be responsible for any Property until actually received by Custodian. Securities held by Custodian shall, unless payable to bearer, be registered in the name of the Custodian for the account of the Customer or its nominee, as Custodian may appoint, and at any time remove, in Custodian's sole discretion. Custodian may deposit all or a part of the Property in a Depository; provided, however, no such deposit or appointment shall relieve the Custodian of its obligations under this Agreement. Custodian, in accordance with its normal and customary practices, will segregate and identify on its books as belonging to the Customer all Property held by Customer or any other entity authorized to hold Property in accordance with this Agreement.

4. APPOINTMENT AS CUSTODIAN. Customer hereby constitutes and appoints Custodian as custodian of Property and Custodian agrees to act in the capacity as custodian with respect to the Property during the term of this Agreement. Custodian shall perform the Services and maintain the Account as set forth herein. Custodian shall be held to a standard of reasonable care in carrying out its obligations under this Agreement. Custodian shall have no investment authority, nor any duty or obligation to supervise or advise Customer on any investments. Except as specifically set forth herein, Custodian shall have no liability and assumes no responsibility for any non-compliance by Customer of any laws, rules or regulations.

5. <u>SCOPE OF SERVICES.</u> Custodian may make changes to the Services and/or the Fee Schedule attached hereto as **Schedule 2** based upon, but not limited to: technological developments; legislative, regulatory, third party depository or sub-custodian operational changes; or the introduction of new services by Custodian. Custodian will notify Customer of any changes to the Services that will affect Customer at least 30 days prior to the effective date of such changes.

6. <u>INSTRUCTIONS; RELIANCE BY CUSTODIAN.</u> Custodian is authorized to rely and act on Proper Instructions in providing the Services, whether such Proper Instructions are received via telephone, facsimile, or by bank wire so long as Custodian believes in good faith that such Proper Instructions have been given by an authorized person or agent acting on behalf of Customer. Custodian will only rely upon Proper Instructions sent via electronic mail if Proper Instruction specifically approves this method of delivery in writing (by other than electronic means) prior to the delivery of such Proper Instructions by electronic mail. Custodian is also authorized to rely and act upon instructions transmitted electronically through the Institutional Delivery System (IDS), a customer data entry system, or any other similar electronic instruction system acceptable to Custodian. Custodian will not be liable for any failure to execute instructions or failure to receive Property due to incorrect, incomplete, conflicting or untimely instructions. Custodian, in its discretion, is authorized to accept and act upon orders from Customer, whether given orally by telephone or otherwise, which Custodian in good faith believes to be genuine. Customer shall cause all oral instructions to be confirmed in writing by a written Proper Instruction. Custodian's records will be conclusive as to the content of any such instruction, regardless of whether confirmation is received.

7. <u>REIMBURSEMENT FOR COSTS, EXPENSES.</u> Custodian is authorized to take all steps it deems necessary or advisable to complete a transaction and shall be reimbursed for all costs, losses and liabilities if settlement is not accomplished due to Customer's failure for any reason to follow Custodian's instructions with respect to the Property or the Account. Custodian is authorized to execute, in the name of Customer, any certificates of ownership, declarations or other certificates required under any tax or other laws or governmental regulation now or hereafter in effect. Custodian will have the right to setoff against the Property held by Custodian hereunder and upon any deposit account of Customer for the following: (i) compensation, expenses, commitments made by Custodian upon instructions of Customer or its authorized agent; (ii) reimbursement of taxes incurred by Custodian for the Account of Customer; and (iii) other liabilities of Customer to Custodian, however created.

8. <u>SETTLEMENT PRACTICES.</u> Custodian will settle trade orders as instructed by the Customer. Custodian will not be liable or accountable for any act or omission by, or for the solvency of, any broker or agent effecting such transaction.

9. <u>WORKSTATIONS.</u> The terms and conditions of this Section 9 apply (to the extent they are applicable based upon Customer's election) to Customers electing to subscribe to the Workstations' products, systems and software, as specified herein.

A. In consideration of the of the fees and charges paid by Customer in connection with using the Services, Custodian hereby grants a nonexclusive and nontransferable license during the term of this Agreement to Customer to use the Applications. Customer acknowledges that Custodian retains full exclusive ownership of the Applications and Customer shall not grant any license or right to use the Applications without the prior written consent of Custodian, which consent may be withheld in its discretion.

B. Use of the Workstations requires Customer to obtain proper identification codes. Customer may request establishment on the applicable Workstation of a Customer ID to be used by Customer and its employees when accessing the applicable Workstation via the applicable Interface. Customer ID setup and standard maintenance will be performed at Custodian's convenience and in accordance with Custodian's general timeframes and scheduling. Customer shall provide Custodian with prompt written notice of all Customer IDs that are no longer active should be deleted and/or should otherwise be changed. Although not obligated to, Custodian reserves the right at its option and without notice to suspend the password on a Customer ID or inactivate and/or delete any Customer ID if it has not successfully logged on to the applicable System in a sixty day period (or other interval determined from time to time by Custodian), if it has shown suspicious activity or if Custodian determines that there is or may be a violation of Custodian's then current security procedures or standards involving the applicable System or Customer's access to the same. Custodian reserves the right (but shall not have any obligation) to request that Customer designate in writing those employees or agents of Customer which may authorize establishment of Customer IDs on the applicable System. However, Customer shall be solely responsible for any unauthorized access to the applicable System and Customer's data therein via the applicable Interface where such access includes but is not limited to theft, unauthorized Customer, employee or agent access, action taken on behalf of Customer or at the request of Customer's employees or agents (even if not authorized) and/or failure to notify Custodian in writing and independently verify suspension of a password on a Customer ID or inactivation and/or deletion of a Customer ID.

C. In addition to the covenants and obligations of the Customer stated elsewhere in this Agreement, Customer further acknowledges and agrees:

i. Upon the termination of this Agreement, Customer shall, at its own cost and expense, deliver any printed versions of any manuals, documentation or writings, along with any copies thereof, pertaining to the use of the Workstations, the Applications, or the Interfaces to a location designated by Custodian.

ii. Customer will cause all persons utilizing the Interfaces to treat all applicable user and authentication codes and passwords with extreme care.

- **iii.** Custodian is hereby irrevocably authorized to act in accordance with and rely upon Instructions received by it through the Interfaces. Customer shall be solely responsible for the quality, accuracy, and adequacy of all information and Instructions supplied to Custodian via the Interfaces or otherwise provided to Custodian hereunder, and Custodian shall not be liable for any damage, loss or expense whatsoever resulting to Customer or its customers as a result of the lack of quality, inaccuracy or inadequacy of such information other than as may arise from a defect in the Interfaces or the Workstations involving Custodian's receipt of such information. Customer will establish and maintain adequate audit controls to monitor the quality and delivery of such data.
- **iv.** Customer shall comply with all federal, state and local laws and regulations applicable to its business operations or to Customer as a result of this Agreement and will acquire all the rights and licenses deemed necessary by Custodian for Custodian to interface with Customer, or vice versa, and for Custodian to provide the Services contemplated under this Agreement.
- **v.** Customer shall be solely responsible for all record keeping as may be required of it under any federal, state or local laws and regulations. Except as hereinafter provided or as may be required under any federal, state or local laws and regulations, Custodian shall not be obligated to retain any records of any services performed hereunder for a period beyond seven calendar days after delivery of the records to Customer.

D. Customer agrees to the following general provisions related to the Workstations' products:

- **i.** Except for the Applications and the Workstations, Customer shall obtain and maintain at its own cost and expense all equipment and services, including but not limited to its computer systems, communications services, Internet access accounts, dedicated line or direct dial-up equipment necessary for Customer to access and utilize the Workstations via the Interfaces. Custodian shall not be responsible for the reliability or availability of any such equipment or services including but not limited to any third party access providers. Customer further agrees to obtain and utilize computer systems and communications equipment which meet the minimum specifications for using the Interfaces and the Applications se forth on the attached Exhibit A.
- **ii.** Customer acknowledges that neither the Services nor any information provided to Customer by the Workstations is intended to supply tax, investment or legal advice. Although the Workstations may provide information that may lead to recommendations about how and where to invest and what to buy, none of these recommendations are developed or endorsed by Custodian. In relation to this Agreement and in providing the Services, Custodian does not recommend any particular advisory service or products, nor does Custodian offer any such advice regarding the nature, potential value, or suitability of any particular security or investment strategy. Customer acknowledges that all purchases, sales, investments, Instructions and Transactions are initiated and performed independently by Customer at Customer's sole risk. Customer further acknowledges that, unless an investment consists of an insured deposit account maintained at Custodian, no such purchases, sales, investments, Instructions or Transactions will be insured or guaranteed by Custodian or any governmental or regulatory agency.
- **iii.** Customer agrees to pay all taxes of whatever nature including, but not limited to, any income, franchise, sale, use, property, transfer, excise and other taxes now or hereafter imposed by any governmental body or agency upon Customer's accessing the Workstations via the Interfaces and Customer's use of the Services, but excluding any income taxes payable by Custodian on the receipt of income under this Agreement.
- **iv.** Customer assumes full responsibility for the consequences of any and all use, misuse or unauthorized use of the Workstations, the Applications, the Interfaces, the Manuals, or the Services whether by Customer's personnel or others who gain access by or through the Services as provided to Customer, lawfully or unlawfully, to the Workstations, the Interfaces, the Manuals, or the Services.
- **v.** Custodian shall not be obligated to act upon, or be liable for failure to act upon, any Instruction, Transaction, or modification or cancellation thereof received by Custodian via the Interfaces that is not performed in accordance with the Manuals and/or this Agreement.
- **vi.** Customer shall not copy or modify, or by its action or inaction permit to be copied or modified, the Applications or any other part of the Interfaces, whether in printed or computer data form. Customer agrees to abide by all copyright laws regarding the use and possession of the Applications and all other related software applications associated with the Interfaces.
- **vii.** Customer hereby represents, acknowledges and agrees that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to Custodian and that there may be more secure methods of transmitting Instructions to Custodian than the method(s) selected by Customer hereunder. Customer hereby agrees that the security procedures (if any) to be followed in connection with the Customer's transmission of Instructions via the Interfaces provide to Customer a commercially reasonable degree of protection in light of Customer's particular needs and circumstances.

viii. In the event the Interfaces are provided by or through one or more third parties (e.g., through the Internet access provider, a third party carrier, etc.), Customer acknowledges and agrees that Custodian shall have no responsibility or liability whatsoever for any actions or inactions of such third parties, including, but not limited to, inability to access the Workstations, interruption in access to the Workstations, or error or inaccuracies in data received by Customer. Not limiting the generality of the foregoing, Custodian's only obligation will be to make available the Workstations via the Interfaces in accordance with Custodian's usual and customary standards in effect from time to time.

10. FTD SYSTEM. The terms and conditions of this Section 10 shall apply (to the extent they are applicable based upon Customer's election) to Customers electing to subscribe to the FTD System.

A. FTD Services shall be provided via the FTD Interface in accordance with the terms, conditions and procedures contained in this Agreement and in the Manuals. The Manuals are incorporated herein by reference.

B. Customer will seek to resolve errors that may result from its use of the FTD System, including errors as to its customers and will provide, promptly upon request, any information not otherwise restricted which is requested in connection with such errors.

C. Custodian and Customer shall maintain knowledgeable personnel and procedures to resolve disputes between and among any of the parties connected with the FTD System, the FTD Application, the FTD Interface and the FTD Services that are the subject of this Agreement. Such disputes would be those relating to the proper and timely posting and crediting of Transactions or Instructions, including but not limited to, disputes arising out of the failure of any of the parties in connection with Customer's use of the FTD Interface, the FTD System, the FTD Services, or Customer's violation of the provisions contained in the Manuals, or any applicable law or regulation. Customer shall be solely responsible for compliance with all applicable federal, state and local statutes, rules and regulations relating to error resolution, if any.

11. CORPORATE ACTIONS DIRECT SYSTEM. The terms and conditions of this Section 11 shall apply (to the extent they are applicable based upon Customer's election) to Customers electing to subscribe to the CAD System.

A. CAD Services shall be provided via the CAD Interface in accordance with the terms, conditions and procedures contained in this Agreement and in the applicable portion of the Manuals. The Manuals are incorporated herein by reference.

B. Customer shall review all Corporate Action Information made available to Customer by Custodian via the CAD System. Customer may elect not to provide Voluntary Election Information in response to a Voluntary Corporate Action. Custodian has no duty to ensure that Customer provides a response or Voluntary Election Information in response to a Voluntary Corporate Action.

C. Customer will seek to resolve errors which may result from its use of the CAD System, including errors as to its customers and will provide, promptly upon request, any information not otherwise restricted which is requested in connection with such errors.

D. Custodian and Customer shall maintain knowledgeable personnel and procedures to resolve disputes between and among any of the parties connected with the CAD System, the CAD Application, the CAD Interface and the CAD Services. Such disputes would be those relating to the proper and timely receipt and delivery of Corporate Action Information or Voluntary Election Instructions, including but not limited to, disputes arising out of the failure of any of the parties in connection with Customer's use of the CAD Interface, the CAD System, the CAD Services, or Customer's violation of the provisions contained in the Manuals, or any applicable law or regulation. Customer shall be solely responsible for compliance with all applicable federal, state and local statutes, rules and regulations relating to error resolution, if any.

E. Customer understands and acknowledges that, with respect to any Corporate Action that is also a Class Action, Custodian is only responsible for reporting to Customer and notifying Customer based upon Custodian's actual knowledge, which actual knowledge extends, for purposes of this Agreement, only to information obtained by Custodian from Customer regarding securities holdings of Customer during the term of the then-current Agreement between Customer and Custodian. Securities held by Customer that are either not in the Account or that were held prior to the time that Custodian began to provide the Services are deemed to be outside of the actual knowledge of Custodian and Customer is solely responsible for obtaining information related to Class Actions that include as participants in the class thereof holdings outside of the knowledge of Custodian.

12. LIABILITY. Custodian shall not be liable for any loss, damage, cost, expense (including attorneys' fees and disbursements), liability or claim of any third party arising from Customer's gross negligence or willful misconduct. If Customer requests Custodian to take any action with respect to Property that may, in the opinion of Custodian, result in Custodian or its nominee becoming liable for the payment of money or incurring liability of some other form, Custodian shall not be required to take such action until Customer shall have provided indemnity therefore to Custodian in an amount and form satisfactory to Custodian.

13. LIMITATION OF WARRANTIES. OTHER THAN THE EXPRESS WARRANTIES (IF ANY) MADE IN THIS AGREEMENT, CUSTODIAN DISCLAIMS ALL WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE CAD AND SECURITIES WORKSTATION SYSTEMS, AND ALL PRODUCTS AND SERVICES PROVIDED HEREUNDER. Without limiting the foregoing, Custodian shall not be liable for lost profits, lost business or any incidental, consequential or punitive damages (whether or not arising out of circumstances known or foreseeable by Custodian) suffered by Customer, its customers or any third party in connection with any of the products or services made available hereunder. Custodian's liability under this Agreement shall in no event exceed an amount equal to the lesser of (i) actual monetary damages incurred by Customer or (ii) an amount not to exceed one-half of the net fees paid to Custodian within the prior three calendar months immediately preceding the date on which Custodian received a written notice from Customer regarding such damages. In no event shall Custodian be liable for any matter beyond its reasonable control, or for damages or losses wholly or partially caused by the Customer, or its employees or agents, or for any damages or losses which could have been avoided or limited by Customer giving prompt written notice to Custodian. Customer shall bring no cause of action, regardless of form, more than one year after the cause of action arose.

14. LIQUID FUNDS. Custodian shall not be liable for, or considered to be the custodian of, any cash belonging to Customer or any money represented by a check, draft or other instrument for the payment of money, until Custodian or its agents actually receive such cash or collect on such instrument. So long as and to the extent that it is in the exercise of reasonable care, Custodian shall not be responsible for the title, validity or genuineness of any property or evidence of title thereto received or delivered by it pursuant to this Agreement. Custodian shall not be required to enforce collection, by legal means or otherwise, of any money or property due and payable with respect to any Property held in the Account if such Property is in default or payment is not made after due demand or presentation.

15. CONFIDENTIAL RECORDS. Custodian shall treat all records and information relating to Customer and the Account as confidential, except that it may disclose such information after prior approval of Customer, such approval not to be unreasonably withheld. Custodian will be authorized to disclose any information regarding Customer, the Property, and the Account that is required to be disclosed by any law, governmental regulation or court order in effect without having received Customer's prior approval.

16. CONFIDENTIALITY. Customer acknowledges that the Information is of a confidential nature, and is a valuable and unique asset of Custodian's business. During the term of this Agreement and following the expiration or termination thereof, Customer shall not make or permit disclosure of any Information to any person or entity (other than to those employees and agents of Customer who participate directly in the performance of this Agreement and need access to Information). Upon termination of this Agreement, Customer shall deliver to Custodian all manuals, memoranda and other papers and all copies thereof, relating in any way to the Information, including the CAD and FTD Systems, the Applications, the Interfaces or to the Custodian. Customer acknowledges that it does not have nor can Customer acquire any right in or claim to the Information. Customer shall take all necessary steps, including having its employees and agents execute and deliver to Custodian such documents as Custodian deems reasonably necessary, to cause them to comply with the terms of this Section 16. Customer acknowledges that the injury which would be sustained by Custodian as a result of the violation of this provision cannot be compensated solely by money damages, and therefore agrees that Custodian shall be entitled to injunctive relief and any other remedies as may be available at law or in equity in the event Customer or its employees or agents violate the provisions contained in this Section 16. The restrictions contained in this Section 16 shall not apply to any information that becomes a matter of public knowledge, other than through a violation of this Agreement or other agreements to which Custodian is a party.

17. STATEMENTS. Customer agrees to review statements and reports, including those provided via the Workstations, if applicable, promptly on receipt. Inquiries regarding any valuations or other reports must be submitted to Custodian within thirty days of the receipt of the Custodian's statement or report, and on expiration of this period, statements and reports shall be deemed correct and accepted by Customer. Express or tacit approval of such statement or report implies acceptance of the various entries listed therein and approval of any reservations made by Custodian. Thereafter, Customer assumes the responsibility to correct any and all errors.

18. FEES. Customer shall pay to Custodian when due all fees and expenses arising in connection with the Services and the Account in accordance with the Fee Schedule (as may be amended from time to time) and billed or charged according to Customer's customer profile schedule maintained at Custodian's place of business. Customer shall receive no less than thirty days prior notice of any changes in the Fee Schedule. If Customer fails to pay Custodian for any fees and expenses owed within thirty days after invoice, Custodian may charge such fees and expenses to any deposit account of Customer or in the name of Customer. Custodian may also assess usual and customary late payment fees for payments past due more than thirty days after invoice.

19. NO WAIVER. The failure of Custodian to insist on strict compliance, or to exercise any right or remedy under this Agreement, shall not constitute a waiver of any rights contained herein or estop Custodian from thereafter demanding full and complete compliance or prevent Custodian from exercising such remedy in the future.

20. FORCE MAJUERE. Custodian shall not be liable for any failure or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; strikes; epidemics; riots; power failures; computer failure and any such circumstances beyond its reasonable control as may cause interruption, loss or malfunction of utility, transportation, computer (hardware or software) or telephone communication service; accidents; labor disputes, acts of civil or military authority; governmental actions; or inability to obtain labor, material, equipment or transportation; provided, however, that the Custodian in the event of a failure or delay shall endeavor to ameliorate the effects of any such failure or delay.

21. INDEPENDENT CONTRACTOR. This Agreement is not a contract of employment and nothing contained in this Agreement shall be construed to create the relationship of joint venture, partnership, or employment between the parties. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors, and their permitted transferees and assignees.

22. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, understandings, and representations regarding the subject matter of this Agreement. No amendment to this Agreement shall be valid, unless made in writing and signed by both parties; provided, however, Custodian may amend or otherwise modify this Agreement, and any addenda, amendments, exhibits or schedules thereto, provided such modification does not create any new obligation on the part of Customer and does not materially diminish any service being provided by Custodian hereunder. Custodian shall give Customer notice of such changes by ordinary mail. This Agreement is for the benefit of, and may be enforced only by, Custodian and Customer and their respective successors and permitted transferees and assignees, and is not for the benefit, of and may not be enforced by, any third party.

23. VALIDITY AND BINDING EFFECT. Customer hereby warrants and represents to Custodian: that Customer has full power and authority to enter into this Agreement; that the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or partnership or other appropriate authorizing actions; that the execution, delivery and performance of this Agreement will not contravene any provision or constitute a default under any other agreement, license or contract, written or oral, to which Customer is bound; and that this Agreement is valid and enforceable against Customer in accordance with its terms and conditions.

24. NO ASSIGNMENT. Customer agrees not to sell, assign, sublet, pledge, hypothecate, suffer a lien upon or against, or otherwise encumber any interest in this Agreement, the CAD or FTD Systems or the Applications which may be licensed hereunder, in whole or in part. Should Custodian assign this Agreement or should the fees due hereunder be assigned, no breach or default of this Agreement by Custodian to its assignee shall excuse performance by Customer of any provision hereof.

25. SEVERABILITY. If any term or provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision shall not be affected thereby.

26. NO IMPLICIT DUTY. Custodian shall have no duties or obligations whatsoever except such duties and obligations as are specifically set forth in this Agreement, and no covenant or obligation shall be implied in this Agreement against Custodian.

27. COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by the parties hereto on separate counterparts, each of which shall be deemed an original but all of which together shall constitute but one and the same instrument.

28. GOVERNING LAW. This Agreement will be governed by and construed according to the laws of the State of Ohio. The parties hereby consent to service of process, personal jurisdiction, and venue in the state and federal courts located in Cincinnati, Hamilton County, Ohio, and select such courts as the exclusive forum with respect to any action or proceeding brought to enforce any liability or obligation under this Agreement.

29. TERMINATION. Customer or Custodian may terminate this Agreement upon 90 days prior written notice to the other party by registered, certified or express mail. Custodian will charge fees up to and including the last day of the billing period in which the effective date of termination occurs. Notice of termination shall be effective on the date of receipt thereof. If Customer fails to designate a successor custodian on or before the effective date of termination, then Custodian shall have the right to deliver all of the Property then held in the Account to Customer. Thereafter, Customer (or the designated replacement custodian) shall be custodian of the Property and Custodian shall be relieved of all obligations under this Agreement.

Signatures follow; the remainder of this page intentionally left blank

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Customer:

Signature *Date (Month/Day/Year)*

Title:

Customer's Address

Fax ( )

BY INITIALING IN THE APPLICABLE BOX(ES) BELOW, CUSTOMER ELECTS TO SUBSCRIBE TO THE FOLLOWING SERVICES IN ADDITION TO THE STANDARD CUSTODY SERVICES:

☐ CAD
☐ Fifth Third Direct

Fifth Third Bank:

Signature *Date (Month/Day/Year)*

Title

Custodian's Address

Fifth Third Bank
(Street Address)
(Mail Location)
(City), (State) (ZIP)

Fifth Third Bank Schedule of Custody Services

Schedule 1

Custodian shall perform the custody services set forth below (the "Custody Services") in connection with the maintenance of a custodial account in the name of and on behalf of Customer, in accordance with the terms and conditions of the Agreement. The Custody Services made available by Custodian are subject to change from time to time without notice; provided, however, Custodian shall endeavor to notify Customer of any changes to the below Custody Services that will affect Customer at least thirty days prior to the effective date of such changes. Capitalized terms used below have the meanings set forth in the Agreement.

A. **SAFEKEEPING.** Custodian will maintain in its vault or at a Depository, or sub-Custodian identified on its books as the property of the custodial account(s) of Custodian, all Property that it now or hereafter receives for the Account(s) of Customer.

B. **TRADING.** Custodian will, upon Proper Instructions, sell, assign, transfer, deliver, purchase or acquire securities or other property for the Account.

C. **DEPOSITS OR WITHDRAWALS.** Custodian will, upon Proper Instructions: (a) deliver or receive securities or other properties; and (b) transfer or make payments from the Account of such cash or securities to such person(s) specified by Customer. Unless Customer directs otherwise, excess cash will be invested in the Custodian's investment/sweep alternatives.

D. **INCOME.** Custodian will collect and receive all cash or property related to, associated with or earned by, the Property as interest, dividends, proceeds from transfer, and other payments for the Account of Customer. Custodian will convert cash distributions denominated in foreign currency into United States dollars at Custodian's then applicable rate for the account of Customer. In effecting such conversion, Custodian may use such methods or agencies as it deems necessary and appropriate at the current prevailing rates.

E. **CAPITAL CHANGES.** Custodian will notify Customer of capital changes, limited to those securities registered in a nominee's name and to those securities held at a Depository or sub-custodian acting as agent for Custodian. Custodian will be responsible only if the notice of such capital change is published by Xcitek, DTC, or received by registered mail from the agent. For market announcements not yet received and distributed by Custodian's services, Customer will provide Custodian with appropriate instructions. Custodian will, upon receipt of Customer's response within the required deadline, affect such action for receipt or payment for the Account of Customer. For those responses received after the deadline, Custodian will affect such action for receipt or payment, subject to the limitations of the agent(s) affecting such actions.

F. **PUTS.** Custodian will promptly notify Customer of put options only if the notice is received by registered mail from the agent. Customer will provide Custodian with all relevant information contained in the prospectus for any security that has unique put option provisions and provide Custodian with specific tender instructions at least ten business days prior to the beginning date of the tender period.

G. **SHAREHOLDER COMMUNICATIONS.** Custodian will, as set forth in the Customer Profile Schedule, either receive, execute or cause to be transmitted all shareholder communications. With regard to any temporary cash investment offered by Custodian, Custodian shall respond on behalf of the Customer.

H. **RECORD RETENTION.** Custodian will, at all times, maintain books and records relating to the Account in accordance with its normal and customary procedures and will reasonably make available for inspection such records to duly authorized officers, employees, or agents of Customer or by legally authorized regulatory officials who are then in the process of reviewing the Customer's financial affairs upon adequate proof to Custodian of such official status.

I. **REPORTS.** Custodian will provide such reports as set forth in the Customer Profile Schedule and notify the Customer of each transaction confirmation via a monthly statement of transactions and holdings.

J. **COMMUNICATIONS.** Custodian shall be authorized to rely upon the accuracy and genuineness of all data received through electronic means and initiated by any person authorized by Customer. In its employment of such devices, Customer will safeguard and maintain the confidentiality of all passwords or numbers and will disclose them only to those employees who are to have access to the Account. Custodian may electronically record any instructions or other telephone discussions. Custodian may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Account or transactions pursuant to the Agreement.

K. **OVERDRAFTS.** At the discretion of Custodian in cases concerning overdrafts, the Account may be charged interest at a rate determined by Custodian in its discretion.

Fee Schedule
Schedule 2

Exhibit A
Minimum Specifications for Fifth Third Direct
The following is a list of minimum hardware and software components required for use of the FTD Application: • Our recommended browser is Microsoft Internet Explorer version 6.0, 7.0, or 8.0. The use of Firefox, Safari, Chrome, Open Source or BETA versions may have unpredictable results. • Internet Connection

Chain Code:

CONTRACT EXTENSION SPECIAL AMENDMENT TO THE BANK CARD MERCHANT AGREEMENT

This is a Contract Extension Special Amendment (the "Extension Amendment") to the Bank Card Merchant Agreement among Vantiv, LLC, a Delaware limited liability company ("Processor") and Fifth Third Bank (collectively "Bank"), and Collier County (hereinafter "Merchant") and corresponding Schedules, Addenda, Exhibits and Amendments thereto (collectively, the "Agreement"). All other terms and conditions of the Agreement shall remain in full force and effect unless explicitly stated herein. All defined terms shall have the meanings set forth in the Agreement unless otherwise specified herein.

1. This Amendment shall be effective and binding upon Bank on the first calendar day of the first calendar month following execution of this Extension Amendment by the Merchant (the "Amendment Effective Date").
2. The term of the Agreement shall be renewed and extended from the Amendment Effective Date for a period of 60 months (the "Renewal Period"). Thereafter, the Agreement shall automatically renew for additional terms equal to the Renewal Period unless (i) either party provides the other party at least ninety (90) days advance written notice of its intention not to renew; or (ii) as otherwise provided for in the Agreement.
3. Merchant acknowledges it is receiving or desires to receive the following Services and/or Additional Services as indicated below. Pricing shall initially be as set forth below for each Service including but not limited to Transaction Pricing and (B) Gift Card Pricing. Merchant is responsible for and agrees to pay all fees and charges assessed by bank for or associated with any services provided to Merchant including but not limited to services not initially provided to Merchant or Additional Services or Optional Services as defined in the Contract Extension Terms and Conditions or equipment and supplies. Section 5 of the Contract Extension Terms and Conditions contains additional pricing information and terms.

A. TRANSACTION PRICING▪

Transaction Pricing

Bundled/Bundled Plus

Processing Product	Bundled Transaction Fee	Bundled Plus Transaction Fee
☐ Visa®	% per transaction	% per transaction + $ transaction
☐ MasterCard®	% per transaction	% per transaction + $ transaction
☐ Discover® Network	% per transaction	% per transaction + $ transaction

☐ Pin-Based Debit (Bundled) $ /transaction

For Bundled Plus, Network Fees (excluding the Network Acquirer Fee) are included in the Transaction Fee
Communication Fee is included in Bundled Plus Transaction Fee so long as Merchant uses Bank's standard dial or SSL processing methodology; otherwise, Bank's standard fees and charges apply. See Additional Services Pricing Schedule for further details.
Refer to Section 5 "Fees and Other Services" of the Terms and Conditions for additional pricing disclosures.

Unbundled/Unbundled All In Transaction Fee▲

Processing Product	Unbundled		Unbundled All In Transaction Pricing**
☐ Visa®	$ /transaction	OR	$ /transaction*
☐ MasterCard®	$ /transaction		$ /transaction*
☐ Discover ® Network	$ /transaction		$ /transaction*

Unbundled All In Basis Point/Plus Transaction Pricing▲

Processing Product	Unbundled All In Basis Point Pricing**		Unbundled All In Basis Point Pricing **plus** Transaction Fee**
☑ Visa®	0.08 % of the gross sales amount of each transaction*	OR	% of the gross sales amount of each transaction* + $ /transaction
☑ MasterCard®	0.08 % of the gross sales amount of each transaction*		% of the gross sales amount of each transaction* + $ /transaction
☑ Discover ® Network	0.08 % of the gross sales amount of each transaction*		% of the gross sales amount of each transaction* + $ /transaction

☑ Pin-Based Debit (Unbundled) $ 0.065 /transaction

Routing Fee 0.85% (See Section 5.B) ☐ Yes ☑ No (If no box checked, default is Yes)

*The Transaction Fee includes the following:
MC Settlement Fee, MC Network Access and Brand Usage Fee, Visa Base II Fee, Visa Risk Fee and Visa Acquirer Processing Fee as set forth in the Network Fees Schedule
**Communication Fee is Included in the All-In Transaction Pricing or All-In Basis Point Transaction Pricing so long as Merchant uses Bank's standard dial or SSL processing methodology; otherwise, Bank's standard fees and charges shall apply. See the Additional Services Pricing Schedule for further details.
▲ Section 5.K. ("High Ticket Surcharge") of the Terms and Conditions shall not apply provided Merchant utilizes either the All-In Transaction Pricing or All-In Basis Point Transaction Pricing methodology.
For all Unbundled Transaction Fees, Network Fees are Pass Through See Additional Services Pricing Schedule for Communication Fee)

Initial Here	Initial to opt-out of the PayPal program. In the event Merchant does not opt out of the PayPal program and notwithstanding anything herein to the contrary, PayPal transactions will be processed and billed at the same rate as Discover transactions.

Additional Fees Pricing†

Fee	Amount	Fee	Amount
Monthly Service Fee	$0.00/Month/MII	Annual Fee	$99.00/MID
Breach Assist	$13.95/Month/MID (See Section 8.A)	End-to-End Encryption Vendor Setup Support	$60.00/Terminal
End-to-End Encryption ("E2E") Terminal Support	$3.50/Month/Terminal	PCI Compliance Support (Waived for Merchants participating in the Breach Assist Program)	$50.00/MID/Year
PCI Non-Validation Fee (Capped at $25/Chain) (See Section 5.E)	$10.00/MID /Month	Compliance and Regulatory Fee	$50.00/MID/Year
PIN Acquirer Fee	$1.50/Month/Location + $0.01/PIN Debit Transaction	Enhanced Surcharge Fee ☐ Downgrade Rate	1.15% .50%
Early Deconversion Fee (See Section 6.C.)	$295.00/Chain		

Initial Here	Initial to opt-out of the Breach Assist Program. As such, I understand I will not be eligible to receive a waiver of any portion of my indemnity obligations to Bank under the Agreement in the case of a suspected or actual data breach at any of my merchant location(s), including waiver of any obligation to pay expenses, fines, assessments, or penalties in the event of such suspected or actual breach of my merchant location(s). By opting-out, Merchant will be assessed a PCI Compliance Support fee of $50 per MID per year capped at $150 per Chain per year.

American Express

Merchant Name:	☑ Existing American Express	Existing Account No:	Franchise Cap #
Authorization Transaction Fee $0.10	Avg. Ticket: $	Annual AMEX Charge Volume $	AMEX Flat Rate+ (ESA Only) $7.95
Credit Discount Rate*:	Credit Transaction Fee: $	Prepaid Discount Rate*: %	Prepaid Transaction Fee: $

A Communication Fee shall be charged in accordance with Bank's standard fees and charges. See the Additional Services Pricing Schedule for further details.

For American Express Card transactions, all American Express discount rate, assessments and other American Express fees will be passed through to Merchant in addition to the Authorization Transaction Fee.

I represent that I have read and am authorized to sign and submit this application for the above Merchant which agrees to be bound by the American Express® Card Acceptance Agreement ("AXP Agreement"), and that all information provided herein is true, complete, and accurate. Neither Member Bank nor Processor is a party to the AXP Agreement. I authorize Processor and American Express Travel Related Services Company, Inc. ("AXP") and Processor's and AXP's agents and affiliates to verify the information in this application and receive and exchange information about me personally, including by requesting reports from consumer reporting agencies, and disclose such information to their agent, subcontractors, affiliates and other parties for any purpose permitted by law. I authorize and direct Processor and AXP and Processor's and AXP's agents and affiliates to inform me directly, or through the entity above, of reports about me that they have requested from consumer reporting agencies. Such information will include the name and address of the agency furnishing the report. I also authorize AXP to use the reports from consumer reporting agencies for marketing and administrative purposes. I understand that upon AXP's approval of the application for the AXP program, the Merchant will be provided with the AXP Agreement and materials welcoming it either to AXP's program for Processor to perform services for AXP or to AXP's standard card acceptance program which has different servicing terms (e.g. different speeds of pay). I understand that if the Merchant does not qualify for the Processor servicing program that the Merchant may be enrolled in AXP's standard American Express Card acceptance program, and the Merchant may terminate the AXP Agreement. By accepting the American Express Card for the purchase of goods and/or services, or otherwise indicating its intention to be bound, the Merchant agrees to be bound by the AXP Agreement. I am able to read and understand the English language. Please read the American Express Privacy Statement at http://www.americanexpress.com/privacy to learn more about how American Express protects your privacy and how American Express uses your information. I understand that I may opt out of marketing communications by visiting this website. *An Inbound fee of 0.40% will be applied on any Charge made using a Card, including Prepaid Cards, that was issued outside the United States (as used herein, the United States does not include Puerto Rico, the U.S. Virgin Islands and other U.S. territories and possessions). A 0.30% downgrade will be charged by AXP for a Card Not Present ("CNP") transaction. CNP refers to a charge in which the Card is not presented at the point of purchase (e.g. charges by mail, telephone, fax or the Internet). These charges apply to industries: restaurant, retail, and travel agencies. AXP may change applicable industries from time to time.
APPLICABLE ONLY IF MERCHANT ACCEPTS AMERICAN EXPRESS AND IS NOT PARTICIPATING IN THE AMERICAN EXPRESS ONEPOINT PROGRAM: Due to certain restrictions or front-end limitations, merchant may be assigned to the American Express ESA program. +A $7.95 monthly flat fee is mandatory for MOTO/Internet/Home based businesses. American Express services will be provided to Merchant and funded by independent third party service providers not by Processor or Member Bank. Neither Processor nor Member Bank makes any warranty with respect to these services. Additional fees may apply if Merchant is enrolled in the American Express ESA program and will be billed by American Express.

X ________ By initialing here, I agree that I have read and understand the American Express OnePoint Terms above.

Chain Code:

Additional Pricing Information	
	- VISA® and MasterCard® processing services are subject to a minimum fee of $15.00 per month per card type per MID. - For all Visa and MasterCard transactions, a Network Acquirer Fee of 0.10% (subject to a $10.00 minimum/month) shall be assessed. - Provided transactions qualify at the lowest base interchange qualification level. Refer to Section 5.B of the Agreement for additional details. - American Express® transactions shall be assessed a surcharge fee of $.03 per transaction. Surcharge does not apply to All-In Pricing Methodology or Bundled/Plus pricing methodology. - End-to-End Encryption Terminal Support fee applies to any terminal with end-to-end encryption support. - End-to-End Encryption Vendor Setup Support Fee is a one-time cost per terminal for implementation and setup of a Hypercom terminal supporting end-to-end encryption. This fee does not apply to equipment replacements, application updates, redeployment of the terminal to a new location, or related event that does not result in a net increase in the number of Hypercom terminals supporting end-to-end encryption. Merchant is responsible for and agrees to pay all fees and charges assessed by Bank for or associated with any services provided to Merchant including but not limited to services not initially provided to Merchant, and Additional Services and Optional Services as defined in the Terms and Conditions.

▪See Additional Services Pricing for pricing of Additional Services and Optional Services

B. Gift Card (INITIAL ORDER ONLY, AS QUOTED THEREAFTER)

Gift Card Services•

Processing Product	Transaction Fee	Monthly Fee	
☐ Gift Card	$ /transaction	Gift Card Program Fee	$35.00/location/month
☐ Gift Card	$ /transaction	Gift Card Program Fee	$ /location/month

• Participation in the Gift Card Program requires selection of one of the above program fee options. To participate, select one and only one pricing method above and list a transaction fee **and** a monthly fee. Otherwise, Bank's standard fees will apply.

Initial Gift Card Order Only (Cards must be ordered in blocks of 250 for Template/500 for Custom).
Thereafter, Gift Cards will be charged at Bank's standard fees & pricing unless otherwise quoted.

Template or Custom	Quantity	Payment Code	Unit Price (per card)
		S	
		S	

4. The terms and conditions of the Agreement shall be superseded and replaced by the terms and conditions contained in the Contract Extension Terms and Conditions.
5. In the event Merchant has an Affiliate, Current Affiliate and/or Future Affiliate provisions in the Agreement, such obligations shall continue and shall apply to any and all replacement terms and conditions set forth in the Contract Extension Terms and Conditions.

The parties agree electronic signatures will have the same legal effect as an original (i.e. ink) signature and that an electronic, scanned, facsimile, or duplicate copy of such signatures may be used as evidence of execution. This Extension Amendment may be executed in counterparts and a scanned, facsimile, or duplicate copy of this Extension Amendment executed by the parties shall be treated as and/or constitute an original.

Except as otherwise provided in this Amendment, the terms and pricing of the Agreement are hereby ratified and affirmed and shall remain in full force and affect as contained in the Agreement or as quoted by Bank to Merchant. This Amendment shall be binding upon Merchant upon Merchant's execution.

As a signer, I have read and understand the pricing on this Contract Extension Special Amendment. Merchant acknowledges receipt of the Contract Extension Terms and Conditions, as may be amended from time to time in accordance therewith, and agrees to be bound by them. Merchant acknowledges the Contract Extension Terms and Conditions are a fundamental part of the parties' Agreement without which Vantiv, LLC would not provide services to Merchant. Merchant may request a copy of the Contract Extension Terms and Conditions at any time by contacting a Customer Service Representative at (877) 744-5300 or a Relationship Manager.

MERCHANT: Collier County

Signature

Printed Name

Title

Date

Vantiv Contract Mgt. Use Only	
Date:	
Initial:	

Contract Extension Special Amendment
Terms and Conditions

These Contract Extension Special Amendment Terms and Conditions are an integral part of the Bank Card Merchant Agreement among Vantiv, LLC, a Delaware limited liability company, located at 8500 Governor's Hill Drive, Maildrop 1GH1Y1, Symmes Township, OH 45249-1384 (hereinafter "Processor"), Member Bank, and the legal entity or sole proprietorship identified on Page 1 of the Bank Card Merchant Agreement/Application (hereinafter "Merchant") having its principal office at the address specified on Page 1 of the Bank Card Merchant Agreement/Application (hereinafter "Merchant Address"). The Processor and Member Bank are collectively referred to as "Bank," and may jointly or individually assert or exercise any rights or remedies provided to Bank hereunder. Processor and Member Bank reserve the right to allocate Bank's duties and obligations amongst themselves, as they deem appropriate in their sole discretion. "Member Bank" shall mean a member of VISA, MasterCard and/or Other Networks, as applicable, that provides sponsorship services in connection with this Agreement. As of the commencement of this Agreement, Member Bank shall be Fifth Third Bank, an Ohio Banking Corporation, located at 38 Fountain Square Plaza, Cincinnati, OH 45263. The Member Bank may delegate certain or all of its duties to an affiliate of the Member Bank at any time, without notice to Merchant. The Member Bank may be changed, and its rights and obligations assigned to another party by Bank at any time without notice to Merchant.

The Bank Card Merchant Agreement, together with any and all addenda, schedules, exhibits and other documents that are made a part of the Bank Card Merchant Agreement by attachment, incorporation by reference or otherwise, (including without limitation, the Bank Rules and the Operating Regulations) are collectively referred to in these Terms and Conditions as "the Agreement" or "this Agreement."

As an integral part of the Agreement, Bank and Merchant hereby agree as follows:

A. Bank participates in programs affiliated with MasterCard International Inc. ("MasterCard"), VISA U.S.A. Inc. ("VISA"), Discover ("Discover"), and American Express Travel Related Services Company, Inc. ("American Express") and certain similar entities (collectively, "Associations) including but not limited to those appearing on the pricing section of this Agreement and any network providing PIN-based debit card transaction services (collectively, "Other Networks") that enable holders of MasterCard, VISA, Discover, American Express and Other Networks cards (collectively "Cards") to purchase goods and services from selected merchants via use of their Cards. American Express Card means a valid payment card in the form issued by American Express. Notwithstanding the foregoing, if Merchant is not placed in the American Express OnePoint program or if at any time American Express declines Merchant for participation in the American Express OnePoint program, Bank will not process or settle Merchant's American Express cards, Processor and Member Bank will have no liability to Merchant for the processing and/or settlement of American Express cards, and American Express cards will not be included in the definition of Cards.

B. Merchant wishes to participate in the MasterCard, VISA, Discover, American Express and the Other Networks systems by entering into contracts with any person authorized to use the Cards or the accounts established in connection with the Cards (collectively "Cardholders" or individually "Cardholder") for the sale of goods and services through the use of Cards.

NOW, THEREFORE, in consideration of the foregoing recitals and of the mutual promises hereinafter set forth, the parties agree as follows:

1. Rules and Regulations. Merchant acknowledges receipt and review of the Bank Card Merchant Rules and Regulations ("Bank Rules") that are incorporated into this Agreement by reference. Merchant agrees to fully comply with all of the terms and conditions in the then-current Bank Rules as changed or updated by Bank from time to time at its sole discretion. Merchant agrees to participate in VISA, MasterCard, Discover, American Express and Other Networks in compliance with, and subject to, the by-laws, operating regulations and/or all other rules, policies and procedures of such organizations (collectively "Operating Regulations"). Merchant agrees to participate in the Associations in compliance with, and subject to, the Operating Regulations. Without limiting the foregoing, Merchant agrees that it will fully comply with any and all confidentiality and security requirements of the USA Patriot Act (or similar law, rule or regulation), VISA, MasterCard, Discover, and/or Other Networks, including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations. The Operating Regulations may prohibit Bank from providing Merchant with a copy of the Operating Regulations and such prohibition shall not alter or limit Merchant's obligation to comply with the Operating Regulations. Merchant may review the Visa® MasterCard® and American Express websites for a copy of the Visa®, MasterCard® and American Express Operating Regulations. The websites are: http://usa.visa.com/merchants/ and http://www.mastercard.com/us/merchant/ and http://www.americanexpress.com/merchantpolicy. Merchant expressly acknowledges and agrees that it is assuming the risk of compliance with all provisions of the Operating Regulations, regardless of whether Merchant has possession or knowledge of those provisions. Merchant shall take all steps necessary to review and obtain all publicly available information that relates to or references the Operating Regulations including, without limitation, all information available on the Networks' internet sites, and to educate itself and its employees on all provisions thereof. In the event of a conflict between the Bank Rules and this Agreement, the Bank Rules shall prevail. For purposes of this Agreement, "Service" or "Services" shall mean any and all services described herein, and provided by Bank pursuant to this Agreement. Other defined terms and Services applicable to this Agreement may be contained in addenda, exhibits, schedules, or amendments (collectively, "General Addenda") to this Agreement, including but not limited to the Additional Services Pricing, as may be modified from time to time by Bank. The parties agree that such General Addenda shall be incorporated into and made part of this Agreement.

2. Acceptance of Cards.

A. If appropriately indicated herein, Merchant shall be a Limited Acceptance Merchant, which means that Merchant has elected to accept only certain Visa and MasterCard card types as indicated on the Application, or via later notification. Bank has no obligation other than those expressly provided under the Operating Regulations and applicable law as they may relate to limited acceptance. Bank's obligations do not include policing card types at the point of sale. Merchant will be solely responsible for the implementation of its decision for Limited Acceptance including but not limited to policing the card type(s) of transactions at the point of sale submitted for processing by Bank. Should Merchant submit a transaction for processing for a card type it has indicated it does not wish to accept, Bank may process that transaction and Merchant will pay the applicable fees, charges, and assessments associated with that transaction. For Merchant's convenience, a general description of Visa and MasterCard card types are: (i) Consumer Credit - a consumer credit card issued by a U.S. Issuer or a commercial credit card issued by a non-U.S. Issuer; this category does not include Visa or MasterCard branded signature-based debit cards; (ii) Consumer Debit - a Visa or MasterCard branded signature-based debit card (including certain stored-value and prepaid cards); and (iii) Commercial - a Visa or MasterCard branded credit card issued by a U.S. Issuer that bears the descriptive term "Business Card", "Corporate Card", "Purchasing Card", "Fleet Card", or similar descriptive term indicated pursuant to the Operating Regulations.

B. In the event Bank for whatever reason is unable to obtain, or due to system delays chooses not to wait to obtain, authorization from VISA, MasterCard, Discover, American Express or Other Network, Bank may at its option "stand-in" for such entities and authorize the sales transaction based on criteria established by Bank, and Merchant remains responsible for such sales transaction in accordance with this Agreement. Merchant shall note each authorization obtained in the appropriate place on the sales record.

3. Bank's Responsibilities.

A. Bank will initiate payment to Merchant of the amount of each sales transaction acquired and accepted hereunder after Bank receives payment for such transaction. Notwithstanding anything herein to the contrary, any such payment shall be subject to the terms and conditions of this Agreement, the Bank Rules, the Operating Regulations, and the Laws. Unless otherwise agreed to in writing by Bank, Merchant shall electronically deliver to Bank, in a format acceptable to Bank, all sales records and credit records within two (2) business days after the transaction date for such record (or such shorter period as required by VISA, MasterCard, Discover or Other Networks), except (i) in the case of a delayed merchandise delivery, when the sales transaction record shall be delivered within two (2) business days of the merchandise delivery or (ii) as specified otherwise in the Bank Rules. Merchant agrees that it shall deliver sales records to Bank at least once every business day. The preparation and delivery to Bank by Merchant of sales records constitutes an endorsement by Merchant to Bank of each sales transaction evidenced thereby, and Merchant authorizes Bank or its representative to place Merchant's endorsement on any such sales transaction at any time. Bank may refuse to acquire any sales transaction or claim the amount of which, in whole or in part, it could charge back to the Merchant pursuant to this Agreement, if it had acquired the sales transaction or claim. Merchant waives notice of dispute related to any individual sales transaction. Merchant hereby consents to extensions of time granted, or compromises made, with any Cardholder liable on any sales transaction without affecting Merchant's liability for the same hereunder. Merchant agrees that Bank may set off any amounts due to Bank from amounts due to Merchant, including but not limited to demand deposit accounts and any other amounts due to Merchant from Bank and/or any of its affiliate(s).

B. The Services shall be provided in accordance with Bank's then current systems, standards, and procedures and Bank shall not be required to perform any special programming, to provide any special hardware or software, or to implement any other system, program, or procedure for Merchant.

C. Bank may honor the request(s) or instruction(s) of any qualified representative, as determined by Bank, of Merchant or its Agent at any time during the term of this Agreement, and Bank may act in reliance upon such request(s) or instruction(s) in connection with Bank's provision of the Services hereunder. Further, in the event Bank receives returned mail intended for Merchant, Bank may follow its standard operating procedures with respect to procuring a replacement address, which will then be deemed the official address for Notices.

4. Certain Merchant Responsibilities.

A. Merchant agrees to reacquire and pay Bank the amount of any sales transaction, and Bank shall have the right at any time to charge Merchant's Account therefore, without notice, in any appropriate situation, including but not limited to those relating to such sales transaction where: (i) merchandise is returned, whether or not a credit voucher is delivered to Bank; or (ii) any sales transaction without a valid authorization response; or (iii) the sales transaction is alleged to have been drawn, accepted, or endorsed improperly or without Cardholder's authority; or (iv) the sales transaction record is illegible; or (v) the Cardholder disputes the sale, quality, or delivery of merchandise or the performance or quality of services covered by the sales transaction; or (vi) the sales transaction was drawn by, or depository credit given to, Merchant in circumstances constituting a breach of any term, condition, representation, warranty, or duty of Merchant hereunder; or (vii) the extension of credit for merchandise sold or services or sales transactions performed was in violation of law or the rules or regulations of any governmental agency, federal, state, local, or otherwise; or (viii) Bank has not received payment for any sales transaction, notwithstanding Bank's prior payment to Merchant for such sales transaction; or (ix) there is an alleged failure of Merchant to comply with the Operating Regulations, the Bank Rules, or the Laws; or (x) any other Visa, MasterCard, Discover, or Other Network action including but not limited to chargebacks, compliance cases, or otherwise; (xi) as the result of any claims, damages, or losses incurred by Bank as a result of claims asserted by Card issuers. It is Merchant's obligation to monitor any and all chargeback-related notices and reports provided by Bank, including but not limited to reports or notices provided via Bank's online reporting tool and/or to Merchant's Designated Account. Merchant's failure to respond to a chargeback within the applicable deadline may forfeit Merchant's chargeback rights. Any operational and/or other Services performed on behalf of Merchant, including but not limited to, production of facsimile drafts in response to copy requests, responses to compliance cases, augmentation of Merchant data for interchange, transaction stand-in, digital draft storage and retrieval, etc. shall in no way affect Merchant's obligations and liability in this Agreement including those in the foregoing sentence. Merchant is solely responsible for the defense of any allegation of non-compliance with the Operation Regulations made by Visa, MasterCard, any Card issuer, or any Other Network and Bank shall have no duty to Merchant in accordance therewith.

B. Merchant acknowledges and agrees that all information provided in the Agreement is true and correct and that the name and tax identification number (TIN) on the Application matches the name and TIN used to file Merchant's tax returns. Merchant shall immediately provide Bank with any updates to the name or TIN used to file Merchant's tax returns. Merchant also acknowledges that Bank may be required to report certain information regarding Merchant, including, but not limited to, Merchant's TIN, entity name, DBA, processing volume, and principal's social security number to governmental agencies such as the Internal Revenue Service (IRS). Merchant agrees to fulfill any request from Bank for additional information which may be required or requested by any government agency. Notwithstanding the foregoing, Merchant understands that Bank may be required to withhold processing funds and forward such funds to the IRS as a result of incorrect information provided by Merchant or at the direction of a government agency. Merchant expressly agrees and releases Bank from any and all liability hereunder resulting from incorrect information being submitted to any government agency and/or the withholding of funds. Merchant is responsible for any fines or penalties which may be assessed to Merchant and/or Bank.

C. Merchant shall not sell, purchase, provide, or exchange Cardholder name, address, account number, or other information to any third party other than to Bank, VISA, MasterCard or Other Networks for the purpose of completing a sales transaction. Without limiting the foregoing, Merchant shall not provide any such information to its Agent.

D. Merchant must review all reports, notices, and invoices prepared by Bank or its agent and made available to Merchant, including but not limited to reports, notices, and invoices provided via Bank's online reporting tool. Bank reserves the right to send some or all of the reports and/or invoices via electronic transmission (e.g., via e-mail) which Bank may change from time to time without notice. Merchant's failure to reject any report, notice, or invoice in writing within ten (10) business days from the date the report, notice, or invoice is made available to Merchant shall constitute Merchant's acceptance of the same. If Merchant believes that 1) Bank has failed in any way to provide the Services, 2) any error exists in a report provided to Merchant, 3) any error exists in an amount billed or paid to Merchant, or 4) Merchant's transactions are not qualifying for the preferred interchange rate or Enhanced Surcharge Fee, Merchant agrees to provide Bank with written notice, specifically detailing any alleged failure, within thirty (30) days of the date on which the alleged failure or error first occurred; failure to so provide notice shall be deemed an acceptance by Merchant and a waiver of any and all rights to dispute such failure or error. Notwithstanding the foregoing, Merchant shall review all settlement reporting, all requests for Designated Account changes and Merchant shall have an affirmative obligation to confirm initiation of all settlement payments due to Merchant from Bank within three (3) business days respectively from the date of the applicable transactions or request for change of the Designated Account. Bank shall bear no liability and have no obligations to correct any errors resulting from Merchant's failure to comply with the duties and obligations of the preceding sentence.

E. Merchant shall provide Bank with audited quarterly and annual financial statements for Merchant's business prepared according to generally accepted accounting principles consistently applied and such other financial information as Bank may request as soon as commercially practicable but in no event later than fifteen (15) business days following any request by Bank.

F. Merchant agrees to comply with all applicable state, federal, and local laws, rules, and regulations ("Laws") and to assist Bank in complying with all Laws and Operating Regulations applicable to this Agreement. In conformance therewith, ***Merchant agrees that, under no circumstance, will Merchant store Cardholder data in violation of the Laws or the Operating Regulations including but not limited to the storage of track-2 data. Neither Merchant nor its Agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales transaction.*** Merchant will execute and deliver to Bank all instruments Bank deems necessary pursuant to Merchant's obligations hereunder. Merchant will be solely responsible for the quality, accuracy, and adequacy of all transactions and information supplied hereunder, and will establish and maintain adequate audit controls to monitor the quality and delivery of such data. Merchant warrants to Bank that it has implemented and will maintain secure systems for transmitting information to Bank. Merchant shall allow the auditors (third-party or internal) of Bank, VISA, MasterCard, Discover, or any Other Network to review the documents, files, records, procedures, systems, controls, equipment, and physical assets related to the transactions contemplated herein at any reasonable time and upon reasonable notice to Merchant. Merchant will assist such auditors as may be necessary for them to complete their audit.

G. Unless otherwise agreed in writing by Bank, all sales transaction, settlement and other data and information used in connection with the Services shall be provided to Bank in Bank's then current data formats and by means of Bank's then current telecommunications configurations and protocols. Merchant shall comply with all time deadlines, equipment and software maintenance and upgrading requirements reasonably imposed on Merchant by Bank from time to time.

H. Merchant may elect to use a third party as Merchant's agent ("Agent") to perform some of Merchant's obligations under this Agreement. Agents include, but are not limited to, Merchant's software providers and/or equipment providers. Merchant shall bear all risk and responsibility for conducting Merchant's own due diligence regarding the fitness of an Agent for a particular purpose and for determining the extent of an Agent's compliance with the Bank Rules, the Operating Regulations, and the Laws. Bank may approve or deny the use of an Agent in Bank's sole discretion and at any time. Merchant acknowledges and agrees that Merchant shall cause its Agent to complete any steps or certifications required by any Association (e.g., registrations, PABP, PCI, audits, etc.) If an Agent is designated a service provider under any applicable Operating Regulation, Merchant shall cause such Agent to cooperate with Bank in completing any due diligence and/or steps required for registration and/or certification. Merchant is solely responsible for any and all applicable fees, costs, expenses and liabilities associated with such steps, registrations, and certifications. Merchant expressly agrees that Bank shall in no event be liable to Merchant or any third party for any actions or inactions of any Agent used by Merchant (even if such Agent is introduced, recommended, or resold by Bank), and Merchant hereby expressly assumes all such liability.

I. The use of any software application that has connectivity to the Internet or any external network poses an increased risk, and Merchant assumes all liability for such increased risks. If Merchant utilizes software or hardware with a connection to the Internet or an external network and such hardware or software interacts in any capacity with the provision of services contemplated pursuant to this Agreement, Merchant is solely liable without limitation for any and all consequences of such interaction.

J. Merchant agrees to provide Bank with at least thirty (30) days prior written notice of Merchant's intent to change its business form or entity in any manner (e.g., a change from a sole proprietorship to a corporation), and/or of Merchant's intent to sell its stock or assets to another entity. In addition, should Merchant, at any time after the Effective Date, wish to change or add additional locations for the receipt of the services contemplated herein, Merchant shall do so according to Bank's then-current standards and procedures. Merchant's receipt of any services hereunder after such change or addition shall be deemed a warranty and representation as to the quality and accuracy of such change or addition and Merchant agrees that Merchant will be obligated for such change or addition thereafter pursuant to the terms and conditions of this Agreement.

K. Virtual Private Network ("VPN")/Secure Socket Layer ("SSL") Services. Bank's standard VPN and SSL services establish an Internet connection between Merchant and Bank for the processing of credit card, debit card, and other electronic payment transactions by Merchant. In the event that Merchant uses a VPN or SSL connection to Bank, Merchant acknowledges and agrees that the VPN or SSL communication interface relies on the internet, which is a public IP-based communications network that is subject to disruptions, slowdowns, and outages that cannot be predicted, controlled, or corrected by Bank, and that such occurrences

could interfere with the processing of Merchant's transactions. Merchant acknowledges that Bank shall not provide monitoring, error detection, or related service level measures with respect to the VPN or SSL. Without limiting the generality of the foregoing, any service levels that may be set forth elsewhere in the Agreement shall not apply to the VPN or SSL connection or to transactions transmitted using such connection. Merchant acknowledges that certain communication equipment must be installed and supported in Merchant's data center(s) and other locations in order to support a VPN or SSL and that Merchant must use equipment that is compatible with the VPN or SSL communication equipment supported by Bank. Merchant shall be solely responsible for secure key exchange and key management (including a process for key revocation when Merchant personnel leave). Merchant shall further ensure that each terminal with a connection to the VPN or SSL shall at all times have a personal firewall installed and active. The VPN services and SSL services shall be provided in accordance with Bank's standards, which Bank may change from time to time in its sole discretion, and Merchant shall at all times comply with the standards established by Bank, Visa, MasterCard, or any Other Network with respect to the VPN and SSL.

L. **Optional Services.** From time to time and at Bank's sole discretion, Bank may offer and Merchant may decide to utilize certain products and services provided by a third party, including but not limited to POS services ("Optional Services"). In such circumstances, Merchant acknowledges and agrees that the use of an Optional Service is at Merchant's own risk and that Bank shall have no liability whatsoever related to or arising out of Merchant's election to use an Optional Service. Merchant acknowledges and agrees that all Optional Services are supplied and supported solely by the applicable third party provider (and not Bank) and that Bank's sole responsibility to Merchant in connection with an Optional Service will only be to communicate service or other issues to third party providers as documented by Merchant in writing to Bank. Without limiting the generality of the foregoing, Bank shall have no obligation to provide any specific type or level of service to Merchant with respect to the Optional POS Services, even if such Optional POS Services are referred or resold to Merchant by Bank. Merchant shall be solely responsible and liable for the performance of the obligations described above and for any fees, fines, damages, losses or expenses arising in connection with Merchant's possession and/or use of an Optional Service. Merchant shall bear all risk and responsibility for conducting Merchant's own due diligence regarding the fitness of an Optional Service for a particular purpose and for determining the extent of an Optional Service's compliance with the Bank Rules, the Operating Regulations, and the Laws. Bank's decision to offer an Optional Service shall in no way limit Merchant's duties and obligations contained in this paragraph. In conformance therewith, Merchant agrees to indemnify and hold Bank harmless for any damage, loss, claim, or liability arising in connection with Merchant's possession and/or use of any Optional Service. Merchant acknowledges that provision of any Optional Service to Merchant is subject to availability from the applicable third party provider, and Bank shall have no obligation to provide any Optional Service to Merchant. Merchant shall not acquire any property or any other right, claim or interest including any patent right or copyright interest in any third party providers' systems or in any of the equipment, software, processes, programs or data utilized by a third party provider in connection with such systems other than data and equipment supplied to Merchant for use in connection with such systems. Merchant's right to use a third party provider's systems and any equipment and software used in connection with an Optional Service shall not be assignable and Merchant's duties with respect to them shall not be delegable in any way without prior written consent of the applicable third party provider. Each third party provider shall have the right to require Merchant to enter into an agreement directly with the applicable third party provider prior to the delivery of any software, equipment, or any documentation to such Merchant associated with an Optional Service. The agreement may set forth terms and conditions regarding the use of the software, equipment, and/or documentation by such Merchant which a third-party provider deems necessary in order to fully protect the proprietary rights of such provider. Merchant shall observe complete confidentiality with regard to all provider-owned software and documentation, whether supplied by a third party provider directly or through Bank, and Merchant shall not disclose or otherwise permit use of or access to it by any person or entity other than an employee of the Merchant with a need to know.

M. In no way limiting the provisions of the immediately preceding section, Merchant agrees to pay Bank all fees and assessments of any nature as imposed by the Providers in connection Merchant's use of the Optional Services. Merchant acknowledges and agrees that until: (i) the applicable Provider(s) receive written notice from Merchant of the cancellation of all Optional Services and Merchant has returned all equipment and software to the applicable Provider(s); (ii) Bank receives written notice (including a copy to Vantiv Counsel) from Merchant wherein Merchant represents and warrants that Merchant has ceased receiving all Optional Services, has notified the applicable Provider(s) of the same and has returned all equipment and software to the Providers; and (iii) the Providers no longer assess Bank for Merchant's receipt of services or possession of equipment or software; Merchant shall continue to be responsible for and pay all amounts assessed by Bank to Merchant for the Optional Services. Until Bank has determined that Merchant has satisfied all of the express conditions set forth in the immediately preceding sentence, Merchant agrees that it shall not, and Merchant hereby waives all rights to, contest, challenge or withhold payment for any fees assessed to Merchant by Bank for Optional Services.

N. **End-to-End Encryption.** Merchant may utilize end-to-end encryption products and services as provided wholly or partially by a third party with the support of Bank ("E2EE Service"). The E2EE Service is designed to: (i) encrypt (make unreadable) card data information at the origin of the payment transaction, which is a point-of-sale (POS) terminal that has licensed application software which supports the E2EE Service; and, (ii) decrypt card data information at the destination of the transaction, which are the Bank's processing systems. Card data information protected by the E2EE Service may include Track 1 or Track 2 data (Magnetic Stripe Data obtained through a magnetic card swipe read) or PAN Data (Manually Entered Personal Account Number ("card") data) as appropriate to the type of transaction processed on the terminal. The terminal application software supporting the E2EE Service is designed to generate encryption keys which are used in conjunction with the terminal application to encrypt card data during transmission of the transaction authorization request from the point of sale terminal. The E2EE Service applies only to transactions sent from the terminal to our authorization and settlement systems pursuant to the Agreement. The service supports transactions associated with credit (signature), debit (signature), debit (PIN), and specifically excludes Visa POS Check transactions, Gift Card transactions, and transactions originated from terminal application software installed in the terminal that is provided by a third party. Merchant bears all risk and responsibility for conducting Merchant's own due diligence regarding the fitness of E2EE Service for a particular purpose and for determining compliance with the Bank Rules, the Operating Regulations, and the Laws. Accordingly, Merchant's use of E2EE Service is at Merchant's own risk. Bank's sole responsibility to Merchant in connection with E2EE Service will be to communicate service or other issues to the applicable licensed encryption software provider as documented by Merchant in writing to Bank. Bank's decision to offer E2EE Service shall not limit Merchant's duties and obligations contained in this provision or the Agreement. Merchant acknowledges that provision of E2EE Service to Merchant is subject to the availability of the licensed encryption software from the applicable third party provider and Merchant's compliance with the terms of this paragraph and the Agreement. Merchant acknowledges that the receipt of E2EE Service may require the use or upgrading of certain terminals and/or equipment (which shall be at Merchant's sole expense) and may not be supported on all terminals/equipment. Bank does not warrant or guaranty that use of the E2EE Service , in itself, will: (i) result in Merchant's compliance with Bank Rules, Operating Regulations, and/or Laws; (ii) prevent any and all unauthorized breaches of your terminals, systems or facilities; or, (iii) be uninterrupted or error-free. Merchant agrees that it shall not acquire any interest in (ownership, intellectual property or otherwise) any of the third party provider software used to provide the E2EE Service. Merchant shall not, and shall have no right to, own, copy, distribute, sub-lease, sub-license, assign or otherwise transfer any portion of such third party provider software used to provide the E2EE Service or any materials provided by Bank or to modify, decompile, or reverse engineer any such software, materials, or the Services.

5. Fees and Other Services.

A. Merchant will pay Bank fees and charges for Services, forms, and/or equipment in accordance with the pricing detailed in this Agreement, any schedules, exhibits, or addenda incorporated or referenced herein, and Bank's then-current standards. Such fees and charges will be calculated and debited from the account(s) designated by Merchant (a "Designated Account"). Fees and charges will be assessed to Merchant by Bank on a daily, monthly and/or other periodic basis with such period initially and prospectively determined in Bank's sole discretion. Bank reserves the right to assess some or all of the fees and charges via a separate or combined Services Invoice(s) for Merchant's use of the services herein. Bank will charge Merchant for any and all fines, fees, penalties, loss allocations, assessments, registration expenses, certification expenses, and other amounts assessed by third parties (including but not limited to certain telecommunication expenses) incurred as a result of Merchant's actions, omissions, or use of the services contemplated herein or incurred by Bank on Merchant's behalf pursuant to the Operating Regulations, the Bank Rules, and the Laws. In the event any Card Association increases interchange, fees or assessments, Bank may increase Merchant's fees and charges to reflect such increases without notice to Merchant, and Merchant shall pay such increased fees and charges. Notwithstanding the foregoing, Bank reserves the right and may amend Merchant's fees and charges from time to time upon notice to Merchant.

B. Bank shall have the right to adjust the fees and charges payable by Merchant hereunder as necessary to offset any direct or indirect increase to Bank in the costs of providing its services hereunder, including, but not limited to (i) if the MasterCard or the VISA interchange, assessment, risk, or other fees change, or (ii) if for any reason the VISA or MasterCard transactions submitted by electronic transmission do not qualify for the lowest electronic interchange fee, or (iii) if the sales drafts submitted are not as anticipated (e.g., Merchant's average ticket is different than that used by Bank to calculate the discount rate, etc.) or (iv) if sales drafts submitted without electronic transmission exceed five percent (5%) of the total monthly sales drafts processed under this Agreement . For certain non-qualifying

transactions, Bank assesses a surcharge of a certain percent of the transaction amount (“Non-Qualified Surcharge Fee” and/or “Routing Fee”) as set forth in the Bank Card Merchant Agreement/Application on all sales transactions that do not qualify at Merchant’s base rate (e.g., an international, commercial, or rewards transaction, etc.) (such transactions are referred to herein as “Non-Qualified Transactions”). Bank reserves the right and may amend the Non-Qualified Surcharge Fee amount from time to time upon notice to Merchant pursuant to Section 5.A above.

C. Merchant shall pay all taxes and other charges imposed by any governmental authority on the services provided under this Agreement. In the event Bank pays such taxes, Merchant shall immediately reimburse Bank or Bank may, at Bank's sole option, charge Merchant's Account for such amounts in Bank’s sole discretion.

D. Bank will initially provide, in accordance with this Agreement, those products and Services indicated by a check mark in appropriate sections of this Agreement (the “Initial Services”). Merchant acknowledges and agrees that the Initial Services shall always includes Services related to Visa or MasterCard credit card transaction processing, and that Merchant shall be solely responsible for any use of such Services, and that Bank shall have no obligation to prevent Merchant from using such Services. If at any time Merchant utilizes any Services other than the Initial Services, such use of Services shall be provided according to Bank’s standard terms and conditions associated with such Services and Merchant will pay Bank its standard fees and charges for such Services in accordance with Bank’s then-current standards. Merchant’s use of Services other than the Initial Services shall be deemed Merchant’s acceptance of the fees and charges and the terms and conditions associated with such Services (“Additional Services”). Bank may also charge Merchant for any non-specified Service it provides Merchant or expense it incurs on behalf of Merchant (also deemed an “Additional Service”) in conjunction with Merchant’s receipt of an Additional Service, and Merchant agrees to pay the standard rate for the Additional Services in accordance with Bank’s then-current standards. Merchant shall not dispute, and shall be unconditionally obligated to pay for, any Additional Service charges for any such Additional Service that Merchant has received. Services such as enhancement or customization of any standard services, customized reporting, or special requests will be provided at Bank’s option and on an “as-quoted” basis. Merchant acknowledges and agrees that it shall be solely responsible for all telecommunication lines, equipment, and any related items deemed necessary by Bank in connection with the Initial Services and any Additional Services and for any and all fees, costs, or expenses related to the same, whether incurred by Merchant, Bank, their affiliates, and/or agents; such fees, costs and/or expenses may include, but are not limited to, those associated with, circuits and their installation, software to support Merchant's operating environment, data transmissions, equipment, and software upgrades, modems, sharing devices, controllers, protocol converters, routers, router maintenance, maintenance, other telecommunication equipment, etc. In the event Merchant uses Optional Services, Bank may collect and Merchant agrees to pay all fees and charges associated with the Optional Services including but not limited to those assessed by third parties related to the use of an Optional Service.

E. If Bank reasonably believes Merchant is not fully compliant with the Bank Rules, Operating Regulations (including but not limited to the Payment Card Industry Data Security Standard, the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations), or any Laws, or in the event Merchant fails to prove such compliance upon request from Bank, Bank reserves the right to charge Merchant a reasonable fee until Merchant proves compliance with the Bank Rules, Operating Regulations, and Laws, and Merchant shall pay such amount to Bank. This fee will be in addition to any other amounts due under the Agreement, including but not limited to all fines, fees, penalties, loss allocations, assessments, registration expenses, certification expenses, and other amounts assessed by third parties.

F. Transaction fees are fees charged on each sales draft and each credit draft regardless of the stated total. A Transaction Fee may be charged for any transaction activity that utilizes a point-of-sale (“POS”) device for transmission or reception of data or information, including but not limited to, signature-based debit card transactions, PIN-based debit card transactions, batch closing, authorizations, and any other communication using the POS device.

G. Merchant agrees to be responsible for all direct and indirect costs (including but not limited to those incurred by Bank, its affiliates and/or agents) in connection with and/or related to Merchant's conversion from Bank at the termination of this Agreement and/or related to any conversion or programming effort affecting the Services after Merchant's initial conversion to Bank.

H. If Bank for any reason advances settlement or any amounts and/or delays the assessment of any fees (individually or collectively a “Float Event”), Bank reserves the right to assess to Merchant, and Merchant shall pay to Bank, a cost of funds associated with the Float Event (which Bank may at its option assess as a transaction surcharge), the amount of which shall be determined by Bank in its reasonable discretion, and which may be changed by Bank from time to time, and such cost of funds shall be effective as of the start of the Float Event and shall be immediately payable by Merchant when assessed by Bank.

I. Bank will, in its sole discretion, allow access to Bank's proprietary and confidential Direct, Powered by Vantiv/Direct Express, Powered by Vantiv service (collectively “Direct Services”). Direct Services provide reporting detail of Merchant's use of the services herein. Direct Services are subject to change without notice and are solely controlled by Bank. Bank's only obligation will be to make the Direct Services available on Bank's system in accordance with Bank's then-current timeframes, standards, scheduling, and procedures (“SOP’s”) including but not limited to SOP’s for set-up, account access, and suspension of Direct Services. Bank reserves the right to suspend access to Direct Services without notice if Bank reasonably believes that a violation of the SOP’s has occurred, is likely to occur, or for any reason that may present a risk to Bank or Merchant. Merchant shall provide Bank with prompt written notice of all user IDs that are no longer active, should be deleted, and/or should otherwise be changed. Merchant shall be solely responsible for any unauthorized access to Direct Services, and Merchant's data therein including but not limited to unauthorized Merchant employee or agent access, action taken on behalf of Merchant or at the request of any of Merchant's employees or agents (even if not authorized) and/or failure to notify Bank in writing and independently verify suspension of a password on a user ID or inactivation and/or deletion of a User ID. If Merchant accesses Direct Services through a third party (e.g., through the internet, a third party provider, etc.), Bank shall have no responsibility or liability whatsoever for any actions or inactions of such third parties, including but not limited to inability to (i) access the Direct Services, (ii) interruption in access to Direct Services, or (iii) errors or inaccuracies in data received by Merchant.

J. Virtual Terminal Processor Services and Fees. Bank’s Virtual Terminal Processor Service (the “VT Services”) is an enhancement to Bank’s Direct Services. Merchant acknowledges and understands that the VT Services allow Merchant to effectuate Card transactions within the FTPS Direct application in accordance with Bank’s standards and procedures. Merchant shall be solely responsible for all authorized or unauthorized use of the VT Services arising out of or related to Merchant’s use of the VT Services including but not limited to unauthorized transactions initiated via the use of Merchant’s User ID’s. Merchant acknowledges that use of a software application that has connectivity to the Internet poses an increased risk, and Merchant assumes all liability for such risks. Merchant warrants and represents to Bank that it has implemented and will maintain secure systems for use of the VT Services and the transmission of information to Bank. Merchant further acknowledges and agrees that Bank's only obligation will be to make the VT Services available on Bank's system in accordance with Bank's then-current standards. Merchant acknowledges and agrees that Bank’s Direct Services are required for use of the VT Services and that Bank’s standard terms, conditions, and fees associated with the Direct Services shall be and remain in effect. For the purposes of this Agreement, the VT Services shall also be deemed an Additional Service and Merchant shall pay Bank Bank’s then-current standard fees and charges for the VT Services in addition to any other fees and charges for services provided.

K. In the event that Merchant receives the services using Bank’s “Unbundled” pricing methodology in connection with VISA and MasterCard Card transactions, the transaction fees denoted in the pricing section of this Agreement apply to all transactions in a given month where the Merchant's average POS sales amount (net monthly sales divided by the difference between gross monthly items less monthly returns, "Ticket") is less than or equal to $150.00. If Merchant’s average Ticket in a given month is greater than $150.00, but less than $200.00, a $0.10 per transaction surcharge shall be added to the per transaction charge. If Merchant’s average Ticket in a given month is greater than $200.00 but less than $500.00, a $0.25 per transaction surcharge shall be added to the per transaction charge. If Merchant’s average Ticket in a given month is greater than $500.00 but less than $750.00, a $0.50 per transaction surcharge shall be added to the transaction charge. If Merchant’s average Ticket in a given month is greater than $750.00, a $0.75 per transaction surcharge to the above transaction charge shall be assessed.

L. Bank, upon Merchant’s request and at Bank’s option, may transmit Banking Identification Number (“BIN”) Files to Merchant in accordance with Bank’s standards and according to Bank’s then-current fees and charges. Bank makes no representations or warranties whatsoever with respect to the file, including, but not limited to, the completeness of the file. Merchant must not use BIN file information for any reason other than to identify card type categories at the point of sale. The Merchant must not disclose the BIN information to any third party without prior written consent of Bank. BIN file information is confidential and proprietary information of Visa or MasterCard, and is subject to the confidentiality provisions of the Agreement. Availability of the BIN file transmission is subject to the Operating Regulations and Bank’s standards and may not be available, or may not be available at all times. Bank may cease providing the foregoing service if, in its sole discretion, it deems that the service violates or may violate the Operating Regulations. Merchant agrees that it shall complete and execute any additional documents as may be required by Visa or MasterCard at any time. Additional fees and charges may be charged by Bank associated with the provision of the services described in

this paragraph and Merchant agrees to pay such fees and charges should Merchant elect to receive such services.

6. Term and Termination.

A. See Page 1, Paragraph 2 of the Contract Extension Special Amendment for Term and Termination.

B. Merchant shall be in default under this Agreement ("Event of Default") if: (i) Merchant becomes subject to any voluntary or involuntary bankruptcy, insolvency, reorganization or liquidation proceeding, a receiver is appointed for Merchant, or Merchant makes an assignment for the benefit of creditors, or admits its inability to pay its debts as they become due; or (ii) Merchant fails to comply with either the Bank Rules or the Operating Regulations; or (iii) Merchant is in breach of any other terms or conditions of this Agreement whether by reason of its own action or inaction or that of another; or (iv) in the event of irregular card sales or any other circumstances, which, in the Bank's discretion, may increase the Bank's exposure for chargebacks or other financial, reputation, or security risk(s); or (v) Bank reasonably believes that there has been a material deterioration in Merchant's financial condition; or (vi) any standby letter of credit, if and as may be required pursuant to this Agreement, will be cancelled, will not be renewed, or is not in full force and effect; or (vii) Merchant ceases to do business as a going concern, or there is a change in ownership of Merchant which changes the identity of any person or entity having, directly or indirectly, more than ten percent (10%) of either the legal or beneficial ownership of Merchant, or (viii) Bank's reasonable determination that fraud is or may be occurring. Upon the occurrence of an Event of Default, Bank automatically, and without notice, shall be entitled to exercise and enforce (in concert with and in addition to any other rights or remedies granted to it herein) any and all of the following rights and remedies: (a) those provided for in Section 6.C. below, (b) cease providing any or all Services to Merchant, (c) establish a Reserve Account, and/or (d) otherwise proceed to collect amounts that are due and owing from Merchant under this Agreement by means of setoff, recoupment, debiting of Bank Affiliate Accounts or any other means authorized by applicable Laws. In addition, upon the occurrence of an Event of Default, Bank may terminate this Agreement by giving Merchant written notice thereof. Termination of Merchant for any reason shall not relieve Merchant from any liability or obligation to Bank.

C. If, prior to the date on which the then current term of this Agreement is scheduled to expire, either this Agreement is terminated by Bank as specifically permitted by this Agreement, or terminated or breached by Merchant, Merchant shall both (i) pay Bank an Early Deconversion Fee of $295 or as set forth on the Price Schedule for each chain issued to Merchant for certain costs such as but not limited to restocking of equipment, deletion of Merchant numbers, etc. related to Merchant's deconversion and (ii) be liable to Bank for liquidated damages in an amount equal to the average monthly revenue payable to Bank as a result of this Agreement for the three calendar months in which such revenue was the highest during the preceding 12 calendar months, or such shorter period if this Agreement has not been in effect for 12 months, multiplied by the number of months remaining during the then current term of this Agreement. Merchant acknowledges and agrees the liquidated damages are fair and reasonable because it is difficult or impossible to estimate Bank's damages resulting from any breach or improper termination. Merchant shall also reimburse Bank for any damage, loss or expense incurred by Bank including all past due, unpaid and/or future invoices for services rendered by Bank in connection with this Agreement. All amounts due pursuant to this section shall be immediately due and payable by Merchant without notice or demand. Bank shall also have the option to require Merchant to reacquire all outstanding sales transactions acquired by Bank hereunder.

D. Bank may immediately cease providing services to Merchant without notice if (i) Merchant has failed to pay any amount to Bank when due, (ii) in Bank's opinion, provision of a service to Merchant may be a violation of the Operating Regulations, Bank Rules, or the Laws; or (iii) Bank believes that Merchant has violated or is likely to violate the Operating Regulations, Bank Rules, or the Laws.

7. Authorization, Set-off, Reserve, and Security Interest.

A. Bank's authority to debit or credit the Designated Account(s) shall remain in effect for a period of two (2) calendar years following any termination of this Agreement, regardless of whether Merchant has notified Bank of an Account Change as defined below. Merchant shall always maintain the Designated Account(s) with funds sufficient to satisfy Merchant's duties and obligations pursuant to this Agreement whether contingent or accrued. If Merchant desires to change or alter the Designated Account(s) (an "Account Change"), Bank shall use reasonable efforts to effect such Account Change; however, such Account Change shall not be effective until the date on which Bank actually makes such Account Change on Bank's system. Bank shall not be responsible for checking the accuracy of any Account Change submitted by any purported representative (whether authorized or unauthorized) of Merchant and Bank shall not incur any liability associated with any Account Change unless such change is the result of Bank's gross negligence or willful misconduct.

B. All amounts due Bank under this Agreement shall be paid without set-off or deduction, and shall be due from Merchant as of the date Bank originates an ACH debit transaction record to Merchant's Account. Any fees not collected from Merchant by Bank when due shall bear interest at highest rate permitted by the Laws.

C. The acceptance by Bank, Bank's affiliate or other financial institution of Merchant's closing (or termination of) its Account shall not constitute a mutually agreed upon termination of this Agreement.

D. As a specifically bargained for inducement for Bank to enter into this Agreement with Merchant, Bank shall have the right, exercisable at its option at any time either before or after an Event of Default has occurred, to (i) establish from amounts that otherwise would be payable by Bank to Merchant including but not limited to demand deposit accounts and any other amounts due to Merchant from Bank and/or any of its affiliate(s) whether or not such amounts are related to this Agreement, or to cause Merchant to prepay to Bank, a reserve of funds, in an amount satisfactory to Bank (a "Reserve Account"), to cover any and all amounts which are, or reasonably are anticipated by Bank to become, due to Bank from Merchant, including without limitation amounts arising from or otherwise relating to existing or anticipated chargebacks, fees, fines, returns, monetary awards or other charges and assessments imposed or anticipated to be imposed by MasterCard, VISA, Discover, or Other Network under the Operating Regulations, or liquidated damages as provided for in Section 6.C. above, or (ii) require Merchant to establish an irrevocable standby letter of credit, including additional and/or replacement letters of credit if required by Bank, with a beneficiary designated by Bank, and which are issued from a financial institution other than Fifth Third Bank or any of its affiliates, in a format, with an expiration date, and in an amount acceptable to Bank in its sole reasonable discretion.

E. This Agreement will constitute a security agreement under the Uniform Commercial Code. Merchant grants to Bank a security interest in all accounts owned or controlled by Vantiv at Member Bank that are funded with settlement amounts, including the Reserve Account, and the proceeds thereof (collectively, the "Secured Assets"), to secure all of Merchant's obligations under this Agreement. Merchant authorizes Member Bank to comply with all demands made by Vantiv with respect to the Secured Assets without further consent or direction from Merchant, and Member Bank agrees to comply with the same. As such, Vantiv has control and a perfected security interest in the Secured Assets. With respect to such security interest, Bank will have all rights afforded under the Uniform Commercial Code, any other applicable law, and in equity. In addition to the security interest in the Secured Assets, Bank shall have a contractual right of setoff against the Secured Assets. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action by Bank or notation in the Bank's records, although Bank may enter such setoff on its books and records at a later time.

8. Indemnification and Limitation of Liability.

A. Merchant shall indemnify and hold harmless Bank, and its directors, officers, employees, affiliates, and agents from and against all proceedings, claims, demands, losses, liabilities, damages and expenses (including but not limited to, any fines, fees, assessments, audit fees, card replacement cost, or penalties levied against the Bank by Visa, MasterCard, Discover, any Card issuer, or any Other Network, and attorneys' and collection fees and expenses) resulting from or otherwise arising out of (i) the Services in this Agreement, (ii) any breach of any term or condition of this Agreement, (iii) any misrepresentation by Merchant herein under this Agreement by Merchant, (iv) Merchant's or Merchant's employees and agents acts or omissions in connection with the services provided pursuant to this Agreement, (v) Merchant's processing activities and provision of goods and services to Cardholders, (vi) any violation of the Operating Regulations, the Bank Rules, or the Laws, (vii) any guarantees provided by Bank to any third party for the benefit of Merchant, including without limitation any lease guarantees, or (viii) any infiltration, hack, breach, or violation of the processing system resulting from, arising out of, or in any way related to Merchant's ability to use of the services provided herein including but not limited to Merchant's use of an Agent or any other third party processor or system, or Merchant's ability to connect to the Internet or an external network. This indemnification shall survive the termination of the Agreement. In the event that Merchant is enrolled in the Breach Assist Program offered by Bank, the indemnification required by Merchant under this Bank Card Merchant Agreement will only be reduced by amounts actually recovered by Bank in connection with the Breach Assist Program and only to the extent that such amounts are specifically related to a data breach involving solely Merchant. The limited indemnity waiver provided by the Breach Assist Program may not cover all the costs associated with a data breach and the specific terms and conditions of the Breach Assist Program are available for Merchant to review at www.RoyalGroupServices.com/FifthThird or by contacting a customer service representative at 1-800-393-1345.

B. EXCEPT FOR THOSE EXPRESS WARRANTIES MADE IN THIS AGREEMENT, BANK DISCLAIMS ALL WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. MERCHANT HEREBY ACKNOWLEDGES THAT THERE ARE RISKS ASSOCIATED WITH THE ACCEPTANCE OF CARDS, AND MERCHANT ASSUMES ALL SUCH RISKS EXCEPT AS MAY BE EXPRESSLY SET FORTH HEREIN. Bank shall not be liable for lost profits, lost business or any incidental, special, consequential or punitive

damages (whether or not arising out of circumstances known or foreseeable by Bank) suffered by Merchant, its customers or any third party in connection with the services provided hereunder. In no event shall Bank be liable for any damages or losses that are wholly or partially caused by the Merchant, or Merchant's employees or agents. In no event shall Bank be liable for any damages or losses that Merchant may sustain as a result of Bank's exercise of any post-default rights or remedies authorized under Section 6.B. above, so long as Bank, at the time of exercising such rights or remedies, has a good faith reasonable basis to believe that an Event of Default has occurred and is continuing. Bank's liability related to or arising out of this Agreement shall in no event exceed fees paid to Bank for the particular services in question for the calendar month immediately preceding the date on which any act or omission of Bank for which Merchant alleges liability on the part of Bank. The parties acknowledge that the limitations set forth in this section are integral to the amount of fees charged by Bank for the services provided hereunder, and recognize that if Bank were to assume any further liability beyond that set forth in this section, such fees would be substantially higher. Except as otherwise set forth in this Section 8, Merchant's exclusive remedy for any and all claims against Bank arising out of or in any way related to the transactions contemplated herein shall be termination of this Agreement. Bank shall not be deemed to be in default under this Agreement or liable for any delay or loss in the performance, failure to perform, or interruption of any Services resulting, directly or indirectly, from errors in data provided by Merchant or others, or any event beyond Bank's reasonable control including but not limited to international, domestic, or economic terrorism.

C. Except for an action related to Merchant's failure to pay any amount due hereunder, no cause of action shall be brought by either party more than one (1) year after the cause of action accrued.

D. Merchant represents and warrants to Bank that all information in this Agreement is true, accurate, correct, and complete. Merchant shall immediately notify Bank in writing of any changes to the information in the Agreement, including but not limited to: any additional location or new business, the identity of principals and/or owners, the form of business organization (i.e., sole proprietorship, partnership, etc.), type of goods and services provided, and how sales are completed (i.e., by telephone, mail, or in person at your place of business). Merchant shall provide updated information to Bank within a reasonable time upon request. Merchant shall indemnify, hold harmless, and reimburse Bank for any and all losses and expenses incurred by Bank arising out of a failure to comply with this paragraph. Bank retains the right to review Merchant's processing activity for conformance to the information provided and to re-price or terminate any services provided to reflect any nonconformance.

9. Confidentiality. Merchant acknowledges that Bank will be providing Merchant with certain confidential information, including but not limited to, this Agreement and information relating to the methods, techniques, programs, devices and operations of Bank and/or VISA, MasterCard, Discover, and/or Other Networks (collectively "Confidential Information"). Merchant shall not disclose Confidential Information to any person or entity (other than to those employees and agents of Merchant who participate directly in the performance of this Agreement and need access to such information). Without limiting the foregoing, Merchant agrees that it will fully comply with any and all confidentiality and security requirements of the Bank Rules, the Laws, and the Operating Regulations including but not limited to the Visa Cardholder Information Security Program ("CISP") found at www.visa.com/cisp, the MasterCard Site Data Protection Program ("SDP"), found at www.mastercard.com/sdp, or the American Express Data Security Operating Policy ("DSOP"), found at www.americanexpress.com/merchant/ and any similar program requirement of Visa, MasterCard, Discover, or Other Network. Merchant acknowledges receipt of the Vantiv, LLC Privacy Notice, prior to the opening of this account ("Privacy Notice"). Merchant should direct any questions or requests for another copy of the Privacy notice to Customer Service or its primary relationship manager if applicable. Notwithstanding anything to the contrary in the Notice or this Agreement, Bank may use, disclose, share, and retain any information provided by Merchant and/or arising out of the Services , during the term and thereafter,: (a) with Merchant's franchisor, Merchant's franchisee(s), association(s) to which Merchant belongs and/or belonged as of the commencement of this Agreement, (b) with any affiliate of Merchant; (c) in response to subpoenas, warrants, court orders or other legal processes; (d) in response to requests from law enforcement agencies or government entities; (e) to comply with applicable laws or regulations; (f) with Bank's affiliates, partners and agents; (g) to perform analytic services for Merchant, Bank and/or others including but not limited to analyzing, tracking, and comparing transaction and other data to develop and provide insights for such parties as well as for developing, marketing, maintaining and/or improving Bank's products and services; and/or (h) to offer or provide the Services hereunder. Merchant agrees that Bank may include Merchant's name and/or logo on a list of Bank's customers, which may be made public by Bank.

10. Merchant Representations and Warranties; Guarantor/Signor Credit Score. Merchant hereby represents and warrants to Bank that: (a) the Merchant is duly organized or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization; (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under this Agreement.

EQUIPMENT PROGRAM If, upon the Effective Date of this Agreement or thereafter, Merchant elects to purchase or rent equipment ("Equipment") from Bank, then the following terms and condition shall apply to such Equipment purchase or rental (the "Equipment Program") as a supplement to and in addition to any other terms and conditions contained herein.

11. Provision of Equipment.

A. Bank agrees to provide Merchant with the Equipment listed on the Initial Equipment Order Information and Pricing section, and Merchant acknowledges receipt of the same. Additional Equipment may be provided by Bank upon Merchant's request and at Bank's option. Additional Equipment or supplies will be provided at Bank's then-current standard price plus shipping and handling charges.

B. **Purchase. In the event Merchant purchases equipment from Bank, t**he Equipment shall become the sole property of Merchant. Merchant shall thereafter be responsible for all maintenance and repairs in connection with the purchased equipment. Further, Bank makes no representations or warranties as to the condition of the equipment, including without limitation any express or implied warranties of merchantability or fitness for a particular purpose. Merchant agrees to accept the equipment "AS IS" in its current state and condition. Merchant agrees it shall have no claim or right of action against Bank in connection with the Equipment and hereby releases Bank from any and all liability for lost profits, lost business or any actual, incidental, special, consequential or punitive damages suffered by Merchant in connection with the Equipment.

C. **Rental Term**. Unless otherwise indicated via the applicable purchase code "S", "L", or "O" in the Initial Equipment Order Information and Pricing section, the separate rental term for each individual piece of Equipment provided to Merchant ("Rental Equipment") shall commence on the date the order for such piece of Rental Equipment shipment is initiated and shall continue thereafter on a month-to-month basis. Rental Equipment is, and shall at all times remain, the sole and exclusive property of Bank (or Bank's delegates or assigns), and Merchant has no right, title or interest therein except as expressly set forth herein. Equipment provided to Merchant via the "SP", Special Program, code shall also be a rental commencing on the date the order for such Rental Equipment is initiated and shall continue thereafter on a month-to-month basis, provided, however, that such rental is provided at a promotional price as a specific inducement for Merchant to enter into this Agreement. Notwithstanding any provision to the contrary contained elsewhere in this Agreement, in the event that this Agreement is terminated for any reason prior to the expiration of the Initial Term, Merchant shall reimburse Bank for the difference between the SP program price for each piece of Equipment and Bank's standard monthly fees for the same or similar piece(s) of Equipment for the duration of the term that Merchant has rented each piece of Equipment. Either Merchant or Bank may terminate the rental term for a piece of Rental Equipment by providing thirty (30) days advance written notice to the other party. Upon the effective date of such termination notice, Bank may, at its option, debit Merchant for the fair market value of the respective Rental Equipment. In the event that Merchant returns such Rental Equipment to Bank within ten (10) days following the effective date of such termination, Bank will refund to Merchant the debited amount for such Rental Equipment less any amounts resulting from a diminution in value caused by any damage to Equipment, as may be determined by Bank, including but not limited to any expenses incurred by Bank to repair such Equipment. All Rental Equipment shall be returned to Bank at Merchant's expense. To return the Rental Equipment, Merchant shall call 877-744-5300, and will be provided a call tag number and address to forward the Rental Equipment.

D. **Equipment Swap Program**. The equipment swap program is available only for stand-alone PIN Pads and check readers, and for terminals supported by Bank and integrated with PIN Pads or check readers. In the event that Merchant chooses to "swap" certain equipment in its possession for equipment of the same brand and model provided and programmed by Bank or by Bank's designated equipment provider (the "Equipment Provider"), the following terms and conditions shall apply. Bank or its Equipment Provider shall provide Merchant with programmed terminal(s) (the "Bank Equipment"). Immediately upon its receipt of the Bank Equipment, Merchant will mail Equipment Provider a corresponding number of used equipment of the same brand and model, in good working condition ("Merchant Equipment"). Merchant shall mail the Merchant Equipment to Equipment Provider in accordance with the instructions provided to Merchant by Bank or Equipment Provider. Upon Equipment Provider's receipt of the Merchant Equipment, the Merchant Equipment shall become the property of Equipment Provider. If Equipment Provider does not actually receive the Merchant Equipment from Merchant within 30 days of the date on which Equipment Provider shipped the Bank Equipment to Merchant, Bank shall charge Merchant its standard purchase price for the Merchant Equipment. Upon i) Equipment Provider's receipt of the Merchant Equipment and ii) Bank's receipt of the fees set forth in this Section, and in consideration thereof, the Bank Equipment shall become the property of Merchant.

E. **Equipment Re-injection Services**. The equipment reprogramming services are available only for stand-alone PIN Pads and check readers, and for terminals supported by Bank and integrated with PIN Pads or check readers. In the

event that Merchant chooses to use existing equipment in its possession, Merchant shall mail such equipment in good working condition ("Merchant Equipment"), to Bank's designated equipment provider (the "Equipment Provider"), in order to allow Equipment Provider to re-inject the Merchant Equipment. Merchant shall mail the Merchant Equipment via insured shipment to the address designated by Bank or Equipment Provider. Upon Equipment Provider's receipt of the Merchant Equipment, Equipment Provider will re-inject the Merchant Equipment, and will return the equipment to Merchant.

F. Bank will initially ship or otherwise send Equipment to Merchant, in accordance with Bank's standard delivery practice, to the locations recorded by Bank. Bank reserves the right to charge Merchant shipping and handling fees for any delivery of the Equipment or any subsequent deliveries (e.g., subsequent Equipment, replacement Equipment, etc.). Merchant shall pay any such charges upon demand.

G. Bank will provide initial instructions with the first shipment of Equipment as to the proper use and operation of the Equipment. Merchant agrees that only those employees who have received and reviewed the operating instructions or who have themselves received operating instructions training from Bank will be permitted to operate the Equipment. Merchant agrees not to remove any Equipment from its original place of installation without the prior written consent of Bank. Merchant will not make, or permit its employees to make any alterations, attachments, additions, or modifications to the Equipment. Merchant shall only use the Equipment to directly perform its duties and obligations as expressly stated in the Agreement, including but not limited to the Bank Rules, and shall not use the Equipment for credit inquiry, account verification or any other purpose.

H. If servicing the Equipment, Bank will do so during regular business hours. Bank will have the right during reasonable business hours to enter upon Merchant's premises for the purpose of servicing Equipment and confirming the existence, condition and proper maintenance of the Equipment. Merchant agrees to surrender the Equipment to Bank's authorized representative upon demand by Bank.

I. **Malfunctioning Equipment shall be shipped to Bank**. Merchant shall call 877-744-5300 to obtain the then-current shipping address. Bank shall, in its sole discretion, either repair such Equipment at its expense or send Merchant comparable Equipment selected by Bank to replace such malfunctioning Equipment. Notwithstanding the foregoing, for Equipment that Bank does not provide maintenance, all Equipment related expenses, whether for maintenance or replacement or otherwise, shall be the sole responsibility of Merchant. Merchant agrees to promptly notify Bank at Bank's designated terminal help desk telephone number of any malfunction or other incident resulting in the loss of use of Equipment. Merchant shall be solely responsible for all maintenance and repairs in connection with any and all Equipment owned by Merchant.

J. In consideration for Bank renting Equipment to Merchant and optionally servicing such Equipment, Merchant shall pay Bank the fees specified for the use of such Equipment. Merchant agrees that Bank may change the fees at any time and without notice. Merchant agrees that it shall review all reports and/or invoices prepared by Bank or its agents and made available to Merchant. Merchant expressly agrees that Merchant's failure to reject any report or invoice in writing within five (5) business days of its receipt shall constitute Merchant's acceptance of the same.

12. Indemnification. Merchant agrees that it, and not Bank, is solely responsible for compliance with the applicable state, federal, or other laws, ordinances, regulations, and rules pertaining to the use, possession, and operation of the Equipment, including but not limited to accepting transactions and printing receipts. Merchant hereby assumes liability for, and hereby agrees to indemnify, protect, save and keep harmless Bank , its successors, and its assigns, from and against any and all liabilities, obligations, losses, damages, expenses, penalties, and disbursements (including reasonable attorney's and collection fees, and expenses) of any kind and nature arising from or pertaining to the use, failure, defect, possession or operation of the Equipment including but not limited to liabilities resulting from a breach of any law, regulation or ordinance of any Federal, State or Local Governmental Agency.

GIFT CARD PROGRAM If, upon the Effective Date of this Agreement or thereafter, Merchant elects to receive GIFT CARD PROGRAM processing services (the "Gift Card Services"), then the following terms and condition shall apply to such Gift Card Services as a supplement to and in addition to any other terms and conditions contained herein.

13. Compliance with Laws. Merchant agrees that it, and not Bank, is solely responsible for compliance with the all applicable state, federal, or other laws, ordinances, regulations, and rules regarding all aspects of certain prepaid private label gift cards ("Gift Cards") and the related gift card program and services related thereto ("Gift Card Services"). Merchant's responsibility shall include, but shall not be limited to, issuance, transactions, acceptance, unused funds, and the preparation and content of the Gift Cards and of the cardholder agreements and disclosures. Merchant shall periodically certify to Bank certification, in a written form satisfactory to Bank, Merchant's compliance with any such laws, ordinances, regulations and rules. Should Merchant fail to provide such certification, Bank may, in addition to all other remedies available under this Agreement and pursuant to law, suspend all Gift Card Services until such certification is provided to Bank. If Bank provides sample cards, card content, agreements, disclosures, or any other materials in connection with Merchant's Gift Cards, Merchant acknowledges that its use of such cards, card content, agreements, disclosures, or other materials shall be Merchant's sole responsibility and at Merchant's own risk. Bank makes no warranty or representation whatsoever including but not limited to any representation or warranty as to the completeness, the legal effect, or the enforceability of such provided samples. Bank's provision of such samples shall not relieve Merchant of any of its responsibilities contained in this Section.

14. Merchant Responsibilities. Merchant assumes all responsibility for funding all amounts associated with the Gift Cards, including the aggregate amount of the then current open to buy limits of all Gift Cards at the end of each business day. Merchant agrees that it is solely responsible for its and all Gift Card cardholders' participation in, and for any liability arising from, the Gift Card Services. Merchant is responsible for the accuracy and security of all Gift Cards and Gift Card transactions. Merchant (and not Bank) shall be liable for any and all losses arising out of or related to fraudulent Gift Cards or Gift Card transactions.

15. Cardholder Authorization Limits. Merchant shall be responsible for establishing, maintaining and notifying Bank, in accordance with all cardholder agreements, laws and regulations, and this Agreement, of cardholder authorization limits, and of all other terms and conditions applicable to the use of Gift Cards in the formats designated by Bank.

16. Gift Card Affiliates. Bank has the systems, computers and communications to issue and maintain certain Gift Cards on behalf of Merchant and on behalf of certain affiliates and/or franchisees of Merchant which are eligible to participate in the Gift Card Services and which actually participate therein pursuant to an agreement with Bank (collectively referred to herein as "Gift Card Affiliates") and to authorize Gift Card transactions at Merchant's locations and/or at Gift Card Affiliates' locations on behalf of Merchant and/or Gift Card Affiliates(s), all in accordance with Bank's standards and procedures. Upon Merchant's request, Bank may, at its option, provide the Gift Card Services to the Gift Card Affiliates, and in such event, Merchant agrees that it will ensure that the Gift Card Affiliates are in compliance with this Agreement at all times, and Merchant hereby agrees to guarantee full and unconditional responsibility for the performance of any and all obligations of each of the Gift Card Affiliates in accordance with this Agreement and/or any agreement between such Gift Card Affiliate and Bank, and any modifications or amendments thereto. Merchant agrees that it, and not Bank, shall be fully responsible for resolving any issues arising out of the Gift Card Services between Merchant and any Gift Card Affiliate. Merchant shall cause each Gift Card Affiliate to execute Bank's then-current standard addendum for Gift Card Services should Bank request.

17. Trademarks. Merchant is responsible for all content appearing on the Gift Cards. Merchant warrants and represents that it has all rights and/or permissions necessary to use any and all content on the Gift Cards, including but not limited to the rights and/or permissions to use all trademarks and copyright works used on the Gift Cards, and that such use does not violate the rights of any third parties or any other agreements that Merchant may have entered. Merchant agrees that Bank may use Merchant's name, logo, trademarks, etc. in materials related to the Gift Card Services and to advertise or otherwise promote Bank's services so long as Merchant, its parent, or any of its affiliates continues to receive Gift Card Services from Bank. Merchant agrees to indemnify and hold Bank harmless from any and all claims against Bank and any resulting liabilities, costs and expenses arising out of the content of the Gift Cards. Merchant will immediately notify Bank upon learning of any claims that the content of the Gift Cards infringes any rights of third parties and/or any demands that use of the Gift Cards cease due to their content. This section shall survive termination of this Agreement.

CONTINUING UNLIMITED GUARANTY. The provisions contained in Section 18 through 24 below (collectively, "Continuing Unlimited Guaranty") apply to each person who signs this Agreement as a Guarantor (each such person, a "Guarantor").

18. For the purpose of inducing Bank to provide to Merchant the Services contemplated in the preceding provisions of this Agreement, each Guarantor jointly and severally, hereby absolutely and unconditionally guarantees the prompt and full payment to Bank when due, whether by acceleration or otherwise, of all Obligations, as defined below.

19. The word "Obligations" is used in its most comprehensive sense and includes, without limitation, all indebtedness, debts and liabilities (including principal, interest, late charges, collection costs, attorneys' fees and the like) of Merchant to Bank, either created by Merchant alone or together with another or others, primary or secondary, secured or unsecured, absolute or contingent, liquidated or unliquidated, direct or indirect, whether evidenced by note, draft, agreements of guaranty or otherwise, whether now existing or hereinafter arising, and any and all renewals of, extensions of or substitutes therefor. The word "Obligations" shall include, but not be limited to, all obligations of payment, obligations of indemnification, and indebtedness owed by Merchant to Bank arising from or related to the transactions or services contemplated in this Agreement.

20. Guarantor hereby promises that if one or more of the Obligations are not paid promptly when due, Guarantor will, upon request of Bank, pay the Obligations to Bank, irrespective of any action or lack of action on Bank's part in connection with the acquisition, perfection, possession, enforcement or disposition of any or all

Obligations or any or all security therefor or otherwise, and further irrespective of any invalidity in any or all Obligations, the unenforceability thereof or the insufficiency, invalidity or unenforceability of any security therefor. Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the Guarantor may have against the Merchant or the Bank, except payment or performance of the Obligations.

21. Guarantor waives notice of any and all acceptances of this Continuing Unlimited Guaranty. Guarantor waives presentment, demand, protest, notice of protest, and notice of dishonor or other nonpayment of any and all Obligations and further waives notice of sale or other disposition of any collateral or security now held or hereafter acquired by Bank. Guarantor agrees that no extension of time, whether one or more, nor any other indulgence granted by Bank to Merchant, or to Guarantor, or any of them, and no omission or delay on Bank's part in exercising any right against, or in taking any action to collect from or pursue Bank's remedies against Merchant or Guarantor, or any of them, will release, discharge or modify the duties of Guarantor. Guarantor agrees that Bank may, without notice to or further consent from Guarantor, release or modify any collateral, security or other guaranties, and no such action will release, discharge or modify the duties of Guarantor hereunder. This is a guaranty of payment and not of collection and the Bank shall not be required or obligated, as a condition of the Guarantor's liability, to make any demand upon or to pursue any of its rights against the Merchant, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations, or to pursue, exhaust or preserve any of its rights or remedies with respect to any collateral, security or other guaranties given to secure the Obligations, or to take any action of any sort, prior to demanding payment from or pursuing its remedies against Guarantor. Guarantor hereby waives all defenses based upon suretyship or impairment of collateral. After any default hereunder, Bank may apply and/or set off against amounts due it hereunder any deposits, account balances or other credits of Guarantor in the possession of or in transit to Bank, and Guarantor hereby grants Bank a security interest in all of the foregoing.

22. The obligations of the Guarantor hereunder, if more than one, shall be joint and several. This Continuing Unlimited Guaranty is secured by the property described in any collateral security documents that the Guarantor executes and delivers to the Bank and by such other collateral as previously may have been or may in the future be granted to the Bank to secure any obligations of the Guarantor to the Bank. This Continuing Unlimited Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, transferees and assignees. Each Guarantor expressly authorizes (i) Bank to collect any amounts that are at any time due and owing from Guarantor to Bank under this Continuing Unlimited Guaranty by debiting any checking, savings or other deposit account that Guarantor at any time maintains with Bank or with any affiliate of Bank (any such account, a "Guarantor Account") and (ii) any affiliate of Bank to collect any amounts that are at any time due and owing from Grantor to such affiliate by debiting any Guarantor Account.

23. This Continuing Unlimited Guaranty shall be interpreted and construed in accordance with and governed by the laws of the State of Ohio. Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Continuing Unlimited Guaranty may be instituted in a state or federal court of appropriate subject matter jurisdiction in the State of Ohio; waives any objection which he may have now or hereafter to the venue of any such suit, action or proceeding; and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding; provided, however, that nothing contained herein shall prevent Bank from bringing any action or exercising any rights under this Continuing Unlimited Guaranty within any other state or country. Guarantor agrees that service of process may be made, and personal jurisdiction over Guarantor obtained, by serving a copy of the Summons and Complaint upon Guarantor at its address set forth in the Agreement in accordance with the applicable laws of the State of Ohio.

24. GUARANTOR HEREBY WAIVES THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS CONTINUING UNLIMITED GUARANTY.

MISCELLANEOUS TERMS AND CONDITIONS. The following terms and conditions shall also apply.

25. Title to the Services. Merchant agrees the Services are licensed not sold and that it is acquiring only a nontransferable, revocable, non-exclusive right to use the Services during the term of the Agreement and solely for the purposes of accepting payments and managing the payments Merchant receives. Bank shall at all times retain all rights, title, and interest in and to the Services, including without limitation, all rights to any materials delivered to Merchant hereunder and any invention, development, product, trade name, trademark, service mark, software program, or derivative thereof, developed or used in connection with providing the Services. Merchant agrees that it shall not: (i) copy, reproduce, alter, modify, create derivative works, publicly display, republish, upload, post, transmit, resell or distribute in any way material or information from Bank; (ii) permit any third party to use and benefit from the Services via a rental, lease, timesharing, service bureau or other arrangement; (iii) work around, bypass, or circumvent any of the technical limitations of the Services, use any tool to enable features or functionalities that are otherwise disabled in the Services, or decompile, disassemble or otherwise reverse engineer the Services, except to the extent that such restriction is expressly prohibited by law; (iv) perform or attempt to perform any actions that would interfere with the proper working of the Services, or prevent access to or use of the Services; or (v) otherwise use the Services except as expressly allowed under this Agreement.

26. Notices.

A. All notices, requests, demands and other communications to be delivered by Merchant hereunder—unless otherwise specified— shall be in writing and shall be delivered to Bank via certified mail, postage prepaid or reputable overnight courier to Bank at the following address: Vantiv, LLC, Attention: General Counsel/ Legal Department, 8500 Governors Hill Drive, Maildrop 1GH1Y1, Symmes Township, OH 45249-1384 . Notices so delivered shall be deemed given upon Bank's actual receipt thereof.

B. All notices, requests, demands and other communications to be delivered by Bank hereunder—unless otherwise specified— shall be in writing and shall be delivered to Merchant via facsimile, ordinary mail, certified mail, reports, or reputable overnight courier Notices, so delivered shall be deemed given: (i) for facsimile when transmission confirmation is obtained, (ii) for ordinary mail and certified mail, on the fifth calendar day following mailing, (iii) for reports when transmitted by Bank, and (iv) for reputable overnight courier, on the first business day following submission to the courier.

27. Requirements Contract. This Agreement is a "requirements contract" which means that Bank shall be Merchant's exclusive provider for all services contemplated herein. Prior to any Merchant termination or non-renewal, Merchant warrants that before entering into any agreement with any third party for the services provided contemplated herein, Bank shall have the right of first refusal of entering into agreements with Merchant for all such services under the substantially similar terms and conditions (except for the length of the term) in lieu of Merchant entering into such agreement with a third party. In the event Merchant fails or refuses to abide by the provisions of this paragraph, Merchant shall pay to Bank on demand an amount equal to five (5) times the revenues received by Bank in connection with its processing services hereunder for the one (1) full year period prior to termination or non-renewal. Merchant acknowledges that this provision does not constitute a penalty, but is reasonable compensation to Bank for Merchant's failure to comply with this provision.

28. Bank Affiliate Accounts/Account Debiting Authorization. In addition to any other rights or remedies that may be available to Bank or any of its affiliates, by entering into this Agreement, Merchant expressly authorizes (i) Bank to collect any amounts that are at any time due and owing from Merchant to Bank under this Agreement by debiting any checking, savings or other deposit account that Merchant at any time maintains in any affiliate of Bank (any such account, a "Bank Affiliate Account") and (ii) any affiliate of Bank to collect any amounts that are at any time due and owing from Merchant to such affiliate by debiting any Bank Affiliate Account or any checking, savings or other deposit account that Merchant maintains with Bank.

29. Amendments. Bank may amend this Agreement. Bank will inform Merchant of a proposed change in a periodic statement or other notification method pursuant to the notification section of this Agreement. Merchant will be deemed to have agreed to any such amendment if Merchant continues to present transactions to Bank after five (5) days following receipt (deemed or actual) of the notice. Notwithstanding the previous sentence, changes to fees authorized by this Agreement will be effective immediately upon notice to Merchant (deemed or actual), unless a later effective date is provided.

30. Assignment. This Agreement may be assigned by Bank, but may not be assigned by Merchant directly or by operation of law, without the prior written consent of Bank. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, transferees and assignees.

31. Independent Contractors. Bank and Merchant will be deemed independent contractors and none will be considered an agent, joint venturer or partner of the other.

32. No Third-Party Beneficiary. This Agreement is for the benefit of, and may be enforced only by, Bank and Merchant and their respective successors and permitted transferees and assignees, and is not for the benefit of, and may not be enforced by, any third party.

33. Employee and Agent Actions. Merchant is responsible for the acts or omissions of its employees and agents including but not limited to such acts or omissions as such relate to the use of the services provided by Bank herein.

34. Non-Waiver. The failure of Bank to object to or take any affirmative action with respect to any conduct by Merchant which is in violation, breach or default of the terms hereof, shall not be construed as a waiver thereof, nor of any future breach or subsequent violation, breach or default.

35. Severability. If any provision of this Agreement is determined to be illegal or invalid, such illegality or invalidity of that provision will not affect any of the remaining provisions and this Agreement will be reasonably construed as if such provision is not contained in the Agreement.

36. Governing Law. ***This Agreement is entered into, governed by, and construed pursuant to the laws of the State of Ohio without regard to conflicts***

of law provisions. Merchant irrevocably agrees to all of the following: (i) that any legal suit, action or proceeding arising out of, in any way relating to this Agreement, or pertaining in any way to the relationship between Merchant and Bank shall be exclusively instituted in a state or federal court of appropriate subject matter jurisdiction in Hamilton, County, Ohio; (ii) a waiver all rights to a trial by jury; and (iii) a waiver of any objection which Merchant may have now or hereafter to the venue of any such suit, action or proceeding; and irrevocably submits to the jurisdiction of any such court in any such suit, action or proceeding. Notwithstanding the foregoing, nothing contained herein shall prevent Bank from bringing any action or exercising any rights under this Agreement within any other state or country. Merchant irrevocably agrees that service of process may be made, and personal jurisdiction over Merchant obtained, by serving a copy of the Summons and Complaint upon Merchant at its address set forth in this Agreement in accordance with the applicable laws of the State of Ohio.

37. Headings and Construction. The headings used in this Agreement are inserted for convenience only and will not affect the interpretation of any provision. The language used will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party.

38. Attorney's Fees. Merchant will be liable for and will indemnify and reimburse Bank for all attorney's fees and other costs and expenses paid or incurred by Bank in the enforcement of this Agreement, or in collecting any amounts due from Merchant to Bank, or resulting from any breach by Merchant of this Agreement including but not limited to in-house counsel fees (billed at $150 per hour) or fees paid to third-parties for collections activities.

39. Survival. Any and all provisions of this Agreement that impose or could be construed to impose a continuing obligation, duty, or requirement upon Merchant including but not limited to duties of indemnification and/or account maintenance shall survive the expiration or termination, for any reason, of the Agreement.

40. Other Networks. Merchant's election to receive Services from any Other Network may require the execution of an agreement (an "Other Merchant Agreement") between an Other Network and Merchant. The parties acknowledge and agree that Other Merchant Agreement with any Other Network shall be deemed separate and independent agreements solely between such Other Network and Merchant, and that Bank shall not be responsible for any Other Network or Merchant breach of such Other Merchant Agreements. Bank bears no liability whatsoever for terms and conditions of Other Merchant Agreements and Bank's liability for Services subject to an Other Merchant Agreement shall be limited both (i) as otherwise provided herein, and (ii) to the Services actually provided by Bank. Bank may, in its sole discretion, cease to provide any Services for Other Networks. If Merchant for any reason begins receiving any Services in connection with any Other Network, Bank may route Other Network transactions according to its standards and at its sole discretion. Merchant agrees that it has or will, prior to commencing participation in each Other Network, obtain all necessary approvals and execute any applications and/or agreements necessary for, required by or affecting Merchant's participation in such Other Network(s). In addition, Merchant shall obtain such other approvals or execute such other documents as may be required from time to time in connection with Merchant's participation in such Other Networks. Merchant agrees to participate in Other Network(s) in compliance with, and subject to, the Bank Rules and the Operating Regulations. Merchant agrees to pay all fees, fines, assessments and penalties as they are currently in effect or may be changed from time to time, imposed by the Other Network(s), whether billed directly to Merchant by such Other Network(s) or through Bank or its affiliates or agents. Bank may allocate any such fees, fines, assessments or penalties in such manner as it deems advisable in its sole discretion. Merchant attests that all POS terminals are operating with unique keys as mandated by Other Networks.

FIFTH THIRD BANK
MEMBERSHIP ADVANTAGE
FOR COLLIER COUNTY EMPLOYEES

MA Code: 10516

You are eligible for Membership Advantage because of the relationship your employer has with Fifth Third Bank. With Membership Advantage, you have the opportunity to select a personalized checking package and receive exclusive banking benefits designed to save you time and money.

Proof of employment with enrolled employers or associations required.[1]

MEMBERSHIP ADVANTAGE HELPS YOU WITH:

- Simplified, straightforward checking and savings solutions
- Exclusive banking benefits and discounts
- Financial Empowerment Seminars, such as:
  - Home Buying and Borrowing
  - Protecting Your Identity
  - Saving and Budgeting
  - Your Credit Today

KEY MEMBERSHIP ADVANTAGE BENEFITS:

- **FREE financial empowerment seminars.** Covering a full range of topics.
- **Exclusive banking benefits and discounts.**
  - **Complimentary Fifth Third Checking Account when you have direct deposits totaling $500 or more each month.** The monthly service charge is waived on Essential Checking, an $11 savings per month. Or, if another option better fits your needs, you can choose a different straightforward checking account and get a $5 discount on the monthly service charge.[2]
  - **Valuable money-saving ATM benefits.** Fifth Third will refund other banks' ATM usage fees for your first two non-Fifth Third ATM transactions each month. Fifth Third will also not charge a non-Fifth Third ATM transaction fee for your first two non-Fifth Third ATM transactions each month.[3]
  - **Free first order of checks and 50% OFF future orders.** You receive your first order of checks (30 pack of Fifth Third Exclusive style duplicate checks) free and an ongoing 50%-off discount on any personal check order for as long as you are in Membership Advantage.[4]

ADDITIONAL BENEFITS:

- **Dedicated service and advice from a team of personal bankers.**
- **0.25 rate discount for new installment loans and lines of credit.[5]**
- **1/2 discount point on mortgage loans.[6]**
- **Access to over 2,600 free Fifth Third Bank ATMs including 230 Racetrac and 112 Mapco locations.**
- **Credit cards** that offer a variety of first-rate benefits suited to your lifestyle, including competitive rates, special savings and valuable rewards.[7]

2 EASY WAYS TO ENROLL:

1. Visit a Fifth Third Banking Center
2. Contact your Fifth Third Representative:

   Jamie Stone

   (239) 225-2055

   jamie.stone@53.com

   NMLS# 1136258

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See reverse for additional disclosures.

1. Employee ID badge, membership card, business card, pay stub, customized program flyer or direct deposit must be provided before Membership Advantage code is applied to account. Periodic proof of employment or membership may be required to retain Membership Advantage benefits.
2. A $5 discount will be applied to the monthly service charge for Fifth Third Established, Enhanced, and Preferred checking account types. $50 minimum deposit required to open all accounts. Fifth Third will look back 35 days from your statement cycle to calculate your total direct deposits.
3. Fifth Third will not assess a usage fee for up to TWO (2) non-Fifth Third ATM transactions internationally or in the U.S. per calendar month. (Please note: Other ATM owners may still assess their usage fee. Fees for non-Fifth Third transactions in excess of 2 per statement are $2.00 per U.S. transaction and $5.00 per international transaction.)
4. Applies to all checking accounts except Fifth Third eAccess account which does not permit check writing.
5. Lending subject to credit review and approval. 0.25% rate discount on new installment loans and lines of credit available when payments are automatically deducted from your Fifth Third checking account using Auto BillPayer®. Terms and conditions are subject to change without notice.
6. Receive one half (1/2) discount point if you participate in the Fifth Third Auto BillPayer® which can be used to buy down your interest rate. This adds up to a savings of $800 based on a $160,000 loan. This discount will be shown at the time of your loan application and will be applied at closing based on final mortgage amount. This offer requires participation in our automatic payment program and requires automatic payment deduction from your qualifying Fifth Third account. $50 minimum required to open a new checking account. Loans subject to credit review and approval. Prices and programs subject to change without notice. Fifth Third Mortgage Company, 5001 Kingsley Drive, Cincinnati, Ohio 45227 an Illinois Residential Mortgage Licensee. Fifth Third Mortgage is the trade name used by Fifth Third Mortgage Company (NMLS #134100) and Fifth Third Mortgage-MI, LLC (NMLS #447141).
7. Credit Cards subject to credit review and approval. Rates determined by credit worthiness of applicant.

Fifth Third Bank. Member FDIC. Equal Housing Lender.
The Curious Bank is a registered service mark of Fifth Third Bancorp.

A UNIQUE FINANCIAL EMPOWERMENT PROGRAM

Empower U is a financial empowerment program created by Fifth Third Bank that can be **custom built** to meet the unique needs of our customers and our customers employees, faculty, and/or staff.

- Each class is approximately **30 minutes.**
- As literacy experts suggest, each Empower U course is **easy to understand, but highly impactful** information that most economical, social and education levels will find valuable and applicable.
- Designed to help employees in their journey to becoming more **financially fit.**
- Each class participant, will walk away with a **Personal Empowerment Plan** to help them reach their own financial goals.

FINANCIAL CHECKUP

- Financial Checkup 101: Empower Yourself with Financial Wellness

FINANCIAL HEALTH

- Saving Money and Successful Budgeting
- Simple Ways to Boost Your Credit Score
- Five Strategies to Slash Your Debt
- Only One You? Are You Sure? Protecting Your Identity

INVESTMENT* AND PLANNING

- Basic Estate Planning — The Best Gift You Can Give Your Family
- Retirement — When and How to Start Planning
- Insurance — Protect Your Family Now
- Simplifying the Complicated World of Investments

HOME OWNERSHIP

- How to Prepare for Home-ownership
- Refinancing Your Home vs. Home Equity Loans—What's Best for You?

EDUCATION SAVINGS*

- Choosing the Right College Saving Plan

*Fifth Third Bank provides access to investments and investment services through various subsidiaries, including Fifth Third Securities. Fifth Third Securities is the trade name used by Fifth Third Securities, Inc., member FINRA/SIPC, a registered broker-dealer and a registered investment advisor registered with the U.S. Securities and Exchange Commission (SEC). Registration does not imply a certain level of skill or training. Securities and investments offered through Fifth Third Securities, Inc. and insurance products:

Are Not FDIC Insured	Offer No Bank Guaranteed	May Lose Value
Are Not Insured By Any Federal Government Agency		Are Not A Deposit

Insurance products made available through Fifth Third Insurance Agency, Inc.

Deposit and credit products provided by Fifth Third Bank. Member FDIC. Equal Housing Lender.

Empower U Modules

Financial Checkup

- Financial Checkup 101: Empower Yourself with Financial Wellness

Financial Health

- Saving Money and Successful Budgeting
- Simple Ways to Boost Your Credit Score
- Five Strategies to Slash Your Debt
- Only One You? Are You Sure? Protecting Your Identity

Investment and Planning

- Basic Estate Planning — The Best Gift You Can Give Your Family
- Retirement — When and How to Start Planning
- Insurance — Protect Your Family Now
- Simplifying the Complicated World of Investments

Home Ownership

- How to Prepare for Home-ownership
- Refinancing Your Home vs. Home Equity Loans— What's Best for You?

Education Savings

- Choosing the Right College Saving Plan

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9462 2/13

Course Descriptions

Each class is 30 minutes and has a specific topic. Classes do not need to be taken in any particular order, however, the more classes you take, the more financially fit you will become.

Financial Checkup 101

- This class will give you a quick overview of all the various financial options/decisions you may face throughout your life. Saving, budgeting, identity protection, using credit wisely, homeownership, investing options, and saving for college will all be covered.

Saving Money & Successful Budgeting

- In this class, you will learn how to create a budgeting process that will work for you and get you on track to meet your own personal financial goals. You will learn how to save; no matter your income level, amount of debt or fear of the process.

Simple Ways to Boost your Credit Score

- Credit can be your friend or enemy. You will learn in this class what credit means, why it's important, how to clean up bad credit or, how to establish good credit.

Five Strategies to Slash Your Debt

- Learn how to slash your debt with four different approaches, and learn the ways to help prevent yourself from getting into debt in the future.

Only One You? Are you Sure? Protect your Identity Now

- According to idtheftcenter.org, 9.6 million people had their identity stolen in 2009. Learn the very real threat of identity theft and how to protect yourself and your family against it.

Course Descriptions

Basic Estate Planning: The Best Gift you can Give your Family

• Although a sometimes tough topic to consider, this class will provide critical information you need to consider regarding your estate. Estate planning is one of the most important steps you can take to make sure that your final property and health care wishes are honored, and that your loved ones are provided for in your absence.

Retirement: When and How to Start Planning

- Retirement savings is an important consideration at every stage of your life—whether you are just embarking on a career, moving up the ladder or planning your retirement party. This class will provide an overview of important retirement considerations.

Insurance: Protect Your Family Now

- This class will focus on how to protect your family, your property and yourself in the event of an accident, illness, disability or death.

Simplifying the Complicated World of Investments

• Investments are an important part of accumulating wealth to increase your financial stability, and save for your future. This class will give you an overview of how to go about investing, and give you the tools necessary to begin the investing process.

How to Prepare for Homeownership

• According to the National Association of Realtors, buying is cheaper than renting in 98 of the 100 largest metro areas. This class will provide you with an overview of the home buying process.

Refinancing your Home vs. Home Equity Loan: What's Best for You?

• There are unique differences between refinancing and home equity loans. In this session, you will learn the difference between Refinancing and Home Equity loans and what option is best for you.

Choosing the Right College Savings Plan

- College costs are rising at 7 to 8 percent a year according to College Board, 2012. This class will provide you with an overview of how much and how to save for your child's college education.

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9462 2/13

Course Descriptions

Deposit and credit products provided by Fifth Third Bank. Member FDIC. Equal Housing Lender.

Fifth Third Bank provides access to investments and investment services through various wholly owned subsidiaries, including Fifth Third Securities. Fifth Third Securities is the trade name used by Fifth Third Securities, Inc., member FINRA/SIPC, a registered broker-dealer and a registered investment advisor registered with the U.S. Securities and Exchange Commission (SEC). Registration does not imply a certain level of skill or training.

Securities and investments (including variable annuities) are offered through Fifth Third Securities. Certain fiduciary-related investment services are offered through Fifth Third Bank or its subsidiaries:

Are Not FDIC Insured	Offer No Bank Guarantee	May Lose Value
Are Not Insured By Any Federal Government Agency		Are Not A Deposit

Insurance products made available through Fifth Third Insurance Agency, Inc.

Fifth Third Bank
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9462 2/13

2013 ANNUAL REPORT
FINANCIAL CONTENTS

Glossary of Abbreviations and Acronyms	14
Management's Discussion and Analysis of Financial Condition and Results of Operations	
Selected Financial Data	15
Overview	16
Non-GAAP Financial Measures	21
Recent Accounting Standards	23
Critical Accounting Policies	23
Risk Factors	27
Statements of Income Analysis	36
Business Segment Review	43
Fourth Quarter Review	50
Balance Sheet Analysis	53
Risk Management	58
Off-Balance Sheet Arrangements	84
Contractual Obligations and Other Commitments	85
Management's Assessment as to the Effectiveness of Internal Control over Financial Reporting	86
Reports of Independent Registered Public Accounting Firm	87
Financial Statements	
Consolidated Balance Sheets	88
Consolidated Statements of Income	89
Consolidated Statements of Comprehensive Income	90
Consolidated Statements of Changes in Equity	91
Consolidated Statements of Cash Flows	92

Notes to Consolidated Financial Statements

Summary of Significant Accounting and Reporting Policies	93	Commitments, Contingent Liabilities and Guarantees	131
Supplemental Cash Flow Information	101	Legal and Regulatory Proceedings	135
Restrictions on Cash and Dividends	101	Related Party Transactions	137
Securities	102	Income Taxes	138
Loans and Leases	104	Retirement and Benefit Plans	139
Credit Quality and the Allowance for Loan and Lease Losses	105	Accumulated Other Comprehensive Income	145
Bank Premises and Equipment	115	Common, Preferred and Treasury Stock	147
Goodwill	115	Stock-Based Compensation	149
Intangible Assets	116	Other Noninterest Income and Other Noninterest Expense	153
Variable Interest Entities	117	Earnings Per Share	154
Sales of Receivables and Servicing Rights	120	Fair Value Measurements	155
Derivative Financial Instruments	122	Certain Regulatory Requirements and Capital Ratios	165
Offsetting Derivative Financial Instruments	127	Parent Company Financial Statements	166
Other Assets	127	Business Segments	168
Short-Term Borrowings	128	Subsequent Events	172
Long-Term Debt	129		

Annual Report on Form 10-K	173
Consolidated Ten Year Comparison	188
Directors and Officers	189
Corporate Information	

FORWARD-LOOKING STATEMENTS

This report contains statements that we believe are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as "will likely result," "may," "are expected to," "is anticipated," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar verbs. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements we may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy, specifically the real estate market, either nationally or in the states in which Fifth Third, one or more acquired entities and/or the combined company do business, are less favorable than expected; (2) deteriorating credit quality; (3) political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment reduce interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions; (6) Fifth Third's ability to maintain required capital levels and adequate sources of funding and liquidity; (7) maintaining capital requirements may limit Fifth Third's operations and potential growth; (8) changes and trends in capital markets; (9) problems encountered by larger or similar financial institutions may adversely affect the banking industry and/or Fifth Third; (10) competitive pressures among depository institutions increase significantly; (11) effects of critical accounting policies and judgments; (12) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board (FASB) or other regulatory agencies; (13) legislative or regulatory changes or actions, or significant litigation, adversely affect Fifth Third, one or more acquired entities and/or the combined company or the businesses in which Fifth Third, one or more acquired entities and/or the combined company are engaged, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; (14) ability to maintain favorable ratings from rating agencies; (15) fluctuation of Fifth Third's stock price; (16) ability to attract and retain key personnel; (17) ability to receive dividends from its subsidiaries; (18) potentially dilutive effect of future acquisitions on current shareholders' ownership of Fifth Third; (19) effects of accounting or financial results of one or more acquired entities; (20) difficulties from Fifth Third's investment in or the results of operations of Vantiv, LLC; (21) loss of income from any sale or potential sale of businesses that could have an adverse effect on Fifth Third's earnings and future growth; (22) ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; and (23) the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity.

Table of Contents

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

Fifth Third Bancorp provides the following list of abbreviations and acronyms as a tool for the reader that are used in Management's Discussion and Analysis of Financial Condition and Results of Operations, the Consolidated Financial Statements and the Notes to Consolidated Financial Statements.

ALCO: Asset Liability Management Committee
ALLL: Allowance for Loan and Lease Losses
AOCI: Accumulated Other Comprehensive Income
ARM: Adjustable Rate Mortgage
ATM: Automated Teller Machine
BBA: British Bankers' Association
BCBS: Basel Committee on Banking Supervision
BHC: Bank Holding Company
BOLI: Bank Owned Life Insurance
bps: Basis points
BPO: Broker Price Opinion
CapPR: Capital Plan Review
CCAR: Comprehensive Capital Analysis and Review
CD: Certificate of Deposit
CDC: Fifth Third Community Development Corporation
CFPB: United States Consumer Financial Protection Bureau
C&I: Commercial and Industrial
CPP: Capital Purchase Program
CRA: Community Reinvestment Act
DCF: Discounted Cash Flow
DIF: Deposit Insurance Fund
ERISA: Employee Retirement Income Security Act
ERM: Enterprise Risk Management
ERMC: Enterprise Risk Management Committee
EVE: Economic Value of Equity
FASB: Financial Accounting Standards Board
FDIC: Federal Deposit Insurance Corporation
FHLB: Federal Home Loan Bank
FHLMC: Federal Home Loan Mortgage Corporation
FICO: Fair Isaac Corporation (credit rating)
FNMA: Federal National Mortgage Association
FRB: Federal Reserve Bank
FSOC: Financial Stability Oversight Council
FTAM: Fifth Third Asset Management, Inc.
FTE: Fully Taxable Equivalent
FTP: Funds Transfer Pricing
FTS: Fifth Third Securities
GNMA: Government National Mortgage Association
GSE: Government Sponsored Enterprise
HAMP: Home Affordable Modification Program
HARP: Home Affordable Refinance Program
HFS: Held for Sale
IPO: Initial Public Offering
IRC: Internal Revenue Code
IRLC: Interest Rate Lock Commitment
IRS: Internal Revenue Service
ISDA: International Swaps and Derivatives Association, Inc.
LCR: Liquidity Coverage Ratio
LIBOR: London InterBank Offered Rate
LLC: Limited Liability Company
LTV: Loan-to-Value
MD&A: Management's Discussion and Analysis of Financial Condition and Results of Operations
MSR: Mortgage Servicing Right
N/A: Not Applicable
NASDAQ: National Association of Securities Dealers Automated Quotations
NII: Net Interest Income
NM: Not Meaningful
NPR: Notice of Proposed Rulemaking
NSFR: Net Stable Funding Ratio
OCC: Office of the Comptroller of the Currency
OCI: Other Comprehensive Income
OIS: Overnight Index Swap Rate
OREO: Other Real Estate Owned
OTTI: Other-Than-Temporary Impairment
PMI: Private Mortgage Insurance
RSAs: Restricted Stock Awards
SARs: Stock Appreciation Rights
SBA: Small Business Administration
SCAP: Supervisory Capital Assessment Program
SEC: United States Securities and Exchange Commission
TARP: Troubled Asset Relief Program
TBA: To Be Announced
TDR: Troubled Debt Restructuring
TruPS: Trust Preferred Securities
TSA: Transition Service Agreement
U.S.: United States of America
U.S. GAAP: United States Generally Accepted Accounting Principles
UST: United States Treasury
VaR: Value-at-Risk
VIE: Variable Interest Entity
VRDN: Variable Rate Demand Note

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is MD&A of certain significant factors that have affected Fifth Third Bancorp's (the "Bancorp" or "Fifth Third") financial condition and results of operations during the periods included in the Consolidated Financial Statements, which are a part of this filing. Reference to the Bancorp incorporates the parent holding company and all consolidated subsidiaries.

TABLE 1: SELECTED FINANCIAL DATA

For the years ended December 31 ($ in millions, except for per share data)		**2013**	2012	2011	2010	2009
Income Statement Data						
Net interest income*(a)*	$	**3,581**	3,613	3,575	3,622	3,373
Noninterest income		**3,227**	2,999	2,455	2,729	4,782
Total revenue*(a)*		**6,808**	6,612	6,030	6,351	8,155
Provision for loan and lease losses		**229**	303	423	1,538	3,543
Noninterest expense		**3,961**	4,081	3,758	3,855	3,826
Net income attributable to Bancorp		**1,836**	1,576	1,297	753	737
Net income available to common shareholders		**1,799**	1,541	1,094	503	511
Common Share Data						
Earnings per share, basic	$	**2.05**	1.69	1.20	0.63	0.73
Earnings per share, diluted		**2.02**	1.66	1.18	0.63	0.67
Cash dividends per common share		**0.47**	0.36	0.28	0.04	0.04
Book value per share		**15.85**	15.10	13.92	13.06	12.44
Market value per share		**21.03**	15.20	12.72	14.68	9.75
Financial Ratios (%)						
Return on average assets		**1.48 %**	1.34	1.15	0.67	0.64
Return on average common equity		**13.1**	11.6	9.0	5.0	5.6
Dividend payout ratio		**22.9**	21.3	23.3	6.3	5.5
Average Bancorp shareholders' equity as a percent of average assets		**11.56**	11.65	11.41	12.22	11.36
Tangible common equity*(b)*		**8.63**	8.83	8.68	7.04	6.45
Net interest margin*(a)*		**3.32**	3.55	3.66	3.66	3.32
Efficiency*(a)*		**58.2**	61.7	62.3	60.7	46.9
Credit Quality						
Net losses charged off	$	**501**	704	1,172	2,328	2,581
Net losses charged off as a percent of average loans and leases *(d)*		**0.58 %**	0.85	1.49	3.02	3.20
ALLL as a percent of portfolio loans and leases		**1.79**	2.16	2.78	3.88	4.88
Allowance for credit losses as a percent of portfolio loans and leases *(c)*		**1.97**	2.37	3.01	4.17	5.27
Nonperforming assets as a percent of portfolio loans, leases and other assets, including other real estate owned*(d)*		**1.10**	1.49	2.23	2.79	4.22
Average Balances						
Loans and leases, including held for sale	$	**89,093**	84,822	80,214	79,232	83,391
Total securities and other short-term investments		**18,861**	16,814	17,468	19,699	18,135
Total assets		**123,732**	117,614	112,666	112,434	114,856
Transaction deposits*(e)*		**82,915**	78,116	72,392	65,662	55,235
Core deposits*(f)*		**86,675**	82,422	78,652	76,188	69,338
Wholesale funding*(g)*		**17,797**	16,978	16,939	18,917	28,539
Bancorp shareholders' equity		**14,302**	13,701	12,851	13,737	13,053
Regulatory Capital Ratios (%)						
Tier I risk-based capital		**10.36 %**	10.65	11.91	13.89	13.30
Total risk-based capital		**14.08**	14.42	16.09	18.08	17.48
Tier I leverage		**9.64**	10.05	11.10	12.79	12.34
Tier I common equity*(b)*		**9.39**	9.51	9.35	7.48	6.99

(a) Amounts presented on an FTE basis. The FTE adjustment for years ended ***December 31, 2013****, 2012, 2011, 2010, and 2009 were* ***$20,*** *$18, $18, $18 and $19, respectively.*

(b) The tangible common equity and Tier I common equity ratios are non-GAAP measures. For further information, see the Non-GAAP Financial Measures section of the MD&A.

(c) The allowance for credit losses is the sum of the ALLL and the reserve for unfunded commitments.

(d) Excludes nonaccrual loans held for sale.

(e) Includes demand, interest checking, savings, money market and foreign office deposits.

(f) Includes transaction deposits plus other time deposits.

(g) Includes certificates $100,000 and over, other deposits, federal funds purchased, other short-term borrowings and long-term debt.

Table of Contents

OVERVIEW

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. At December 31, 2013, the Bancorp had $130.4 billion in assets, operated 17 affiliates with 1,320 full-service Banking Centers, including 104 Bank Mart® locations open seven days a week inside select grocery stores, and 2,586 ATMs in 12 states throughout the Midwestern and Southeastern regions of the U.S. The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. The Bancorp also has a 25% interest in Vantiv Holding, LLC. The carrying value of the Bancorp's investment in Vantiv Holding, LLC was $423 million as of December 31, 2013.

This overview of MD&A highlights selected information in the financial results of the Bancorp and may not contain all of the information that is important to you. For a more complete understanding of trends, events, commitments, uncertainties, liquidity, capital resources and critical accounting policies and estimates, you should carefully read this entire document. Each of these items could have an impact on the Bancorp's financial condition, results of operations and cash flows. In addition, see the Glossary of Abbreviations and Acronyms in this report for a list of terms included as a tool for the reader of this annual report on Form 10-K. The abbreviations and acronyms identified therein are used throughout this MD&A, as well as the Consolidated Financial Statements and Notes to Consolidated Financial Statements.

The Bancorp believes that banking is first and foremost a relationship business where the strength of the competition and challenges for growth can vary in every market. The Bancorp believes its affiliate operating model provides a competitive advantage by emphasizing individual relationships. Through its affiliate operating model, individual managers at all levels within the affiliates are given the opportunity to tailor financial solutions for their customers.

Net interest income, net interest margin and the efficiency ratio are presented in MD&A on an FTE basis. The FTE basis adjusts for the tax-favored status of income from certain loans and securities held by the Bancorp that are not taxable for federal income tax purposes. The Bancorp believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison between taxable and non-taxable amounts.

The Bancorp's revenues are dependent on both net interest income and noninterest income. For the year ended December 31, 2013, net interest income, on a FTE basis, and noninterest income provided 53% and 47% of total revenue, respectively. The Bancorp derives the majority of its revenues within the U.S. from customers domiciled in the United States. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Consolidated Financial Statements. Changes in interest rates, credit quality, economic trends and the capital markets are primary factors that drive the performance of the Bancorp. As discussed later in the Risk Management section, risk identification, measurement, monitoring, control and reporting are important to the management of risk and to the financial performance and capital strength of the Bancorp.

Net interest income is the difference between interest income earned on assets such as loans, leases and securities, and interest expense incurred on liabilities such as deposits, short-term borrowings and long-term debt. Net interest income is affected by the general level of interest rates, the relative level of short-term and long-term interest rates, changes in interest rates and changes in the amount and composition of interest-earning assets and interest-bearing liabilities. Generally, the rates of interest the Bancorp earns on its assets and pays on its liabilities are established for a period of time. The change in market interest rates over time exposes the Bancorp to interest rate risk through potential adverse changes to net interest income and financial position. The Bancorp manages this risk by continually analyzing and adjusting the composition of its assets and liabilities based on their payment streams and interest rates, the timing of their maturities and their sensitivity to changes in market interest rates. Additionally, in the ordinary course of business, the Bancorp enters into certain derivative transactions as part of its overall strategy to manage its interest rate and prepayment risks. The Bancorp is also exposed to the risk of losses on its loan and lease portfolio as a result of changing expected cash flows caused by borrower credit events, such as loan defaults and inadequate collateral due to a weakened economy within the Bancorp's footprint.

Noninterest income is derived primarily from mortgage banking net revenue, service charges on deposits, corporate banking revenue, investment advisory revenue, card and processing revenue and other noninterest income. Noninterest expense is primarily driven by personnel costs, net occupancy expenses, and technology and communication costs.

Vantiv, Inc. Share Sales

The Bancorp's ownership position in Vantiv Holding, LLC was reduced in the second quarter of 2013 when the Bancorp sold an approximate five percent interest and recognized a $242 million gain. The Bancorp's ownership position was further reduced in the third quarter of 2013 when the Bancorp sold an approximate three percent interest and recognized an $85 million gain. The Bancorp's remaining approximate 25% ownership in Vantiv Holding, LLC continues to be accounted for as an equity method investment in the Bancorp's Consolidated Financial Statements and had a carrying value of $423 million as of December, 31, 2013.

As of December 31, 2013, the Bancorp continued to hold approximately 48.8 million Class B units of Vantiv Holding, LLC and a warrant to purchase approximately 20.4 million Class C non-voting units of Vantiv Holding, LLC, both of which may be exchanged for Class A Common Stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 48.8 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

Redemption of TruPS

The Bancorp redeemed all $750 million of the outstanding TruPS issued by Fifth Third Capital Trust IV on December 30, 2013. For more information on the redemption of these instruments, see the Capital Management section of MD&A.

Accelerated Share Repurchase Transactions

During 2013 and 2012, the Bancorp entered into a number of accelerated share repurchase transactions. As part of these transactions, the Bancorp entered into forward contracts in which the final number of shares to be delivered at settlement was or will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. For more information on the accounting for these instruments, see the Capital Management section of the MD&A. For a summary of all accelerated share repurchase transactions during 2013 and 2012 please refer to Table 2.

Table of Contents

TABLE 2: SUMMARY OF ACCELERATED SHARE REPURCHASE TRANSACTIONS

Repurchase Date	Amount ($ in millions)	Shares Repurchased	Shares Received from Forward Contract Settlement	Settlement Date
April 26, 2012	$ 75	4,838,710	631,986	June 1, 2012
August 28, 2012	350	21,531,100	1,444,047	October 24, 2012
November 9, 2012	125	7,710,761	657,914	February 12, 2013
December 19, 2012	100	6,267,410	127,760	February 27, 2013
January 31, 2013	125	6,953,028	849,037	April 5, 2013
May 24, 2013	539	25,035,519	4,270,250	October 1, 2013
November 18, 2013	200	8,538,423	*(a)*	*(a)*
December 13, 2013	456	19,084,195	*(b)*	*(b)*
January 31, 2014	99	3,950,705	*(b)*	*(b)*

(a) The Bancorp expects the settlement of this transaction to occur on or before February 28, 2014.
(b) The Bancorp expects the settlement of these transactions to occur on or before March 26, 2014.

Preferred Stock Offerings and Conversion

During 2013, the Bancorp had two preferred stock offerings and converted the outstanding Series G preferred stock into Fifth Third common stock. A description of the preferred stock offerings and conversion is below. For more information, see Note 23 in the Notes to Consolidated Financial Statements.

As contemplated by the 2013 CCAR, on May 16, 2013 the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. The Series H preferred shares are not convertible into Bancorp common shares or any other securities. On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G. On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. On December 9, 2013, the Bancorp issued, in a registered public offering, 18,000,000 depositary shares, representing 18,000 shares of 6.625% fixed-to-floating rate non-cumulative Series I perpetual preferred stock, for net proceeds of $441 million. The Series I preferred shares are not convertible into Bancorp common shares or any other securities.

Senior Notes and Subordinated Notes Offering

On February 25, 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program. The amended global bank note program increased the Bank's capacity to issue its senior and subordinated unsecured bank notes from $20 billion to $25 billion. Additionally, on February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes due on February 28, 2018; $400 million of 0.90% senior fixed rate notes due on February 26, 2016; and $300 million of senior floating rate notes. Interest on the floating rate notes is 3-month LIBOR plus 41 bps due on February 26, 2016. The bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date.

On November 20, 2013, the Bancorp issued and sold $750 million of 4.30% unsecured subordinated fixed rate notes with a maturity date of January 16, 2024. These fixed rate notes will be redeemable by the Bancorp, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest up to, but excluding, the redemption date.

Additionally, on November 20, 2013, the Bank issued and sold, under its amended bank notes program, $1.8 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $1 billion of 1.15% senior fixed rate notes due on November 18, 2016 and $750 million of senior floating rate notes due on November 18, 2016. Interest on the floating rate notes is 3-month LIBOR plus 51 bps. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date.

Automobile Loan Securitizations

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million.

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. For additional information on the automobile loan securitizations, refer to the Liquidity Risk Management section of MD&A.

Legislative Developments

On July 21, 2010, the Dodd-Frank Act was signed into federal law. This act implements changes to the financial services industry and affects the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies. The legislation establishes a CFPB responsible for implementing and enforcing compliance with consumer financial laws, changes the methodology for determining deposit insurance assessments, gives the FRB the ability to regulate and limit interchange rates charged to merchants for the use of debit cards, enacts new limitations on proprietary trading, broadens the scope of derivative instruments subject to regulation, requires on-going stress tests and the submission of annual capital plans for certain organizations and requires changes to regulatory capital ratios. This act also calls for federal regulatory agencies to conduct multiple studies over the next several years in order to implement its provisions. While the total impact of the fully implemented Dodd-Frank Act on the Bancorp is not currently known, the impact is expected to be substantial and may have an adverse impact on the Bancorp's financial performance and growth opportunities.

The Bancorp was impacted by a number of components of the Dodd-Frank Act which were implemented in 2012 and 2013. On October 9, 2012, the FRB published final stress testing rules that implement section 165(i)(1) and (i)(2) of the Dodd-Frank Act. The BHC's that participated in the 2009 SCAP and subsequent CCAR, which includes the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

The FRB launched the 2013 capital planning and stress testing program on November 9, 2012. The program includes the CCAR, which included the 19 BHCs that participated in the 2009 SCAP, as well as the CapPR which includes an additional 11 BHCs with $50 billion or more of total consolidated assets. The mandatory elements of the capital plan were an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013. In March of 2013, the FRB disclosed its estimates of participating institutions' results under the FRB supervisory stress scenario, including capital results, which assume all banks take certain consistently applied future capital actions. In addition, the FRB disclosed its estimates of participating institutions' results under the FRB supervisory severe stress scenarios including capital results based on each company's own base scenario capital actions.

The FRB's review of the capital plan assessed the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviewed the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier I common ratio of five percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB assessed the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the BCBS and requirements arising from the Dodd-Frank Act.

In March 2013, the FRB announced it had completed the 2013 CCAR. For BHCs that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non-objection whereby the FRB concurred with the proposed 2013 capital distributions. The FRB indicated to the Bancorp that it did not object to the following proposed capital actions for the period beginning April 1, 2013 and ending March 31, 2014:

- Increase in the quarterly common stock dividend to $0.12 per share;
- Repurchase of up to $750 million in TruPS subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt;
- Conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders. The Bancorp would intend to repurchase common shares equivalent to those issued in the conversion up to $550 million in market value, and issue $550 million in preferred stock;
- Repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion;
- Incremental repurchase of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc. stock; and
- Issuance of an additional $500 million in preferred stock.

Beginning in 2013, the Bancorp and other large bank holding companies were required to conduct a separate mid-year stress test using financial data as of March 31st under three company-derived macro-economic scenarios (base, adverse and severely adverse). The Bancorp submitted the results of its mid-year stress test to the FRB in July of 2013 and the Bancorp published a summary of the results under the severely adverse scenario in September of 2013 which is available on Fifth Third's website at https://www.53.com. The FRB launched the 2014 stress testing program and CCAR on November 1, 2013. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 6, 2014. For further discussion on the 2013 and 2014 Stress Tests and CCAR, see the Capital Management section in MD&A.

Fifth Third offers qualified deposit customers a deposit advance product if they choose to avail themselves of this service to meet short term, small-dollar financial needs. In April of 2013, the CFPB issued a "White Paper" which studied financial services industry offerings and customer use of deposit advance products as well as payday loans and is considering whether rules governing these products are warranted. At the same time, the OCC and FDIC each issued proposed supervisory guidance for public comment to institutions they supervise which supplements existing OCC and FDIC guidance, detailing the principles they expect financial institutions to follow in connection with deposit advance products and supervisory expectations for the use of deposit advance products. The Federal Reserve also issued a statement in April to state member banks like Fifth Third for whom the Federal Reserve is the primary regulator. This statement encouraged state member banks to respond to customers' small-dollar credit needs in a responsible manner; emphasized that they should take into consideration the risks associated with deposit advance products, including potential consumer harm and potential elevated compliance risk; and reminded them that these product offerings must comply with applicable laws and regulations. Fifth Third's deposit advance product is designed to fully comply with the applicable federal and state laws and use of this product is subject to strict eligibility requirements and advance restriction guidelines to limit dependency on this product as a borrowing source. Fifth Third believes this product provides customers with a relatively low-cost alternative for such needs. On January 17, 2014, given developments in industry practice, Fifth Third announced that it will no longer enroll new customers in its deposit advance product and will phase out the service to existing customers by the end of 2014. These advance balances are included in other consumer loans and leases in the Bancorp's Consolidated Balance Sheets and represent substantially all of the revenue reported in interest and fees on other consumer loans and leases in the Bancorp's Consolidated Statements of Income and in Table 5 in the Statements of Income Analysis section of the MD&A. Fifth Third has been monitoring industry developments and is working to develop and implement alternative products and services in order to address the needs of its customers. The Bancorp is currently in the process of evaluating the impact to the Bancorp's Consolidated Financial Statements of both the phase out of our deposit advance product and our development of alternative products and services.

In December of 2010 and revised in June of 2011, the BCBS issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III,

such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved the final enhanced regulatory capital rules (Basel III Final Rule), which included modifications to the proposed rules. The Bancorp continues to evaluate the Basel III Final Rule and its potential impact. For more information on the impact of the regulatory capital enhancements, refer to the Capital Management section of MD&A.

On December 10, 2013, the banking agencies finalized section 619 of the DFA known as the Volcker Rule, which becomes effective April 1, 2014. Though the final rule is effective April 1, 2014, the Federal Reserve has granted the industry an extension of time until July 21, 2015 to conform activities to be in compliance with the Volcker Rule. It is possible that additional conformance period extensions could be granted either to the entire industry, or, upon request, to requesting banking organizations on a case-by-case basis. The final rule prohibits banks and bank holding companies from engaging in short-term proprietary trading of certain securities, derivatives, commodity futures and options on these instruments for their own account. The Volcker Rule also restricts banks and their affiliated entities from owning, sponsoring or having certain relationships with private equity and hedge funds. Exemptions are provided for certain activities such as underwriting, market making, hedging, trading in certain government obligations and organizing and offering a hedge fund or private equity fund. Fifth Third does not sponsor any private equity or hedge funds that, under the final rule, it is prohibited from sponsoring. As of December 31, 2013, the Bancorp had approximately $181 million in interests and approximately $80 million in binding commitments to invest in private equity funds that are affected by the Volcker Rule. It is expected that over time the Bancorp may need to sell or redeem these investments although it is likely that these investments will be reduced over time in the ordinary course before compliance is required.

In November 2010, the FDIC implemented a final rule amending its deposit insurance regulations to implement section 343 of the Dodd-Frank Act providing for unlimited deposit insurance for noninterest-bearing transaction accounts for two years starting December 31, 2010. The FDIC did not charge a separate assessment for the insurance unlike the previous Transaction Account Guarantee Program. Beginning January 1, 2013, noninterest-bearing transaction accounts are no longer insured separately from depositors' other accounts at the same insured depository institution.

On January 7, 2013, the BCBS issued a final international standard for the LCR for large, internationally active banks, which would phase in the LCR beginning in 2015 with full implementation in 2019. In addition, the BCBS plans on introducing the NSFR final standard in the next two years. On October 24, 2013, the U.S. banking agencies issued an NPR that would implement a LCR requirement for U.S. banks that is generally consistent with the international LCR standards for large, internationally active banking organizations, generally those with $250 billion or more in total consolidated assets or $10 billion or more in on-balance sheet foreign exposure, and a Modified LCR for BHCs with at least $50 billion in total consolidated assets that are not internationally active, like Fifth Third. The NPR was open for public comment until January 31, 2014. Refer to the Liquidity Risk Management section in MD&A for further discussion on these ratios.

On July 31, 2013, the U.S. District Court for the District of Columbia issued an order granting summary judgment to the plaintiffs in a case challenging certain provisions of the FRB's rule concerning electronic debit card transaction fees and network exclusivity arrangements (the "Current Rule") that were adopted to implement Section 1075 of the Dodd-Frank Act, known as the Durbin Amendment. The Court held that, in adopting the Current Rule, the FRB violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore the Current Rule's maximum permissible fees were too high. In addition, the Court held that the Current Rule's network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the Current Rule, but stayed its ruling to provide the FRB an opportunity to replace the invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge likely would be reduced. Refer to the Noninterest Income subsection of the Statements of Income Analysis section of MD&A for further information regarding the Bancorp's debit card interchange revenue.

TABLE 3: CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31 ($ in millions, except per share data)	**2013**	2012	2011	2010	2009
Interest income (FTE)	$ **3,993**	4,125	4,236	4,507	4,687
Interest expense	**412**	512	661	885	1,314
Net interest income (FTE)	**3,581**	3,613	3,575	3,622	3,373
Provision for loan and lease losses	**229**	303	423	1,538	3,543
Net interest income (loss) after provision for loan and lease losses (FTE)	**3,352**	3,310	3,152	2,084	(170)
Noninterest income	**3,227**	2,999	2,455	2,729	4,782
Noninterest expense	**3,961**	4,081	3,758	3,855	3,826
Income before income taxes (FTE)	**2,618**	2,228	1,849	958	786
Fully taxable equivalent adjustment	**20**	18	18	18	19
Applicable income tax expense	**772**	636	533	187	30
Net income	**1,826**	1,574	1,298	753	737
Less: Net income attributable to noncontrolling interests	**(10)**	(2)	1	-	-
Net income attributable to Bancorp	**1,836**	1,576	1,297	753	737
Dividends on preferred stock	**37**	35	203	250	226
Net income available to common shareholders	$ **1,799**	1,541	1,094	503	511
Earnings per share	$ **2.05**	1.69	1.20	0.63	0.73
Earnings per diluted share	**2.02**	1.66	1.18	0.63	0.67
Cash dividends declared per common share	$ **0.47**	0.36	0.28	0.04	0.04

Earnings Summary

The Bancorp's net income available to common shareholders for the year ended December 31, 2013 was $1.8 billion, or $2.02 per diluted share, which was net of $37 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the year ended December 31, 2012 was $1.5 billion, or $1.66 per diluted share, which was net of $35 million in preferred stock dividends. Pre-provision net revenue was $2.8 billion and $2.5 billion for the years ended 2013 and 2012, respectively. Pre-provision net revenue is a non-GAAP measure. For further information, see the Non-GAAP Financial Measures section in the MD&A.

Net interest income was $3.6 billion for the years ended December 31, 2013 and 2012. Net interest income was negatively impacted by a decline of 36 bps in yields on the Bancorp's interest-earning assets, partially offset by a $4.3 billion increase in average loans and leases due primarily to increases in average commercial and industrial loans and average residential mortgage loans. In addition, interest expense decreased primarily due to a decrease in rates paid on average long-term debt and a reduction in higher cost average long-term debt. Net interest margin was 3.32% and 3.55% for the years ended December 31, 2013 and 2012, respectively.

Noninterest income increased $228 million, or eight percent, in 2013 compared to 2012. The increase from the prior year was primarily due to increases in other noninterest income partially offset by decreases in mortgage banking net revenue. Other noninterest income increased $305 million compared to the prior year, primarily due to positive valuation adjustments on the stock warrant associated with Vantiv Holding, LLC. In addition, the Bancorp recognized gains of $242 million and $85 million, on the sales of Vantiv, Inc. shares in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO recorded in the first quarter of 2012 and a $157 million gain on the sale of Vantiv shares during the fourth quarter of 2012. Mortgage banking net revenue decreased $145 million for the year ended December 31, 2013 compared to the prior year primarily due to a decrease in origination fees and gains on loan sales partially offset by an increase in positive net valuation adjustments on mortgage servicing rights and free-standing derivatives entered into to economically hedge the MSR portfolio.

Noninterest expense decreased $120 million, or three percent, in 2013 compared to 2012 primarily due to a decrease in other noninterest expense driven by a decrease in debt extinguishment costs and a decrease in the provision for representation and warranty claims partially offset by an increase in litigation expense.

Credit Summary

The Bancorp does not originate subprime mortgage loans and does not hold asset-backed securities backed by subprime mortgage loans in its securities portfolio. However, the Bancorp has exposure to disruptions in the capital markets and weakened economic conditions. During 2013, credit trends have improved, and as a result, the provision for loan and lease losses decreased to $229 million in 2013 compared to $303 million in 2012. In addition, net charge-offs as a percent of average portfolio loans and leases decreased to 0.58% during 2013 compared to 0.85% during 2012. At December 31, 2013, nonperforming assets as a percent of loans, leases and other assets, including OREO (excluding nonaccrual loans held for sale) decreased to 1.10%, compared to 1.49% at December 31, 2012. For further discussion on credit quality, see the Credit Risk Management section in MD&A.

Capital Summary

The Bancorp's capital ratios exceed the "well-capitalized" guidelines as defined by the Board of Governors of the Federal Reserve System. As of December 31, 2013, the Tier I risk-based capital ratio was 10.36%, the Tier I leverage ratio was 9.64% and the total risk-based capital ratio was 14.08%.

NON-GAAP FINANCIAL MEASURES

The Bancorp considers various measures when evaluating capital utilization and adequacy, including the tangible equity ratio, tangible common equity ratio and Tier I common equity ratio, in addition to capital ratios defined by banking regulators. These calculations are intended to complement the capital ratios defined by banking regulators for both absolute and comparative purposes. Because U.S. GAAP does not include capital ratio measures, the Bancorp believes there are no comparable U.S. GAAP financial measures to these ratios. These ratios are not formally defined by U.S. GAAP or codified in the federal banking regulations and, therefore, are considered to be non-GAAP financial measures. Since analysts and banking regulators may assess the Bancorp's capital adequacy using these ratios, the Bancorp believes they are useful to provide investors the ability to assess its capital adequacy on the same basis.

The Bancorp believes these non-GAAP measures are important because they reflect the level of capital available to withstand unexpected market conditions. Additionally, presentation of these measures allows readers to compare certain aspects of the Bancorp's capitalization to other organizations. However, because there are no standardized definitions for these ratios, the Bancorp's calculations may not be comparable with other organizations, and the usefulness of these measures to investors may be limited. As a result, the Bancorp encourages readers to consider its Consolidated Financial Statements in their entirety and not to rely on any single financial measure.

U.S. banking regulators approved final capital rules (Basel III Final Rule) in July of 2013 that substantially amend the existing risk-based capital rules (Basel I) for banks. The Bancorp believes providing an estimate of its capital position based upon the final rules is important to complement the existing capital ratios and for comparability to other financial institutions. Since these rules are not effective for the Bancorp until January 1, 2015, they are considered non-GAAP measures and therefore are included in the following non-GAAP financial measures table.

Pre-provision net revenue is net interest income plus noninterest income minus noninterest expense. The Bancorp believes this measure is important because it provides a ready view of the Bancorp's earnings before the impact of provision expense.

Table of Contents

The following table reconciles non-GAAP financial measures to U.S. GAAP as of and for the years ended December 31:

TABLE 4: NON-GAAP FINANCIAL MEASURES

($ in millions)		2013	2012
Income before income taxes (U.S. GAAP)	$	**2,598**	2,210
Add: Provision expense (U.S. GAAP)		**229**	303
Pre-provision net revenue		**2,827**	2,513
Net income available to common shareholders (U.S. GAAP)	$	**1,799**	1,541
Add: Intangible amortization, net of tax		**5**	9
Tangible net income available to common shareholders		**1,804**	1,550
Total Bancorp shareholders' equity (U.S. GAAP)	$	**14,589**	13,716
Less: Preferred stock		**(1,034)**	(398)
Goodwill		**(2,416)**	(2,416)
Intangible assets		**(19)**	(27)
Tangible common equity, including unrealized gains / losses		**11,120**	10,875
Less: Accumulated other comprehensive income		**(82)**	(375)
Tangible common equity, excluding unrealized gains / losses (1)		**11,038**	10,500
Add: Preferred stock		**1,034**	398
Tangible equity (2)		**12,072**	10,898
Total assets (U.S. GAAP)	$	**130,443**	121,894
Less: Goodwill		**(2,416)**	(2,416)
Intangible assets		**(19)**	(27)
Accumulated other comprehensive income, before tax		**(126)**	(577)
Tangible assets, excluding unrealized gains / losses (3)	$	**127,882**	118,874
Total Bancorp shareholders' equity (U.S. GAAP)	$	**14,589**	13,716
Less: Goodwill and certain other intangibles		**(2,492)**	(2,499)
Accumulated other comprehensive income		**(82)**	(375)
Add: Qualifying TruPS		**60**	810
Other		**19**	33
Tier I risk-based capital		**12,094**	11,685
Less: Preferred stock		**(1,034)**	(398)
Qualifying TruPS		**(60)**	(810)
Qualified noncontrolling interests in consolidated subsidiaries		**(37)**	(48)
Tier I common equity (4)	$	**10,963**	10,429
Risk-weighted assets (5) *(a)*	$	**116,736**	109,699
Ratios:			
Tangible equity (2) / (3)		**9.44%**	9.17
Tangible common equity (1) / (3)		**8.63%**	8.83
Tier I common equity (4) / (5)		**9.39%**	9.51

Basel III Final Rule - Estimated Tier I common equity ratio

Tier I common equity (Basel I)	$	**10,963**
Add: Adjustment related to capital components *(b)*		**82**
Estimated Tier I common equity under Basel III Final Rule without AOCI (opt out) (6)		**11,045**
Add: Adjustment related to AOCI *(c)*		**82**
Estimated Tier I common equity under Basel III Final Rule with AOCI (non opt out) (7)		**11,127**
Estimated risk-weighted assets under Basel III Final Rule (8) *(d)*		**122,851**
Estimated Tier I common equity ratio under Basel III Final Rule (opt out) (6) / (8)		**8.99%**
Estimated Tier I common equity ratio under Basel III Final Rule (non opt out) (7) / (8)		**9.06%**

(a) Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together, along with the measure for market risk, resulting in the Bancorp's total risk-weighted assets.

(b) Adjustments related to capital components include MSRs and deferred tax assets subject to threshold limitations and deferred tax liabilities related to intangible assets, which were deductions to capital under Basel I capital rules.

(c) Under final Basel III rules, non-advanced approach banks are permitted to make a one-time election to opt out of the requirement to include AOCI in Tier I common equity.

(d) Key differences under Basel III in the calculation of risk-weighted assets compared to Basel I include: (1) Risk weighting for commitments under 1 year; (2) Higher risk weighting for exposures to securitizations, past due loans, foreign banks and certain commercial real estate; (3) Higher risk weighting for MSRs and deferred tax assets that are under certain thresholds as a percent of Tier I capital; and (4) Derivatives are differentiated between exchange clearing and over-the-counter and the 50% risk-weight cap is removed.

RECENT ACCOUNTING STANDARDS

Note 1 of the Notes to Consolidated Financial Statements provides a discussion of the significant new accounting standards adopted by the Bancorp during 2013 and the expected impact of significant accounting standards issued, but not yet required to be adopted.

CRITICAL ACCOUNTING POLICIES

The Bancorp's Consolidated Financial Statements are prepared in accordance with U.S. GAAP. Certain accounting policies require management to exercise judgment in determining methodologies, economic assumptions and estimates that may materially affect the Bancorp's financial position, results of operations and cash flows. The Bancorp's critical accounting policies include the accounting for the ALLL, reserve for unfunded commitments, income taxes, valuation of servicing rights, fair value measurements and goodwill. No material changes were made to the valuation techniques or models described below during the year ended December 31, 2013.

ALLL

The Bancorp disaggregates its portfolio loans and leases into portfolio segments for purposes of determining the ALLL. The Bancorp's portfolio segments include commercial, residential mortgage, and consumer. The Bancorp further disaggregates its portfolio segments into classes for purposes of monitoring and assessing credit quality based on certain risk characteristics. Classes within the commercial portfolio segment include commercial and industrial, commercial mortgage owner occupied, commercial mortgage non-owner occupied, commercial construction, and commercial leasing. The residential mortgage portfolio segment is also considered a class. Classes within the consumer portfolio segment include home equity, automobile, credit card, and other consumer loans and leases. For an analysis of the Bancorp's ALLL by portfolio segment and credit quality information by class, see Note 6 of the Notes to Consolidated Financial Statements.

The Bancorp maintains the ALLL to absorb probable loan and lease losses inherent in its portfolio segments. The ALLL is maintained at a level the Bancorp considers to be adequate and is based on ongoing quarterly assessments and evaluations of the collectability and historical loss experience of loans and leases. Credit losses are charged and recoveries are credited to the ALLL. Provisions for loan and lease losses are based on the Bancorp's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating probable credit losses. The Bancorp's strategy for credit risk management includes a combination of conservative exposure limits significantly below legal lending limits and conservative underwriting, documentation and collections standards. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

The Bancorp's methodology for determining the ALLL is based on historical loss rates, current credit grades, specific allocation on loans modified in a TDR and impaired commercial credits above specified thresholds and other qualitative adjustments. Allowances on individual commercial loans, TDRs and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience. An unallocated allowance is maintained to recognize the imprecision in estimating and measuring losses when evaluating allowances for individual loans or pools of loans.

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses, as well as loans that have been modified in a TDR, are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include the industry and geographic region of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. When individual loans are impaired, allowances are determined based on management's estimate of the borrower's ability to repay the loan given the availability of collateral and other sources of cash flow, as well as an evaluation of legal options available to the Bancorp. Allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, fair value of the underlying collateral or readily observable secondary market values. The Bancorp evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Historical credit loss rates are applied to commercial loans that are not impaired or are impaired, but smaller than the established threshold of $1 million and thus not subject to specific allowance allocations. The loss rates are derived from a migration analysis, which tracks the historical net charge-off experience sustained on loans according to their internal risk grade. The risk grading system utilized for allowance analysis purposes encompasses ten categories.

Homogenous loans and leases in the residential mortgage and consumer portfolio segments are not individually risk graded. Rather, standard credit scoring systems and delinquency monitoring are used to assess credit risks, and allowances are established based on the expected net charge-offs. Loss rates are based on the trailing twelve month net charge-off history by loan category. Historical loss rates may be adjusted for certain prescriptive and qualitative factors that, in management's judgment, are necessary to reflect losses inherent in the portfolio. Factors that management considers in the analysis include the effects of the national and local economies; trends in the nature and volume of delinquencies, charge-offs and nonaccrual loans; changes in loan mix; credit score migration comparisons; asset quality trends; risk management and loan administration; changes in the internal lending policies and credit standards; collection practices; and examination results from bank regulatory agencies and the Bancorp's internal credit reviewers.

The Bancorp's primary market areas for lending are the Midwestern and Southeastern regions of the United States. When evaluating the adequacy of allowances, consideration is given to these regional geographic concentrations and the closely associated effect changing economic conditions have on the Bancorp's customers.

Reserve for Unfunded Commitments

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities and is included in other liabilities in the Consolidated Balance Sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates based on credit grade migration. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the Bancorp's

ALLL, as discussed above. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the Consolidated Statements of Income.

Income Taxes

The Bancorp estimates income tax expense based on amounts expected to be owed to the various tax jurisdictions in which the Bancorp conducts business. On a quarterly basis, management assesses the reasonableness of its effective tax rate based upon its current estimate of the amount and components of net income, tax credits and the applicable statutory tax rates expected for the full year. The estimated income tax expense is recorded in the Consolidated Statements of Income.

Deferred income tax assets and liabilities are determined using the balance sheet method and are reported in other assets and accrued taxes, interest and expenses, respectively, in the Consolidated Balance Sheets. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and reflects enacted changes in tax rates and laws. Deferred tax assets are recognized to the extent they exist and are subject to a valuation allowance based on management's judgment that realization is more likely than not. This analysis is performed on a quarterly basis and includes an evaluation of all positive and negative evidence, such as the limitation on the use of any net operating losses, to determine whether realization is more likely than not.

Accrued taxes represent the net estimated amount due to taxing jurisdictions and are reported in accrued taxes, interest and expenses in the Consolidated Balance Sheets. The Bancorp evaluates and assesses the relative risks and appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent and other information and maintains tax accruals consistent with its evaluation of these relative risks and merits. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred taxes and accrued taxes as well as the current period's income tax expense and can be significant to the operating results of the Bancorp. For additional information on income taxes, see Note 20 of the Notes to Consolidated Financial Statements.

Valuation of Servicing Rights

When the Bancorp sells loans through either securitizations or individual loan sales in accordance with its investment policies, it often obtains servicing rights. Servicing rights resulting from loan sales are initially recorded at fair value and subsequently amortized in proportion to, and over the period of, estimated net servicing revenue. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance. Key economic assumptions used in measuring any potential impairment of the servicing rights include the prepayment speeds of the underlying loans, the weighted-average life, the discount rate and the weighted-average coupon rate, as applicable. The primary risk of material changes to the value of the servicing rights resides in the potential volatility in the economic assumptions used, particularly the prepayment speeds. The Bancorp monitors risk and adjusts its valuation allowance as necessary to adequately reserve for impairment in the servicing portfolio. For purposes of measuring impairment, the mortgage servicing rights are stratified into classes based on the financial asset type (fixed rate vs. adjustable rate) and interest rates. For additional information on servicing rights, see Note 11 of the Notes to Consolidated Financial Statements.

Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques the Bancorp uses to measure fair value include the market approach, income approach and cost approach. The market approach uses prices or relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach involves discounting future amounts to a single present amount and is based on current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of the asset.

U.S. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

> *Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bancorp has the ability to access at the measurement date.
>
> *Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
>
> *Level 3* – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Bancorp's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Bancorp's own financial data such as internally developed pricing models and discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The Bancorp's fair value measurements involve various valuation techniques and models, which involve inputs that are observable, when available. Valuation techniques and parameters used for measuring assets and liabilities are reviewed and validated by the Bancorp on a quarterly basis. Additionally, the Bancorp monitors the fair values of significant assets and liabilities using a variety of methods including the evaluation of pricing runs and exception reports based on certain analytical criteria, comparison to previous trades and overall review and assessments for reasonableness. The following is a summary of valuation techniques utilized by the Bancorp for its significant assets and liabilities measured at fair value on a recurring basis.

Available-for-sale and trading securities

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics. Non-agency mortgage-backed securities and other asset-backed securities are generally valued using an income approach based on discounted cash flows, incorporating prepayment speeds, performance of underlying collateral and specific tranche-level attributes. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Residential mortgage loans held for sale and held for investment

For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, discounted cash flow models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral, and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage-backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the discounted cash flow model. These observable inputs include interest rate spreads from agency mortgage-backed securities market rates and observable discount rates. For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy.

Derivatives

Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties, and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At December 31, 2013, derivatives classified as Level 3, which are valued using an option-pricing model containing unobservable inputs, consisted primarily of the warrant associated with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC to Advent International and a total return swap associated with the Bancorp's sale of its Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

In addition to the assets and liabilities measured at fair value on a recurring basis, the Bancorp measures servicing rights, certain loans and long-lived assets at fair value on a nonrecurring basis. Refer to Note 27 of the Notes to Consolidated Financial Statements for further information on fair value measurements.

Goodwill

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. U.S. GAAP requires goodwill to be tested for impairment at the Bancorp's reporting unit level on an annual basis, which for the Bancorp is September 30, and more frequently if events or circumstances indicate that there may be impairment. The Bancorp has determined that its segments qualify as reporting units under U.S. GAAP.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its implied fair value. In testing goodwill for impairment, U.S. GAAP permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In this qualitative assessment, the Bancorp evaluates events and circumstances which may include, but are not limited to, the general economic environment, banking industry and market conditions, the overall financial performance of the Bancorp, the performance of the Bancorp's stock, the key financial performance metrics of the reporting units, and events affecting the reporting units. If, after assessing the totality of events and circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform the first step (Step 1) of the goodwill impairment test, and continue to the second step (Step 2), if necessary. Step 1 compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, Step 2 of the goodwill impairment test is performed to measure the amount of impairment loss, if any.

The fair value of a reporting unit is the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Since none of the Bancorp's reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to the Bancorp's stock price. To determine the fair value of a reporting unit, the Bancorp employs an income-based approach, utilizing the reporting unit's forecasted cash flows (including a terminal value approach to estimate cash flows beyond the final year of the forecast) and the reporting unit's estimated cost of equity as the discount rate. Additionally, the Bancorp determines its market capitalization based on the average of the closing price of the Bancorp's stock during the month including the measurement date,

incorporating an additional control premium, and compares this market-based fair value measurement to the aggregate fair value of the Bancorp's reporting units in order to corroborate the results of the income approach.

When required to perform Step 2, the Bancorp compares the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount exceeds the implied fair value, an impairment loss equal to that excess amount is recognized. A recognized impairment loss cannot exceed the carrying amount of that goodwill and cannot be reversed in future periods even if the fair value of the reporting unit recovers.

During Step 2, the Bancorp determines the implied fair value of goodwill for a reporting unit by assigning the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. This assignment process is only performed for purposes of testing goodwill for impairment. The Bancorp does not adjust the carrying values of recognized assets or liabilities (other than goodwill, if appropriate), nor recognize previously unrecognized intangible assets in the Consolidated Financial Statements as a result of this assignment process. Refer to Note 8 of the Notes to Consolidated Financial Statements for further information regarding the Bancorp's goodwill.

RISK FACTORS

The risks listed below present risks that could have a material impact on the Bancorp's financial condition, the results of its operations, or its business.

RISKS RELATING TO ECONOMIC AND MARKET CONDITIONS

Weakness in the U.S. economy and in the real estate market, including specific weakness within Fifth Third's geographic footprint, has adversely affected Fifth Third and may continue to adversely affect Fifth Third.
If the strength of the U.S. economy in general or the strength of the local economies in which Fifth Third conducts operations declines this could result in, among other things, a deterioration in credit quality or a reduced demand for credit, including a resultant effect on Fifth Third's loan portfolio and ALLL and in the receipt of lower proceeds from the sale of loans and foreclosed properties. A portion of Fifth Third's residential mortgage and commercial real estate loan portfolios are comprised of borrowers in Florida, whose markets have been particularly adversely affected by job losses, declines in real estate value, declines in home sale volumes, and declines in new home building. These factors could result in higher delinquencies, greater charge-offs and increased losses on foreclosed real estate in future periods, which could materially adversely affect Fifth Third's financial condition and results of operations.

The global financial markets continue to be strained as a result of economic slowdowns and concerns, especially about the creditworthiness of the European Union member states and financial institutions in the European Union. These factors could have international implications, which could hinder the U.S. economic recovery and affect the stability of global financial markets.
Certain European Union member states have fiscal obligations greater than their fiscal revenue, which has caused investor concern over such countries' ability to continue to service their debt and foster economic growth in their economies. The European debt crisis and measures adopted to address it have significantly weakened European economies. A weaker European economy may cause investors to lose confidence in the safety and soundness of European financial institutions and the stability of European member economies. A failure to adequately address sovereign debt concerns in Europe could hamper economic recovery or contribute to recessionary economic conditions and severe stress in the financial markets, including in the United States. Should the U.S. economic recovery be adversely impacted by these factors, the likelihood for loan and asset growth at U.S. financial institutions, like Fifth Third, may deteriorate.

Changes in interest rates could affect Fifth Third's income and cash flows.
Fifth Third's income and cash flows depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and investment securities, and the interest rates paid on interest-bearing liabilities such as deposits and borrowings. These rates are highly sensitive to many factors that are beyond Fifth Third's control, including general economic conditions and the policies of various governmental and regulatory agencies (in particular, the FRB). Changes in monetary policy, including changes in interest rates, will influence the origination of loans, the prepayment speed of loans, the purchase of investments, the generation of deposits and the rates received on loans and investment securities and paid on deposits or other sources of funding. The impact of these changes may be magnified if Fifth Third does not effectively manage the relative sensitivity of its assets and liabilities to changes in market interest rates. Fluctuations in these areas may adversely affect Fifth Third and its shareholders.

Changes and trends in the capital markets may affect Fifth Third's income and cash flows.
Fifth Third enters into and maintains trading and investment positions in the capital markets on its own behalf and manages investment positions on behalf of its customers. These investment positions include derivative financial instruments. The revenues and profits Fifth Third derives from managing proprietary and customer trading and investment positions are dependent on market prices. Market changes and trends may result in a decline in investment advisory revenue or investment or trading losses that may materially affect Fifth Third. Losses on behalf of its customers could expose Fifth Third to litigation, credit risks or loss of revenue from those customers. Additionally, substantial losses in Fifth Third's trading and investment positions could lead to a loss with respect to those investments and may adversely affect cash flows and funding costs.

The removal or reduction in stimulus activities sponsored by the Federal Government and its agents may have a negative impact on Fifth Third's results and operations.
The Federal Government has intervened in an unprecedented manner to stimulate economic growth. The expiration or rescission of any of these programs and actions may have an adverse impact on Fifth Third's operating results by increasing interest rates, increasing the cost of funding, and reducing the demand for loan products, including mortgage loans.

Problems encountered by financial institutions larger than or similar to Fifth Third could adversely affect financial markets generally and have indirect adverse effects on Fifth Third.
The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Bancorp interacts on a daily basis, and therefore could adversely affect Fifth Third.

Fifth Third's stock price is volatile.
Fifth Third's stock price has been volatile in the past and several factors could cause the price to fluctuate substantially in the future. These factors include:

- Actual or anticipated variations in earnings;
- Changes in analysts' recommendations or projections;
- Fifth Third's announcements of developments related to its businesses;
- Operating and stock performance of other companies deemed to be peers;
- Actions by government regulators;
- New technology used or services offered by traditional and non-traditional competitors;
- News reports of trends, concerns and other issues related to the financial services industry;
- Natural disasters;

Table of Contents

- Geopolitical conditions such as acts or threats of terrorism or military conflicts.

The price for shares of Fifth Third's common stock may fluctuate significantly in the future, and these fluctuations may be unrelated to Fifth Third's performance. General market price declines or market volatility in the future could adversely affect the price for shares of Fifth Third's common stock, and the current market price of such shares may not be indicative of future market prices.

RISKS RELATING TO FIFTH THIRD'S GENERAL BUSINESS

Deteriorating credit quality, particularly in real estate loans, has adversely impacted Fifth Third and may continue to adversely impact Fifth Third.

When Fifth Third lends money or commits to lend money the Bancorp incurs credit risk or the risk of losses if borrowers do not repay their loans. The credit performance of the loan portfolios significantly affects the Bancorp's financial results and condition. If the current economic environment were to deteriorate, more customers may have difficulty in repaying their loans or other obligations which could result in a higher level of credit losses and reserves for credit losses. Fifth Third reserves for credit losses by establishing reserves through a charge to earnings. The amount of these reserves is based on Fifth Third's assessment of credit losses inherent in the loan portfolio (including unfunded credit commitments). The process for determining the amount of the allowance for loan and lease losses and the reserve for unfunded commitments is critical to Fifth Third's financial results and condition. It requires difficult, subjective and complex judgments about the environment, including analysis of economic or market conditions that might impair the ability of borrowers to repay their loans.

Fifth Third might underestimate the credit losses inherent in its loan portfolio and have credit losses in excess of the amount reserved. Fifth Third might increase the reserve because of changing economic conditions, including falling home prices or higher unemployment, or other factors such as changes in borrower's behavior. As an example, borrowers may "strategically default," or discontinue making payments on their real estate-secured loans if the value of the real estate is less than what they owe, even if they are still financially able to make the payments.

Fifth Third believes that both the allowance for loan and lease losses and reserve for unfunded commitments are adequate to cover inherent losses at December 31, 2013; however, there is no assurance that they will be sufficient to cover future credit losses, especially if housing and employment conditions worsen. In the event of significant deterioration in economic conditions, Fifth Third may be required to increase reserves in future periods, which would reduce earnings.

For more information, refer to the "Risk Management - Credit Risk Management," "Critical Accounting Policies - Allowance for Loan and Leases," and "Reserve for Unfunded Commitments" of the MD&A.

Fifth Third must maintain adequate sources of funding and liquidity.

Fifth Third must maintain adequate funding sources in the normal course of business to support its operations and fund outstanding liabilities, as well as meet regulatory expectations. Fifth Third primarily relies on bank deposits to be a low cost and stable source of funding for the loans Fifth Third makes and the operations of Fifth Third's business. Core customer deposits, which include transaction deposits and other time deposits, have historically provided Fifth Third with a sizeable source of relatively stable and low-cost funds (average core deposits funded 70% of average total assets at December 31, 2013). In addition to customer deposits, sources of liquidity include investments in the securities portfolio, Fifth Third's ability to sell or securitize loans in secondary markets and to pledge loans to access secured borrowing facilities through the FHLB and the FRB, and Fifth Third's ability to raise funds in domestic and international money and capital markets.

Fifth Third's liquidity and ability to fund and run the business could be materially adversely affected by a variety of conditions and factors, including financial and credit market disruptions and volatility or a lack of market or customer confidence in financial markets in general similar to what occurred during the financial crisis in 2008 and early 2009, which may result in a loss of customer deposits or outflows of cash or collateral and/or ability to access capital markets on favorable terms.

Other conditions and factors that could materially adversely affect Fifth Third's liquidity and funding include a lack of market or customer confidence in Fifth Third or negative news about Fifth Third or the financial services industry generally which also may result in a loss of deposits and/or negatively affect the ability to access the capital markets; the loss of customer deposits to alternative investments; inability to sell or securitize loans or other assets, increased regulatory requirements, and reductions in one or more of Fifth Third's credit ratings. A reduced credit rating could adversely affect Fifth Third's ability to borrow funds and raise the cost of borrowings substantially and could cause creditors and business counterparties to raise collateral requirements or take other actions that could adversely affect Fifth Third's ability to raise capital. Many of the above conditions and factors may be caused by events over which Fifth Third has little or no control such as what occurred during the financial crisis. While market conditions have stabilized and, in many cases, improved, there can be no assurance that significant disruption and volatility in the financial markets will not occur in the future.

If Fifth Third is unable to continue to fund assets through customer bank deposits or access capital markets on favorable terms or if Fifth Third suffers an increase in borrowing costs or otherwise fails to manage liquidity effectively; liquidity, operating margins, financial results and condition may be materially adversely affected. As Fifth Third did during the financial crisis, it may also need to raise additional capital through the issuance of stock, which could dilute the ownership of existing stockholders, or reduce or even eliminate common stock dividends to preserve capital.

Fifth Third may have more credit risk and higher credit losses to the extent loans are concentrated by location of the borrowers or collateral.

Fifth Third's credit risk and credit losses can increase if its loans are concentrated to borrowers engaged in the same or similar activities or to borrowers who as a group may be uniquely or disproportionately affected by economic or market conditions. Deterioration in economic conditions, housing conditions and real estate values in these states and generally across the country could result in materially higher credit losses.

Fifth Third may be required to repurchase residential mortgage loans or reimburse investors and others as a result of breaches in contractual representations and warranties.

Fifth Third sells residential mortgage loans to various parties, including GSEs and other financial institutions that purchase residential mortgage loans for investment or private label securitization. Fifth Third may be required to repurchase residential mortgage loans, indemnify the securitization trust, investor or insurer, or reimburse the securitization trust, investor or insurer for

credit losses incurred on loans in the event of a breach of contractual representations or warranties that is not remedied within a period (usually 60 days or less) after Fifth Third receives notice of the breach. Contracts for residential mortgage loan sales to the GSEs include various types of specific remedies and penalties that could be applied to inadequate responses to repurchase requests. If economic conditions and the housing market deteriorate or future investor repurchase demand and success at appealing repurchase requests differ from past experience, Fifth Third could have increased repurchase obligations and increased loss severity on repurchases, requiring material additions to the repurchase reserve.

If Fifth Third does not adjust to rapid changes in the financial services industry, its financial performance may suffer.

Fifth Third's ability to deliver strong financial performance and returns on investment to shareholders will depend in part on its ability to expand the scope of available financial services to meet the needs and demands of its customers. In addition to the challenge of competing against other banks in attracting and retaining customers for traditional banking services, Fifth Third's competitors also include securities dealers, brokers, mortgage bankers, investment advisors, specialty finance and insurance companies who seek to offer one-stop financial services that may include services that banks have not been able or allowed to offer to their customers in the past or may not be currently able or allowed to offer. This increasingly competitive environment is primarily a result of changes in regulation, changes in technology and product delivery systems, as well as the accelerating pace of consolidation among financial service providers.

If Fifth Third is unable to grow its deposits, it may be subject to paying higher funding costs.

The total amount that Fifth Third pays for funding costs is dependent, in part, on Fifth Third's ability to grow its deposits. If Fifth Third is unable to sufficiently grow its deposits to meet liquidity objectives, it may be subject to paying higher funding costs. Fifth Third competes with banks and other financial services companies for deposits. If competitors raise the rates they pay on deposits, Fifth Third's funding costs may increase, either because Fifth Third raises rates to avoid losing deposits or because Fifth Third loses deposits and must rely on more expensive sources of funding. Higher funding costs reduce our net interest margin and net interest income. Fifth Third's bank customers could take their money out of the bank and put it in alternative investments, causing Fifth Third to lose a lower cost source of funding. Checking and savings account balances and other forms of customer deposits may decrease when customers perceive alternative investments, such as the stock market, as providing a better risk/return tradeoff.

The Bancorp's ability to receive dividends from its subsidiaries accounts for most of its revenue and could affect its liquidity and ability to pay dividends.

Fifth Third Bancorp is a separate and distinct legal entity from its subsidiaries. Fifth Third Bancorp typically receives substantially all of its revenue from dividends from its subsidiaries. These dividends are the principal source of funds to pay dividends on Fifth Third Bancorp's stock and interest and principal on its debt. Various federal and/or state laws and regulations, as well as regulatory expectations, limit the amount of dividends that the Bancorp's banking subsidiary and certain nonbank subsidiaries may pay. Regulatory scrutiny of capital levels at bank holding companies and insured depository institution subsidiaries has increased since the financial crisis and has resulted in increased regulatory focus on all aspects of capital planning, including dividends and other distributions to shareholders of banks such as the parent bank holding companies. Also, Fifth Third Bancorp's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of that subsidiary's creditors. Limitations on the Bancorp's ability to receive dividends from its subsidiaries could have a material adverse effect on its liquidity and ability to pay dividends on stock or interest and principal on its debt.

The financial services industry is highly competitive and creates competitive pressures that could adversely affect Fifth Third's revenue and profitability.

The financial services industry in which Fifth Third operates is highly competitive. Fifth Third competes not only with commercial banks, but also with insurance companies, mutual funds, hedge funds, and other companies offering financial services in the U.S., globally and over the internet. Fifth Third competes on the basis of several factors, including capital, access to capital, revenue generation, products, services, transaction execution, innovation, reputation and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms. These developments could result in Fifth Third's competitors gaining greater capital and other resources, such as a broader range of products and services and geographic diversity. Fifth Third may experience pricing pressures as a result of these factors and as some of its competitors seek to increase market share by reducing prices.

Fifth Third and/or the holders of its securities could be adversely affected by unfavorable ratings from rating agencies.

Fifth Third's ability to access the capital markets is important to its overall funding profile. This access is affected by the ratings assigned by rating agencies to Fifth Third, certain of its subsidiaries and particular classes of securities they issue. The interest rates that Fifth Third pays on its securities are also influenced by, among other things, the credit ratings that it, its subsidiaries and/or its securities receive from recognized rating agencies. A downgrade to Fifth Third or its subsidiaries' credit rating could affect its ability to access the capital markets, increase its borrowing costs and negatively impact its profitability. A ratings downgrade to Fifth Third, its subsidiaries or their securities could also create obligations or liabilities to Fifth Third under the terms of its outstanding securities that could increase Fifth Third's costs or otherwise have a negative effect on its results of operations or financial condition. Additionally, a downgrade of the credit rating of any particular security issued by Fifth Third or its subsidiaries could negatively affect the ability of the holders of that security to sell the securities and the prices at which any such securities may be sold.

Fifth Third could suffer if it fails to attract and retain skilled personnel.

Fifth Third's success depends, in large part, on its ability to attract and retain key individuals. Competition for qualified candidates in the activities and markets that Fifth Third serves is great and Fifth Third may not be able to hire these candidates and retain them. If Fifth Third is not able to hire or retain these key individuals, Fifth Third may be unable to execute its business strategies and may suffer adverse consequences to its business, operations and financial condition.

In June 2010, the federal banking agencies issued joint guidance on executive compensation designed to help ensure that a banking organization's incentive compensation policies do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. In addition, the Dodd-Frank Act requires those agencies, along with the SEC, to adopt rules to

require reporting of incentive compensation and to prohibit certain compensation arrangements. The federal banking agencies and the SEC proposed such rules in April 2011. In addition, in June 2012, the SEC issued final rules to implement Dodd-Frank's requirement that the SEC direct the national securities exchanges to adopt certain listing standards related to the compensation committee of a company's board of directors as well as its compensation advisers. If Fifth Third is unable to attract and retain qualified employees, or do so at rates necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, Fifth Third's performance, including its competitive position, could be materially adversely affected.

Fifth Third's mortgage banking revenue can be volatile from quarter to quarter.

Fifth Third earns revenue from the fees it receives for originating mortgage loans and for servicing mortgage loans. When rates rise, the demand for mortgage loans tends to fall, reducing the revenue Fifth Third receives from loan originations. At the same time, revenue from MSRs can increase through increases in fair value. When rates fall, mortgage originations tend to increase and the value of MSRs tends to decline, also with some offsetting revenue effect. Even though the origination of mortgage loans can act as a "natural hedge," the hedge is not perfect, either in amount or timing. For example, the negative effect on revenue from a decrease in the fair value of residential MSRs is immediate, but any offsetting revenue benefit from more originations and the MSRs relating to the new loans would accrue over time. It is also possible that, because of the recession and deteriorating housing market, even if interest rates were to fall, mortgage originations may also fall or any increase in mortgage originations may not be enough to offset the decrease in the MSRs value caused by the lower rates.

Fifth Third typically uses derivatives and other instruments to hedge its mortgage banking interest rate risk. Fifth Third generally does not hedge all of its risks, and the fact that Fifth Third attempts to hedge any of the risks does not mean Fifth Third will be successful. Hedging is a complex process, requiring sophisticated models and constant monitoring. Fifth Third may use hedging instruments tied to U.S. Treasury rates, LIBOR or Eurodollars that may not perfectly correlate with the value or income being hedged. Fifth Third could incur significant losses from its hedging activities. There may be periods where Fifth Third elects not to use derivatives and other instruments to hedge mortgage banking interest rate risk.

Fifth Third uses financial models for business planning purposes that may not adequately predict future results.

Fifth Third uses financial models to aid in its planning for various purposes including its capital and liquidity needs, potential charge- offs, reserves, and other purposes. The models used may not accurately account for all variables that could affect future results, may fail to predict outcomes accurately and/or may overstate or understate certain effects. As a result of these potential failures, Fifth Third may not adequately prepare for future events and may suffer losses or other setbacks due to these failures.

Changes in interest rates could also reduce the value of MSRs.

Fifth Third acquires MSRs when it keeps the servicing rights after the sale or securitization of the loans that have been originated or when it purchases the servicing rights to mortgage loans originated by other lenders. Fifth Third initially measures all residential MSRs at fair value and subsequently amortizes the MSRs in proportion to, and over the period of, estimated net servicing income. Fair value is the present value of estimated future net servicing income, calculated based on a number of variables, including assumptions about the likelihood of prepayment by borrowers. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance.

Changes in interest rates can affect prepayment assumptions and thus fair value. When interest rates fall, borrowers are usually more likely to prepay their mortgage loans by refinancing them at a lower rate. As the likelihood of prepayment increases, the fair value of MSRs can decrease. Each quarter Fifth Third evaluates the fair value of MSRs, and decreases in fair value below amortized cost reduce earnings in the period in which the decrease occurs.

The preparation of Fifth Third's financial statements requires the use of estimates that may vary from actual results.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make significant estimates that affect the financial statements. See the "Critical Accounting Policies" section of the MD&A for more information regarding management's significant estimates. Additionally, Fifth Third's litigation reserve is a management estimate which is regularly reviewed for accuracy.

Fifth Third regularly reviews its litigation reserve for adequacy considering its litigation and regulatory investigation risks and probability of incurring losses related to litigation and regulatory investigations. However, Fifth Third cannot be certain that its current litigation reserves will be adequate over time to cover its losses in litigation or regulatory proceedings due to higher than anticipated settlement costs, prolonged litigation, adverse judgments, or other factors that are largely outside of Fifth Third's control. If Fifth Third's litigation reserves are not adequate, Fifth Third's business, financial condition, including its liquidity and capital, and results of operations could be materially adversely affected. Additionally, in the future, Fifth Third may increase its litigation reserves, which could have a material adverse effect on its capital and results of operations. In addition, if a material change to a reserve amount is made to reflect new information, such a change could result in a change to previously announced financial results.

Changes in accounting standards or interpretations could impact Fifth Third's reported earnings and financial condition.

The accounting standard setters, including the FASB, the SEC and other regulatory agencies, periodically change the financial accounting and reporting standards that govern the preparation of Fifth Third's consolidated financial statements. These changes can be hard to predict and can materially impact how Fifth Third records and reports its financial condition and results of operations. In some cases, Fifth Third could be required to apply a new or revised standard retroactively, which would result in the recasting of Fifth Third's prior period financial statements.

Future acquisitions may dilute current shareholders' ownership of Fifth Third and may cause Fifth Third to become more susceptible to adverse economic events.

Future business acquisitions could be material to Fifth Third and it may issue additional shares of stock to pay for those acquisitions, which would dilute current shareholders' ownership interests. Acquisitions also could require Fifth Third to use substantial cash or other liquid assets or to incur debt. In those events, Fifth Third could become more susceptible to economic downturns and competitive pressures.

Difficulties in combining the operations of acquired entities with Fifth Third's own operations may prevent Fifth Third from achieving the expected benefits from its acquisitions.

Inherent uncertainties exist when integrating the operations of an acquired entity. Fifth Third may not be able to fully achieve its strategic objectives and planned operating efficiencies in an acquisition. In addition, the markets and industries in which Fifth Third and its potential acquisition targets operate are highly competitive. Fifth Third may lose customers or the customers of acquired entities as a result of an acquisition. Future acquisition and integration activities may require Fifth Third to devote substantial time and resources and as a result Fifth Third may not be able to pursue other business opportunities.

After completing an acquisition, Fifth Third may find certain items are not accounted for properly in accordance with financial accounting and reporting standards. Fifth Third may also not realize the expected benefits of the acquisition due to lower financial results pertaining to the acquired entity. For example, Fifth Third could experience higher charge-offs than originally anticipated related to the acquired loan portfolio.

Fifth Third may sell or consider selling one or more of its businesses. Should it determine to sell such a business, it may not be able to generate gains on sale or related increase in shareholders' equity commensurate with desirable levels. Moreover, if Fifth Third sold such businesses, the loss of income could have an adverse effect on its earnings and future growth.

Fifth Third owns several non-strategic businesses that are not significantly synergistic with its core financial services businesses. Fifth Third has, from time to time, considered the sale of such businesses. If it were to determine to sell such businesses, Fifth Third would be subject to market forces that may make completion of a sale unsuccessful or may not be able to do so within a desirable time frame. If Fifth Third were to complete the sale of non-core businesses, it would suffer the loss of income from the sold businesses, and such loss of income could have an adverse effect on its future earnings and growth.

Fifth Third relies on its systems and certain service providers, and certain failures could materially adversely affect operations.

Fifth Third collects, processes and stores sensitive consumer data by utilizing computer systems and telecommunications networks operated by both Fifth Third and third party service providers. Fifth Third has security, backup and recovery systems in place, as well as a business continuity plan to ensure the system will not be inoperable. Fifth Third also has security to prevent unauthorized access to the system. In addition, Fifth Third requires its third party service providers to maintain similar controls. However, Fifth Third cannot be certain that the measures will be successful. A security breach in the system and loss of confidential information such as credit card numbers and related information could result in losing the customers' confidence and thus the loss of their business as well as additional significant costs for privacy monitoring activities.

Fifth Third's necessary dependence upon automated systems to record and process its transaction volume poses the risk that technical system flaws or employee errors, tampering or manipulation of those systems will result in losses and may be difficult to detect. Fifth Third may also be subject to disruptions of its operating systems arising from events that are beyond its control (for example, computer viruses or electrical or telecommunications outages). Fifth Third is further exposed to the risk that its third party service providers may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors as Fifth Third). These disruptions may interfere with service to Fifth Third's customers and result in a financial loss or liability.

Fifth Third is exposed to cyber-security risks, including denial of service, hacking, and identity theft.

There has been a well-publicized series of apparently related distributed denial of service attacks on large financial services companies, including Fifth Third Bank. Distributed denial of service attacks are designed to saturate the targeted online network with excessive amounts of network traffic, resulting in slow response times, or in some cases, causing the site to be temporarily unavailable. To date these attacks have not been intended to steal financial data, but meant to interrupt or suspend a company's Internet service. These events did not result in a breach of Fifth Third's client data and account information remained secure; however, the attacks did adversely affect the performance of Fifth Third's website and in some instances prevented customers from accessing Fifth Third's website. While the event was resolved in a timely fashion and primarily resulted in inconvenience to our customers, future cyber-attacks could be more disruptive and damaging. Hacking and identity theft risks, in particular, could cause serious reputational harm. Cyber threats are rapidly evolving and Fifth Third may not be able to anticipate or prevent all such attacks. Fifth Third may incur increasing costs in an effort to minimize these risks and could be held liable for any security breach or loss.

Fifth Third is exposed to operational and reputational risk.

Fifth Third is exposed to many types of operational risk, including reputational risk, legal and compliance risk, environmental risks from its properties, the risk of fraud or theft by employees, customers or outsiders, unauthorized transactions by employees, operating system disruptions or operational errors.

Negative public opinion can result from Fifth Third's actual or alleged conduct in activities, such as lending practices, data security, corporate governance and acquisitions, and may damage Fifth Third's reputation. Additionally, actions taken by government regulators and community organizations may also damage Fifth Third's reputation. This negative public opinion can adversely affect Fifth Third's ability to attract and keep customers and can expose it to litigation and regulatory action.

The results of Vantiv Holding, LLC could have a negative impact on Fifth Third's operating results and financial condition.

In 2009, Fifth Third sold an approximate 51% interest in its processing business, Vantiv Holding, LLC (formerly Fifth Third Processing Solutions). As a result of additional share sales completed by Fifth Third in 2012 and 2013, the Bancorp's current ownership share in Vantiv Holding, LLC is approximately 25%. Vantiv Holding, LLC is accounted for under the equity method and is not consolidated based on Fifth Third's remaining ownership share in Vantiv Holding, LLC. Vantiv Holding, LLC's operating results could be poor or favorable and could disproportionately affect the operating results of Fifth Third. In addition, Fifth Third participates in a multi-lender credit facility to Vantiv Holding, LLC and repayment of these loans is contingent on future cash flows from Vantiv Holding, LLC.

Weather related events or other natural disasters may have an effect on the performance of Fifth Third's loan portfolios, especially in its coastal markets, thereby adversely impacting its results of operations.

Fifth Third's footprint stretches from the upper Midwestern to lower Southeastern regions of the United States. This area has experienced weather events including hurricanes and other natural disasters. The nature and level of these events and the impact of global climate change upon their frequency and severity cannot be

predicted. If large scale events occur, they may significantly impact its loan portfolios by damaging properties pledged as collateral as well as impairing its borrowers' ability to repay their loans.

RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT

As a regulated entity, the Bancorp is subject to certain capital requirements that may limit its operations and potential growth.

The Bancorp is a bank holding company and a financial holding company. As such, it is subject to the comprehensive, consolidated supervision and regulation of the FRB, including risk-based and leverage capital requirements. The Bancorp must maintain certain risk-based and leverage capital ratios as required by the FRB which can change depending upon general economic conditions and the Bancorp's particular condition, risk profile and growth plans. Compliance with the capital requirements, including leverage ratios, may limit operations that require the intensive use of capital and could adversely affect the Bancorp's ability to expand or maintain present business levels.

In June 2012, Federal banking agencies proposed enhancements to the regulatory capital requirements for U.S. banking organizations, which implemented aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier 1 common equity ratio. In July 2013, the Federal banking agencies issued final rules for the enhanced regulatory capital requirements, which included modifications to the proposed rules. The final rules provide the option for certain banking organizations, including the Bancorp, to opt out of including AOCI in Tier 1 capital and retain the treatment of residential mortgage exposures consistent with the current Basel I capital rules. The new capital rules are effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain components and other provisions. The need to maintain more and higher quality capital as well as greater liquidity going forward could limit our business activities, including lending, and our ability to expand, either organically or through acquisitions. In addition, the new liquidity standards could require us to increase our holdings of highly liquid short-term investments, thereby reducing our ability to invest in longer-term assets even if more desirable from a balance sheet management perspective. Moreover, although these new requirements are being phased in over time, U.S. Federal banking agencies have been taking into account expectations regarding the ability of banks to meet these new requirements, including under stressed conditions, in approving actions that represent uses of capital, such as dividend increases and share repurchases.

The Bancorp's banking subsidiary must remain well-capitalized, well-managed and maintain at least a "Satisfactory" CRA rating for the Bancorp to retain its status as a financial holding company. Failure to meet these requirements could result in the FRB placing limitations or conditions on the Bancorp's activities (and the commencement of new activities) and could ultimately result in the loss of financial holding company status. In addition, failure by the Bancorp's banking subsidiary to meet applicable capital guidelines could subject the bank to a variety of enforcement remedies available to the federal regulatory authorities. These include limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC.

Fifth Third's business, financial condition and results of operations could be adversely affected by new or changed regulations and by the manner in which such regulations are applied by regulatory authorities.

Current economic conditions, particularly in the financial markets, have resulted in government regulatory agencies placing increased focus on and scrutiny of the financial services industry. The U.S. government has intervened on an unprecedented scale, responding to what has been commonly referred to as the financial crisis, by introducing various actions and passing legislation such as the Dodd-Frank Act. Such programs and legislation subject Fifth Third and other financial institutions to restrictions, oversight and/or costs that may have an impact on Fifth Third's business, financial condition, results of operations or the price of its common stock.

New proposals for legislation and regulations continue to be introduced that could further substantially increase regulation of the financial services industry. Fifth Third cannot predict whether any pending or future legislation will be adopted or the substance and impact of any such new legislation on Fifth Third. Additional regulation could affect Fifth Third in a substantial way and could have an adverse effect on its business, financial condition and results of operations.

On November 21, 2013, the OCC and FDIC separately issued guidance on deposit advance loans. The guidance establishes numerous expectations for institutions that offer such products. It covers matters such as consumer eligibility, capital adequacy, fees, compliance, management oversight, and third-party relationships. Fifth Third's deposit advance product was designed to fully comply with all applicable federal and state laws. However, given industry developments, Fifth Third determined to cease enrolling customers in its deposit advance product as of January 31, 2014 and will phase out its service to existing deposit advance customers by December 31, 2014.

Fifth Third is subject to various regulatory requirements that may limit its operations and potential growth.

Under federal and state laws and regulations pertaining to the safety and soundness of insured depository institutions and their holding companies, the FRB, the FDIC, the CFPB and the Ohio Division of Financial Institutions have the authority to compel or restrict certain actions by Fifth Third and its banking subsidiary. Fifth Third and its banking subsidiary are subject to such supervisory authority and, more generally, must, in certain instances, obtain prior regulatory approval before engaging in certain activities or corporate decisions. There can be no assurance that such approvals, if required, would be forthcoming or that such approvals would be granted in a timely manner. Failure to receive any such approval, if required, could limit or impair Fifth Third's operations, restrict its growth and/or affect its dividend policy. Such actions and activities subject to prior approval include, but are not limited to, increasing dividends paid by Fifth Third or its banking subsidiary, entering into a merger or acquisition transaction, acquiring or establishing new branches, and entering into certain new businesses.

In addition, Fifth Third, as well as other financial institutions more generally, have recently been subjected to increased scrutiny from regulatory authorities stemming from broader systemic regulatory concerns, including with respect to stress testing, capital levels, asset quality, provisioning and other prudential matters, arising as a result of the recent financial crisis and efforts to ensure that financial institutions take steps to improve their risk management and prevent future crises.

In some cases, regulatory agencies may take supervisory actions that may not be publicly disclosed, which restrict or limit a financial institution. Finally, as part of Fifth Third's regular examination process, Fifth Third's and its banking subsidiary's respective regulators may advise it and its banking subsidiary to operate under various restrictions as a prudential matter. Such supervisory actions

or restrictions, if and in whatever manner imposed, could have a material adverse effect on Fifth Third's business and results of operations and may not be publicly disclosed.

Fifth Third and/or its affiliates are or may become involved from time to time in information-gathering requests, investigations and proceedings by various governmental regulatory agencies and law enforcement authorities, as well as self-regulatory agencies which may lead to adverse consequences.

Fifth Third and/or its affiliates are or may become involved from time to time in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by governmental regulatory agencies and law enforcement authorities, as well as self-regulatory agencies, including the SEC, regarding their respective businesses. Such matters may result in material adverse consequences, including without limitation, adverse judgments, settlements, fines, penalties, injunctions or other actions, amendments and/or restatements of Fifth Third's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in its disclosure controls and procedures.

Deposit insurance premiums levied against Fifth Third Bank may increase if the number of bank failures increase or the cost of resolving failed banks increases.

The FDIC maintains a DIF to protect insured depositors in the event of bank failures. The DIF is funded by fees assessed on insured depository institutions including Fifth Third Bank. The magnitude and cost of resolving an increased number of bank failures have reduced the DIF. Future deposit premiums paid by Fifth Third Bank depend on the level of the DIF and the magnitude and cost of future bank failures. Fifth Third Bank also may be required to pay significantly higher FDIC premiums because market developments have significantly depleted the DIF of the FDIC and reduced the ratio of reserves to insured deposits.

Legislative or regulatory compliance, changes or actions or significant litigation, could adversely impact Fifth Third or the businesses in which Fifth Third is engaged.

Fifth Third is subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of its operations and limit the businesses in which Fifth Third may engage. These laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance funds. The impact of any changes to laws and regulations or other actions by regulatory agencies may negatively impact Fifth Third or its ability to increase the value of its business. Additionally, actions by regulatory agencies or significant litigation against Fifth Third could cause it to devote significant time and resources to defending itself and may lead to penalties that materially affect Fifth Third and its shareholders. Future changes in the laws, including tax laws, or regulations or their interpretations or enforcement may also be materially adverse to Fifth Third and its shareholders or may require Fifth Third to expend significant time and resources to comply with such requirements.

On July 21, 2010 the President of the United States signed into law the Dodd-Frank Act. Many parts of the Dodd-Frank Act are now in effect, while others are in an implementation stage likely to continue for several years. A number of reform provisions are likely to significantly impact the ways in which banks and bank holding companies, including Fifth Third and its bank subsidiary, conduct their business:

- The CFPB has been given authority to regulate consumer financial products and services sold by banks and non-bank companies and to supervise banks with assets of more than $10 billion and their affiliates for compliance with Federal consumer protection laws. Any new regulatory requirements promulgated by the CFPB could require changes to our consumer businesses, result in increased compliance costs and affect the streams of revenue of such businesses. The FSOC has been charged with identifying systemic risks, promoting stronger financial regulation and identifying those non-bank companies that are systemically important and thus should be subject to regulation by the Federal Reserve.

- The Dodd-Frank Act "Volcker Rule" provisions and implementing final rule generally prohibit any banking entity from (i) engaging in short-term proprietary trading for its own account and (ii) sponsoring or acquiring ownership interests in private equity or hedge funds. The Volcker Rule, however, contains a number of exceptions to these prohibitions. For example, transactions on behalf of customers or in connection with certain underwriting and market making activities, as well as risk-mitigating hedging activities and certain foreign banking activities are permitted. The risk-mitigating hedging exemption applies to hedging activities that are designed to reduce or significantly mitigate specific, identifiable risks of individual or aggregated positions. Fifth Third is required to conduct an analysis supporting its hedging strategy and the effectiveness of hedges must be monitored and recalibrated as necessary. Fifth Third will be required to document, contemporaneously with the transaction, the hedging rationale for certain transactions that present heighted compliance risks. Under the market-making exemption, a trading desk is required to routinely stand ready to purchase and sell one or more types of financial instruments. The trading desk's inventory in these types of financial instruments has to be designed not to exceed, on an ongoing basis, the reasonably expected near-term demands of customers.

- The Volcker Rule and the rulemakings promulgated thereunder restrict banks and their affiliated entities from investing in or sponsoring certain private equity and hedge funds. Fifth Third does not sponsor any private equity or hedge funds that it is prohibited from sponsoring. As of December 31, 2013, the Bancorp had approximately $181 million in interests and approximately $80 million in binding commitments to invest in private equity funds likely to be affected by the Volcker rule. It is expected that over time the Bancorp may need to eliminate these investments although it is likely that these investments will be reduced over time in the ordinary course before compliance is required. Fifth Third expects to be able to hold these investments until July 2015 with no restriction, and be eligible to obtain up to two one-year extension periods, subject to regulatory approvals. A forced sale of some of these investments could result in Fifth Third receiving less value than it would otherwise have received.

Table of Contents

- The FDIC and the Federal Reserve adopted a final rule that requires bank holding companies that have $50 billion or more in assets, like Fifth Third, to periodically submit to the Federal Reserve, the FDIC and the FSOC a plan discussing how the company could be resolved in a rapid and orderly fashion if the company were to fail or experience material financial distress. In a related rulemaking, the FDIC adopted a final rule that requires insured depository institutions with $50 billion or more in assets, like Fifth Third, to annually prepare and submit a resolution plan to the FDIC, which would include, among other things, an analysis of how the institution could be resolved under the Federal Deposit Insurance Act, as amended (the "FDIA") in a manner that protects depositors and limits losses or costs to creditors of the bank. Initial plans for Fifth Third and its bank subsidiary have been submitted, in accordance with the final regulatory rules, for review by the FDIC, the Federal Reserve, and the FSOC. The Federal Reserve and the FDIC may jointly impose restrictions on Fifth Third or its bank subsidiary, including additional capital requirements or limitations on growth, if the agencies determine that the institution's plan is not credible or would not facilitate a rapid and orderly resolution of Fifth Third under the U.S. Bankruptcy Code, or Fifth Third Bank under the FDIA, and additionally could require Fifth Third to divest assets or take other actions if it did not submit an acceptable resolution within two years after any such restrictions were imposed.

- Title VII of Dodd-Frank imposes a new regulatory regime on the U.S. derivatives markets. While some of the provisions related to derivatives markets went into effect on July 16, 2011, most of the new requirements await final regulations from the relevant regulatory agencies for derivatives, the Commodities Futures Trading Commission ("CFTC") and the SEC. One aspect of this new regulatory regime for derivatives is that substantial oversight responsibility has been provided to the CFTC, which, as a result, will for the first time have a meaningful supervisory role with respect to some of our businesses. Although the ultimate impact will depend on the final regulations, Fifth Third expects that its derivatives business will likely be subject to new substantive requirements, including registration with the CFTC, margin requirements in excess of current market practice, capital requirements specific to this business, real time trade reporting and robust record keeping requirements, business conduct requirements (including daily valuations, disclosure of material risks associated with swaps and disclosure of material incentives and conflicts of interest), and mandatory clearing and exchange trading of all standardized swaps designated by the relevant regulatory agencies as required to be cleared. These requirements will collectively impose implementation and ongoing compliance burdens on Fifth Third and will introduce additional legal risk (including as a result of newly applicable antifraud and anti-manipulation provisions and private rights of action). Depending on the final rules that relate to Fifth Third's swaps businesses, the nature and extent of those businesses may change.

- Financial institutions may be required, regardless of risk, to pay taxes or other fees to the U.S. Treasury. Such taxes or other fees could be designed to reimburse the U.S. Treasury for the many government programs and initiatives it has taken or may undertake as part of its economic stimulus efforts. The Department of Treasury issued an interim final rule in 2012 to establish an assessment schedule for the collection of fees from bank holding companies with at least $50 billion in assets and foreign banks with at least $50 billion in assets in the U.S. to cover the expenses of the Office of Financial Research and FSOC. In August 2013, the FRB also adopted a final rule to implement an assessment provision under the Dodd-Frank Act equal to the expense the FRB estimates are necessary or appropriate to supervise and regulate bank holding companies with $50 billion or more in assets.

- On July 31, 2013, the U.S. District Court for the District of Columbia issued an order granting summary judgment to the plaintiffs in a case challenging certain provisions of the FRB's rule concerning electronic debit card transaction fees and network exclusivity arrangements that were adopted to implement Section 1075 of the Dodd-Frank Act, known as the Durbin Amendment. The Court held that, in adopting the Current Rule, the FRB violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore, the Current Rule's maximum permissible fees were too high. In addition, the Court held that the Current Rule's network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the Current Rule, but stayed its ruling to provide the FRB an opportunity to replace invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge would likely be reduced, thereby negatively affecting the Bancorp's financial performance.

It is clear that the reforms, both under the Dodd-Frank Act and otherwise, will have a significant effect on the entire financial industry. Although it is difficult to predict the magnitude and extent of these effects at this stage, Fifth Third believes compliance with the Dodd-Frank Act and its implementing regulations and other initiatives will likely negatively impact revenue and increase the cost of doing business, both in terms of transition expenses and on an ongoing basis, and may also limit Fifth Third's ability to pursue certain desirable business opportunities. Any new regulatory requirements or changes to existing requirements could require changes to Fifth Third's businesses, result in increased compliance costs and affect the profitability of such businesses. Additionally, reform could affect the behaviors of third parties that we deal with

in the course of our business, such as rating agencies, insurance companies and investors. The extent to which Fifth Third can adjust its strategies to offset such adverse impacts also is not known at this time.

Fifth Third and/or its affiliates are or may become the subject of litigation which could result in legal liability and damage to Fifth Third's reputation.

Fifth Third and certain of its directors and officers have been named from time to time as defendants in various class actions and other litigation relating to Fifth Third's business and activities. Past, present and future litigation have included or could include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. These matters could result in material adverse judgments, settlements, fines, penalties, injunctions or other relief, amendments and/or restatements of Fifth Third's SEC filings and/or financial statements, as applicable and/or determinations of material weaknesses in its disclosure controls and procedures. Like other large financial institutions and companies, Fifth Third is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of confidential information. Substantial legal liability or significant regulatory action against Fifth Third could materially adversely affect its business, financial condition or results of operations and/or cause significant reputational harm to its business.

Fifth Third's ability to pay or increase dividends on its common stock or to repurchase its capital stock is restricted.

Fifth Third's ability to pay dividends or repurchase stock is subject to regulatory requirements and the need to meet regulatory expectations. Fifth Third is subject to an annual assessment by the FRB as part of CCAR. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The capital plan must reflect the revised capital framework that the FRB adopted in connection with the implementation of the Basel III accord, including the framework's minimum regulatory capital ratios and transition arrangements. Fifth Third's stress testing results and 2014 capital plan were submitted to the FRB on January 6, 2014.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB will review the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5 percent under baseline and stressful conditions throughout a nine-quarter planning horizon.

STATEMENTS OF INCOME ANALYSIS

Net Interest Income

Net interest income is the interest earned on securities, loans and leases (including yield-related fees) and other interest-earning assets less the interest paid for core deposits (includes transaction deposits and other time deposits) and wholesale funding (includes certificates of deposit $100,000 and over, other deposits, federal funds purchased, short-term borrowings and long-term debt). The net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest rate spread is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin is typically greater than net interest rate spread due to the interest income earned on those assets that are funded by noninterest-bearing liabilities, or free funding, such as demand deposits or shareholders' equity.

Table 5 presents the components of net interest income, net interest margin and net interest rate spread for the years ended December 31, 2013, 2012 and 2011. Nonaccrual loans and leases and loans held for sale have been included in the average loan and lease balances. Average outstanding securities balances are based on amortized cost with any unrealized gains or losses on available-for-sale securities included in other assets. Table 6 provides the relative impact of changes in the balance sheet and changes in interest rates on net interest income.

Net interest income was $3.6 billion for the years ended December 31, 2013 and 2012. Included within net interest income are amounts related to the amortization and accretion of premiums and discounts on acquired loans and deposits, primarily as a result of acquisitions in previous years, which increased net interest income by $17 million during 2013 and $31 million during 2012. The original purchase accounting discounts reflected the high discount rates in the market at the time of the acquisitions; the total loan discounts are being accreted into net interest income over the remaining period to maturity of the loans acquired. Based upon the remaining period to maturity, and excluding the impact of prepayments, the Bancorp anticipates recognizing approximately $5 million in additional net interest income during 2014 as a result of the amortization and accretion of premiums and discounts on acquired loans and deposits.

For the year ended December 31, 2013, net interest income was negatively impacted by a 36 bps decline in yields on the Bancorp's interest-earning assets compared to the year ended December 31, 2012. The decrease in yields on interest earning assets was partially offset by an increase in average loans and leases of $4.3 billion as well as a decrease in interest expense compared to the prior year. The decrease in interest expense was primarily the result of a 59 bps decrease in the rate paid on average long-term debt coupled with a $1.1 billion decrease in average long-term debt for the year ended December 31, 2013 compared to the year ended December 31, 2012. For the year ended December 31, 2013, the net interest rate spread decreased to 3.15% from 3.35% in 2012 as the benefit of the decreases in rates on interest-bearing liabilities was more than offset by a decrease in yield on average interest-earning assets.

Net interest margin was 3.32% for the year ended December 31, 2013 compared to 3.55% for the year ended December 31, 2012. Net interest margin was impacted by the amortization and accretion of premiums and discounts on acquired loans and deposits that resulted in an increase in net interest margin of 2 bps during 2013 compared to 3 bps during 2012. Exclusive of these amounts, net interest margin decreased 22 bps for the year ended December 31, 2013 compared to the prior year driven primarily by the previously mentioned decline in the yield on average interest-earning assets coupled with an increase in average interest-earning assets, partially offset by a decrease in interest expense primarily related to long-term debt.

Interest income from loans and leases decreased $126 million, or four percent, compared to the year ended December 31, 2012 primarily due to a decrease of 34 bps in yields on average loans and leases partially offset by an increase of five percent in average loans and leases for the year ended December 31, 2013 compared to 2012. The increase in average loans and leases for the year ended December 31, 2013 was driven primarily by an increase of 15% in average commercial and industrial loans and an increase of eight percent in average residential mortgage loans compared to the year ended December 31, 2012. For more information on the Bancorp's loan and lease portfolio, see the Loans and Leases section of the Balance Sheet Analysis of the MD&A. In addition, interest income from investment securities and other short-term investments decreased $6 million, or one percent, compared to the year ended 2012 primarily due to a 29 bps decrease in the average yield on taxable securities partially offset by an increase of $1.1 billion in average taxable securities.

Average core deposits increased $4.3 billion, or five percent, compared to the year ended December 31, 2012 primarily due to an increase in average money market deposits and average demand deposits partially offset by a decrease in average savings deposits. The cost of interest bearing core deposits decreased to 27 bps for the year ended December 31, 2013 from 31 bps for the year ended December 31, 2012. This decrease was primarily the result of a mix shift to lower cost interest bearing core deposits as a result of run-off of higher priced CDs combined with decreases of 5 bps in the rate paid on average savings deposits and a decrease of 26 bps on average other time deposits compared to the year ended December 31, 2012.

Interest expense on average wholesale funding for the year ended December 31, 2013 decreased $83 million, or 24%, compared to the prior year, primarily due to a decrease in the rates paid on average long-term debt of 59 bps for the year ended December 31, 2013 compared to 2012 coupled with a decrease of $1.1 billion in average long-term debt. The reduction in higher cost long-term debt was primarily the result of the full year impact of the redemption of outstanding TruPS and FHLB debt in the second half of 2012. In the third quarter of 2012, the Bancorp redeemed $1.4 billion of outstanding TruPS which had a 7.25% distribution rate. Additionally, in the fourth quarter of 2012, the Bancorp terminated $1.0 billion of FHLB debt with a fixed rate of 4.56%. These decreases were partially offset by the issuance of $1.3 billion of unsecured senior bank notes in the first quarter of 2013. Refer to the Borrowings section of MD&A for additional information on the Bancorp's changes in average borrowings. During the years ended December 31, 2013 and 2012, wholesale funding represented 24% of interest-bearing liabilities. For more information on the Bancorp's interest rate risk management, including estimated earnings sensitivity to changes in market interest rates, see the Market Risk Management section of MD&A.

TABLE 5: CONSOLIDATED AVERAGE BALANCE SHEET AND ANALYSIS OF NET INTEREST INCOME

For the years ended December 31	**2013**			2012			2011		
($ in millions)	Average Balance	Revenue/ Cost	Average Yield/ Rate	Average Balance	Revenue/ Cost	Average Yield/ Rate	Average Balance	Revenue/ Cost	Average Yield/ Rate
Assets									
Interest-earning assets:									
Loans and leases: *(a)*									
Commercial and industrial loans	**$ 37,770**	**$ 1,361**	**3.60%**	$ 32,911	$ 1,349	4.10%	$ 28,546	$ 1,240	4.34%
Commercial mortgage	**8,481**	**306**	**3.60**	9,686	369	3.81	10,447	417	3.99
Commercial construction	**793**	**27**	**3.45**	835	25	2.99	1,740	53	3.06
Commercial leases	**3,565**	**116**	**3.26**	3,502	127	3.62	3,341	133	3.99
Subtotal – commercial	**50,609**	**1,810**	**3.58**	46,934	1,870	3.98	44,074	1,843	4.18
Residential mortgage loans	**14,428**	**564**	**3.91**	13,370	543	4.06	11,318	503	4.45
Home equity	**9,554**	**355**	**3.71**	10,369	393	3.79	11,077	433	3.91
Automobile loans	**12,021**	**373**	**3.10**	11,849	439	3.70	11,352	530	4.67
Credit card	**2,121**	**209**	**9.87**	1,960	192	9.79	1,864	184	9.86
Other consumer loans/leases	**360**	**155**	**42.93**	340	155	45.32	529	136	25.77
Subtotal – consumer	**38,484**	**1,656**	**4.30**	37,888	1,722	4.54	36,140	1,786	4.94
Total loans and leases	**89,093**	**3,466**	**3.89**	84,822	3,592	4.23	80,214	3,629	4.52
Securities:									
Taxable	**16,395**	**518**	**3.16**	15,262	527	3.45	15,334	596	3.89
Exempt from income taxes *(a)*	**49**	**3**	**5.29**	57	2	3.29	103	6	5.41
Other short-term investments	**2,417**	**6**	**0.26**	1,495	4	0.26	2,031	5	0.25
Total interest-earning assets	**107,954**	**3,993**	**3.70**	101,636	4,125	4.06	97,682	4,236	4.34
Cash and due from banks	**2,482**			2,355			2,352		
Other assets	**15,053**			15,695			15,335		
Allowance for loan and lease losses	**(1,757)**			(2,072)			(2,703)		
Total assets	**$ 123,732**			$ 117,614			$ 112,666		
Liabilities and Equity									
Interest-bearing liabilities:									
Interest checking	**$ 23,582**	**$ 53**	**0.23%**	$ 23,096	$ 49	0.22%	$ 18,707	$ 49	0.26%
Savings	**18,440**	**22**	**0.12**	21,393	37	0.17	21,652	67	0.31
Money market	**9,467**	**23**	**0.25**	4,903	11	0.22	5,154	14	0.27
Foreign office deposits	**1,501**	**4**	**0.28**	1,528	4	0.27	3,490	10	0.28
Other time deposits	**3,760**	**50**	**1.33**	4,306	68	1.59	6,260	140	2.23
Certificates - $100,000 and over	**6,339**	**50**	**0.78**	3,102	46	1.48	3,656	72	1.97
Other deposits	**17**	**-**	**0.11**	27	-	0.13	7	-	0.03
Federal funds purchased	**503**	**1**	**0.12**	560	1	0.14	345	-	0.11
Other short-term borrowings	**3,024**	**5**	**0.18**	4,246	8	0.18	2,777	3	0.12
Long-term debt	**7,914**	**204**	**2.58**	9,043	288	3.17	10,154	306	3.01
Total interest-bearing liabilities	**74,547**	**412**	**0.55**	72,204	512	0.71	72,202	661	0.92
Demand deposits	**29,925**			27,196			23,389		
Other liabilities	**4,917**			4,462			4,189		
Total liabilities	**109,389**			103,862			99,780		
Total equity	**14,343**			13,752			12,886		
Total liabilities and equity	**$ 123,732**			$ 117,614			$ 112,666		
Net interest income		**$ 3,581**			$ 3,613			$ 3,575	
Net interest margin			**3.32%**			3.55%			3.66%
Net interest rate spread			**3.15**			3.35			3.42
Interest-bearing liabilities to interest-earning assets			**69.05**			71.04			73.92

(a) The FTE adjustments included in the above table are ***$20*** *for the year ended* ***December 31, 2013*** *and $18 for the years ended 2012 and 2011. The federal statutory rate utilized was 35% for all periods presented.*

Table of Contents

TABLE 6: CHANGES IN NET INTEREST INCOME ATTRIBUTABLE TO VOLUME AND YIELD/RATE(a)

For the years ended December 31	**2013 Compared to 2012**			2012 Compared to 2011		
($ in millions)	Volume	Yield/Rate	Total	Volume	Yield/Rate	Total
Assets						
Interest-earning assets:						
Loans and leases:						
Commercial and industrial loans	$ **187**	**(175)**	**12**	$ 180	(71)	109
Commercial mortgage	**(44)**	**(19)**	**(63)**	(30)	(18)	(48)
Commercial construction	**(2)**	**4**	**2**	(27)	(1)	(28)
Commercial leases	**2**	**(13)**	**(11)**	7	(13)	(6)
Subtotal – commercial loans and leases	**143**	**(203)**	**(60)**	130	(103)	27
Residential mortgage loans	**42**	**(21)**	**21**	87	(47)	40
Home equity	**(31)**	**(7)**	**(38)**	(27)	(13)	(40)
Automobile loans	**6**	**(72)**	**(66)**	23	(114)	(91)
Credit card	**15**	**2**	**17**	9	(1)	8
Other consumer loans/leases	**8**	**(8)**	**-**	(59)	78	19
Subtotal – consumer loans and leases	**40**	**(106)**	**(66)**	33	(97)	(64)
Total loans and leases	**183**	**(309)**	**(126)**	163	(200)	(37)
Securities:						
Taxable	**38**	**(47)**	**(9)**	(2)	(67)	(69)
Exempt from income taxes	**1**	**-**	**1**	(2)	(2)	(4)
Other short-term investments	**2**	**-**	**2**	(1)	-	(1)
Subtotal – securities and other short-term investments	**41**	**(47)**	**(6)**	(5)	(69)	(74)
Total change in interest income	$ **224**	**(356)**	**(132)**	$ 158	(269)	(111)
Liabilities						
Interest-bearing liabilities:						
Interest checking	$ **-**	**4**	**4**	$ 9	(9)	-
Savings	**(4)**	**(11)**	**(15)**	-	(30)	(30)
Money market	**11**	**1**	**12**	(1)	(2)	(3)
Foreign office deposits	**-**	**-**	**-**	(6)	-	(6)
Other time deposits	**(8)**	**(10)**	**(18)**	(38)	(34)	(72)
Certificates - $100,000 and over	**33**	**(29)**	**4**	(10)	(16)	(26)
Federal funds purchased	**-**	**-**	**-**	1	-	1
Other short-term borrowings	**(3)**	**-**	**(3)**	3	2	5
Long-term debt	**(34)**	**(50)**	**(84)**	(34)	16	(18)
Total change in interest expense	**(5)**	**(95)**	**(100)**	(76)	(73)	(149)
Total change in net interest income	$ **229**	**(261)**	**(32)**	$ 234	(196)	38

(a) Changes in interest not solely due to volume or yield/rate are allocated in proportion to the absolute dollar amount of change in volume and yield/rate.

Provision for Loan and Lease Losses

The Bancorp provides as an expense an amount for probable loan and lease losses within the loan and lease portfolio that is based on factors previously discussed in the Critical Accounting Policies section. The provision is recorded to bring the ALLL to a level deemed appropriate by the Bancorp to cover losses inherent in the portfolio. Actual credit losses on loans and leases are charged against the ALLL. The amount of loans actually removed from the Consolidated Balance Sheets is referred to as charge-offs. Net charge-offs include current period charge-offs less recoveries on previously charged-off loans and leases.

The provision for loan and lease losses decreased to $229 million in 2013 compared to $303 million in 2012. The decrease in provision expense for 2013 compared to the prior year was due to decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases, and improvement in underlying loss trends. The ALLL declined $272 million from $1.9 billion at December 31, 2012 to $1.6 billion at December 31, 2013. As of December 31, 2013, the ALLL as a percent of portfolio loans and leases decreased to 1.79%, compared to 2.16% at December 31, 2012.

Refer to the Credit Risk Management section of the MD&A as well as Note 6 of the Notes to Consolidated Financial Statements for more detailed information on the provision for loan and lease losses, including an analysis of loan portfolio composition, nonperforming assets, net charge-offs, and other factors considered by the Bancorp in assessing the credit quality of the loan and lease portfolio and the ALLL.

Table of Contents

Noninterest Income

Noninterest income increased $228 million, or eight percent, for the year ended December 31, 2013 compared to the year ended December 31, 2012. The components of noninterest income are as follows:

TABLE 7: NONINTEREST INCOME

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Mortgage banking net revenue	$	700	845	597	647	553
Service charges on deposits		549	522	520	574	632
Corporate banking revenue		400	413	350	364	372
Investment advisory revenue		393	374	375	361	326
Card and processing revenue		272	253	308	316	615
Gain on sale of the processing business		-	-	-	-	1,758
Other noninterest income		879	574	250	406	479
Securities gains (losses), net		21	15	46	47	(10)
Securities gains, net, non-qualifying hedges on mortgage servicing rights		13	3	9	14	57
Total noninterest income	$	3,227	2,999	2,455	2,729	4,782

Mortgage banking net revenue

Mortgage banking net revenue decreased $145 million, or 17%, in 2013 compared to 2012. The components of mortgage banking net revenue are as follows:

TABLE 8: COMPONENTS OF MORTGAGE BANKING NET REVENUE

For the years ended December 31 ($ in millions)		2013	2012	2011
Origination fees and gains on loan sales	$	453	821	396
Net mortgage servicing revenue:				
Gross mortgage servicing fees		251	250	234
Mortgage servicing rights amortization		(166)	(186)	(135)
Net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge MSR		162	(40)	102
Net mortgage servicing revenue		247	24	201
Mortgage banking net revenue	$	700	845	597

Origination fees and gains on loan sales decreased $368 million in 2013 compared to 2012 primarily as the result of a decrease in profit margins on sold residential mortgage loans coupled with an 11% decrease in residential mortgage loan originations. Residential mortgage loan originations decreased to $22.3 billion in 2013 from $25.2 billion in 2012. The decrease in originations is primarily due to a decrease in refinancing activity during the second half of 2013 as mortgage rates continued to rise and fewer borrowers were able to achieve savings by refinancing their mortgages.

Net servicing revenue is comprised of gross servicing fees and related servicing rights amortization as well as valuation adjustments on MSRs and mark-to-market adjustments on both settled and outstanding free-standing derivative financial instruments used to economically hedge the MSR portfolio. Net servicing revenue increased $223 million in 2013 compared to 2012 driven primarily by increases of $202 million in net valuation adjustments. Additionally, servicing rights amortization decreased by $20 million in 2013 compared to 2012 driven by lower prepayments due to an increase in interest rates in 2013 compared to 2012.

The net valuation adjustment gain of $162 million during 2013 included a recovery of temporary impairment of $192 million on MSRs partially offset by $30 million in losses from derivatives economically hedging the MSRs. The net valuation adjustment loss of $40 million during 2012 included $103 million of temporary impairment on the MSRs partially offset by $63 million in gains from derivatives economically hedging the MSRs. Servicing rights are deemed impaired when a borrower's loan rate is distinctly higher than prevailing rates. Impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower's loan rate. Mortgage rates increased during 2013 which caused modeled prepayments speeds to slow, and led to the recovery of temporary impairment on servicing rights during the year. Mortgage rates decreased in 2012 causing modeled prepayment speeds to increase, which led to the temporary impairment on servicing rights in 2012. Further detail on the valuation of MSRs can be found in Note 11 of the Notes to Consolidated Financial Statements. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the valuation on the MSR portfolio. See Note 12 of the Notes to Consolidated Financial Statements for more information on the free-standing derivatives used to economically hedge the MSR portfolio.

In addition to the derivative positions used to economically hedge the MSR portfolio, the Bancorp acquires various securities as a component of its non-qualifying hedging strategy. The Bancorp recognized net gains of $13 million and $3 million during the years ended 2013 and 2012, respectively, recorded in securities gains, net, non-qualifying hedges on mortgage servicing rights in the Bancorp's Consolidated Statement of Income.

The Bancorp's total residential loans serviced as of December 31, 2013 and 2012 was $82.7 billion and $77.3 billion, respectively, with $69.2 billion and $62.5 billion, respectively, of residential mortgage loans serviced for others.

Service charges on deposits

Service charges on deposits increased $27 million in 2013 compared to 2012. Commercial deposit revenue increased $17 million in 2013 compared to 2012 primarily due to increased treasury management fees as a result of pricing changes implemented in the third quarter of 2012 and the third quarter of 2013 and the acquisition of new customers. Consumer deposit revenue increased $10 million due to an increase in consumer checking fees due to new deposit product

offerings partially offset by the elimination of daily overdraft fees on continuing consumer overdraft positions which took effect in the second quarter of 2012.

Corporate banking revenue

Corporate banking revenue decreased $13 million in 2013 compared to 2012. The decrease from the prior year was primarily the result of a decrease in lease remarketing fees partially offset by an increase in syndication fees. The decline in lease remarketing fees was driven by a $9 million write-down of equipment value on an operating lease during the fourth quarter of 2013.

Investment advisory revenue

Investment advisory revenue increased $19 million in 2013 compared to 2012. The increase was primarily due to an increase of $17 million in securities and brokerage fees due to strong production and an increase in equity and bond market values coupled with an increase of $15 million in private client service fees, partially offset by a decrease in mutual fund fees. Due to the sale of certain funds by ClearArc Capital, Inc., formerly Fifth Third Asset Management, during the third quarter of 2012, mutual fund fees decreased $13 million in 2013 compared to 2012. The Bancorp had approximately $302 billion and $308 billion in total assets under care as of December 31, 2013 and December 31, 2012, respectively, and managed $27 billion in assets for individuals, corporations and not-for-profit organizations as of December 31, 2013 and 2012.

Card and processing revenue

Card and processing revenue increased $19 million in 2013 compared to 2012. The increase was primarily the result of higher transaction volumes. Debit card interchange revenue, included in card and processing revenue, was $122 million and $119 million for the years ended December 31, 2013 and 2012, respectively.

Other noninterest income

The major components of other noninterest income are as follows:

TABLE 9: COMPONENTS OF OTHER NONINTEREST INCOME

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Gain on sale of Vantiv, Inc. shares and Vantiv, Inc. IPO	$	**336**	272	-
Valuation adjustments on the warrant and put options associated with Vantiv Holding, LLC		**206**	67	39
Equity method income from interest in Vantiv Holding, LLC		**77**	61	57
Operating lease income		**75**	60	58
BOLI income		**52**	35	41
Cardholder fees		**47**	46	41
Banking center income		**34**	32	27
Consumer loan and lease fees		**27**	27	31
Insurance income		**25**	28	28
Gain on loan sales		**3**	20	37
TSA revenue		**1**	1	21
Loss on OREO		**(26)**	(57)	(71)
Loss on swap associated with the sale of Visa, Inc. class B shares		**(31)**	(45)	(83)
Other, net		**53**	27	24
Total other noninterest income	$	**879**	574	250

Other noninterest income increased $305 million in 2013 compared to 2012. The positive valuation adjustments on the stock warrant associated with Vantiv Holding, LLC increased $139 million in 2013 compared to 2012. In addition, gains of $242 million and $85 million on the sale of Vantiv, Inc. shares were recorded in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO recorded in the first quarter of 2012 and a $157 million gain from the sale of Vantiv, Inc. shares during the fourth quarter of 2012. The Bancorp recognized a gain of $9 million associated with a tax receivable agreement with Vantiv, Inc. in the fourth quarter of 2013. The equity method earnings from the Bancorp's interest in Vantiv Holding, LLC increased $16 million from 2012.

BOLI income increased $17 million in 2013 compared to 2012 primarily due to a $10 million settlement in the second quarter of 2013 related to a previously surrendered BOLI policy. The loss on OREO decreased $31 million from 2012 due to a decrease in OREO balances year over year and a decrease in losses on commercial real estate in 2013 relating to fair value adjustments on OREO. Additionally, the Bancorp recognized $31 million and $45 million in negative valuation adjustments related to the Visa total return swap for the years ended December 31, 2013 and 2012, respectively. For additional information on the valuation of the swap associated with the sale of Visa, Inc. Class B shares and the valuation of the warrant and put options associated with the sale of Vantiv Holding, LLC, see Note 27 of the Notes to Consolidated Financial Statements.

The "other" caption increased $26 million for the year ended 2013 compared to 2012. The increase was primarily due to a decrease in lower of cost or market adjustments associated with the bank premises as the Bancorp recorded $6 million in lower of cost or market adjustments in 2013 compared to $21 million in 2012. Additionally, in response to the issuance of the Volcker Rule, the Bancorp recognized $4 million of OTTI on certain investments in private equity funds in 2013.

TABLE 10: NONINTEREST EXPENSE

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Salaries, wages and incentives	$	**1,581**	1,607	1,478	1,430	1,339
Employee benefits		**357**	371	330	314	311
Net occupancy expense		**307**	302	305	298	308
Technology and communications		**204**	196	188	189	181
Card and processing expense		**134**	121	120	108	193
Equipment expense		**114**	110	113	122	123
Other noninterest expense		**1,264**	1,374	1,224	1,394	1,371
Total noninterest expense	$	**3,961**	4,081	3,758	3,855	3,826
Efficiency ratio		**58.2 %**	61.7	62.3	60.7	46.9

Noninterest Expense

Total noninterest expense decreased $120 million, or three percent, in 2013 compared to 2012 primarily due to a decrease in total personnel costs (salaries, wages and incentives plus employee benefits) and other noninterest expense. Total personnel costs decreased $40 million, or two percent, in 2013 compared to 2012 primarily due to a decrease in incentive compensation driven by the mortgage business due to lower production levels in 2013, a decrease in base compensation, and a decrease in the number of full time equivalent employees from 2012. Full time equivalent employees totaled 19,446 at December 31, 2013 compared to 20,798 at December 31, 2012.

The major components of other noninterest expense are as follows:

TABLE 11: COMPONENTS OF OTHER NONINTEREST EXPENSE

For the years ended December 31 ($ in millions)		2013	2012	2011
Losses and adjustments	$	**221**	187	129
Loan and lease		**158**	183	195
FDIC insurance and other taxes		**127**	114	201
Marketing		**114**	128	115
Impairment of affordable housing investments		**108**	90	85
Professional service fees		**76**	56	58
Operating lease		**57**	43	41
Travel		**54**	52	52
Postal and courier		**48**	48	49
Data processing		**42**	40	29
Recruitment and education		**26**	28	31
Insurance		**17**	18	25
OREO expense		**16**	21	34
Supplies		**16**	17	18
Intangible asset amortization		**8**	13	22
Loss (gain) on debt extinguishment		**8**	169	(8)
Benefit from the reserve for unfunded commitments and letters of credit		**(17)**	(2)	(46)
Other, net		**185**	169	194
Total other noninterest expense	$	**1,264**	1,374	1,224

Total other noninterest expense decreased $110 million, or eight percent, in 2013 compared to 2012 primarily due to a decline in debt extinguishment costs, decreases in loan and lease expenses and an increase in the benefit from the reserve for unfunded commitments and letters of credit, partially offset by increases in losses and adjustments and FDIC insurance and other taxes.

Debt extinguishment costs decreased $161 million in 2013 compared to 2012. During the fourth quarter of 2013, the Bancorp incurred $8 million of debt extinguishment costs associated with the redemption of outstanding TruPS issued by Fifth Third Capital Trust IV. During the third quarter of 2012, the Bancorp incurred $26 million of debt extinguishment costs associated with the redemption of the outstanding TruPS issued by Fifth Third Capital Trust V and Fifth Third Capital Trust VI. In addition, during the fourth quarter of 2012, the Bancorp incurred $134 million of debt extinguishment costs associated with the termination of $1 billion of FHLB debt. Loan and lease expenses decreased $25 million in 2013 compared to 2012 primarily due to a decrease in legal costs related to OREO and a decrease in loan closing fees due to a decline in mortgage originations. The benefit from the reserve for unfunded commitments and letters of credit was $17 million and $2 million in 2013 and 2012, respectively. The increase in the benefit recognized reflects a decrease in estimated loss rates related to unfunded commitments and letters of credit due to improved credit trends partially offset by an increase in unfunded commitments for which the Bancorp holds reserves.

Losses and adjustments increased $34 million in 2013 compared to 2012 primarily due to an increase in litigation expense partially offset by a decrease in representation and warranty expense. Litigation expense increased $127 million in 2013 compared to 2012 due to increased litigation and regulatory activity. The provision for representation and warranty claims decreased $92 million in 2013 compared to 2012 due to the Bancorp recording significant additions to the reserve in 2012 as the result of additional information obtained from FHLMC regarding their file selection criteria which enabled the Bancorp to better estimate the losses that were probable on loans sold to FHLMC with representation and warranty provisions. In addition, 2013 included a decrease in the representation and warranty reserve due to improving underlying repurchase metrics and the settlement with FHLMC.

Additionally, FDIC insurance and other taxes increased $13 million in 2013 compared to 2012 primarily due to a $23 million

reduction in other taxes in the first quarter of 2012 from an agreement reached on certain disputes for non-income tax related assessments.

The Bancorp continues to focus on efficiency initiatives as part of its core emphasis on operating leverage and expense control. The efficiency ratio (noninterest expense divided by the sum of net interest income (FTE) and noninterest income) was 58.2% for 2013 compared to 61.7% in 2012.

Applicable Income Taxes

Applicable income tax expense for all periods includes the benefit from tax-exempt income, tax-advantaged investments, certain gains on sales of leveraged leases that are exempt from federal taxation, and tax credits, partially offset by the effect of certain nondeductible expenses. The tax credits are associated with the Low-Income Housing Tax Credit program established under Section 42 of the IRC, the New Markets Tax Credit program established under Section 45D of the IRC, the Rehabilitation Investment Tax Credit program established under Section 47 of the IRC, and the Qualified Zone Academy Bond program established under Section 1397E of the IRC.

The effective tax rates for the years ended December 31, 2013 and December 31, 2012 were primarily impacted by $155 million and $149 million, respectively, in tax credits, $9 million and $19 million, respectively, of non-cash charges relating to previously recognized tax benefits associated with stock-based compensation that were not realized, and $27 million and $46 million, respectively, of tax-exempt income, which includes net interest income on tax-exempt investments, income on life insurance policies held by the Bancorp, and certain gains on the sale of leases that are exempt from federal taxation.

As required under U.S. GAAP, the Bancorp established a deferred tax asset for stock-based awards granted to its employees. When the actual tax deduction for these stock-based awards is less than the expense previously recognized for financial reporting or when the awards expire unexercised, the Bancorp is required to write-off the deferred tax asset previously established for these stock-based awards. As a result of the expiration of certain stock options and SARs and the lapse of restrictions on certain shares of restricted stock during the year ended December 31, 2013, the Bancorp recorded additional income tax expense of approximately $9 million related to the write-off of a portion of the deferred tax asset previously established.

As a result of the Bancorp's stock price at December 31, 2013, the Bancorp does not believe it will need to recognize a material non-cash charge to income tax expense over the next twelve months related to stock-based awards. However, the Bancorp cannot predict its stock price or whether its employees will exercise other stock-based awards with lower exercise prices in the future. Therefore, it is possible the Bancorp may need to recognize a non-cash charge to income tax expense in the future.

The Bancorp's income before income taxes, applicable income tax expense and effective tax rate are as follows:

TABLE 12: APPLICABLE INCOME TAXES

For the years ended December 31 ($ in millions)	**2013**	2012	2011	2010	2009
Income before income taxes	$ **2,598**	2,210	1,831	940	767
Applicable income tax expense	**772**	636	533	187	30
Effective tax rate	**29.7 %**	28.8	29.1	19.8	3.9

Table of Contents

BUSINESS SEGMENT REVIEW

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Additional detailed financial information on each business segment is included in Note 30 of the Notes to Consolidated Financial Statements. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices or businesses change.

The Bancorp manages interest rate risk centrally at the corporate level and employs a FTP methodology at the business segment level. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan and deposit products. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2013 to reflect the current market rates and updated duration assumptions. These rates were generally higher than those in place during 2012, thus net interest income for deposit providing businesses was positively impacted during 2013.

The business segments are charged provision expense based on the actual net charge-offs experienced on the loans and leases owned by each segment. Provision expense attributable to loan and lease growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

Net income by business segment is summarized in the following table:

TABLE 13: BUSINESS SEGMENT NET INCOME AVAILABLE TO COMMON SHAREHOLDERS

For the years ended December 31 ($ in millions)		2013	2012	2011
Income Statement Data				
Commercial Banking	$	**766**	694	441
Branch Banking		**255**	186	190
Consumer Lending		**183**	223	56
Investment Advisors		**68**	43	24
General Corporate & Other		**554**	428	587
Net income		**1,826**	1,574	1,298
Less: Net income attributable to noncontrolling interests		**(10)**	(2)	1
Net income attributable to Bancorp		**1,836**	1,576	1,297
Dividends on preferred stock		**37**	35	203
Net income available to common shareholders	$	**1,799**	1,541	1,094

Table of Contents

Commercial Banking

Commercial Banking offers credit intermediation, cash management and financial services to large and middle-market businesses and government and professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance.

The following table contains selected financial data for the Commercial Banking segment:

TABLE 14: COMMERCIAL BANKING

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income Statement Data				
Net interest income (FTE)*(a)*	$	**1,507**	1,449	1,374
Provision for loan and lease losses		**187**	223	490
Noninterest income:				
Corporate banking revenue		**386**	395	332
Service charges on deposits		**242**	225	207
Other noninterest income		**152**	117	102
Noninterest expense:				
Salaries, incentives and benefits		**273**	268	240
Other noninterest expense		**870**	838	833
Income before taxes		**957**	857	452
Applicable income tax expense*(a)(b)*		**191**	163	11
Net income	$	**766**	694	441
Average Balance Sheet Data				
Commercial loans, including held for sale	$	**45,035**	41,364	38,384
Demand deposits		**15,255**	15,046	13,130
Interest checking		**6,908**	7,613	7,901
Savings and money market		**4,284**	2,669	2,776
Other time and certificates - $100,000 and over		**1,299**	1,793	1,778
Foreign office deposits and other deposits		**1,467**	1,282	1,581

*(a) Includes FTE adjustments of **$20** for the year ended **December 31, 2013** and $17 for the years ended December 31, 2012 and 2011.*

(b) Applicable income tax expense for all periods includes the tax benefit from tax-exempt income and business tax credits, partially offset by the effect of certain nondeductible expenses. Refer to the Applicable Income Taxes section of the MD&A for additional information.

Comparison of 2013 with 2012

Net income was $766 million for the year ended December 31, 2013, compared to net income of $694 million for the year ended December 31, 2012. The increase in net income was primarily driven by increases in net interest income and noninterest income and a decrease in the provision for loan and lease losses, partially offset by higher noninterest expense.

Net interest income increased $58 million primarily due to an increase in interest income related to an increase in average commercial and industrial portfolio loans, a decrease in the FTP charges on loans and an increase in FTP credits due to an increase in savings and money market deposits, partially offset by a decrease in yields of 29 bps on average commercial loans and a decrease in average commercial mortgage portfolio loans.

Provision for loan and lease losses decreased $36 million from 2012 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 42 bps for 2013 compared to 54 bps for 2012.

Noninterest income increased $43 million from 2012 to 2013, due to increases in service charges on deposits and other noninterest income, partially offset by a decrease in corporate banking revenue. Service charges on deposits increased $17 million from 2012 primarily driven by commercial deposit revenue which increased due to fee repricing and the acquisition of new customers. The increase in other noninterest income was primarily due to decreases in negative valuation adjustments on OREO, increases in operating lease income, and decreases in negative valuation adjustments on loans held for sale, partially offset by decreases in gains on loan sales. The decrease in corporate banking revenue was primarily driven by a decrease in lease remarketing and letter of credit fees, partially offset by increases in syndication, business lending and foreign exchange fees.

Noninterest expense increased $37 million from the prior year as a result of increases in salaries, incentives and benefits and other noninterest expense. The increase in salaries, incentives and benefits of $5 million was primarily the result of an increase in base compensation primarily driven by improved production levels. The increase from 2012 to 2013 in other noninterest expense was driven by increases in both impairment on affordable housing investments and operating lease expense. These increases were partially offset by a decrease in loan and lease expense, primarily due to a decrease in legal costs related to OREO, and a decrease in corporate overhead allocations.

Average commercial loans increased $3.7 billion compared to the prior year primarily due to an increase in average commercial and industrial loans, partially offset by a decrease in average commercial mortgage loans. Average commercial and industrial portfolio loans increased $4.8 billion as a result of an increase in new origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Average commercial mortgage portfolio loans decreased $1.1 billion due to continued run-off as the level of new originations was less than the repayments of the existing portfolio.

Average core deposits increased $1.3 billion compared to 2012. The increase was primarily driven by strong growth in savings and money market deposits, which increased $1.6 billion, and demand deposits, which increased $209 million, compared to the prior year, partially offset by a decrease in interest checking deposits of $705 million.

Comparison of 2012 with 2011

Net income was $694 million for the year ended December 31, 2012, compared to net income of $441 million for the year ended December 31, 2011. The increase in net income was primarily driven by a decrease in the provision for loan and lease losses and increases in noninterest income and net interest income, partially offset by higher noninterest expense.

Net interest income increased $75 million primarily due to an increase in interest income related to an increase in average commercial and industrial portfolio loans and a decrease in the FTP charges on loans, partially offset by a decrease in yields of 12 bps on average commercial loans. Provision for loan and lease losses decreased $267 million from 2011 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 54 bps for 2012 compared to 128 bps for 2011.

Noninterest income increased $96 million from 2011 to 2012, due to increases in corporate banking revenue, service charges on deposits and other noninterest income. The increase in corporate banking revenue was primarily driven by increases in syndication fees, business lending fees, lease remarketing fees and institutional sales. Service charges on deposits increased from 2011 primarily due to new customer relationships. The increase in other noninterest income was primarily due to a decrease in net losses and valuation adjustments recognized on the sale of loans and OREO.

Noninterest expense increased $33 million from 2011 as a result of increases in salaries, incentives and benefits and other noninterest expense. The increase in salaries, incentives and benefits of $28 million was primarily the result of increased base and incentive compensation due to improved production levels. The increase from 2011 to 2012 in other noninterest expense was due to higher corporate overhead allocations as a result of strategic growth initiatives, partially offset by a decrease in loan and lease expenses and recognized derivative credit losses.

Average commercial loans increased $3.0 billion compared to the prior year. Average commercial and industrial loans increased $4.5 billion from 2011 as a result of an increase in new loan origination activity, partially offset by decreases in average commercial mortgage and construction loans. Average commercial mortgage loans decreased $827 million and average commercial construction loans decreased $836 million due to continued run-off as the level of new originations was below the level of repayments on the current portfolio.

Average core deposits increased $1.2 billion compared to 2011. The increase was primarily driven by strong growth in demand deposit accounts, which increased $1.9 billion compared to the prior year. The increase in demand deposit accounts was partially offset by decreases in interest-bearing deposits of $698 million as customers opted to maintain their balances in more liquid accounts due to interest rates remaining near historical lows.

Branch Banking

Branch Banking provides a full range of deposit and loan and lease products to individuals and small businesses through 1,320 full-service Banking Centers. Branch Banking offers depository and loan products, such as checking and savings accounts, home equity loans and lines of credit, credit cards and loans for automobiles and other personal financing needs, as well as products designed to meet the specific needs of small businesses, including cash management services.

The following table contains selected financial data for the Branch Banking segment:

TABLE 15: BRANCH BANKING

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income Statement Data				
Net interest income	$	**1,461**	1,362	1,423
Provision for loan and lease losses		**217**	294	393
Noninterest income:				
Service charges on deposits		**304**	294	309
Card and processing revenue		**291**	279	305
Investment advisory revenue		**148**	129	117
Other noninterest income		**111**	110	106
Noninterest expense:				
Salaries, incentives and benefits		**584**	573	581
Net occupancy and equipment expense		**243**	241	235
Card and processing expense		**126**	115	114
Other noninterest expense		**752**	663	645
Income before taxes		**393**	288	292
Applicable income tax expense		**138**	102	102
Net income	$	**255**	186	190
Average Balance Sheet Data				
Consumer loans, including held for sale	$	**15,223**	14,926	14,151
Commercial loans, including held for sale		**4,534**	4,569	4,621
Demand deposits		**12,611**	10,087	8,408
Interest checking		**9,028**	9,262	8,086
Savings and money market		**22,813**	22,729	22,241
Other time and certificates - $100,000 and over		**4,712**	5,389	7,778

Comparison of 2013 with 2012

Net income was $255 million for the year ended December 31, 2013, compared to net income of $186 million for the year ended December 31, 2012. The increase in net income of $69 million was driven by an increase in net interest income and noninterest income and a decline in the provision for loan and lease losses, partially offset by an increase in noninterest expense.

Table of Contents

Net interest income increased $99 million compared to the prior year primarily driven by an increase in the FTP credits due to an increase in savings and money market and interest checking deposits, a decrease in the FTP charges on loans and leases, a decline in interest expense on core deposits due to favorable shifts from certificates of deposit to lower cost transaction deposits and an increase in average consumer loans and leases. These increases to net interest income were partially offset by lower yields on average commercial loans.

Provision for loan and lease losses for 2013 decreased $77 million compared to the prior year as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 110 bps for 2013 compared to 151 bps for 2012.

Noninterest income increased $42 million compared to the prior year. The increase was primarily driven by increases in investment advisory revenue, card and processing revenue and service charges on deposits. Investment advisory revenue increased $19 million from 2012 primarily due to increased securities and brokerage fees due to an increase in equity and bond market values. Card and processing revenue increased $12 million compared to the prior year due to higher transaction volumes, higher levels of consumer spending and the benefit of new products. Service charges on deposits increased $10 million from 2012 primarily due to an increase in account maintenance fees due to the full year impact of new deposit product offerings.

Noninterest expense increased $113 million compared to the prior year, primarily driven by increases in salaries, incentives and benefits, card and processing expense and other noninterest expense. Salaries, incentives and benefits increased compared to the prior year primarily due to an increase in bonus and incentive compensation associated with improved securities and brokerage revenue. Card and processing expense increased from 2012 due primarily to increases in debit and credit card transaction volumes, consumer spending, fraud insurance costs and credit card rewards expense. The increase in other noninterest expense was primarily due to increases in corporate overhead allocations during 2013 compared to 2012.

Average consumer loans increased $297 million in 2013 primarily due to increases in average residential mortgage portfolio loans of $942 million compared to the prior year as a result of continued retention of certain shorter term residential mortgage loans. In addition, average credit card loans increased due to increases in average balances per account and the volume of new customers. These increases were partially offset by decreases in average home equity portfolio loans of $743 million from 2012 as payoffs exceeded new loan production.

Average core deposits increased $1.8 billion compared to the prior year as the growth in demand deposits due to excess customer liquidity and a continued low interest rate environment was partially offset by the run-off of higher priced other time deposits.

Comparison of 2012 with 2011

Net income decreased $4 million compared to 2011, driven by a decrease in net interest income and noninterest income and an increase in noninterest expense, partially offset by a decline in the provision for loan and lease losses. Net interest income decreased $61 million compared to 2011 primarily driven by decreases in the FTP credits for checking and savings products and lower yields on average commercial and consumer loans. These decreases were partially offset by higher consumer loan balances and a decline in interest expense on core deposits due to favorable shifts from certificates of deposit to lower cost transaction and savings products.

Provision for loan and lease losses for 2012 decreased $99 million compared to 2011 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 151 bps for 2012 compared to 210 bps for 2011. The decrease was primarily due to decreases in home equity net charge-offs as a result of improvements in several key markets. In addition, net charge-offs were positively impacted by lower commercial net charge-offs due to improved delinquency trends, aggressive line management, and stabilization in unemployment levels.

Noninterest income decreased $25 million compared to 2011. The decrease was primarily driven by lower card and processing revenue, which declined $26 million from 2011 due to the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011, partially offset by higher debit and credit card transaction volumes and the impact of the Bancorp's initial mitigation activity, and allocated commission revenue associated with merchant sales. Service charges on deposits declined $15 million primarily due to the elimination of daily overdraft fees on continuing customer overdraft positions in the second quarter of 2012. These decreases were partially offset by a $12 million increase in investment advisory revenue due to increased amounts from revenue sharing agreements between investment advisors and branch banking.

Noninterest expense increased $17 million, primarily driven by increases in other noninterest expense due to an increase in allocated costs related to higher merchant sales and corporate overhead allocations as a result of strategic growth initiatives, partially offset by a decrease in FDIC insurance expense.

Average consumer loans increased $775 million in 2012 primarily due to increases in average residential mortgage portfolio loans of $1.3 billion due to the retention of certain shorter-term originated mortgage loans. The increases in average residential mortgage portfolio loans was partially offset by decreases in average home equity portfolio loans of $560 million as payoffs exceeded new loan production. Average core deposits increased $1.4 billion compared to 2011 as the growth in transaction accounts due to excess customer liquidity and historically low interest rates outpaced the runoff of higher priced other time deposits.

Consumer Lending

Consumer Lending includes the Bancorp's mortgage, home equity, automobile and other indirect lending activities. Mortgage and home equity lending activities include the origination, retention and servicing of mortgage and home equity loans or lines of credit, sales and securitizations of those loans, pools of loans or lines of credit, and all associated hedging activities. Indirect lending activities include loans to consumers through mortgage brokers and automobile dealers.

Table of Contents

The following table contains selected financial data for the Consumer Lending segment:

TABLE 16: CONSUMER LENDING

For the years ended December 31 ($ in millions)		2013	2012	2011
Income Statement Data				
Net interest income	$	**312**	314	343
Provision for loan and lease losses		**92**	176	261
Noninterest income:				
Mortgage banking net revenue		**687**	830	585
Other noninterest income		**61**	46	45
Noninterest expense:				
Salaries, incentives and benefits		**215**	231	183
Other noninterest expense		**470**	439	443
Income before taxes		**283**	344	86
Applicable income tax expense		**100**	121	30
Net income	$	**183**	223	56
Average Balance Sheet Data				
Residential mortgage loans, including held for sale	$	**10,222**	10,143	9,348
Home equity		**560**	643	730
Automobile loans, including held for sale		**11,409**	11,191	10,665
Other consumer loans and leases		**16**	30	156

Comparison of 2013 with 2012

Net income was $183 million in 2013 compared to net income of $223 million in 2012. The decrease was driven by a decrease in noninterest income and an increase in noninterest expense, partially offset by a decline in the provision for loan and lease losses.

Net interest income decreased $2 million from 2012 due primarily to lower yields on average residential mortgage and automobile loans, partially offset by a decrease in FTP charges on loans and leases and increases in average residential mortgage and average automobile loans.

The provision for loan and lease losses decreased $84 million compared to the prior year as delinquency metrics and underlying loss trends improved across all consumer loan types. Net charge-offs as a percent of average loans and leases decreased to 46 bps for 2013 compared to 88 bps for 2012.

Noninterest income decreased $128 million from 2012 primarily due to a decrease in mortgage banking net revenue of $143 million, partially offset by an increase in other noninterest income of $15 million. The decrease in mortgage banking net revenue was primarily due to a decrease in gains on loan sales of $368 million as a result of a decrease in profit margins on sold residential mortgage loans coupled with a decrease in residential mortgage loan originations, partially offset by a $223 million increase in net residential mortgage servicing revenue. The increase in net residential mortgage servicing revenue was driven by an increase of $202 million in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs and a decrease of $20 million in servicing rights amortization. The increase in other noninterest income was primarily due to a $12 million increase in securities gains and a $7 million decline in losses on the sale of OREO.

Noninterest expense increased $15 million driven by an increase of $31 million in other noninterest expense, partially offset by a decrease of $16 million in salaries, incentives and benefits compared to the prior year. The increase in other noninterest expense was primarily due to higher litigation expense and an increase in corporate overhead allocations, partially offset by a decrease in loan and lease expense due to lower appraisal costs. The decrease in salaries, incentives and benefits was due to a decline in incentive compensation driven primarily by a decline in originations during 2013 compared to 2012, partially offset by an increase in deferred compensation for 2013 compared to 2012.

Average consumer loans and leases increased $200 million from the prior year. Average residential mortgage loans, including held for sale, increased $79 million for 2013 compared to 2012 due to strong refinancing activity that occurred in the first half of 2013. Average automobile loans increased $218 million for the current year compared to the prior year due to an increase in originations primarily driven by modest improvement in general economic conditions and a continued low interest rate environment. Average home equity portfolio loans decreased $83 million for 2013 compared to 2012 as payoffs exceeded new loan production. Average other consumer loans and leases decreased $14 million in the current year resulting from a decrease in average consumer leases due to run-off as the Bancorp discontinued automobile leasing in 2008, partially offset by an increase in average other consumer loans.

Comparison of 2012 with 2011

Net income was $223 million in 2012 compared to net income of $56 million in 2011. The increase was driven by an increase in noninterest income and a decline in the provision for loan and lease losses, partially offset by an increase in noninterest expense and a decrease in net interest income. Net interest income decreased $29 million due to lower yields on average residential mortgage and automobile loans, partially offset by increases in average residential mortgage and average automobile loans and favorable decreases in the FTP charge applied to the segment.

Provision for loan and lease losses decreased $85 million compared to 2011 as delinquency metrics and underlying loss trends improved across all consumer loan types. Net charge-offs as a percent of average loans and leases decreased to 88 bps for 2012 compared to 134 bps for 2011.

Noninterest income increased $246 million primarily due to increases in mortgage banking net revenue of $245 million driven by an increase in gains on residential mortgage loan sales of $424 million due to an increase in profit margins on sold loans coupled with higher origination volumes. This increase was partially offset by a decrease in net residential mortgage servicing revenue of $178 million, primarily driven by a decrease of $142 million in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs.

Table of Contents

Noninterest expense increased $44 million driven by salaries, incentives and benefits which increased $48 million primarily as a result of higher mortgage loan originations.

Average consumer loans and leases increased $1.1 billion from 2011. Average automobile loans increased $526 million due to a strategic focus to increase automobile lending throughout 2011 and 2012 through consistent and competitive pricing, disciplined sales execution, and enhanced customer service with our dealership network. Average residential mortgage loans increased $795 million as a result of higher origination volumes. Average home equity loans decreased $87 million due to continued runoff in the discontinued brokered home equity product. Average consumer leases decreased $126 million due to runoff as the Bancorp discontinued this product in the fourth quarter of 2008.

Investment Advisors

Investment Advisors provides a full range of investment alternatives for individuals, companies and not-for-profit organizations. Investment Advisors is made up of four main businesses: FTS, an indirect wholly-owned subsidiary of the Bancorp; ClearArc Capital, Inc. (formerly FTAM), an indirect wholly-owned subsidiary of the Bancorp; Fifth Third Private Bank; and Fifth Third Institutional Services. FTS offers full service retail brokerage services to individual clients and broker dealer services to the institutional marketplace. ClearArc Capital, Inc. provides asset management services and previously advised the Bancorp's proprietary family of mutual funds. Fifth Third Private Bank offers holistic strategies to affluent clients in wealth planning, investing, insurance and wealth protection. Fifth Third Institutional Services provides advisory services for institutional clients including states and municipalities.

The following table contains selected financial data for the Investment Advisors segment:

TABLE 17: INVESTMENT ADVISORS

For the years ended December 31 ($ in millions)		2013	2012	2011
Income Statement Data				
Net interest income	$	**154**	117	113
Provision for loan and lease losses		**2**	10	27
Noninterest income:				
Investment advisory revenue		**384**	366	364
Other noninterest income		**22**	30	9
Noninterest expense:				
Salaries, incentives and benefits		**159**	161	164
Other noninterest expense		**294**	276	257
Income before taxes		**105**	66	38
Applicable income tax expense		**37**	23	14
Net income	$	**68**	43	24
Average Balance Sheet Data				
Loans and leases	$	**2,014**	1,877	2,037
Core deposits		**8,815**	7,709	6,798

Comparison of 2013 with 2012

Net income was $68 million in 2013 compared to net income of $43 million for 2012. The increase in net income was primarily due to increases in net interest income and noninterest income and a decrease in the provision for loan and lease losses, partially offset by an increase in noninterest expense.

Net interest income increased $37 million from 2012 due to an increase in FTP credits resulting from an increase in interest checking deposits.

Provision for loan and lease losses decreased $8 million from the prior year. Net charge-offs as a percent of average loans and leases decreased to 9 bps compared to 53 bps for the prior year reflecting improved credit trends during 2013.

Noninterest income increased $10 million compared to 2012 due to an increase in investment advisory revenue, partially offset a decrease in other noninterest income. The increase in investment advisory revenue was primarily driven by increases in securities and brokerage fees and private client service fees due to strong production and an increase in equity and bond market values. The decrease in other noninterest income was due to a decrease in gains on sales of held for sale loans and the impact of the gain on the sale of certain FTAM funds in the third quarter of 2012.

Noninterest expense increased $16 million compared to 2012 due to an increase in other noninterest expense primarily driven by increases in corporate allocations and fraud losses.

Average loans and leases increased $137 million compared to the prior year primarily driven by increases in average residential mortgage, average other consumer and average commercial and industrial loans, partially offset by a decrease in average commercial mortgage loans. Average core deposits increased $1.1 billion compared to 2012 due to growth in interest checking as customers have opted to maintain excess funds in liquid transaction accounts as a result of the low interest rate environment.

Comparison of 2012 with 2011

Net income increased $19 million compared to 2011 primarily due to an increase in noninterest income and a decrease in the provision for loan and lease losses, partially offset by an increase in noninterest expense. Net interest income increased $4 million from 2011 due to a decrease in interest expense on core deposits and favorable decreases in the FTP charge applied to the segment, partially offset by a decline in average loan and lease balances and declines in yields of 27 bps on loans and leases.

Provision for loan and lease losses decreased $17 million from 2011. Net charge-offs as a percent of average loans and leases decreased to 53 bps compared to 132 bps for 2011 reflecting improved credit trends during 2012.

Noninterest income increased $23 million compared to 2011 primarily due to increases in other noninterest income. The increase in other noninterest income was primarily driven by the $13 million

gain on the sale of certain funds previously mentioned and an increase in gains on the sale of loans of $5 million.

Noninterest expense increased $16 million compared to 2011 due to increases in other noninterest expense primarily driven by an increase in corporate allocations.

Average loans and leases decreased $160 million compared to 2011. The decrease was primarily driven by declines in home equity loans of $55 million, commercial mortgage loans of $45 million and commercial and industrial loans of $30 million. Average core deposits increased $911 million compared to 2011 due to growth in interest checking as customers have opted to maintain excess funds in liquid transaction accounts as a result of interest rates remaining near historic lows, partially offset by account migration from foreign office deposits.

General Corporate and Other

General Corporate and Other includes the unallocated portion of the investment securities portfolio, securities gains and losses, certain non-core deposit funding, unassigned equity, provision expense in excess of net charge-offs or a benefit from the reduction of the ALLL, representation and warranty expense in excess of actual losses or a benefit from the reduction of representation and warranty reserves, the payment of preferred stock dividends and certain support activities and other items not attributed to the business segments.

Comparison of 2013 with 2012

Results for 2013 and 2012 were impacted by a benefit of $269 million and $400 million, respectively, due to reductions in the ALLL. The decrease in provision expense was primarily due to a decrease in nonperforming loans and leases and improvements in delinquency metrics and underlying loss trends. Net interest income decreased from $370 million in 2012 to $147 million for 2013 primarily due to a decrease in FTP charges partially offset by a decrease in interest expense on long-term debt. Noninterest income increased $278 million compared to the prior year primarily due to positive valuation adjustments on the stock warrant associated with Vantiv Holding, LLC which increased $139 million in 2013 compared to 2012. In addition, gains of $242 million and $85 million were recognized on the sales of Vantiv, Inc. shares in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO and $157 million on the sale of Vantiv, Inc. shares in 2012. The Bancorp also recognized a gain of $9 million associated with a tax receivable agreement with Vantiv, Inc. in the fourth quarter of 2013. The equity method earnings from the Bancorp's interest in Vantiv Holding, LLC increased $16 million from 2012.

Noninterest expense decreased $284 million compared to 2012 due to decreases in other noninterest expense and total personnel costs. Other noninterest expense decreased due to a decrease in debt extinguishment costs, an increase in corporate overhead allocations assigned to the segments, a decrease in loan and lease expense and a decrease in losses and adjustments. Debt extinguishment costs decreased $161 million during 2013 compared to the prior year. During the fourth quarter of 2013, the Bancorp incurred $8 million of debt extinguishment costs associated with the redemption of outstanding TruPS issued by Fifth Third Capital Trust IV. During 2012, the Bancorp incurred $160 million of debt extinguishment costs associated with the redemption of certain TruPS and the termination of certain FHLB debt. Loan and lease expense decreased $72 million during 2013 compared to 2012 primarily due to a decrease in loan closing fees due to a decline in mortgage originations. Losses and adjustments decreased $17 million compared to 2012 primarily driven by a decline in the provision for representation and warranty claims partially offset by an increase in litigation expense. The provision for representation and warranty claims changed from a $49 million expense for the year ended December 31, 2012 to a benefit of $39 million for the year ended December 31, 2013 due to the Bancorp recording significant additions to the reserve in 2012 as the result of additional information obtained from FHLMC regarding their file selection criteria which enabled the Bancorp to better estimate the losses that were probable on loans sold to FHLMC with representation and warranty provisions. In addition, 2013 included a decrease in the representation and warranty reserve due to improving underlying repurchase metrics and the settlement with FHLMC. The decrease in representation and warranty expense was partially offset by a $54 million increase in litigation expense. Total personnel costs decreased $38 million from 2012 due primarily to decreases in incentive compensation and employee benefits.

Comparison of 2012 with 2011

Results for 2012 and 2011 were impacted by a benefit of $400 million and $748 million, respectively, due to reductions in the ALLL. The decrease in provision expense was driven by general improvements in credit quality and declines in net charge-offs. Net interest income increased from $321 million in 2011 to $370 million in 2012 due to a benefit in the FTP rate. The change in net income for 2012 compared to 2011 was impacted by a $157 million gain on the sale of Vantiv, Inc. shares and $115 million in gains on the initial public offering of Vantiv, Inc. In addition, the results for 2012 were impacted by dividends on preferred stock of $35 million compared to $203 million in 2011.

FOURTH QUARTER REVIEW

The Bancorp's 2013 fourth quarter net income available to common shareholders was $383 million, or $0.43 per diluted share, compared to net income available to common shareholders of $421 million, or $0.47 per diluted share, for the third quarter of 2013 and net income available to common shareholders of $390 million, or $0.43 per diluted share, for the fourth quarter of 2012. Fourth quarter 2013 earnings included a $91 million positive adjustment on the valuation of the warrant associated with the sale of Vantiv Holding, LLC, $69 million in net charges to increase litigation reserves, an $18 million charge related to the valuation of the total return swap entered into as part of the 2009 sale of Visa, Inc. Class B shares and $8 million of debt extinguishment costs associated with the redemption of TruPS issued by Fifth Third Capital Trust IV. Third quarter 2013 results included an $85 million gain on the sale of Vantiv Inc. shares, $30 million in net charges to increase litigation reserves and a $6 million positive adjustment on the valuation of the warrant associated with the sale of Vantiv Holding, LLC. Fourth quarter 2012 earnings included a $157 million gain on the sale of Vantiv Inc. shares, $134 million in debt extinguishment costs associated with the termination of $1.0 billion of FHLB borrowings and $38 million of mortgage representation and warranty provision expense primarily due to additional information obtained from FHLMC regarding future mortgage repurchase file requests. The ALLL as a percentage of portfolio loans and leases was 1.79% as of December 31, 2013, compared to 1.92% as of September 30, 2013 and 2.16% as of December 31, 2012.

Fourth quarter 2013 net interest income of $905 million increased $7 million from the third quarter of 2013 and $2 million from the same period a year ago. Interest income increased $10 million from the third quarter of 2013 primarily driven by higher balances and yields on investment securities. Interest expense increased $3 million from the third quarter of 2013 primarily driven by the issuance of $2.5 billion of long-term debt during the quarter, partially offset by the benefit from high-priced CDs that matured during the quarter. The increase in net interest income in comparison to the fourth quarter of 2012 was driven by higher average loan balances, lower long-term debt expense due to a reduction in higher cost average long-term debt and run-off of higher priced CDs, partially offset by lower yields on interest-earning assets.

Fourth quarter 2013 noninterest income of $703 million decreased $18 million compared to the third quarter of 2013 and $177 million compared to the fourth quarter of 2012. The decrease from the third quarter of 2013 was primarily due to lower corporate banking revenue and other noninterest income. The year-over year decline was primarily the result of lower mortgage banking net revenue, corporate banking revenue and other noninterest income.

Mortgage banking net revenue was $126 million in the fourth quarter of 2013, compared to $121 million in the third quarter of 2013 and $258 million in the fourth quarter of 2012. Fourth quarter 2013 originations were $2.6 billion, compared with $4.8 billion in the previous quarter and $7.0 billion in the fourth quarter of 2012. Fourth quarter 2013 originations resulted in gains of $60 million on mortgages sold, compared with gains of $74 million during the previous quarter and $239 million during the fourth quarter of 2012. The decrease from the prior quarter reflected the lower production partially offset by increased gain on sale margins, while the decrease from the prior year reflected lower production and lower gain on sale margins. Mortgage servicing fees were $63 million in both the fourth and third quarters of 2013 compared with $64 million in the fourth quarter of 2012. Mortgage banking net revenue is also affected by net servicing asset valuation adjustments, which include MSR amortization and MSR valuation adjustments, including mark-to-market adjustments on free-standing derivatives used to economically hedge the MSR portfolio. These net servicing asset valuation adjustments were positive $2 million in the fourth quarter of 2013, negative $16 million in the third quarter of 2013 and negative $45 million in the fourth quarter of 2012. Net gains on nonqualifying hedges on MSRs were zero in the fourth quarter of 2013, compared with net gains of $5 million in the third quarter of 2013 and net losses of $2 million in the fourth quarter of 2012.

Service charges on deposits of $142 million increased $2 million from the previous quarter and $8 million compared to the fourth quarter of 2012. Retail service charges were flat compared to the previous quarter and increased six percent from the fourth quarter of 2012. The year over-year increase was primarily related to the transition to the Bancorp's new and simplified deposit product offerings. Commercial service charges increased two percent from the previous quarter and six percent from a year ago primarily as a result of new customer accounts and higher treasury management fees.

Corporate banking revenue of $94 million decreased $8 million from the previous quarter and $20 million from the fourth quarter of 2012. The decrease from the third quarter of 2013 was primarily driven by lower lease remarketing fees and syndication fees, partially offset by higher institutional sales revenue, foreign exchange fees and business lending fees. The year-over-year decline was primarily driven by lower lease remarketing fees, syndication fees, derivative fees and letter of credit fees, which benefited the year-ago quarter due to higher activity in anticipation of changes to tax rules. The decline in lease remarketing fees was driven by a $9 million write-down of equipment value on an operating lease during the fourth quarter of 2013.

Investment advisory revenue of $98 million increased $1 million from the previous quarter and $5 million from the fourth quarter of 2012. The increase from the third quarter of 2013 and from the previous year was attributable to higher brokerage fees and private client services revenue reflecting strong production and market performance. These increases were partially offset by a decrease in institutional trust fees.

Card and processing revenue of $71 million increased $2 million compared to the third quarter of 2013 and $5 million from the fourth quarter of 2012. Both increases were driven by higher transaction volumes.

Other noninterest income of $170 million decreased $15 million compared to the third quarter of 2013 and $45 million from the fourth quarter of 2012. Fourth quarter 2013 results included a $91 million positive valuation adjustment on the Vantiv Holding, LLC warrant as well as $9 million in payments received pursuant to Fifth Third's tax receivable agreement with Vantiv Holding, LLC. This compares with an $85 million gain on the sale of Vantiv Inc. shares and a $6 million positive warrant valuation adjustment in the third quarter of 2013, and a $157 million gain on the sale of Vantiv Inc. shares and a $19 million negative warrant valuation adjustment in the fourth quarter of 2012. Quarterly results also included charges related to the valuation of the total return swap entered into as part of the 2009 sale of Visa, Inc. Class B shares. Negative valuation adjustments on this swap were $18 million, $2 million, and $15 million in the fourth quarter of 2013, the third quarter of 2013 and the fourth quarter of 2012, respectively.

The net gain on investment securities was $2 million in the fourth and third quarters of 2013 and the fourth quarter of 2012.

Noninterest expense of $989 million increased $30 million from the previous quarter and decreased $174 million from the fourth quarter of 2012. Fourth quarter 2013 expenses included $69 million in charges to increase litigation reserves, a $25 million benefit associated with the mortgage representation and warranty reserve, $8 million of debt extinguishment costs associated with the

redemption of Fifth Third Capital Trust IV TruPS, an $8 million contribution to Fifth Third Foundation, and $8 million in severance expense. Third quarter 2013 expenses included $30 million in charges to increase litigation reserves, $5 million in severance expense, $5 million in large bank assessment fees and a $3 million benefit associated with the mortgage representation and warranty reserve due to improving underlying purchase metrics. Fourth quarter 2012 expenses included $134 million of debt extinguishment costs associated with the termination of $1 billion of FHLB debt, $38 million of expenses associated with the mortgage representation and warranty reserve and $13 million in charges to increase litigation reserves.

Net charge-offs were $148 million in the fourth quarter of 2013, or 67 bps of average loans on an annualized basis, compared with net charge-offs of $109 million in the third quarter 2013 and $147 million in the fourth quarter 2012. During the fourth quarter of 2013, the Bancorp restructured a single large credit resulting in a charge-off of $43 million. Additionally, during the fourth quarter of 2013, the Bancorp modified its charge-off policy for home equity loans and lines of credit to assess for a charge-off when such loans have been past due 120 days if the senior lien is also 120 or more days past due. This resulted in additional home equity net charge-offs of $6 million.

TABLE 18: QUARTERLY INFORMATION (unaudited)

	2013				2012			
For the three months ended ($ in millions, except per share data)	**12/31**	**9/30**	**6/30**	**3/31**	12/31	9/30	6/30	3/31
Net interest income (FTE)	**$ 905**	**898**	**885**	**893**	903	907	899	903
Provision for loan and lease losses	**53**	**51**	**64**	**62**	76	65	71	91
Noninterest income	**703**	**721**	**1,060**	**743**	880	671	678	769
Noninterest expense	**989**	**959**	**1,035**	**978**	1,163	1,006	937	973
Net income attributable to Bancorp	**402**	**421**	**591**	**422**	399	363	385	430
Net income available to common shareholders	**383**	**421**	**582**	**413**	390	354	376	421
Earnings per share, basic	**0.44**	**0.47**	**0.67**	**0.47**	0.44	0.39	0.41	0.46
Earnings per share, diluted	**0.43**	**0.47**	**0.65**	**0.46**	0.43	0.38	0.40	0.45

COMPARISON OF THE YEAR ENDED 2012 WITH 2011

The Bancorp's net income available to common shareholders for the year ended December 31, 2012 was $1.5 billion, or $1.66 per diluted share, which was net of $35 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the year ended December 31, 2011 was $1.1 billion, or $1.18 per diluted share, which was net of $203 million in preferred stock dividends. The preferred stock dividends during 2011 included $153 million in discount accretion resulting from the Bancorp's repurchase of Series F preferred stock. Overall, credit trends improved in 2012, and as a result, the provision for loan and lease losses decreased to $303 million in 2012 compared to $423 million in 2011.

Net interest income was $3.6 billion for the years ended December 31, 2012 and 2011. Net interest income was positively impacted in 2012 by an increase in average loans and leases of $4.6 billion as well as a decrease in interest expense compared to the year ended December 31, 2011. Average interest-earning assets increased $4.0 billion in 2012 while average interest-bearing liabilities were relatively flat compared to the prior year. In addition, net interest income in 2012 compared to the prior year was negatively impacted by a 28 bps decrease in average yield on average interest-earning assets partially offset by a 21 bps decrease in the average rate paid on interest bearing liabilities, coupled with a mix shift to lower cost deposits.

Noninterest income increased $544 million, or 22%, in 2012 compared to 2011. The increase from the prior year was primarily due to an increase in mortgage banking net revenue, corporate banking revenue and other noninterest income partially offset by a decrease in card and processing revenue. Mortgage banking net revenue increased $248 million, or 41%, primarily due to an increase in origination fees and gains on loan sales partially offset by an increase in losses on net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge the MSR portfolio. Corporate banking revenue increased $63 million, or 18%, primarily due to increases in syndication fees, business lending fees, lease remarketing fees and institutional sales. Other noninterest income increased $324 million primarily due to a $115 million gain from the Vantiv, Inc. IPO recognized in the first quarter of 2012 and a $157 million gain from the sale of Vantiv, Inc. shares in the fourth quarter of 2012. Card and processing revenue decreased $55 million, or 18%, primarily as the result of the full year impact of the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011.

Noninterest expense increased $323 million, or nine percent, in 2012 compared to 2011 primarily due to an increase of $170 million in total personnel costs (salaries, wages and incentives plus employee benefits); an increase of $53 million in the provision for representation and warranty claims related to residential mortgage loans sold to third parties; an increase of $177 million in debt extinguishment costs; and a $44 million decrease in the benefit from the provision for unfunded commitments and letters of credit. This activity was partially offset by an $87 million decrease in FDIC insurance and other taxes.

Net charge-offs as a percent of average portfolio loans and leases decreased to 0.85% during 2012 compared to 1.49% during 2011 largely due to improved credit trends across all commercial and consumer loan types, excluding commercial leases.

The Bancorp took a number of actions that impacted its capital position in 2012. On March 13, 2012, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2012 CCAR. The FRB indicated to the Bancorp that it did not object to the following capital actions: a continuation of its quarterly common dividend of $0.08 per share; the redemption of up to $1.4 billion in certain TruPS and the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. The FRB indicated to the Bancorp that it did object to other elements of its capital plan, including potential increases in its quarterly common dividend and the initiation of other common share repurchases.

The Bancorp resubmitted its capital plan to the FRB in the second quarter of 2012. The resubmitted plan included capital actions and distributions for the covered period through March 31, 2013 that were substantially similar to those included in the original submission, with adjustments primarily reflecting the change in the expected timing of capital actions and distributions relative to the timing assumed in the original submission. On August 21, 2012, the

Table of Contents

Bancorp announced the FRB did not object to the Bancorp's resubmitted capital plan which included potential increases to the quarterly common stock dividend and potential repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. As a result, the Board of Directors authorized the Bancorp to repurchase up to 100 million common shares in the open market or in privately negotiated transactions. In addition, in the third quarter of 2012 the Bancorp declared a quarterly common dividend of $0.10 per share, an increase of $0.02 per share from the second quarter of 2012.

On August 8, 2012, consistent with the 2012 CCAR plan, the Bancorp redeemed all $862.5 million of the outstanding TruPS issued by Fifth Third Capital Trust VI. The Bancorp recognized a $9 million loss on extinguishment of these TruPS within other noninterest expense in the Bancorp's Consolidated Statements of Income. Additionally, on August 15, 2012, the Bancorp redeemed all $575 million of the outstanding TruPS issued by Fifth Third Capital Trust V. The Bancorp recognized a $17 million loss on extinguishment within other noninterest expense in the Bancorp's Consolidated Statements of Income.

Additionally, the Bancorp entered into a number of accelerated share repurchase transactions in 2012. See Note 23 of the Notes to Consolidated Financial Statements for more information on the accelerated share repurchase transactions.

Table of Contents

BALANCE SHEET ANALYSIS

Loans and Leases

The Bancorp classifies its loans and leases based upon the primary purpose of the loan. Table 19 summarizes end of period loans and leases, including loans held for sale and Table 20 summarizes average total loans and leases, including loans held for sale.

TABLE 19: COMPONENTS OF TOTAL LOANS AND LEASES (INCLUDES HELD FOR SALE)

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Commercial:						
Commercial and industrial loans	$	**39,347**	36,077	30,828	27,275	25,687
Commercial mortgage loans		**8,069**	9,116	10,214	10,992	11,936
Commercial construction loans		**1,041**	707	1,037	2,111	3,871
Commercial leases		**3,626**	3,549	3,531	3,378	3,535
Subtotal – commercial		**52,083**	49,449	45,610	43,756	45,029
Consumer:						
Residential mortgage loans		**13,570**	14,873	13,474	10,857	9,846
Home equity		**9,246**	10,018	10,719	11,513	12,174
Automobile loans		**11,984**	11,972	11,827	10,983	8,995
Credit card		**2,294**	2,097	1,978	1,896	1,990
Other consumer loans and leases		**381**	312	364	702	812
Subtotal – consumer		**37,475**	39,272	38,362	35,951	33,817
Total loans and leases	$	**89,558**	88,721	83,972	79,707	78,846
Total portfolio loans and leases (excludes loans held for sale)	$	**88,614**	85,782	81,018	77,491	76,779

Loans and leases, including loans held for sale, increased $837 million, or one percent, from December 31, 2012. The increase in loans and leases from December 31, 2012 was the result of a $2.6 billion, or five percent, increase in commercial loans and leases partially offset by a $1.8 billion, or five percent, decrease in consumer loans and leases.

The increase in commercial loans and leases from December 31, 2012 was primarily due to an increase in commercial and industrial loans and commercial construction loans partially offset by a decrease in commercial mortgage loans. Commercial and industrial loans increased $3.3 billion, or nine percent, from December 31, 2012 and commercial construction loans increased $334 million, or 47%, from December 31, 2012 as a result of an increase in new loan origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Commercial mortgage loans decreased $1.0 billion, or 11%, from December 31, 2012 due to continued runoff as the level of new originations was less than the repayments on the current portfolio.

The decrease in consumer loans and leases from December 31, 2012 was primarily due to a decrease in residential mortgage and home equity loans partially offset by an increase in credit card loans. Residential mortgage loans decreased $1.3 billion, or nine percent, from December 31, 2012 primarily due to a decline in loans held for sale of $2.0 billion from reduced origination volumes driven by higher mortgage rates. This decline was partially offset by an increase in portfolio residential mortgage loans which increased $663 million from December 31, 2012 due to the continued retention of certain shorter term residential mortgage loans originated through the Bancorp's retail branches. Home equity loans decreased $772 million, or eight percent, from December 31, 2012 as payoffs exceeded new loan production. Credit card loans increased $197 million, or nine percent, from December 31, 2012 due to an increase in average balances per account and the volume of new customer accounts.

TABLE 20: COMPONENTS OF AVERAGE TOTAL LOANS AND LEASES (INCLUDES HELD FOR SALE)

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Commercial:						
Commercial and industrial loans	$	**37,770**	32,911	28,546	26,334	27,556
Commercial mortgage loans		**8,481**	9,686	10,447	11,585	12,511
Commercial construction loans		**793**	835	1,740	3,066	4,638
Commercial leases		**3,565**	3,502	3,341	3,343	3,543
Subtotal – commercial		**50,609**	46,934	44,074	44,328	48,248
Consumer:						
Residential mortgage loans		**14,428**	13,370	11,318	9,868	10,886
Home equity		**9,554**	10,369	11,077	11,996	12,534
Automobile loans		**12,021**	11,849	11,352	10,427	8,807
Credit card		**2,121**	1,960	1,864	1,870	1,907
Other consumer loans and leases		**360**	340	529	743	1,009
Subtotal – consumer		**38,484**	37,888	36,140	34,904	35,143
Total average loans and leases	$	**89,093**	84,822	80,214	79,232	83,391
Total average portfolio loans and leases (excludes loans held for sale)	$	**86,950**	82,733	78,533	77,045	80,681

Average loans and leases, including held for sale, increased $4.3 billion, or five percent, from December 31, 2012. The increase from December 31, 2012 was comprised of an increase of $3.7 billion, or eight percent, in average commercial loans and leases and an increase of $596 million, or two percent, in average consumer loans and leases.

Table of Contents

The increase in average commercial loans and leases was primarily driven by an increase in average commercial and industrial loans partially offset by a decrease in average commercial mortgage loans. Average commercial and industrial loans increased $4.9 billion, or 15%, from December 31, 2012 due to an increase in new loan origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Average commercial mortgage loans decreased $1.2 billion, or 12%, from December 31, 2012 due to continued runoff as the level of new originations was less than the repayments on the current portfolio.

The increase in average consumer loans and leases from December 31, 2012 was driven by an increase in average residential mortgage loans, average automobile loans, and average credit card loans partially offset by a decrease in average home equity loans.

Average residential mortgage loans increased $1.1 billion, or eight percent, from December 31, 2012 due to strong refinancing activity during the first half of 2013 and due to the continued retention of certain shorter term residential mortgage loans originated through the Bancorp's retail branches. Average automobile loans increased $172 million, or one percent, from December 31, 2012 due to loan originations exceeding runoff, partially offset by the impact of the securitization and sale of $509 million of automobile loans in the first quarter of 2013. Average credit card loans increased $161 million, or eight percent, from December 31, 2012 due to an increase in average balances per account and the volume of new customer accounts. Average home equity loans decreased $815 million, or eight percent, from December 31, 2012 as payoffs exceeded new loan production.

Investment Securities

The Bancorp uses investment securities as a means of managing interest rate risk, providing liquidity support and providing collateral for pledging purposes. As of December 31, 2013, total investment securities were $19.1 billion compared to $15.7 billion at December 31, 2012. See Note 1 of the Notes to Consolidated Financial Statements for the Bancorp's methodology for both classifying investment securities and management's evaluation of securities in an unrealized loss position for OTTI.

At December 31, 2013, the Bancorp's investment portfolio consisted primarily of AAA-rated available-for-sale securities. The Bancorp did not hold asset-backed securities backed by subprime mortgage loans in its investment portfolio. Additionally, securities classified as below investment grade were immaterial as of December 31, 2013 and had a carrying value of $31 million as of December 31, 2012.

The Bancorp's management has evaluated the securities in an unrealized loss position in the available-for-sale and held-to-maturity portfolios for OTTI. During the years ended December 31, 2013, 2012, and 2011, the Bancorp recognized $74 million, $58 million and $19 million of OTTI on its available-for-sale and other investment securities portfolio, respectively. The Bancorp did not recognize any OTTI on any of its held-to-maturity investment securities during the years ended December 31, 2013, 2012 or 2011.

TABLE 21: COMPONENTS OF INVESTMENT SECURITIES

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Available-for-sale and other: (amortized cost basis)						
U.S. Treasury and government agencies	$	**26**	41	171	225	464
U.S. Government sponsored agencies		**1,523**	1,730	1,782	1,564	2,143
Obligations of states and political subdivisions		**187**	203	96	170	240
Agency mortgage-backed securities		**12,294**	8,403	9,743	10,570	11,074
Other bonds, notes and debentures *(a)*		**3,514**	3,161	1,792	1,338	2,541
Other securities *(b)*		**865**	1,033	1,030	1,052	1,417
Total available-for-sale and other securities	$	**18,409**	14,571	14,614	14,919	17,879
Held-to-maturity: (amortized cost basis)						
Obligations of states and political subdivisions	$	**207**	282	320	348	350
Other bonds, notes and debentures		**1**	2	2	5	5
Total held-to-maturity	$	**208**	284	322	353	355
Trading: (fair value)						
U.S. Treasury and government agencies	$	**1**	1	-	1	-
U.S. Government sponsored agencies		**4**	6	-	-	-
Obligations of states and political subdivisions		**13**	17	9	21	57
Agency mortgage-backed securities		**3**	7	11	8	24
Other bonds, notes and debentures		**7**	15	13	120	205
Other securities		**315**	161	144	144	69
Total trading	$	**343**	207	177	294	355

(a) *Other bonds, notes, and debentures consist of non-agency mortgage backed securities, certain other asset backed securities (primarily automobile and commercial loan backed securities) and corporate bond securities.*
(b) *Other securities consist of FHLB and FRB restricted stock holdings that are carried at par, FHLMC and FNMA preferred stock holdings and certain mutual fund holdings and equity security holdings.*

As of December 31, 2013, available-for-sale securities on an amortized cost basis increased $3.8 billion, or 26%, from December 31, 2012 due to a increase in agency mortgage-backed securities and other bonds, notes and debentures partially offset by an decrease in U.S. Government sponsored agencies. Agency mortgage-backed securities increased $3.9 billion, or 46%, from December 31, 2012 due to $15.0 billion in purchases of agency mortgage-backed securities partially offset by $8.4 billion in sales and $2.7 billion in paydowns on the portfolio during the year ended December 31, 2013. Other bonds, notes, and debentures increased $353 million, or 11%, due to the purchase of $1.6 billion of asset backed securities, collateralized loan obligations and collateralized mortgage backed securities partially offset by the sale of $1.1 billion of asset backed securities, collateralized loan obligations and corporate bonds and $126 million of paydowns and TruPS that were called during the year ended December 31, 2013. U.S. Government sponsored agencies securities decreased $207 million, or 12%, primarily due to approximately $204 million of agency debentures that were called in 2013.

At December 31, 2013 and 2012, available-for-sale securities were 16% and 14% of total interest-earning assets. The estimated weighted-average life of the debt securities in the available-for-sale

Table of Contents

portfolio was 6.7 years at December 31, 2013, compared to 3.8 years at December 31, 2012. In addition, at December 31, 2013, the available-for-sale securities portfolio had a weighted-average yield of 3.39%, compared to 3.30% at December 31, 2012.

Information presented in Table 22 is on a weighted-average life basis, anticipating future prepayments. Yield information is presented on an FTE basis and is computed using historical cost balances. Maturity and yield calculations for the total available-for-sale portfolio exclude equity securities that have no stated yield or maturity. Total net unrealized gains on the available-for-sale securities portfolio were $188 million at December 31, 2013, compared to $636 million at December 31, 2012. The decrease from December 31, 2012 was primarily due to an increase in interest rates during 2013. The fair value of investment securities is impacted by interest rates, credit spreads, market volatility and liquidity conditions. The fair value of investment securities generally decreases when interest rates increase or when credit spreads widen.

TABLE 22: CHARACTERISTICS OF AVAILABLE-FOR-SALE AND OTHER SECURITIES

As of December 31, 2013 ($ in millions)	Amortized Cost	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield
U.S. Treasury and government agencies:				
Average life 1 – 5 years	$ 25	25	2.7	0.82 %
Average life 5 – 10 years	1	1	5.4	1.50
Total	26	26	2.7	0.83
U.S. Government sponsored agencies:				
Average life 1 – 5 years	1,523	1,644	3.0	3.64
Total	1,523	1,644	3.0	3.64
Obligations of states and political subdivisions: *(a)*				
Average life 1 – 5 years	123	125	2.7	2.40
Average life 5 – 10 years	55	57	6.6	4.00
Average life greater than 10 years	9	10	10.9	3.87
Total	187	192	4.3	2.95
Agency mortgage-backed securities:				
Average life of one year or less	118	121	0.6	6.03
Average life 1 – 5 years	1,564	1,616	4.3	4.03
Average life 5 – 10 years	9,547	9,480	7.2	3.47
Average life greater than 10 years	1,065	1,067	14.4	3.94
Total	12,294	12,284	7.4	3.61
Other bonds, notes and debentures:				
Average life of one year or less	225	230	0.1	1.68
Average life 1 – 5 years	1,529	1,569	3.1	2.84
Average life 5 – 10 years	1,188	1,193	7.1	2.61
Average life greater than 10 years	572	590	15.1	1.92
Total	3,514	3,582	6.2	2.54
Other securities	865	869		
Total available-for-sale and other securities	$ 18,409	18,597	6.7	3.39 %

(a) *Taxable-equivalent yield adjustments included in the above table are 0.01%, 0.89%, 2.06% and 0.37% for securities with an average life of 1-5 years, 5-10 years, greater than 10 years and in total, respectively.*

Deposits

The Bancorp's deposit balances represent an important source of funding and revenue growth opportunity. The Bancorp continues to focus on core deposit growth in its retail and commercial franchises by improving customer satisfaction, building full relationships and offering competitive rates. Core deposits represented 71% of the Bancorp's asset funding base for both of the years ended December 31, 2013 and 2012.

TABLE 23: DEPOSITS

As of December 31 ($ in millions)	**2013**	2012	2011	2010	2009
Demand	$ **32,634**	30,023	27,600	21,413	19,411
Interest checking	**25,875**	24,477	20,392	18,560	19,935
Savings	**17,045**	19,879	21,756	20,903	17,898
Money market	**11,644**	6,875	4,989	5,035	4,431
Foreign office	**1,976**	885	3,250	3,721	2,454
Transaction deposits	**89,174**	82,139	77,987	69,632	64,129
Other time	**3,530**	4,015	4,638	7,728	12,466
Core deposits	**92,704**	86,154	82,625	77,360	76,595
Certificates - $100,000 and over	**6,571**	3,284	3,039	4,287	7,700
Other	**-**	79	46	1	10
Total deposits	$ **99,275**	89,517	85,710	81,648	84,305

Core deposits increased $6.6 billion, or eight percent, compared to December 31, 2012, driven by an increase of $7.0 billion, or nine percent, in transaction deposits, partially offset by a decrease of $485 million, or 12%, in other time deposits. Total transaction deposits increased from December 31, 2012 due to increases in money market deposits, demand deposits, interest checking deposits

and foreign office deposits partially offset by a decrease in savings deposits. Money market deposits increased $4.8 billion, or 69%, from December 31, 2012 partially driven by account migration from savings deposits which decreased $2.8 billion, or 14%. The remaining increase in money market deposits was due to new customer accounts, an increase in average balance per account, and account migration from interest checking deposits. Demand deposits increased $2.6 billion, or nine percent, from December 31, 2012 due to an increase in the average balance per account for consumer customers, new product offerings, and new commercial deposit growth. Interest checking deposits increased $1.4 billion, or six percent, from December 31, 2012 due to new commercial customer growth, partially offset by the previously mentioned account migration to money market deposits. Foreign office deposits increased $1.1 billion from December 31, 2012 due to new customer accounts. The foreign office deposits are primarily Eurodollar sweep accounts from the Bancorp's commercial customers. These accounts bear interest rates at slightly higher than money market accounts and unlike repurchase agreements the Bancorp does not have to pledge collateral. The decrease in other time deposits from December 31, 2012 was primarily the result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts.

The Bancorp uses certificates $100,000 and over as a method to fund earning assets. At December 31, 2013, certificates $100,000 and over increased $3.3 billion compared to December 31, 2012 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits in 2013.

The following table presents average deposits for the years ended December 31:

TABLE 24: AVERAGE DEPOSITS

($ in millions)	2013	2012	2011	2010	2009
Demand	$ **29,925**	27,196	23,389	19,669	16,862
Interest checking	**23,582**	23,096	18,707	18,218	15,070
Savings	**18,440**	21,393	21,652	19,612	16,875
Money market	**9,467**	4,903	5,154	4,808	4,320
Foreign office	**1,501**	1,528	3,490	3,355	2,108
Transaction deposits	**82,915**	78,116	72,392	65,662	55,235
Other time	**3,760**	4,306	6,260	10,526	14,103
Core deposits	**86,675**	82,422	78,652	76,188	69,338
Certificates - $100,000 and over	**6,339**	3,102	3,656	6,083	10,367
Other	**17**	27	7	6	157
Total average deposits	$ **93,031**	85,551	82,315	82,277	79,862

On an average basis, core deposits increased $4.3 billion, or five percent, compared to December 31, 2012 due to an increase of $4.8 billion, or six percent, in average transaction deposits partially offset by a decrease of $546 million, or 13%, in average other time deposits. The increase in average transaction deposits was driven by an increase in average money market deposits, average demand deposits and average interest checking deposits, partially offset by a decrease in average savings deposits. Average money market deposits increased $4.6 billion, or 93%, from December 31, 2012 primarily due to account migration from savings deposits which decreased $3.0 billion, or 14%. The remaining increase in average money market deposits is due to new customer accounts, an increase in average balances per account, and account migration from interest checking deposits. Average demand deposits increased $2.7 billion, or 10%, from December 31, 2012 due to an increase in average balances per account for consumer customers, new product offerings, and new commercial deposit growth. Average interest checking deposits increased $486 million, or two percent from December 31, 2012 due to new commercial customer growth, partially offset by the previously mentioned account migration to money market deposits. Average other time deposits decreased $546 million, or 13%, from December 31, 2012 primarily as a result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts. Average certificates $100,000 and over increased $3.2 billion from 2012 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits during 2013.

The contractual maturities of certificates $100,000 and over as of December 31, 2013 are summarized in the following table:

TABLE 25: CONTRACTUAL MATURITIES OF CERTIFICATES $100,000 AND OVER

($ in millions)	2013
Three months or less	$ 2,922
After three months through six months	1,561
After six months through 12 months	1,032
After 12 months	1,056
Total	$ 6,571

The contractual maturities of other time deposits and certificates $100,000 and over as of December 31, 2013 are summarized in the following table:

TABLE 26: CONTRACTUAL MATURITIES OF OTHER TIME DEPOSITS AND CERTIFICATES $100,000 AND OVER

($ in millions)	2013
Next 12 months	$ 7,424
13-24 months	1,200
25-36 months	702
37-48 months	488
49-60 months	232
After 60 months	55
Total	$ 10,101

Borrowings

Total borrowings decreased $3.0 billion, or 21%, from December 31, 2012 due to decreases in other short-term borrowings and federal funds purchased, partially offset by an increase in long-term debt. Total borrowings as a percentage of interest-bearing liabilities were 14% and 19% at December 31, 2013 and 2012, respectively.

TABLE 27: BORROWINGS

As of December 31 ($ in millions)	2013	2012	2011	2010	2009
Federal funds purchased	$ **284**	901	346	279	182
Other short-term borrowings	**1,380**	6,280	3,239	1,574	1,415
Long-term debt	**9,633**	7,085	9,682	9,558	10,507
Total borrowings	$ **11,297**	14,266	13,267	11,411	12,104

Federal funds purchased decreased by $617 million, or 68%, from December 31, 2012 driven by a decrease in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings decreased $4.9 billion, or 78%, from December 31, 2012 driven by a decrease of $4.7 billion in short-term FHLB borrowings. The Bancorp decreased its reliance on short-term funding in 2013 in anticipation of future regulatory standards which require a greater dependency on long-term and stable funding. Long-term debt increased by $2.5 billion, or 36%, from December 31, 2012 primarily driven by the issuance of $3.1 billion of unsecured senior bank notes, $750 million of subordinated notes and the issuance of asset-backed securities by a consolidated VIE of $1.3 billion related to an automobile loan securitization during 2013. These issuances were partially offset by the maturity of $1.3 billion of senior notes, the redemption of $750 million of outstanding TruPS and $277 million of declines due to fair value adjustments on hedged debt. For additional information regarding long-term debt, see Note 16 of the Notes to Consolidated Financial Statements.

TABLE 28: AVERAGE BORROWINGS

As of December 31 ($ in millions)	2013	2012	2011	2010	2009
Federal funds purchased	$ **503**	560	345	291	517
Other short-term borrowings	**3,024**	4,246	2,777	1,635	6,463
Long-term debt	**7,914**	9,043	10,154	10,902	11,035
Total average borrowings	$ **11,441**	13,849	13,276	12,828	18,015

Average total borrowings decreased $2.4 billion, or 17%, compared to December 31, 2012, due to decreases in average federal funds purchased, average other short-term borrowings and average long-term debt. Average federal funds purchased decreased $57 million, or 10%, primarily due to a decrease in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Average other short-term borrowings decreased $1.2 billion, or 29%, primarily due to the previously mentioned decrease in short-term FHLB borrowings. The level of average federal funds purchased and average other short-term borrowings can fluctuate significantly from period to period depending on funding needs and which sources are used to satisfy those needs. Additionally, The Bancorp decreased its reliance on short-term funding in 2013 in anticipation of future regulatory standards which require a greater dependency on long-term and stable funding. Average long-term debt decreased $1.1 billion, or 12%, driven by the maturity of $1.3 billion of unsecured senior bank notes in the second quarter of 2013, the redemption of $1.4 billion of TruPS during the third quarter of 2012 and the extinguishment of $1.0 billion of long-term FHLB advances during the fourth quarter of 2012 partially offset by the issuance of $1.3 billion of unsecured senior bank notes in the first quarter of 2013 and the issuance of $1.8 billion of unsecured senior bank notes and $750 million of subordinated notes in the fourth quarter of 2013.

Information on the average rates paid on borrowings is discussed in the net interest income section of the MD&A. In addition, refer to the Liquidity Risk Management section for a discussion on the role of borrowings in the Bancorp's liquidity management.

RISK MANAGEMENT

Managing risk is an essential component of successfully operating a financial services company. The Bancorp's risk management approach includes processes for identifying, assessing, managing, monitoring and reporting risks. The ERM division and the Bancorp Credit division, led by the Bancorp's Chief Risk and Credit Officer, ensure the consistency and adequacy of the Bancorp's risk management approach within the structure of the Bancorp's affiliate operating model. In addition, the Internal Audit division provides an independent assessment of the Bancorp's internal control structure and related systems and processes.

The assumption of risk requires robust and active risk management practices that comprise an integrated and comprehensive set of activities, measures and strategies that apply to the entire organization. The Bancorp has established a Risk Appetite Framework that provides the foundations of corporate risk capacity, risk appetite and risk tolerances. The Bancorp's risk capacity is represented by its available financial resources. Risk capacity sets an absolute limit on risk-assumption in the Bancorp's annual and strategic plans. The Bancorp understands that not all financial resources may persist as viable loss buffers over time. Further, consideration must be given to planned or foreseeable events that would reduce risk capacity. Those factors take the form of capacity adjustments to arrive at an Operating Risk Capacity which represents the operating risk level the Bancorp can assume while maintaining its solvency standard. The Bancorp's policy currently discounts its Operating Risk Capacity by a minimum of five percent to provide a buffer; as a result, the Bancorp's risk appetite is limited by policy to, at most, 95% of its Operating Risk Capacity.

Economic capital is the amount of unencumbered financial resources required to support the Bancorp's risks. The Bancorp measures economic capital under the assumption that it expects to maintain debt ratings at strong investment grade levels over time. The Bancorp's capital policies require that the Operating Risk Capacity less the aforementioned buffer exceed the calculated economic capital required in its business.

Risk appetite is the aggregate amount of risk the Bancorp is willing to accept in pursuit of its strategic and financial objectives. By establishing boundaries around risk taking and business decisions, and by incorporating the needs and goals of its shareholders, regulators, rating agencies and customers, the Bancorp's risk appetite is aligned with its priorities and goals. Risk tolerance is the maximum amount of risk applicable to each of the eight specific risk categories included in its Enterprise Risk Management Framework. This is expressed primarily in qualitative terms. The Bancorp's risk appetite and risk tolerances are supported by risk targets and risk limits. Those limits are used to monitor the amount of risk assumed at a granular level.

The risks faced by the Bancorp include, but are not limited to, credit, market, liquidity, operational, regulatory compliance, legal, reputational and strategic. Each of these risks is managed through the Bancorp's risk program which includes the following key functions:

- Enterprise Risk Management Programs is responsible for developing and overseeing the implementation of risk programs and reporting that facilitate a broad integrated view of risk. The department also leads the continual fostering of a strong risk management culture and the framework, policies and committees that support effective risk governance, including the oversight of Sarbanes-Oxley compliance;
- Commercial Credit Risk Management provides safety and soundness within an independent portfolio management framework that supports the Bancorp's commercial loan growth strategies and underwriting practices, ensuring portfolio optimization and appropriate risk controls;
- Risk Strategies and Reporting is responsible for quantitative analysis needed to support the commercial dual rating methodology, ALLL methodology and analytics needed to assess credit risk and develop mitigation strategies related to that risk. The department also provides oversight, reporting and monitoring of commercial underwriting and credit administration processes. The Risk Strategies and Reporting department is also responsible for the economic capital program;
- Consumer Credit Risk Management provides safety and soundness within an independent management framework that supports the Bancorp's consumer loan growth strategies, ensuring portfolio optimization, appropriate risk controls and oversight, reporting, and monitoring of underwriting and credit administration processes;
- Operational Risk Management works with affiliates and lines of business to maintain processes to monitor and manage all aspects of operational risk, including ensuring consistency in application of operational risk programs;
- Bank Protection oversees and manages fraud prevention and detection and provides investigative and recovery services for the Bancorp;
- Capital Markets Risk Management is responsible for instituting, monitoring, and reporting appropriate trading limits, monitoring liquidity, interest rate risk and risk tolerances within Treasury, Mortgage, and Capital Markets groups and utilizing a value at risk model for Bancorp market risk exposure;
- Regulatory Compliance Risk Management ensures that processes are in place to monitor and comply with federal and state banking regulations, including processes related to fiduciary, community reinvestment act and fair lending compliance. The function also has the responsibility for maintenance of an enterprise-wide compliance framework; and
- The ERM division creates and maintains other functions, committees or processes as are necessary to effectively manage risk throughout the Bancorp.

Risk management oversight and governance is provided by the Risk and Compliance Committee of the Board of Directors and through multiple management committees whose membership includes a broad cross-section of line-of-business, affiliate and support representatives. The Risk and Compliance Committee of the Board of Directors consists of five outside directors and has the responsibility for the oversight of risk management for the Bancorp, as well as for the Bancorp's overall aggregate risk profile. The Risk and Compliance Committee of the Board of Directors has approved the formation of key management governance committees that are responsible for evaluating risks and controls. The primary committee responsible for the oversight of risk management is the ERMC. Committees accountable to the ERMC, which support the core risk programs, are the Corporate Credit Committee, the Operational Risk Committee, the Management Compliance Committee, the Asset/Liability Committee and the Enterprise Marketing Committee. Other committees accountable to the ERMC oversee the ALLL, capital and community reinvestment act/fair lending functions. There are also new products and initiatives processes applicable to every line of business to ensure an appropriate standard readiness assessment is

Table of Contents

performed before launching a new product or initiative. Significant risk policies approved by the management governance committees are also reviewed and approved by the Risk and Compliance Committee of the Board of Directors.

Credit Risk Review is an independent function responsible for evaluating the sufficiency of underwriting, documentation and approval processes for consumer and commercial credits, the accuracy of risk grades assigned to commercial credit exposure, nonaccrual status, specific reserves and monitoring for charge-offs. Credit Risk Review reports directly to the Risk and Compliance Committee of the Board of Directors and administratively to the Chief Auditor.

CREDIT RISK MANAGEMENT

The objective of the Bancorp's credit risk management strategy is to quantify and manage credit risk on an aggregate portfolio basis, as well as to limit the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the Bancorp. The Bancorp's credit risk management strategy is based on three core principles: conservatism, diversification and monitoring. The Bancorp believes that effective credit risk management begins with conservative lending practices. These practices include conservative exposure and counterparty limits and conservative underwriting, documentation and collection standards. The Bancorp's credit risk management strategy also emphasizes diversification on a geographic, industry and customer level as well as ongoing portfolio monitoring and timely management reviews of large credit exposures and credits experiencing deterioration of credit quality. Credit officers with the authority to extend credit are delegated specific authority amounts, the utilization of which is closely monitored. Underwriting activities are centrally managed, and ERM manages the policy and the authority delegation process directly. The Credit Risk Review function provides objective assessments of the quality of underwriting and documentation, the accuracy of risk grades and the charge-off, nonaccrual and reserve analysis process. The Bancorp's credit review process and overall assessment of the adequacy of the allowance for credit losses is based on quarterly assessments of the probable estimated losses inherent in the loan and lease portfolio. The Bancorp uses these assessments to promptly identify potential problem loans or leases within the portfolio, maintain an adequate reserve and take any necessary charge-offs. The Bancorp defines potential problem loans as those rated substandard that do not meet the definition of a nonperforming asset or a restructured loan. See Note 6 of the Notes to the Consolidated Financial Statements for further information on the Bancorp's credit grade categories, which are derived from standard regulatory rating definitions.

The following tables provide a summary of potential problem loans as of December 31:

TABLE 29: POTENTIAL PROBLEM LOANS

2013 ($ in millions)	Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$ **1,032**	**1,034**	**1,323**
Commercial mortgage	**517**	**520**	**520**
Commercial construction	**44**	**44**	**50**
Commercial leases	**18**	**18**	**18**
Total	$ **1,611**	**1,616**	**1,911**

TABLE 30: POTENTIAL PROBLEM LOANS

2012 ($ in millions)	Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$ 1,015	1,017	1,212
Commercial mortgage	848	849	851
Commercial construction	87	87	100
Commercial leases	9	9	9
Total	$ 1,959	1,962	2,172

In addition to the individual review of larger commercial loans that exhibit probable or observed credit weaknesses, the commercial credit review process includes the use of two risk grading systems. The risk grading system currently utilized for reserve analysis purposes encompasses ten categories. The Bancorp also maintains a dual risk rating system for credit approval and pricing, portfolio monitoring and capital allocation that includes a "through-the-cycle" rating philosophy for modeling expected losses. The dual risk rating system includes thirteen probabilities of default grade categories and an additional six grade categories for estimating losses given an event of default. The probability of default and loss given default evaluations are not separated in the ten-category risk rating system. The Bancorp has completed significant validation and testing of the dual risk rating system as a commercial credit risk management tool. The Bancorp is assessing the necessary modifications to the dual risk rating system outputs to develop a U.S. GAAP compliant ALLL model and will make a decision on the use of modified dual risk ratings for purposes of determining the Bancorp's ALLL once the FASB has issued a final standard regarding proposed methodology changes to the determination of credit impairment as outlined in the FASB's proposed Accounting Standard Update —*Financial Instruments–Credit Losses* (Subtopic 825-15) issued on December 20, 2012. Scoring systems, various analytical tools and portfolio performance monitoring are used to assess the credit risk in the Bancorp's homogenous consumer and small business loan portfolios.

Overview

The economy grew slightly during 2013. Domestic economic risks remain elevated as several weak economic factors persist (including continued high unemployment, sluggish economic growth, weak job creation), and could be further compounded by an extended European recession. Other global issues include slower growth in China and persistent fears regarding the Middle East. Housing prices have largely stabilized and are increasing in many markets, but overall current economic conditions are causing weaker than desirable qualified loan demand and a relatively low interest rate environment, which directly impacts the Bancorp's growth and profitability. Geographically, the Bancorp continues to experience the most stress in Michigan and Florida due to previous declines in real estate values. Real estate value deterioration, as measured by the Home Price Index, was most prevalent in Florida due to past real estate price appreciation and related over-development, and in Michigan due in part to cutbacks in automobile manufacturing and the state's economic downturn.

Among consumer portfolios, residential mortgage and brokered home equity portfolios exhibited the most stress. Management suspended homebuilder and developer lending in 2007 and new commercial non-owner occupied real estate lending in 2008, discontinued the origination of brokered home equity products at the end of 2007 and tightened underwriting standards across both the commercial and consumer loan product offerings. As of December 31, 2013, consumer real estate loans originated from 2005 through 2008 represent approximately 30% of the consumer real estate portfolio and approximately 68% of total losses in 2013. Loss rates continue to improve as newer vintages are performing within expectations. With the stabilization of certain real estate markets, the Bancorp began to selectively originate new homebuilder and developer lending and non-owner occupied commercial lending real estate in the third quarter of 2011. However, the level of new fundings are below the amortization and pay-off of the current portfolio. Since the fourth quarter of 2008, in an effort to reduce loan exposure to the real estate and construction industries, the Bancorp has sold certain consumer loans and sold or transferred to held for sale certain commercial loans. The Bancorp continues to aggressively engage in other loss mitigation strategies such as reducing credit commitments, restructuring certain commercial and consumer loans, as well as utilizing commercial and consumer loan workout teams. For commercial and consumer loans owned by the Bancorp, loan modification strategies are developed that are workable for both the borrower and the Bancorp when the borrower displays a willingness to cooperate. These strategies typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. For residential mortgage loans serviced for FHLMC and FNMA, the Bancorp participates in the HAMP and HARP 2.0 programs. For loans refinanced under the HARP 2.0 program, the Bancorp strictly adheres to the underwriting requirements of the program and promptly sells the refinanced loan back to the agencies. Loan restructuring under the HAMP program is performed on behalf of FHLMC or FNMA and the Bancorp does not take possession of these loans during the modification process. Therefore, participation in these programs does not significantly impact the Bancorp's credit quality statistics. The Bancorp participates in trial modifications in conjunction with the HAMP program for loans it services for FHLMC and FNMA. As these trial modifications relate to loans serviced for others, they are not included in the Bancorp's troubled debt restructurings as they are not assets of the Bancorp. In the event there is a representation and warranty violation on loans sold through the programs, the Bancorp may be required to repurchase the sold loan. As of December 31, 2013, repurchased loans restructured or refinanced under these programs were immaterial to the Bancorp's Consolidated Financial Statements. Additionally, as of December 31, 2013 and 2012, $111 million and $475 million, respectively, of loans refinanced under HARP 2.0 were included in loans held for sale in the Bancorp's Consolidated Balance Sheets. For the years ended December 31, 2013 and 2012, the Bancorp recognized $97 million and $218 million, respectively, of noninterest income in mortgage banking net revenue in the Bancorp's Consolidated Statements of Income related to the sale of loans restructured or refinanced under the HAMP and HARP 2.0 programs.

In the financial services industry, there has been heightened focus on foreclosure activity and processes. The Bancorp actively works with borrowers experiencing difficulties and has regularly modified or provided forbearance to borrowers where a workable solution could be found. Foreclosure is a last resort, and the Bancorp undertakes foreclosures only when it believes they are necessary and appropriate and is careful to ensure that customer and loan data are accurate.

During the fourth quarter of 2013, the Bancorp settled certain repurchase claims related to mortgage loans originated and sold to FHLMC prior to January 1, 2009 for $25 million, after paid claim credits and other adjustments. The settlement removes the Bancorp's responsibility to repurchase or indemnify FHLMC for representation and warranty violations on any loan sold prior to January 1, 2009 except in limited circumstances.

Commercial Portfolio

The Bancorp's credit risk management strategy includes minimizing concentrations of risk through diversification. The Bancorp has commercial loan concentration limits based on industry, lines of business within the commercial segment, geography and credit product type.

The risk within the commercial loan and lease portfolio is managed and monitored through an underwriting process utilizing detailed origination policies, continuous loan level reviews, monitoring of industry concentration and product type limits and continuous portfolio risk management reporting. The origination policies for commercial real estate outline the risks and underwriting requirements for owner and non-owner occupied and construction lending. Included in the policies are maturity and amortization terms, maximum LTVs, minimum debt service coverage ratios, construction loan monitoring procedures, appraisal requirements, pre-leasing requirements (as applicable) and sensitivity and pro-forma analysis requirements. The Bancorp requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and on an as needed basis when market conditions justify. Although the Bancorp does not back test these collateral value assumptions, the Bancorp maintains an appraisal review department to order and review third-party appraisals in accordance with regulatory requirements. Collateral values on criticized assets with relationships exceeding $1 million are reviewed quarterly to assess the appropriateness of the value ascribed in the assessment of charge-offs and specific reserves. In addition, the Bancorp applies incremental valuation adjustments to older appraisals that relate to collateral dependent loans, which can

currently be up to 20-30% of the appraised value based on the type of collateral. These incremental valuation adjustments generally reflect the age of the most recent appraisal as well as collateral type. Trends in collateral values, such as home price indices and recent asset dispositions, are monitored in order to determine whether changes to the appraisal adjustments are warranted. Other factors such as local market conditions or location may also be considered as necessary.

The Bancorp assesses all real estate and non-real estate collateral securing a loan and considers all cross collateralized loans in the calculation of the LTV ratio. The following table provides detail on the most recent LTV ratios for commercial mortgage loans greater than $1 million, excluding impaired commercial mortgage loans individually evaluated. The Bancorp does not typically aggregate the LTV ratios for commercial mortgage loans less than $1 million.

TABLE 31: COMMERCIAL MORTGAGE LOANS OUTSTANDING BY LTV, LOANS GREATER THAN $1 MILLION

As of December 31, 2013 ($ in millions)		LTV > 100%	LTV 80-100%	LTV ≤ 80%
Commercial mortgage owner occupied loans	$	**240**	**345**	**2,152**
Commercial mortgage non-owner occupied loans		**274**	**353**	**1,798**
Total	$	**514**	**698**	**3,950**

TABLE 32: COMMERCIAL MORTGAGE LOANS OUTSTANDING BY LTV, LOANS GREATER THAN $1 MILLION

As of December 31, 2012 ($ in millions)		LTV > 100%	LTV 80-100%	LTV ≤ 80%
Commercial mortgage owner occupied loans	$	390	302	2,325
Commercial mortgage non-owner occupied loans		450	605	1,955
Total	$	840	907	4,280

Table of Contents

The following table provides detail on commercial loan and leases by industry classification (as defined by the North American Industry Classification System), by loan size and by state, illustrating the diversity and granularity of the Bancorp's commercial loans and leases:

TABLE 33: COMMERCIAL LOAN AND LEASE PORTFOLIO (EXCLUDING LOANS HELD FOR SALE)

	2013			2012		
As of December 31 ($ in millions)	Outstanding	Exposure	Nonaccrual	Outstanding	Exposure	Nonaccrual
By industry:						
Manufacturing	$ **10,299**	**19,955**	**55**	$ 9,982	18,414	58
Financial services and insurance	**5,998**	**14,010**	**25**	4,886	12,062	54
Real estate	**5,027**	**7,302**	**70**	5,588	6,840	198
Business services	**4,910**	**7,411**	**55**	4,600	6,917	56
Wholesale trade	**4,407**	**8,406**	**35**	4,042	7,401	26
Healthcare	**4,038**	**6,220**	**26**	4,079	6,094	14
Retail trade	**3,301**	**6,673**	**18**	2,624	5,699	38
Transportation and warehousing	**3,134**	**4,416**	**1**	3,105	4,222	3
Construction	**1,865**	**3,196**	**36**	1,995	3,254	105
Communication and information	**1,801**	**3,295**	**2**	1,547	2,631	19
Accommodation and food	**1,668**	**2,556**	**12**	1,478	2,160	17
Mining	**1,580**	**3,206**	**55**	1,683	2,767	-
Entertainment and recreation	**1,149**	**1,955**	**12**	914	1,393	11
Other services	**1,013**	**1,362**	**24**	1,156	1,517	42
Utilities	**773**	**2,332**	**-**	608	2,009	-
Public administration	**541**	**734**	**-**	441	693	-
Agribusiness	**356**	**504**	**26**	376	527	44
Individuals	**174**	**218**	**6**	281	335	12
Other	**12**	**12**	**-**	3	2	-
Total	$ **52,046**	**93,763**	**458**	$ 49,388	84,937	697
By loan size:						
Less than $200,000	**1%**	**1**	**8**	2%	1	9
$200,000 to $1 million	**5**	**4**	**18**	6	5	22
$1 million to $5 million	**13**	**10**	**23**	15	12	28
$5 million to $10 million	**10**	**8**	**10**	11	9	13
$10 million to $25 million	**27**	**23**	**34**	27	25	24
Greater than $25 million	**44**	**54**	**7**	39	48	4
Total	**100%**	**100**	**100**	100%	100	100
By state:						
Ohio	**19%**	**22**	**16**	20%	24	13
Michigan	**10**	**8**	**11**	11	10	17
Illinois	**7**	**7**	**8**	8	8	8
Florida	**7**	**6**	**19**	7	6	19
Indiana	**5**	**5**	**9**	5	5	11
Kentucky	**3**	**3**	**2**	4	3	4
North Carolina	**3**	**3**	**1**	3	3	2
Tennessee	**3**	**3**	**1**	3	3	5
Pennsylvania	**3**	**3**	**7**	3	2	1
All other states	**40**	**40**	**26**	36	36	20
Total	**100%**	**100**	**100**	100%	100	100

The Bancorp has identified certain categories of loans which it believes represent a higher level of risk compared to the rest of the Bancorp's loan portfolio, due to economic or market conditions within the Bancorp's key lending areas.

Table of Contents

The following table provides analysis of each of the categories of loans (excluding loans held for sale) by state as of December 31, 2013 and 2012:

TABLE 34: NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE (a)

($ in millions)						For the Year Ended December 31, 2013
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	**1,086**	**1,377**	**-**	**14**	**12**
Michigan		**851**	**925**	**-**	**17**	**5**
Florida		**508**	**629**	**-**	**7**	**3**
Illinois		**353**	**593**	**-**	**6**	**4**
North Carolina		**248**	**428**	**-**	**2**	**1**
Indiana		**161**	**253**	**-**	**4**	**1**
All other states		**1,270**	**2,173**	**-**	**7**	**1**
Total	$	**4,477**	**6,378**	**-**	**57**	**27**

(a) Included in commercial mortgage and commercial construction loans on the Consolidated Balance Sheets.

TABLE 35: NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE (a)

($ in millions)						For the Year Ended December 31, 2012
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs (Recoveries)
Ohio	$	1,236	1,351	-	39	19
Michigan		1,098	1,123	-	49	32
Florida		596	632	-	42	20
Illinois		430	481	-	21	11
North Carolina		205	228	-	12	6
Indiana		283	303	-	14	2
All other states		972	1,250	-	33	(3)
Total	$	4,820	5,368	-	210	87

(a) Included in commercial mortgage and commercial construction loans on the Consolidated Balance Sheets.

TABLE 36: HOMEBUILDER AND DEVELOPER (a)

($ in millions)						For the Year Ended December 31, 2013
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs (Recoveries)
Ohio	$	**106**	**173**	**-**	**7**	**-**
Michigan		**33**	**40**	**-**	**4**	**(2)**
North Carolina		**18**	**25**	**-**	**-**	**-**
Indiana		**10**	**11**	**-**	**2**	**1**
Illinois		**5**	**8**	**-**	**2**	**4**
Florida		**3**	**14**	**-**	**-**	**-**
All other states		**19**	**73**	**-**	**1**	**1**
Total	$	**194**	**344**	**-**	**16**	**4**

(a) Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $51 and a total exposure of $135 are also included in Table 34: Non-Owner Occupied Commercial Real Estate.

TABLE 37: HOMEBUILDER AND DEVELOPER (a)

($ in millions)						For the Year Ended December 31, 2012
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	133	199	-	11	7
Michigan		52	60	-	6	7
North Carolina		24	34	-	4	1
Indiana		18	21	-	8	-
Illinois		28	31	-	8	3
Florida		32	59	-	3	10
All other states		31	35	-	2	-
Total	$	318	439	-	42	28

(a) Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $73 and a total exposure of $132 are also included in Table 35: Non-Owner Occupied Commercial Real Estate.

Consumer Portfolio

The Bancorp's consumer portfolio is materially comprised of three categories of loans: residential mortgage, home equity, and automobile. The Bancorp has identified certain categories within these loan types which it believes represent a higher level of risk compared to the rest of the consumer loan portfolio due to high loan amount to collateral value. The Bancorp does not update LTV ratios for the consumer portfolio subsequent to origination except as part of the charge-off process for real estate secured loans.

Residential Mortgage Portfolio

The Bancorp manages credit risk in the residential mortgage portfolio through conservative underwriting and documentation standards and geographic and product diversification. The Bancorp may also package and sell loans in the portfolio.

The Bancorp does not originate mortgage loans that permit customers to defer principal payments or make payments that are less than the accruing interest. The Bancorp originates both fixed and adjustable rate residential mortgage loans. Resets of rates on adjustable rate mortgages are not expected to have a material impact on credit costs in the current interest rate environment, as approximately $975 million of adjustable rate residential mortgage loans will have rate resets during the next twelve months, with less than one percent of those resets expected to experience an increase in monthly payments in comparison to the monthly payment at the time of origination.

Certain residential mortgage products have contractual features that may increase credit exposure to the Bancorp in the event of a decline in housing values. These types of mortgage products offered by the Bancorp include loans with high LTV ratios, multiple loans on the same collateral that when combined result in an LTV greater than 80% and interest-only loans. The Bancorp monitors residential mortgage loans with greater than 80% LTV ratios and no mortgage insurance as it believes these loans represent a higher level of risk.

The following table provides an analysis of the residential mortgage portfolio loans outstanding by LTV at origination:

TABLE 38: RESIDENTIAL MORTGAGE PORTFOLIO LOANS BY LTV AT ORIGINATION

	2013		2012	
As of December 31 ($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV ≤ 80%	$ **9,507**	**65.2%**	$ 8,993	65.8%
LTV > 80%, with mortgage insurance	**1,242**	**93.7**	1,165	93.6
LTV > 80%, no mortgage insurance	**1,931**	**95.9**	1,859	95.6
Total	$ **12,680**	**72.7%**	$ 12,017	73.1%

The following tables provide analysis of the residential mortgage portfolio loans outstanding with a greater than 80% LTV ratio and no mortgage insurance:

TABLE 39: RESIDENTIAL MORTGAGE PORTFOLIO LOANS, LTV GREATER THAN 80%, NO MORTGAGE INSURANCE

As of December 31, 2013 ($ in millions)				**For the Year Ended December 31, 2013**
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ **583**	**3**	**20**	**10**
Michigan	**305**	**2**	**7**	**5**
Florida	**260**	**1**	**11**	**3**
Illinois	**236**	**-**	**5**	**2**
Indiana	**120**	**1**	**4**	**1**
North Carolina	**94**	**-**	**2**	**-**
Kentucky	**83**	**-**	**3**	**2**
All other states	**250**	**1**	**2**	**1**
Total	$ **1,931**	**8**	**54**	**24**

Table of Contents

TABLE 40: RESIDENTIAL MORTGAGE PORTFOLIO LOANS, LTV GREATER THAN 80%, NO MORTGAGE INSURANCE

As of December 31, 2012 ($ in millions)					For the Year Ended December 31, 2012
By State:		Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	600	4	24	13
Michigan		310	1	10	10
Florida		262	-	17	15
Illinois		193	1	5	3
Indiana		115	1	5	2
North Carolina		111	1	5	3
Kentucky		89	1	2	1
All other states		179	-	5	5
Total	$	1,859	9	73	52

Home Equity Portfolio

The Bancorp's home equity portfolio is primarily comprised of home equity lines of credit. Beginning in the first quarter of 2013, the Bancorp's newly originated home equity lines of credit have a 10-year interest only draw period followed by a 20-year amortization period. The home equity line of credit previously offered by the Bancorp was a revolving facility with a 20-year term, minimum payments of interest only and a balloon payment of principal at maturity.

The ALLL provides coverage for probable and estimable losses in the home equity portfolio. The allowance attributable to the portion of the home equity portfolio that has not been restructured in a TDR is calculated on a pooled basis with first lien and junior-lien categories segmented in the determination of the probable credit losses in the home equity portfolio. The modeled loss factor for the home equity portfolio is based on the trailing twelve month historical loss rate for each category, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors to reflect risks associated with current conditions and trends. The prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix. The qualitative factors include adjustments for credit administration and portfolio management, credit policy and underwriting and the national and local economy. The Bancorp considers home price index trends when determining the national and local economy qualitative factor.

The home equity portfolio is managed in two primary groups: loans outstanding with a LTV greater than 80% and those loans with a LTV 80% or less based upon appraisals at origination. The carrying value of the greater than 80% LTV home equity loans and 80% or less LTV home equity loans were $3.2 billion and $6.0 billion, respectively, as of December 31, 2013. Of the total $9.2 billion of outstanding home equity loans:

- 82% reside within the Bancorp's Midwest footprint of Ohio, Michigan, Kentucky, Indiana and Illinois;
- 33% are in senior lien positions and 67% are in junior lien positions at December 31, 2013;
- Over 90% of non-delinquent borrowers made at least one payment greater than the minimum payment during the year ended December 31, 2013; and
- The portfolio had an average refreshed FICO score of 736 and 735 at December 31, 2013 and 2012, respectively.

The Bancorp actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation. The Bancorp does not routinely obtain appraisals on performing loans to update LTV ratios after origination. However, the Bancorp monitors the local housing markets by reviewing various home price indices and incorporates the impact of the changing market conditions in its on-going credit monitoring processes. For junior lien home equity loans which become 60 days or more past due, the Bancorp tracks the performance of the senior lien loans in which the Bancorp is the servicer and utilizes consumer credit bureau attributes to monitor the status of the senior lien loans that the Bancorp does not service. If the senior lien loan is found to be 120 days or more past due, the junior lien home equity loan is placed on nonaccrual status unless both loans are well-secured and in the process of collection. Additionally, if the junior lien home equity loan becomes 120 days or more past due and the senior lien loan is also 120 days or more past due, the junior lien home equity loan is assessed for charge-off, unless it is well-secured and in the process of collection. Refer to the Analysis of Nonperforming Assets section of the MD&A for more information.

Table of Contents

The following table provides an analysis of home equity loans outstanding disaggregated based upon refreshed FICO score:

TABLE 41: HOME EQUITY LOANS OUTSTANDING BY REFRESHED FICO SCORE

($ in millions)		December 31, 2013	% of Total		December 31, 2012	% of Total
Senior Liens:						
FICO < 620	$	**201**	**2%**	$	224	2%
FICO 621-719		**638**	**7**		653	6
FICO > 720		**2,253**	**24**		2,374	24
Total Senior Liens		**3,092**	**33**		3,251	32
Junior Liens:						
FICO < 620		**565**	**6**		661	7
FICO 621-719		**1,662**	**18**		1,817	18
FICO > 720		**3,927**	**43**		4,289	43
Total Junior Liens		**6,154**	**67**		6,767	68
Total	$	**9,246**	**100%**	$	10,018	100%

The Bancorp believes that home equity loans with a greater than 80% combined LTV ratio present a higher level of risk. The following table provides an analysis of the home equity loans outstanding in a first and second lien position by LTV at origination:

TABLE 42: HOME EQUITY LOANS OUTSTANDING BY LTV AT ORIGINATION

	2013			2012		
As of December 31 ($ in millions)		Outstanding	Weighted Average LTV		Outstanding	Weighted Average LTV
Senior Liens:						
LTV ≤ 80%	$	**2,645**	**54.9%**	$	2,763	54.9%
LTV > 80%		**447**	**89.2**		488	88.9
Total Senior Liens		**3,092**	**60.1**		3,251	60.2
Junior Liens:						
LTV ≤ 80%		**3,353**	**67.3**		3,602	67.3
LTV > 80%		**2,801**	**91.4**		3,165	91.6
Total Junior Liens		**6,154**	**80.2**		6,767	80.5
Total	$	**9,246**	**72.9%**	$	10,018	73.4%

The following tables provide analysis of home equity loans by state with LTV greater than 80%:

TABLE 43: HOME EQUITY LOANS OUTSTANDING WITH LTV GREATER THAN 80%

As of December 31, 2013 ($ in millions)						**For the Year Ended December 31, 2013**
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual(a)	Net Charge-offs(b)
Ohio	$	**1,161**	**1,868**	**-**	**10**	**18**
Michigan		**697**	**987**	**-**	**7**	**14**
Illinois		**383**	**554**	**-**	**6**	**9**
Indiana		**296**	**454**	**-**	**3**	**4**
Kentucky		**278**	**436**	**-**	**2**	**3**
Florida		**116**	**157**	**-**	**3**	**4**
All other states		**317**	**425**	**-**	**4**	**7**
Total	$	**3,248**	**4,881**	**-**	**35**	**59**

(a) *During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. For further information, refer to the Analysis of Nonperforming Assets section of MD&A.*

(b) *During the fourth quarter of 2013, the Bancorp modified its charge-off policy for home equity loans and lines of credit. For further information, refer to the Analysis of Net Loan Charge-offs section of MD&A.*

TABLE 44: HOME EQUITY LOANS OUTSTANDING WITH LTV GREATER THAN 80%

As of December 31, 2012 ($ in millions)						For the Year Ended December 31, 2012
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	1,254	1,927	8	6	24
Michigan		795	1,108	6	4	24
Illinois		428	611	5	3	17
Indiana		348	521	2	2	5
Kentucky		327	499	2	1	6
Florida		130	175	2	3	8
All other states		371	491	4	2	17
Total	$	3,653	5,332	29	21	101

Automobile Portfolio

The automobile portfolio is characterized by direct and indirect lending products to consumers. As of December 31, 2013, 51% of the automobile loan portfolio is comprised of loans collateralized by new automobiles. It is a common practice to advance on automobile loans an amount in excess of the automobile value due to the inclusion of taxes, title, and other fees paid at closing. The Bancorp monitors its exposure to these higher risk loans.

The following table provides an analysis of automobile loans outstanding by LTV at origination:

TABLE 45: AUTOMOBILE LOANS OUTSTANDING WITH LTV AT ORIGINATION

	2013			2012		
As of December 31 ($ in millions)		Outstanding	Weighted Average LTV		Outstanding	Weighted Average LTV
LTV ≤ 100%	$	**8,306**	**81.4%**	$	8,123	81.5%
LTV > 100%		**3,678**	**110.7**		3,849	110.8
Total	$	**11,984**	**90.7%**	$	11,972	91.2%

The following tables provide analysis of the Bancorp's automobile loans with a LTV at origination greater than 100%:

TABLE 46: AUTOMOBILE LOANS OUTSTANDING WITH LTV GREATER THAN 100%

As of December 31, 2013 ($ in millions)					**For the Year Ended December 31, 2013**
By State:		Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	**371**	**1**	**-**	**1**
Illinois		**201**	**-**	**-**	**1**
Michigan		**185**	**-**	**-**	**1**
Florida		**185**	**-**	**-**	**1**
Indiana		**147**	**-**	**-**	**-**
Kentucky		**119**	**-**	**-**	**-**
All other states		**2,470**	**4**	**1**	**10**
Total	$	**3,678**	**5**	**1**	**14**

TABLE 47: AUTOMOBILE LOANS OUTSTANDING WITH LTV GREATER THAN 100%

As of December 31, 2012 ($ in millions)					For the Year Ended December 31, 2012
By State:		Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	409	-	-	2
Illinois		232	-	-	2
Michigan		221	-	-	2
Florida		194	-	-	1
Indiana		158	-	-	1
Kentucky		141	-	-	1
All other states		2,494	4	2	15
Total	$	3,849	4	2	24

European Exposure

The Bancorp has no direct sovereign exposure to any European government as of December 31, 2013. In providing services to our customers, the Bancorp routinely enters into financial transactions with foreign domiciled and U.S. subsidiaries of foreign businesses as well as foreign financial institutions. These financial transactions are in the form of loans, loan commitments, letters of credit, derivatives and securities. The Bancorp's risk appetite for foreign country

Table of Contents

exposure is managed by having established country exposure limits. The Bancorp's total exposure to European domiciled or owned businesses and European financial institutions was $3.3 billion and funded exposure was $1.8 billion as of December 31, 2013. Additionally, the Bancorp was within its established country exposure limits for all European countries.

Certain European countries have been experiencing increased levels of stress throughout 2012 and 2013 including Greece, Ireland, Italy, Portugal and Spain. The Bancorp's total exposure to businesses domiciled or owned by companies and financial institutions in these countries was approximately $212 million and funded exposure was $103 million as of December 31, 2013.

The following table provides detail about the Bancorp's exposure to all European domiciled and owned businesses and financial institutions as of December 31, 2013:

TABLE 48: EUROPEAN EXPOSURE

		Sovereigns		Financial Institutions		Non-Financial Institutions		Total	
($ in millions)		Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure*(a)*	Funded Exposure
Peripheral Europe*(b)*	$	-	-	10	-	202	103	212	103
Other Eurozone*(c)*		-	-	56	14	2,031	1,161	2,087	1,175
Total Eurozone		-	-	66	14	2,233	1,264	2,299	1,278
Other Europe*(d)*		-	-	83	23	889	500	972	523
Total Europe	$	-	-	149	37	3,122	1,764	3,271	1,801

(a) Total exposure includes funded exposure and unfunded commitments, reported net of collateral.
(b) Peripheral Europe includes Greece, Ireland, Italy, Portugal and Spain.
(c) Eurozone includes countries participating in the European common currency (Euro).
(d) Other Europe includes European countries not part of the Euro (primarily the United Kingdom and Switzerland).

Analysis of Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; restructured commercial and credit card loans which have not yet met the requirements to be classified as a performing asset; restructured consumer loans which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. A summary of nonperforming assets is included in Table 49.

Residential mortgage loans are typically placed on nonaccrual status when principal and interest payments have become past due 150 days unless such loans are both well secured and in the process of collection. Residential mortgage loans may stay on nonaccrual status for an extended time as the foreclosure process typically lasts longer than 180 days. During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. Home equity loans and lines of credit are reported on nonaccrual status if principal or interest has been in default for 90 days or more unless the loan is both well secured and in the process of collection. Home equity loans and lines of credit that have been in default for 60 days or more are also reported on nonaccrual status if the senior lien has been in default 120 days or more, unless the loan is both well secured and in the process of collection. As a result of the modification of the nonaccrual policy for home equity loans and lines of credit, $46 million of home equity loans and lines of credit were reclassified from accrual to nonaccrual status during the fourth quarter of 2013. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have a sustained repayment performance of six months or greater and the Bancorp is reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral.

The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance. When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premiums, accretion of loan discounts and amortization or accretion of deferred net loan fees or costs are discontinued and previously accrued, but unpaid interest is reversed. Commercial loans on nonaccrual status are reviewed for impairment at least quarterly. If the principal or a portion of the principal is deemed a loss, the loss amount is charged off to the ALLL.

Total nonperforming assets, including loans held for sale, were $986 million at December 31 2013 compared to $1.3 billion at December 31, 2012. At December 31, 2013, $6 million of nonaccrual loans, consisting primarily of real estate secured loans, were held for sale, compared to $29 million at December 31, 2012.

Total nonperforming assets, including loans held for sale, as a percentage of total loans, leases and other assets, including OREO as of December 31, 2013 were 1.10%, compared to 1.48% as of December 31, 2012. Excluding nonaccrual loans held for sale, nonperforming assets as a percentage of portfolio loans, leases and other assets, including OREO were 1.10% as of December 31, 2013, compared to 1.49% as of December 31, 2012. The composition of nonaccrual loans and leases continues to be concentrated in real estate as 60% of nonaccrual loans and leases were secured by real estate as of December 31, 2013 compared to 67% as of December 31, 2012.

Commercial nonperforming loans and leases were $464 million at December 31, 2013, a decrease of $262 million from December 31, 2012 due primarily to the impact of loss mitigation actions and modest improvement in general economic conditions. Excluding commercial nonperforming loans and leases held for sale, commercial nonperforming loans and leases at December 31, 2013 decreased $239 million compared to December 31, 2012.

Consumer nonperforming loans and leases were $293 million at December 31, 2013, a decrease of $39 million from December 31, 2012. The decrease is primarily due to a decline in new nonaccrual levels due to modest improvement in general economic conditions in 2013. Home equity nonaccrual levels increased $39 million from the prior year due to the aforementioned nonaccrual policy change

which occurred during the fourth quarter of 2013. Geographical market conditions continue to be a large driver of nonaccrual activity as Florida properties represent approximately 13% and 8% of residential mortgage and home equity balances, respectively, but represent 38% and 15% of nonaccrual loans for each category. Refer to Table 50 for a rollforward of the nonperforming loans and leases.

OREO and other repossessed property, excluding OREO related to government insured loans, was $229 million at December 31, 2013, compared to $257 million at December 31, 2012. The decrease from December 31, 2012 was primarily due to the sale of OREO properties coupled with a decrease in new OREO properties reflecting the changes made to the Bancorp's underwriting of real estate loans in prior periods as well as modest improvements in general economic conditions during 2013. The Bancorp recognized $45 million and $74 million in losses on the sale or write-down of OREO properties in 2013 and 2012, respectively. These losses are primarily reflective of the continued stress in the Michigan and Florida markets for commercial real estate and residential mortgage loans as Michigan and Florida represented 15% and 15%, respectively, of total OREO losses in 2013 compared with 14% and 17%, respectively, in 2012. Properties in Michigan and Florida accounted for 36% of OREO at December 31, 2013, compared to 38% at December 31, 2012.

In 2013 and 2012, approximately $71 million and $102 million, respectively, of interest income would have been recorded if the nonaccrual and renegotiated loans and leases on nonaccrual status had been current in accordance with their original terms. Although these values help demonstrate the costs of carrying nonaccrual credits, the Bancorp does not expect to recover the full amount of interest as nonaccrual loans and leases are generally carried below their principal balance.

Table of Contents

TABLE 49: SUMMARY OF NONPERFORMING ASSETS AND DELINQUENT LOANS

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Nonaccrual loans and leases:						
Commercial and industrial loans	$	127	234	408	473	734
Commercial mortgage loans		90	215	358	407	898
Commercial construction loans		10	70	123	182	646
Commercial leases		3	1	9	11	67
Residential mortgage loans		83	114	134	152	275
Home equity		74	30	25	23	21
Automobile loans		-	-	-	1	1
Other consumer loans and leases		-	1	1	84	-
Restructured loans and leases:						
Commercial and industrial loans		154	96	79	95	35
Commercial mortgage loans *(f)*		53	67	63	28	4
Commercial construction loans		19	6	15	10	8
Commercial leases		2	8	3	8	-
Residential mortgage loans		83	123	141	116	137
Home equity		19	23	29	33	33
Automobile loans		1	2	2	2	1
Credit card and other		33	39	48	55	87
Total nonperforming loans and leases *(d)*		751	1,029	1,438	1,680	2,947
OREO and other repossessed property *(c)*		229	257	378	494	297
Total nonperforming assets		980	1,286	1,816	2,174	3,244
Nonaccrual loans held for sale		6	29	138	294	224
Total nonperforming assets including loans held for sale	$	986	1,315	1,954	2,468	3,468
Loans and leases 90 days past due and accruing:						
Commercial and industrial loans	$	-	1	4	16	118
Commercial mortgage loans		-	22	3	11	59
Commercial construction loans		-	1	1	3	17
Commercial leases		-	-	-	-	4
Residential mortgage loans *(b)*		66	75	79	100	189
Home equity		-	58	74	89	99
Automobile loans		8	8	9	13	17
Credit card and other		29	30	30	42	64
Total loans and leases 90 days past due and accruing *(e)*	$	103	195	200	274	567
Nonperforming assets as a percent of portfolio loans, leases and other assets, including OREO *(a)*		1.10%	1.49	2.23	2.79	4.22
Allowance for loan and lease losses as a percent of nonperforming assets *(a)*		161	144	124	138	116

(a) Excludes nonaccrual loans held for sale.

(b) Information for all periods presented excludes advances made pursuant to servicing agreements to GNMA mortgage loan pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of ***December 31, 2013****, 2012, 2011, 2010, and 2009 these advances were* ***$378****, $414, $309, $279 and $130, respectively. The Bancorp recognized credit losses of* ***$5*** *for the year ended* ***December 31, 2013*** *and $2 for 2012 due to claim denials and curtailments associated with these advances.*

(c) Excludes ***$77****, $72, $64, $38 and $15 of OREO related to government insured loans at* ***December 31, 2013****, 2012, 2011, 2010, and 2009, respectively.*

(d) Includes ***$10****, $10, $17, $24, and $32 of nonaccrual government insured commercial loans whose repayments are insured by the SBA at* ***December 31, 2013****, 2012, 2011, 2010, and 2009, respectively, and* ***$2,*** *$1, $2, $0, and $0 of restructured nonaccrual government insured commercial loans at* ***December 31, 2013****, 2012, 2011, 2010, and 2009, respectively.*

(e) Includes an immaterial amount of government insured commercial loans 90 days past due and accruing whose repayments are insured by the SBA at ***December 31, 2013****, 2012, 2011, 2010, and 2009.*

(f) Excludes ***$21*** *of restructured nonaccrual loans at* ***December 31, 2013*** *associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*

Table of Contents

The following table provides a rollforward of portfolio nonperforming loans and leases, by portfolio segment:

TABLE 50: ROLLFORWARD OF PORTFOLIO NONPERFORMING LOANS AND LEASES

For the year ended December 31, 2013 ($ in millions)		Commercial	Residential Mortgage	Consumer	Total
Beginning Balance	$	**697**	**237**	**95**	**1,029**
Transfers to nonperforming		**409**	**204**	**297**	**910**
Transfers to performing		**(9)**	**(52)**	**(60)**	**(121)**
Transfers to performing (restructured)		**(15)**	**(41)**	**(62)**	**(118)**
Transfers to held for sale		**(3)**	**-**	**-**	**(3)**
Loans sold from portfolio		**(38)**	**-**	**-**	**(38)**
Loan paydowns/payoffs		**(295)**	**(112)**	**(11)**	**(418)**
Transfers to other real estate owned		**(81)**	**(73)**	**(13)**	**(167)**
Charge-offs (recoveries)		**(221)**	**3**	**(122)**	**(340)**
Draws/other extensions of credit		**14**	**-**	**3**	**17**
Ending Balance	$	**458**	**166**	**127**	**751**
For the year ended December 31, 2012 ($ in millions)					
Beginning Balance	$	1,058	275	105	1,438
Transfers to nonperforming		560	318	354	1,232
Transfers to performing		(22)	(45)	(73)	(140)
Transfers to performing (restructured)		(31)	(57)	(90)	(178)
Transfers to held for sale		(13)	-	-	(13)
Loans sold from portfolio		(36)	(4)	-	(40)
Loan paydowns/payoffs		(466)	(121)	(12)	(599)
Transfers to other real estate owned		(108)	(71)	-	(179)
Charge-offs		(297)	(58)	(194)	(549)
Draws/other extensions of credit		52	-	5	57
Ending Balance	$	697	237	95	1,029

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Typically, these modifications reduce the loan interest rate, extend the loan term, reduce the accrued interest or in limited circumstances, reduce the principal balance of the loan. These modifications are classified as TDRs.

At the time of modification, the Bancorp maintains certain consumer loan TDRs (including residential mortgage loans, home equity loans, and other consumer loans) on accrual status, provided there is reasonable assurance of repayment and performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified terms are reasonably assured of collection. TDRs of commercial loans and credit card loans that do not have a sustained payment history of six months or greater in accordance with the modified terms remain on nonaccrual status until a six-month payment history is sustained.

Consumer restructured loans on accrual status totaled $1.7 billion at December 31, 2013 and December 31, 2012. As of December 31, 2013, the percentage of restructured residential mortgage loans, home equity loans, and credit card loans that are past due 30 days or more were 17%, 11% and 16%, respectively.

The following table summarizes TDRs by loan type and delinquency status:

TABLE 51: PERFORMING AND NONPERFORMING TDRs

		Performing					
As of December 31, 2013 ($ in millions)		Current	30-89 Days Past Due	90 Days or More Past Due	Nonaccrual		Total
Commercial*(b)(c)*	$	869	-	-	228	$	1,097
Residential mortgages*(a)*		1,045	82	114	84		1,325
Home equity		368	26	-	18		412
Credit card		25	-	-	33		58
Automobile and other consumer loans and leases		24	1	-	1		26
Total	$	2,331	109	114	364	$	2,918

(a) *Information includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2013, these advances represented $155 of current loans, $31 of 30-89 days past due loans and $88 of 90 days or more past due loans.*

(b) *Excludes $8 of restructured accruing loans and $21 of restructured nonaccrual loans associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*

(c) *Excludes restructured nonaccrual loans held for sale.*

Analysis of Net Loan Charge-offs

Net charge-offs were 58 bps and 85 bps of average portfolio loans and leases for the years ended December 31, 2013 and 2012, respectively. Table 52 provides a summary of credit loss experience and net charge-offs as a percentage of average portfolio loans and leases outstanding by loan category.

The ratio of commercial loan and lease net charge-offs to average portfolio commercial loans and leases decreased to 44 bps during 2013 compared to 63 bps in 2012, as a result of decreases in net charge-offs of $77 million coupled with an increase in average portfolio commercial loan and lease balances of $3.7 billion. Decreases in net charge-offs were realized across all commercial loan types, excluding commercial and industrial loans which increased primarily due to a $43 million charge-off on a single large credit during the fourth quarter of 2013, and were primarily due to improvements in general economic conditions and previous actions taken by the Bancorp to address problem loans. Actions taken by the Bancorp included suspending homebuilder and developer lending in 2007 and non-owner occupied commercial real estate lending in 2008 and tightened underwriting standards across all commercial loan product offerings. The Bancorp resumed homebuilder and developer lending and non-owner occupied commercial real estate lending in the third quarter of 2011. Net charge-offs for 2013 related to non-owner occupied commercial real estate were $27 million compared to $87 million in 2012. Net charge-offs related to non-owner occupied commercial real estate are recorded in the commercial mortgage loans and commercial construction loans captions in Table 52. Net charge-offs on these loans represented 12% of total commercial loan and lease net charge-offs in 2013 and 29% in 2012.

The ratio of consumer loan and lease net charge-offs to average consumer loans and leases decreased to 77 bps in 2013 compared to 113 bps in 2012. Net charge-offs on residential mortgage loans, which typically involve partial charge-offs based upon appraised values of underlying collateral, decreased $62 million from the prior year as a result of improvements in delinquencies and a decrease in the average loss recorded per charge-off. The Bancorp's Florida and Michigan markets, in aggregate, accounted for 42% and 66% of net charge-offs on residential mortgage loans in the portfolio in 2013 and 2012, respectively. The Bancorp expects the composition of the residential mortgage portfolio to improve as it continues to retain high quality, shorter duration residential mortgage loans that are originated through its branch network as a low-cost, refinance product of conforming residential mortgage loans.

Home equity net charge-offs decreased $60 million compared to the prior year, primarily due to improvements in loss severities and delinquencies, partially offset by the impact of the change in the home equity charge-off policy during the fourth quarter of 2013. Home equity loans and lines of credit that have been in default 120 days or more are assessed for a charge-off if the senior lien has been in default 120 days or more. In addition, management actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation.

Automobile loan net charge-offs decreased $9 million compared to 2012, due to the origination of high credit quality loans and higher resale on automobiles sold at auction.

Credit card and other consumer loans and leases net charge-offs increased $5 million from 2012. Credit card net charge-offs increased $4 million from the prior year. The Bancorp utilizes a risk-adjusted pricing methodology to ensure adequate compensation is received for those products that have higher credit costs. Other consumer loan net charge-offs remained relatively flat compared to the same period in the prior year.

TABLE 52: SUMMARY OF CREDIT LOSS EXPERIENCE

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Losses charged off:						
Commercial and industrial loans	$	**(207)**	(194)	(314)	(631)	(768)
Commercial mortgage loans		**(66)**	(120)	(211)	(541)	(436)
Commercial construction loans		**(9)**	(34)	(89)	(265)	(420)
Commercial leases		**(2)**	(10)	(1)	(7)	(11)
Residential mortgage loans		**(70)**	(129)	(180)	(441)	(359)
Home equity		**(114)**	(172)	(234)	(276)	(330)
Automobile loans		**(44)**	(55)	(85)	(132)	(189)
Credit card		**(92)**	(90)	(114)	(164)	(178)
Other consumer loans and leases		**(33)**	(33)	(86)	(28)	(28)
Total losses		**(637)**	(837)	(1,314)	(2,485)	(2,719)
Recoveries of losses previously charged off:						
Commercial and industrial loans		**39**	29	38	45	50
Commercial mortgage loans		**19**	21	16	17	14
Commercial construction loans		**5**	9	4	13	4
Commercial leases		**1**	2	3	5	4
Residential mortgage loans		**10**	7	7	2	2
Home equity		**17**	15	14	12	8
Automobile loans		**22**	24	32	44	41
Credit card		**14**	16	16	9	8
Other consumer loans and leases		**9**	10	12	10	7
Total recoveries		**136**	133	142	157	138
Net losses charged off:						
Commercial and industrial loans		**(168)**	(165)	(276)	(586)	(718)
Commercial mortgage loans		**(47)**	(99)	(195)	(524)	(422)
Commercial construction loans		**(4)**	(25)	(85)	(252)	(416)
Commercial leases		**(1)**	(8)	2	(2)	(7)
Residential mortgage loans		**(60)**	(122)	(173)	(439)	(357)
Home equity		**(97)**	(157)	(220)	(264)	(322)
Automobile loans		**(22)**	(31)	(53)	(88)	(148)
Credit card		**(78)**	(74)	(98)	(155)	(170)
Other consumer loans and leases		**(24)**	(23)	(74)	(18)	(21)
Total net losses charged off	$	**(501)**	(704)	(1,172)	(2,328)	(2,581)
Net charge-offs as a percent of average loans and leases (excluding held for sale):						
Commercial and industrial loans		**0.44%**	0.50	0.97	2.23	2.61
Commercial mortgage loans		**0.56**	1.02	1.89	4.58	3.43
Commercial construction loans		**0.51**	3.08	4.96	8.48	9.24
Commercial leases		**0.04**	0.22	(0.08)	0.05	0.22
Total commercial loans		**0.44**	0.63	1.26	3.10	3.27
Residential mortgage loans		**0.48**	1.07	1.75	5.49	4.15
Home equity		**1.02**	1.51	1.97	2.20	2.57
Automobile loans		**0.18**	0.26	0.47	0.85	1.68
Credit card		**3.67**	3.79	5.19	8.28	8.87
Other consumer loans and leases		**6.71**	7.02	15.29	2.58	2.14
Total consumer loans and leases		**0.77**	1.13	1.79	2.92	3.10
Total net losses charged off		**0.58%**	0.85	1.49	3.02	3.20

Allowance for Credit Losses

The allowance for credit losses is comprised of the ALLL and the reserve for unfunded commitments. The ALLL provides coverage for probable and estimable losses in the loan and lease portfolio. The Bancorp evaluates the ALLL each quarter to determine its adequacy to cover inherent losses. Several factors are taken into consideration in the determination of the overall ALLL, including an unallocated component. These factors include, but are not limited to, the overall risk profile of the loan and lease portfolios, net charge-off experience, the extent of impaired loans and leases, the level of nonaccrual loans and leases, the level of 90 days past due loans and leases and the overall percentage level of the ALLL relative to portfolio loans and leases. The Bancorp also considers overall asset quality trends, credit administration and portfolio management practices, risk identification practices, credit policy and underwriting practices, overall portfolio growth, portfolio concentrations and current national and local economic conditions that might impact the portfolio. See the Critical Accounting Policies section for more information.

In 2013, the Bancorp did not substantively change any material aspect of its overall approach in the determination of the ALLL and there have been no material changes in assumptions or estimation techniques as compared to prior periods that impacted the determination of the current period allowance. In addition to the ALLL, the Bancorp maintains a reserve for unfunded commitments recorded in other liabilities in the Consolidated Balance Sheets. The methodology used to determine the adequacy of this reserve is similar to the Bancorp's methodology for determining the ALLL. The provision for unfunded commitments is included in other noninterest expense in the Consolidated Statements of Income.

The ALLL attributable to the portion of the residential mortgage and consumer loan and lease portfolio that has not been

restructured is determined on a pooled basis with the segmentation being based on the similarity of credit risk characteristics. Loss factors for real estate backed consumer loans are developed for each pool based on the trailing twelve month historical loss rate, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors. The prescriptive loss rate factors and qualitative adjustments are designed to reflect risks associated with current conditions and trends which are not believed to be fully reflected in the trailing twelve month historical loss rate. For real estate backed consumer loans, the prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix, and the qualitative factors include adjustments for credit administration and portfolio management practices, credit policy and underwriting practices and the national and local economy. The Bancorp considers home price index trends in its footprint when determining the national and local economy qualitative factor. The Bancorp also considers the volatility of collateral valuation trends when determining the unallocated component of the ALLL.

The Bancorp's determination of the ALLL for commercial loans is sensitive to the risk grades it assigns to these loans. In the event that 10% of commercial loans in each risk category would experience a downgrade of one risk category, the allowance for commercial loans would increase by approximately $152 million at December 31, 2013. In addition, the Bancorp's determination of the allowance for residential and consumer loans is sensitive to changes in estimated loss rates. In the event that estimated loss rates would increase by 10%, the allowance for residential and consumer loans would increase by approximately $41 million at December 31, 2013. As several qualitative and quantitative factors are considered in determining the ALLL, these sensitivity analyses do not necessarily reflect the nature and extent of future changes in the ALLL. They are intended to provide insights into the impact of adverse changes to risk grades and estimated loss rates and do not imply any expectation of future deterioration in the risk ratings or loss rates. Given current processes employed by the Bancorp, management believes the risk grades and estimated loss rates currently assigned are appropriate.

TABLE 53: CHANGES IN ALLOWANCE FOR CREDIT LOSSES

For the years ended December 31 ($ in millions)		**2013**	2012	2011	2010	2009
ALLL:						
Balance, beginning of period	$	**1,854**	2,255	3,004	3,749	2,787
Impact of change in accounting principle		**-**	-	-	45	-
Losses charged off		**(637)**	(837)	(1,314)	(2,485)	(2,719)
Recoveries of losses previously charged off		**136**	133	142	157	138
Provision for loan and lease losses		**229**	303	423	1,538	3,543
Balance, end of period	$	**1,582**	1,854	2,255	3,004	3,749
Reserve for unfunded commitments and letters of credit:						
Balance, beginning of period	$	**179**	181	227	294	195
Impact of change in accounting principle		**-**	-	-	(43)	-
Provision (benefit) for unfunded commitments and letters of credit		**(17)**	(2)	(46)	(24)	99
Balance, end of period	$	**162**	179	181	227	294

Certain inherent, but unconfirmed losses are probable within the loan and lease portfolio. The Bancorp's current methodology for determining the level of losses is based on historical loss rates, current credit grades, specific allocation on impaired commercial credits above specified thresholds and restructured residential mortgage, consumer and commercial loans and other qualitative adjustments. Due to the heavy reliance on realized historical losses and the credit grade rating process, the model-derived estimate of ALLL tends to slightly lag behind the deterioration in the portfolio, in a stable or deteriorating credit environment, and tend not to be as responsive when improved conditions have presented themselves. Given these model limitations, the qualitative adjustment factors may be incremental or decremental to the quantitative model results.

An unallocated component to the ALLL is maintained to recognize the imprecision in estimating and measuring loss. The unallocated allowance as a percent of total portfolio loans and leases at December 31, 2013 and 2012 was 0.12% and 0.13%, respectively. The unallocated allowance was seven percent of the total allowance as of December 31, 2013 compared to six percent as of December 31, 2012.

As shown in Table 54, the ALLL as a percent of portfolio loan and leases was 1.79% at December 31, 2013, compared to 2.16% at December 31, 2012. The ALLL was $1.6 billion as of December 31, 2013, compared to $1.9 billion at December 31, 2012. The decrease is reflective of a number of factors including decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases and improvement in underlying loss trends.

TABLE 54: ATTRIBUTION OF ALLOWANCE FOR LOAN AND LEASE LOSSES TO PORTFOLIO LOANS AND LEASES

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Allowance attributed to:						
Commercial and industrial loans	$	767	802	929	1,123	1,282
Commercial mortgage loans		212	333	441	597	734
Commercial construction loans		26	33	77	158	380
Commercial leases		53	68	80	111	121
Residential mortgage loans		189	229	227	310	375
Home equity		94	143	195	265	294
Automobile loans		23	28	43	73	127
Credit card		92	87	106	158	199
Other consumer loans and leases		16	20	21	59	44
Unallocated		110	111	136	150	193
Total ALLL	$	1,582	1,854	2,255	3,004	3,749
Portfolio loans and leases:						
Commercial and industrial loans	$	39,316	36,038	30,783	27,191	25,683
Commercial mortgage loans		8,066	9,103	10,138	10,845	11,803
Commercial construction loans		1,039	698	1,020	2,048	3,784
Commercial leases		3,625	3,549	3,531	3,378	3,535
Residential mortgage loans		12,680	12,017	10,672	8,956	8,035
Home equity		9,246	10,018	10,719	11,513	12,174
Automobile loans		11,984	11,972	11,827	10,983	8,995
Credit card		2,294	2,097	1,978	1,896	1,990
Other consumer loans and leases		364	290	350	681	780
Total portfolio loans and leases	$	88,614	85,782	81,018	77,491	76,779
Attributed allowance as a percent of respective portfolio loans and leases:						
Commercial and industrial loans		1.95 %	2.23	3.02	4.13	4.99
Commercial mortgage loans		2.63	3.66	4.35	5.50	6.22
Commercial construction loans		2.50	4.73	7.55	7.71	10.04
Commercial leases		1.46	1.92	2.27	3.29	3.42
Residential mortgage loans		1.49	1.91	2.13	3.46	4.67
Home equity		1.02	1.43	1.82	2.30	2.41
Automobile loans		0.19	0.23	0.36	0.66	1.41
Credit card		4.01	4.15	5.36	8.33	10.00
Other consumer loans and leases		4.40	6.90	6.00	8.66	5.64
Unallocated (as a percent of total portfolio loans and leases)		0.12	0.13	0.17	0.19	0.25
Total portfolio loans and leases		1.79 %	2.16	2.78	3.88	4.88

MARKET RISK MANAGEMENT

Market risk arises from the potential for market fluctuations in interest rates, foreign exchange rates and equity prices that may result in potential reductions in net income. Interest rate risk, a component of market risk, is the exposure to adverse changes in net interest income or financial position due to changes in interest rates. Management considers interest rate risk a prominent market risk in terms of its potential impact on earnings. Interest rate risk can occur for any one or more of the following reasons:

- Assets and liabilities may mature or reprice at different times;
- Short-term and long-term market interest rates may change by different amounts; or
- The expected maturity of various assets or liabilities may shorten or lengthen as interest rates change.

In addition to the direct impact of interest rate changes on net interest income, interest rates can indirectly impact earnings through their effect on loan demand, credit losses, mortgage originations, the value of servicing rights and other sources of the Bancorp's earnings. Stability of the Bancorp's net income is largely dependent upon the effective management of interest rate risk. Management continually reviews the Bancorp's balance sheet composition and earnings flows and models the interest rate risk, and possible actions to reduce this risk, given numerous possible future interest rate scenarios.

Interest Rate Risk Management Oversight

The Bancorp's Executive ALCO, which includes senior management representatives and is accountable to the ERM Committee, monitors and manages interest rate risk within Board approved policy limits. In addition to the risk management activities of ALCO, the Bancorp has a Market Risk Management function as part of ERM that provides independent oversight of market risk activities. In 2012, the NII and EVE ALCO policy limits were lowered to reflect the Bancorp's current risk appetite and due to significant uncertainty with respect to the economic environment, market interest rates and balance sheet and deposit pricing behaviors. The policy limits were updated in conjunction with the Market Risk Management group and were approved by ALCO.

Net Interest Income Sensitivity

The Bancorp utilizes a variety of measurement techniques to identify and manage its interest rate risk, including the use of an NII simulation model to analyze the sensitivity of net interest income to changing interest rates. The model is based on contractual and assumed cash flows and repricing characteristics for all of the Bancorp's assets, liabilities and off-balance sheet exposures and incorporates market-based assumptions regarding the effect of changing interest rates on the prepayment rates of certain assets and attrition rates for certain liabilities. The model also includes senior management's projections of the future volume and pricing of each of the product lines offered by the Bancorp as well as other pertinent assumptions. Actual results may differ from these

simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and management strategies.

The Bancorp's interest rate risk exposure is currently evaluated by measuring the anticipated change in net interest income over 12-month and 24-month horizons assuming 100 bps and 200 bps parallel ramped increases in interest rates. The analysis would typically include 100 bps and 200 bps parallel ramped decreases in interest rates; however, this analysis is currently omitted due to the current low levels of short-term interest rates. Applying the ramps would result in certain short-term interest rates becoming negative in the parallel ramped decrease scenarios. In accordance with the current policy, the rate movements are assumed to occur over one year and are sustained thereafter.

The following table shows the Bancorp's estimated net interest income sensitivity profile and ALCO policy limits as of December 31:

TABLE 55: ESTIMATED NII SENSITIVITY PROFILE

	2013				2012			
	Percent Change in NII (FTE)		ALCO Policy Limits		Percent Change in NII (FTE)		ALCO Policy Limits	
Change in Interest Rates (bps)	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months
+ 200	**1.73 %**	**6.89**	**(4.00)**	**(6.00)**	1.78 %	7.75	(4.00)	(6.00)
+ 100	**0.77**	**3.37**	**-**	**-**	0.90	3.78	-	-

At December 31, 2013, the Bancorp's net interest income would benefit modestly in year one and year two due to these parallel ramp increases. The benefit is attributable to the combination of floating-rate assets, including our predominantly floating-rate commercial loan portfolio, and certain intermediate-term fixed rate liabilities. The benefit is down modestly when compared to December 31, 2012. The lower net interest income benefit is attributable to an increase in fixed-rate securities balances and the realization of slower prepayments on the available-for-sale security portfolio in 2013. At December 31, 2012, prepayments speeds on certain available-for-sale securities were projected to slow in a rising rate environment, which provided a benefit to net interest income sensitivity at that time. During 2013, these slowing prepayments were realized as a result of an increase in the level of market interest rates and mortgage rates. Further increases in interest rates will not have the same impact on net interest income, which results in a modest reduction in the benefit. The impacts of the slowing prepayments and the increase in the fixed-rate securities portfolio were partly offset by an increase in core deposit balances and an increase in actual and projected fixed-rate borrowings and shareholder's equity.

Economic Value of Equity Sensitivity

The Bancorp also utilizes EVE as a measurement tool in managing interest rate risk. Whereas the net interest income sensitivity analysis highlights the impact on forecasted NII over 1- and 2-year time horizons, the EVE analysis is a point in time analysis of the current positions and incorporates all cash flows over their estimated remaining lives. The EVE of the balance sheet is defined as the discounted present value of all remaining asset and net derivative cash flows less the discounted value of all remaining liability cash flows. Due to this longer horizon, the sensitivity of EVE to changes in the level of interest rates is a measure of longer-term interest rate risk. EVE values only the current balance sheet and does not incorporate the growth assumptions used in the NII sensitivity analysis. As with the NII simulation model, assumptions about the timing and variability of existing balance sheet cash flows are critical in the EVE analysis. Particularly important are assumptions driving loan and security prepayments and the expected balance attrition and pricing of transaction deposits.

The following table shows the Bancorp's EVE sensitivity profile as of December 31:

TABLE 56: ESTIMATED EVE SENSITIVITY PROFILE

	2013		2012	
Change in Interest Rates (bps)	Change in EVE	ALCO Policy Limit	Change in EVE	ALCO Policy Limit
+200	**(5.78)%**	**(12.00)**	2.16 %	(12.00)
+100	**(2.91)**		1.50	
+25	**(0.70)**		0.43	
-25	**0.63**		(0.52)	

At December 31, 2013, the EVE sensitivity was modestly negative, compared to a small benefit at December 31, 2012. The primary factors contributing to the change are an increase in the average life of mortgage loan and securities positions as a result of slowing prepayments due to increases in the levels of market interest rates and mortgage rates, growth in fixed-rate securities balances, and a decreased benefit related to MSRs. At December 31, 2012, the MSR valuation was projected to benefit from slowing prepayments that would occur with rising interest rates. Slowing prepayments were realized during 2013 due to increased market rates, and consequently, future increases in interest rates will have a smaller benefit to the MSR valuation.

While an instantaneous shift in interest rates is used in this analysis to provide an estimate of exposure, the Bancorp believes that a gradual shift in interest rates would have a much more modest impact. Since EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (e.g., the current fiscal year). Further, EVE does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships and changing product spreads that could mitigate or exacerbate the impact of changes in interest rates. The NII simulations and EVE analyses do not necessarily include certain

actions that management may undertake to manage risk in response to anticipated changes in interest rates.

The Bancorp regularly evaluates its exposures to LIBOR and Prime basis risks, nonparallel shifts in the yield curve and embedded options risk. In addition, the impact on NII and EVE of more extreme changes in interest rates is modeled, wherein the Bancorp employs the use of yield curve shocks and environment-specific scenarios.

Use of Derivatives to Manage Interest Rate Risk

An integral component of the Bancorp's interest rate risk management strategy is its use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options, swaptions and TBA securities.

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp enters into forward contracts accounted for as free-standing derivatives to economically hedge interest rate lock commitments that are also considered free-standing derivatives. Additionally, the Bancorp economically hedges its exposure to mortgage loans held for sale through the use of forward contracts and mortgage options.

The Bancorp also establishes derivative contracts with major financial institutions to economically hedge significant exposures assumed in commercial customer accommodation derivative contracts. Generally, these contracts have similar terms in order to protect the Bancorp from market volatility. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts, which the Bancorp minimizes through collateral arrangements, approvals, limits and monitoring procedures. For further information including the notional amount and fair values of these derivatives, see Note 12 of the Notes to Consolidated Financial Statements.

Portfolio Loans and Leases and Interest Rate Risk

Although the Bancorp's portfolio loans and leases contain both fixed and floating/adjustable rate products, the rates of interest earned by the Bancorp on the outstanding balances are generally established for a period of time. The interest rate sensitivity of loans and leases is directly related to the length of time the rate earned is established. The following table summarizes the expected principal cash flows of the Bancorp's portfolio loans and leases as of December 31, 2013.

TABLE 57: PORTFOLIO LOAN AND LEASE EXPECTED MATURITIES

($ in millions)		Less than 1 year	1-5 years	Over 5 years	Total
Commercial and industrial loans	$	18,523	19,785	1,008	39,316
Commercial mortgage loans		3,569	4,054	443	8,066
Commercial construction loans		457	557	25	1,039
Commercial leases		669	1,608	1,348	3,625
Subtotal - commercial loans and leases		23,218	26,004	2,824	52,046
Residential mortgage loans		2,160	4,298	6,222	12,680
Home equity		1,352	5,088	2,806	9,246
Automobile loans		4,684	7,104	196	11,984
Credit card		661	1,633	-	2,294
Other consumer loans and leases		312	51	1	364
Subtotal - consumer loans and leases		9,169	18,174	9,225	36,568
Total	$	32,387	44,178	12,049	88,614

Additionally, the following table displays a summary of expected principal cash flows occurring after one year for both fixed and floating or adjustable rate loans, as of December 31, 2013:

TABLE 58: PORTFOLIO LOAN AND LEASE PRINCIPAL CASH FLOWS OCCURING AFTER ONE YEAR

		Interest Rate	
($ in millions)		Fixed	Floating or Adjustable
Commercial and industrial loans	$	2,839	17,954
Commercial mortgage loans		1,167	3,330
Commercial construction loans		27	555
Commercial leases		2,956	-
Subtotal - commercial loans and leases		6,989	21,839
Residential mortgage loans		7,682	2,838
Home equity		951	6,943
Automobile loans		7,252	48
Credit card		694	939
Other consumer loans and leases		35	17
Subtotal - consumer loans and leases		16,614	10,785
Total	$	23,603	32,624

Residential Mortgage Servicing Rights and Interest Rate Risk

The net carrying amount of the residential MSR portfolio was $967 million and $697 million as of December 31, 2013 and 2012, respectively. The value of servicing rights can fluctuate sharply depending on changes in interest rates and other factors. Generally, as interest rates decline and loans are prepaid to take advantage of refinancing, the total value of existing servicing rights declines because no further servicing fees are collected on repaid loans. The Bancorp maintains a non-qualifying hedging strategy relative to its mortgage banking activity in order to manage a portion of the risk

associated with changes in the value of its MSR portfolio as a result of changing interest rates.

Mortgage rates increased during 2013 and decreased during 2012. The increase in interest rates during 2013 caused modeled prepayment speeds to slow, which led to a recovery of $192 million in temporary impairment on servicing rights during the year ended December 31, 2013. The decrease in interest rates during 2012 caused modeled prepayment speeds to increase, which led to $103 million in temporary impairment on servicing rights during the year ended December 31, 2012. Servicing rights are deemed temporarily impaired when a borrower's loan rate is distinctly higher than prevailing rates. Temporary impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower's loan rate. In addition to the mortgage servicing rights valuation, the Bancorp recognized net losses of $17 million and net gains of $66 million on its non-qualifying hedging strategy for the years ended 2013 and 2012, respectively. These amounts include net gains on securities related to the Bancorp's non-qualifying hedging strategy of $13 million and $3 million for 2013 and 2012, respectively. The Bancorp may adjust its hedging strategy to reflect its assessment of the composition of its MSR portfolio, the cost of hedging and the anticipated effectiveness of the hedges given the economic environment. See Note 11 of the Notes to Consolidated Financial Statements for further discussion on servicing rights and the instruments used to hedge interest rate risk on MSRs.

Foreign Currency Risk

The Bancorp may enter into foreign exchange derivative contracts to economically hedge certain foreign denominated loans. The derivatives are classified as free-standing instruments with the revaluation gain or loss being recorded in other noninterest income in the Consolidated Statements of Income. The balance of the Bancorp's foreign denominated loans at December 31, 2013 and 2012 was $581 million and $549 million, respectively. The Bancorp also enters into foreign exchange contracts for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations. The Bancorp has internal controls in place to help ensure excessive risk is not being taken in providing this service to customers. These controls include an independent determination of currency volatility and credit equivalent exposure on these contracts, counterparty credit approvals and country limits.

LIQUIDITY RISK MANAGEMENT

The goal of liquidity management is to provide adequate funds to meet changes in loan and lease demand, unexpected levels of deposit withdrawals and other contractual obligations. Mitigating liquidity risk is accomplished by maintaining liquid assets in the form of investment securities, maintaining sufficient unused borrowing capacity in the debt markets and delivering consistent growth in core deposits. A summary of certain obligations and commitments to make future payments under contracts is included in Note 17 of the Notes to Consolidated Financial Statements.

The Bancorp maintains a contingency funding plan that assesses the liquidity needs under various scenarios of market conditions, asset growth and credit rating downgrades. The plan includes liquidity stress testing which measures various sources and uses of funds under the different scenarios. The contingency plan provides for ongoing monitoring of unused borrowing capacity and available sources of contingent liquidity to prepare for unexpected liquidity needs and to cover unanticipated events that could affect liquidity.

Sources of Funds

The Bancorp's primary sources of funds relate to cash flows from loan and lease repayments, payments from securities related to sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of public and private debt offerings.

Projected contractual maturities from loan and lease repayments are included in Table 57 of the Market Risk Management section of MD&A. Of the $18.6 billion of securities in the Bancorp's available-for-sale and other portfolio at December 31, 2013, $3.7 billion in principal and interest is expected to be received in the next 12 months and an additional $2.0 billion is expected to be received in the next 13 to 24 months. For further information on the Bancorp's securities portfolio, see the Securities section of MD&A.

Asset-driven liquidity is provided by the Bancorp's ability to sell or securitize loans and leases. In order to reduce the exposure to interest rate fluctuations and to manage liquidity, the Bancorp has developed securitization and sale procedures for several types of interest-sensitive assets. A majority of the long-term, fixed-rate single-family residential mortgage loans underwritten according to FHLMC or FNMA guidelines are sold for cash upon origination. Additional assets such as certain other residential mortgages, certain commercial loans, home equity loans, automobile loans and other consumer loans are also capable of being securitized or sold. For the years ended December 31, 2013 and 2012, the Bancorp sold or securitized loans totaling $23.4 billion and $21.7 billion, respectively. For further information on the transfer of financial assets, see Note 11 of the Notes to Consolidated Financial Statements.

Core deposits have historically provided the Bancorp with a sizeable source of relatively stable and low cost funds. The Bancorp's average core deposits and shareholders' equity funded 82% of its average total assets during both 2013 and 2012. In addition to core deposit funding, the Bancorp also accesses a variety of other short-term and long-term funding sources, which include the use of the FHLB system. Certificates of deposit carrying a balance of $100,000 or more and deposits in the Bancorp's foreign branch located in the Cayman Islands are wholesale funding tools utilized to fund asset growth. Management does not rely on any one source of liquidity and manages availability in response to changing balance sheet needs.

As of December 31, 2013, $3.8 billion of debt or other securities were available for issuance under the current Bancorp's Board of Directors' authorizations and the Bancorp is authorized to file any necessary registration statements with the SEC to permit ready access to the public securities markets; however, access to these markets may depend on market conditions. Additionally, the Bancorp has approximately $40.8 billion of borrowing capacity available through secured borrowing sources including the FHLB and FRB.

In February of 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program to increase the capacity from $20 billion to $25 billion. On February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of bank notes. On November 20, 2013, the Bank issued and sold, under its amended bank notes program, $1.8 billion in aggregate principal amount of bank notes. The Bancorp has $21.5 billion of funding available for issuance under the global bank note program as of December 31, 2013.

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and

equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due.

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. The primary purposes for which the VIE was created were to issue asset backed securities with varying levels of credit subordination and payment priority and to provide the Bancorp with access to liquidity for its originated loans. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

Liquidity Coverage Ratio and Net Stable Funding Ratio

The BCBS' key reform within the Basel III framework to strengthen international liquidity standards was the introduction of the LCR and NSFR. On January 7, 2013, the BCBS issued a final standard for the LCR applicable to large internationally active banking organizations, which would phase in the LCR beginning in 2015 with full implementation in 2019. The BCBS plans on introducing the NSFR final standard in the next two years.

The BCBS' LCR would promote the short-term resilience of a bank's liquidity profile by ensuring an adequate level of unencumbered high-quality liquid assets that can be converted into cash easily and immediately in private markets to meet its liquidity needs within 30 calendar days. Financial institutions subject to the LCR generally would be expected to hold unencumbered high-quality assets of at least 100% of net cash flows over the next 30 calendar days upon full implementation in 2019.

The BCBS' NSFR is intended to promote medium and long-term funding of the assets and activities of financial institutions. This ratio would establish a minimum acceptable amount of stable funding based on the liquidity characteristics of a financial institution's assets and activities over a one year horizon. Management is currently monitoring the progress of the BCBS' work on the NSFR.

Section 165 of the Dodd-Frank Act requires the FRB to establish enhanced liquidity standards for BHCs with total assets of $50 billion or greater. On October 24, 2013, the U.S. Banking Agencies issued an NPR that would implement a LCR requirement that is generally consistent with the international LCR standards published by the BCBS for large internationally active banking organizations, generally those with $250 billion or more in total consolidated assets or $10 billion or more in on-balance sheet foreign exposure. Additionally, a Modified LCR requirement was proposed for BHC's with total consolidated assets of at least $50 billion that are not large internationally active banking organizations, like Fifth Third. The Modified LCR requirement incorporates a shorter (21-calendar days) stress scenario for calculating total net cash outflows than the LCR's 30 calendar day requirement. Therefore, the estimated net cash outflows for the Modified LCR generally would be 70% of the LCR's estimated net cash outflows. The NPR's transition period will begin on January 1, 2015 whereby LCR and Modified LCR entities must comply with a minimum ratio of 80%. On January 1, 2016 and 2017, the minimum ratio would increase to 90% and 100%, respectively. The NPR was open for public comment until January 31, 2014. Management is currently reviewing the NPR and evaluating its impact upon the Bancorp's Consolidated Financial Statements.

Credit Ratings

The cost and availability of financing to the Bancorp are impacted by its credit ratings. A downgrade to the Bancorp's credit ratings could affect its ability to access the credit markets and increase its borrowing costs, thereby adversely impacting the Bancorp's financial condition and liquidity. Key factors in maintaining high credit ratings include a stable and diverse earnings stream, strong credit quality, strong capital ratios and diverse funding sources, in addition to disciplined liquidity monitoring procedures.

The Bancorp's credit ratings are summarized in Table 59. The ratings reflect the ratings agencies view on the Bancorp's capacity to meet financial commitments. *

** As an investor, you should be aware that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organization and that each rating should be evaluated independently of any other rating. Additional information on the credit rating ranking within the overall classification system is located on the website of each credit rating agency.*

TABLE 59: AGENCY RATINGS

As of February 24, 2014	Moody's	Standard and Poor's	Fitch	DBRS
Fifth Third Bancorp:				
Short-term	No rating	A-2	F1	R-1L
Senior debt	Baa1	BBB+	A	AL
Subordinated debt	Baa2	BBB	A-	BBBH
Fifth Third Bank:				
Short-term	P-2	A-2	F1	R-1L
Long-term deposit	A3	No rating	A+	A
Senior debt	A3	A-	A	A
Subordinated debt	Baa1	BBB+	A-	AL

CAPITAL MANAGEMENT

Management regularly reviews the Bancorp's capital levels to help ensure it is appropriately positioned under various operating environments. The Bancorp has established a Capital Committee which is responsible for making capital plan recommendations to management. These recommendations are reviewed by the ERM Committee and the capital plan is approved by the board. The Capital Committee is responsible for execution oversight of the capital actions of the capital plan.

Capital Ratios

The U.S banking agencies established quantitative measures that assign risk weightings to assets and off-balance sheet items and also define and set minimum regulatory capital requirements. The U.S. banking agencies define "well capitalized" ratios for Tier I and total risk-based capital as 6% and 10%, respectively. The Bancorp exceeded these "well-capitalized" ratios for all periods presented.

The Basel II advanced approach framework was finalized by U.S. banking agencies in 2007. Core banks, defined as those with consolidated total assets in excess of $250 billion or on balance

Table of Contents

sheet foreign exposures of $10 billion were required to adopt the advanced approach effective April 1, 2008. The Bancorp does not meet these thresholds and, therefore, is not subject to the requirements of Basel II.

The Dodd-Frank Act requires more stringent prudential standards, including capital and liquidity requirements, for larger institutions. It addresses the quality of capital components by limiting the degree to which certain hybrid instruments can be included. The Dodd-Frank Act will phase out the inclusion of certain TruPS as a component of Tier I risk-based capital when the Bancorp implements the revised regulatory capital rules known as Basel III.

In December of 2010 and revised in June of 2011, the BCBS issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved final enhanced regulatory capital requirements (Basel III Final Rule), which included modifications to the proposed rules. The Basel III Final Rule provides for certain banks, including the Bancorp, to opt out of including AOCI in Tier 1 capital and retain the treatment of residential mortgage exposures consistent with the current Basel I capital rules. The Basel III Final Rule will phase out the inclusion of certain TruPS as a component of Tier I capital. Under these provisions, these TruPS would qualify as a component of Tier II capital. At December 31, 2013 the Bancorp's Tier I capital included $60 million of TruPS representing approximately 5 bps of risk weighted assets. The Basel III Final Rule is effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain of its components and other provisions. The Bancorp is in the process of evaluating the Basel III Final Rule and its potential impact. The Bancorp's current estimate of the pro-forma fully phased in Tier I common equity ratio at December 31, 2013 under the Basel III Final Rule is approximately 8.99% compared with 9.39% as calculated under the existing Basel I capital framework. The primary drivers of the change from the existing Basel I capital framework to the Basel III Final Rule are an increase in Tier I common equity of approximately 75 bps (primarily from the elimination of the current 10% deduction of mortgage servicing rights from capital), which would be more than offset by the impact of increases in risk-weighted assets (primarily from the treatment of securitizations, mortgage servicing rights and commitments with an original maturity of one year or less). If the Bancorp elects to include AOCI components in capital, the December 31, 2013 pro forma Basel III Final Rule Tier 1 common ratio would be increased by approximately 7 bps. The pro-forma Tier I common equity ratio exceeds the proposed minimum Tier I common equity ratio of 7% comprised of a minimum of 4.5% plus a capital conservation buffer of 2.5%. The pro-forma Tier I common equity ratio does not include the effect of any mitigating actions the Bancorp may undertake to offset the impact of the proposed capital enhancements. Additionally, pursuant to the Basel III Final Rule, the minimum capital ratios as of January 1, 2015 will be 6% for the Tier I capital ratio, 8% for the total risk-based capital ratio and 4% for the Tier I capital to average consolidated assets (leverage ratio). For further discussion on the Basel I and Basel III Tier I common equity ratios, see the Non-GAAP Financial Measures section of MD&A.

Market Risk Rule

On June 7, 2012, banking agencies approved a final rule effective January 1, 2013, titled as "Risk-Based Capital Guidelines: Market Risk," to implement enhancements to the market risk framework adopted by the BCBS. The final rule, to which the Bancorp is subject, requires banking organizations with significant trading activities to adjust their capital requirements to better account for the market risks of those activities. The rule introduces new measures of market risk, establishes a charge related to stressed VaR for covered trading positions and replaces references to credit ratings in the market risk rules with alternative methodologies for assessing risk. The intention of the rule is to better capture positions for which the market risk capital rule is appropriate, reduce procyclicality in market risk capital requirements, enhance sensitivity to risks that are not adequately captured by the current regulatory methodologies and increase transparency through enhanced disclosures. Upon the adoption of the market risk final rule in the first quarter of 2013, the Bancorp's Tier I and total risk-based capital ratios decreased 1 bp and adoption had an immaterial impact to the Tier I common equity ratio.

TABLE 60: CAPITAL RATIOS

As of December 31 ($ in millions)		2013		2012	2011	2010	2009
Average equity as a percent of average assets		**11.56**	%	11.65	11.41	12.22	11.36
Tangible equity as a percent of tangible assets *(a)*		**9.44**		9.17	9.03	10.42	9.71
Tangible common equity as a percent of tangible assets *(a)*		**8.63**		8.83	8.68	7.04	6.45
Tier I capital	$	**12,094**		11,685	12,503	13,965	13,428
Total risk-based capital		**16,440**		15,816	16,885	18,178	17,648
Risk-weighted assets *(b)*		**116,736**		109,699	104,945	100,561	100,933
Regulatory capital ratios:							
Tier I risk-based capital		**10.36**	%	10.65	11.91	13.89	13.30
Total risk-based capital		**14.08**		14.42	16.09	18.08	17.48
Tier I leverage		**9.64**		10.05	11.10	12.79	12.34
Tier I common equity *(a)*		**9.39**		9.51	9.35	7.48	6.99

(a) *For further information on these ratios, see the Non-GAAP Financial Measures section of MD&A.*

(b) *Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together resulting in the Bancorp's total risk-weighted assets.*

Preferred Stock Offering and Conversion

As contemplated by the 2013 CCAR, on May 16, 2013 the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and may redeem in whole, but not in part, following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities.

On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G, which shares are represented by depositary shares each representing 1/250th of a share of Series G preferred stock, pursuant to the Amended Articles of Incorporation. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

On December 9, 2013, the Bancorp issued, in a registered public offering, 18,000,000 depositary shares, representing 18,000 shares of 6.625% fixed-to-floating rate non-cumulative Series I perpetual preferred stock, for net proceeds of $441 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative quarterly basis, at an annual rate of 6.625% through but excluding December 31, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.71%. Subject to any required regulatory approval, the Bancorp may redeem the Series I preferred shares at its option in whole or in part, at any time on or after December 31, 2023 and may redeem in whole, but not in part, following a regulatory capital event at any time prior to December 31, 2023. The Series I preferred shares are not convertible into Bancorp common shares or any other securities.

Redemption of TruPS

The Bancorp redeemed all $750 million of the outstanding TruPS issued by Fifth Third Capital Trust IV on December 30, 2013. These securities had a distribution rate of 6.50% and a scheduled maturity date of April 1, 2067. Pursuant to the terms of the TruPS, the securities of Fifth Third Capital Trust IV were redeemable within ninety days of a Capital Treatment Event. The Bancorp determined that a Capital Treatment Event occurred upon the publication of a Final Rule regarding Regulatory Capital Rules jointly by the Federal Reserve System and the Office of the Comptroller of the Currency. The redemption price was $1,000 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions to the actual redemption date of $10 million. The Bancorp recognized an $8 million loss on the extinguishment of this debt within other noninterest expense in the Consolidated Statements of Income.

Dividend Policy and Stock Repurchase Program

The Bancorp's common stock dividend policy and stock repurchase program reflect its earnings outlook, desired payout ratios, the need to maintain adequate capital levels, the ability of its subsidiaries to pay dividends, the need to comply with safe and sound banking practices as well as meet regulatory requirements and expectations. The Bancorp declared dividends per common share of $0.47 and $0.36 during the years ended December 31, 2013 and 2012, respectively.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. The Bancorp repurchased the shares as part of its 100 million share repurchase program announced in August of 2012. As part of this transaction and all subsequent accelerated share repurchases, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock in 2012, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program in August of 2012. At settlement of the forward contract on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares, or approximately $125 million of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its August of 2012 Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

As a result of the FRB's non-objection to the Bancorp's capital plan under the 2013 CCAR process, on March 19, 2013, Fifth Third's Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million, of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 13, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty

pursuant to which the Bancorp purchased 8,538,423 shares, or approximately $200 million, of its outstanding common stock on November 18, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before February 28, 2014.

On December 10, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 19,084,195 shares, or approximately $456 million, of its outstanding common stock on December 13, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

On January 28, 2014, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 3,950,705 shares, or approximately $99 million, of its outstanding common stock on January 31, 2014. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

TABLE 61: SHARE REPURCHASES

For the years ended December 31	**2013**	2012	2011
Shares authorized for repurchase at January 1	**63,046,682**	19,201,518	19,201,518
Additional authorizations*(a)*	**45,541,057**	86,269,178	-
Share repurchases*(b)*	**(65,516,126)**	(42,424,014)	-
Shares authorized for repurchase at December 31	**43,071,613**	63,046,682	19,201,518
Average price paid per share	**$18.80**	$14.82	N/A

(a) In March 2013, the Bancorp announced that its Board of Directors had authorized management to purchase 100 million shares of the Bancorp's common stock through the open market or in any private transaction. The authorization does not include specific price targets or an expiration date. This share repurchase authorization replaces the Board's previous authorization pursuant to which approximately 54 million shares remained available for repurchase by the Bancorp.

*(b) Excludes **1,863,097**, 2,059,003 and 1,164,254 shares repurchased during **2013**, 2012, and 2011, respectively, in connection with various employee compensation plans. These repurchases are not included in the calculation for average price paid and do not count against the maximum number of shares that may yet be repurchased under the Board of Directors' authorization.*

Stress Tests and CCAR

The FRB issued guidelines known as CCAR, which provide a common, conservative approach to ensure BHCs, including the Bancorp, hold adequate capital to maintain ready access to funding, continue operations and meet their obligations to creditors and counterparties, and continue to serve as credit intermediaries, even in adverse conditions. The CCAR process requires the submission of a comprehensive capital plan that assumes a minimum planning horizon of nine quarters under various economic scenarios.

The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The capital plan must reflect the revised capital framework that the FRB adopted in connection with the implementation of the Basel III accord, including the framework's minimum regulatory capital ratios and transition arrangements.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviews the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios as they transition to Basel III and above a Basel I Tier 1 common ratio of 5 percent under baseline and stressful conditions throughout a nine-quarter planning horizon.

The FRB issued stress testing rules that implement section 165(i)(1) and (i)(2) of the DFA. Large BHCs, including the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

In March of 2013, the FRB announced it had completed the 2013 CCAR. For BHCs that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non-objection whereby the FRB concurred with the proposed 2013 capital distributions. The FRB indicated to the Bancorp that it did not object to the following proposed capital actions for the period beginning April 1, 2013 and ending March 31, 2014:

- Increase in the quarterly common stock dividend to $0.12 per share;
- Repurchase of up to $750 million in TruPS subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt;
- Conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders. If this conversion were to occur, the Bancorp would intend to repurchase common shares equivalent to those issued in the conversion up to $550 million in market value, and issue $550 million in preferred stock;
- Repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion;
- Incremental repurchase of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc stock; and
- Issuance of an additional $500 million in preferred stock.

The capital plan also included the assumption that the Bancorp would issue approximately 3.5 million shares in restricted stock under employee compensation plans in 2013. The above potential capital actions are subject to Board approval and other factors including regulatory developments and market conditions. Actions consistent with the above proposed capital actions were substantially completed in 2013.

The DFA requires that BHCs with over $50 billion in consolidated assets that participated in the 2009 Supervisory Capital Assessment Program, including the Bancorp, conduct two stress tests each year. On May 13, 2013, the FRB launched the 2013 Mid-Cycle Stress Tests, which was submitted to the FRB in July of 2013. The stress tests required the BHCs to develop their own baseline,

adverse and severely adverse scenarios to reflect its individual operations and risks. Each BHC was required to release its results under the severely adverse scenario, which the Bancorp disclosed on its website on September 24, 2013.

The FRB launched the 2014 stress testing program and CCAR on November 1, 2013. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 6, 2014.

The FRB expects to release summary results of the 2014 stress testing program and CCAR in March of 2014. The results will include supervisory projections of capital ratios, losses and revenues under the supervisory adverse and supervisory severely adverse scenarios. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution, Fifth Third is required to disclose its own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required to be sent to the FRB and publicly disclosed by March 31, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, the Bancorp enters into financial transactions to extend credit and various forms of commitments and guarantees that may be considered off-balance sheet arrangements. These transactions involve varying elements of market, credit and liquidity risk. Refer to Note 17 of the Notes to Consolidated Financial Statements for additional information. A discussion of these transactions is as follows:

Residential Mortgage Loan Sales

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty recourse provisions. Such provisions include the loan's compliance with applicable loan criteria, including certain documentation standards per agreements with unrelated third parties. Additional reasons for the Bancorp having to repurchase the loans include compliance with collateral appraisal standards, fraud related to the loan application and the rescission of mortgage insurance. Under these provisions, the Bancorp is required to repurchase any previously sold loan for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading.

During the fourth quarter of 2013, the Bancorp settled certain repurchase claims related to mortgage loans originated and sold to FHLMC prior to January 1, 2009 for $25 million after paid claim credits and other adjustments. The settlement removes the Bancorp's responsibility to repurchase or indemnify FHLMC for representation and warranty violations on any loan sold prior to January 1, 2009 except in limited circumstances.

As of December 31, 2013 and 2012, the Bancorp maintained reserves related to loans sold with representation and warranty recourse provisions totaling $44 million and $110 million, respectively, included in other liabilities in the Bancorp's Consolidated Balance Sheets.

During 2013 and 2012, the Bancorp paid $64 million and $34 million, respectively, in the form of make whole payments and repurchased $89 million and $114 million, respectively, in outstanding principal of loans to satisfy investor demands. Total repurchase demand requests during 2013 and 2012 were $263 million and $340 million, respectively. Total outstanding repurchase demand inventory was $46 million at December 31, 2013 compared to $67 million at December 31, 2012.

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. At December 31, 2013, the outstanding balances on these loans sold with credit recourse was $579 million compared to $662 million at December 31, 2012. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $16 million and $20 million at December 31, 2013 and 2012, respectively, included in other liabilities in the Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Private Mortgage Insurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage.

The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $37 million at December 31, 2013 and $58 million at December 31, 2012. The Bancorp maintained a reserve, included in other liabilities in the Bancorp's Consolidated Balance Sheets, related to exposures within the reinsurance portfolio of $10 million as of December 31, 2013 and $18 million as of December 31, 2012. In 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans. In the second quarter of 2011, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the Bancorp releasing collateral to the insurer in the form of investment securities and other assets with a carrying value of $5 million, and the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $11 million and decrease in the Bancorp's maximum exposure of $27 million. In the fourth quarter of 2012, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $2 million and decrease in the Bancorp's maximum exposure of $3 million.

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million. For further information on this automobile securitization, see Notes 10 and 11 of the Notes to Consolidated Financial Statements.

Table of Contents

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

The Bancorp has certain obligations and commitments to make future payments under contracts. The aggregate contractual obligations and commitments at December 31, 2013 are shown in Table 62. As of December 31, 2013, the Bancorp has unrecognized tax benefits that, if recognized, would impact the effective tax rate in future periods. Due to the uncertainty of the amounts to be ultimately paid as well as the timing of such payments, all uncertain tax liabilities that have not been paid have been excluded from the Contractual Obligations and Other Commitments table. For further detail on the impact of income taxes see Note 20 of the Notes to Consolidated Financial Statements.

TABLE 62: CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

As of December 31, 2013 ($ in millions)		Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Contractually obligated payments due by period:						
Deposits with a stated maturity of less than one year *(a)*	$	89,174	-	-	-	89,174
Time deposits *(c)*		7,424	1,902	720	55	10,101
Short-term borrowings *(e)*		1,664	-	-	-	1,664
Long-term debt *(b)*		157	4,617	2,095	2,764	9,633
Forward contracts related to held for sale mortgage loans *(d)*		1,448	-	-	-	1,448
Noncancelable lease obligations *(f)*		91	170	146	339	746
Partnership investment commitments *(g)*		261	103	22	21	407
Pension benefit payments *(i)*		18	34	29	63	144
Purchase obligations and capital expenditures *(h)*		52	30	24	11	117
Capital lease obligations		8	11	-	-	19
Total contractually obligated payments due by period	$	100,297	6,867	3,036	3,253	113,453
Other commitments by expiration period						
Commitments to extend credit *(j)*	$	33,180	10,884	17,937	139	62,140
Letters of credit *(k)*		1,899	1,969	204	57	4,129
Total other commitments by expiration period	$	35,079	12,853	18,141	196	66,269

(a) Includes demand, interest checking, savings, money market and foreign office deposits. For additional information, see the Deposits discussion in the Balance Sheet Analysis section of MD&A.

(b) In the banking industry, interest-bearing obligations are principally used to fund interest-earning assets. As such, interest charges on contractual obligations were excluded from reported amounts, as the potential cash outflows would have corresponding cash inflows from interest-earning assets. See Note 16 of the Notes to Consolidated Financial Statements for additional information on these debt instruments.

(c) Includes other time and certificates $100,000 and over. For additional information, see the Deposits discussion in the Balance Sheet Analysis section of MD&A.

(d) See Note 12 of the Notes to Consolidated Financial Statements for additional information on forward contracts to sell residential mortgage loans.

(e) Includes federal funds purchased and borrowings with an original maturity of less than one year. For additional information, see Note 15 of the Notes to Consolidated Financial Statements.

(f) Includes rental commitments.

(g) Includes low-income housing, historic tax investments and market tax credits. For additional information, see Note 10 of the Notes to Consolidated Financial Statements.

(h) Represents agreements to purchase goods or services and includes commitments to various general contractors for work related to banking center construction.

(i) See Note 21 of the Notes to Consolidated Financial Statements for additional information on pension obligations.

(j) Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Many of the commitments to extend credit may expire without being drawn upon. The total commitment amounts include capital commitments for private equity investments and do not necessarily represent future cash flow requirements. For additional information, see Note 17 of the Notes to Consolidated Financial Statements.

(k) Letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. For additional information, see Note 17 of the Notes to Consolidated Financial Statements.

Table of Contents

MANAGEMENT'S ASSESSMENT AS TO THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The Bancorp conducted an evaluation, under the supervision and with the participation of the Bancorp's management, including the Bancorp's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Bancorp's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act). Based on the foregoing, as of the end of the period covered by this report, the Bancorp's Chief Executive Officer and Chief Financial Officer concluded that the Bancorp's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Bancorp files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required and information is accumulated and communicated to management on a timely basis.

The management of Fifth Third Bancorp is responsible for establishing and maintaining adequate internal control, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Bancorp's management assessed the effectiveness of the Bancorp's internal control over financial reporting as of December 31, 2013. Management's assessment is based on the criteria established in the *1992 Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and was designed to provide reasonable assurance that the Bancorp maintained effective internal control over financial reporting as of December 31, 2013. Based on this assessment, management believes that the Bancorp maintained effective internal control over financial reporting as of December 31, 2013. The Bancorp's independent registered public accounting firm, that audited the Bancorp's consolidated financial statements included in this annual report, has issued an audit report on our internal control over financial reporting as of December 31, 2013. This report appears on page 87 of the annual report.

The Bancorp's management also conducted an evaluation of internal control over financial reporting to determine whether any changes occurred during the year covered by this report that have materially affected, or are reasonably likely to materially affect, the Bancorp's internal control over financial reporting. Based on this evaluation, there has been no such change during the year covered by this report.

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 24, 2014

Tayfun Tuzun
Executive Vice President and Chief Financial Officer
February 24, 2014

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Fifth Third Bancorp:

We have audited the internal control over financial reporting of Fifth Third Bancorp and subsidiaries (the "Bancorp") as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bancorp's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Assessment as to the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bancorp's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bancorp maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Bancorp and our report dated February 24, 2014 expressed an unqualified opinion on those consolidated financial statements.

Deloitte & Touche LLP

Cincinnati, Ohio
February 24, 2014

To the Shareholders and Board of Directors of Fifth Third Bancorp:

We have audited the accompanying consolidated balance sheets of Fifth Third Bancorp and subsidiaries (the "Bancorp") as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2013. These consolidated financial statements are the responsibility of the Bancorp's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Fifth Third Bancorp and subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bancorp's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2014 expressed an unqualified opinion on the Bancorp's internal control over financial reporting.

Deloitte & Touche LLP

Cincinnati, Ohio
February 24, 2014

[Table of Contents](#)

CONSOLIDATED BALANCE SHEETS

As of December 31 ($ in millions, except share data)		2013	2012
Assets			
Cash and due from banks*(a)*	$	**3,178**	2,441
Available-for-sale and other securities*(b)*		**18,597**	15,207
Held-to-maturity securities*(c)*		**208**	284
Trading securities		**343**	207
Other short-term investments		**5,116**	2,421
Loans held for sale*(d)*		**944**	2,939
Portfolio loans and leases:			
Commercial and industrial loans		**39,316**	36,038
Commercial mortgage loans*(a)*		**8,066**	9,103
Commercial construction loans		**1,039**	698
Commercial leases		**3,625**	3,549
Residential mortgage loans*(e)*		**12,680**	12,017
Home equity		**9,246**	10,018
Automobile loans*(a)*		**11,984**	11,972
Credit card		**2,294**	2,097
Other consumer loans and leases		**364**	290
Portfolio loans and leases		**88,614**	85,782
Allowance for loan and lease losses*(a)*		**(1,582)**	(1,854)
Portfolio loans and leases, net		**87,032**	83,928
Bank premises and equipment		**2,531**	2,542
Operating lease equipment		**730**	581
Goodwill		**2,416**	2,416
Intangible assets		**19**	27
Servicing rights		**971**	697
Other assets*(a)*		**8,358**	8,204
Total Assets	$	**130,443**	121,894
Liabilities			
Deposits:			
Demand	$	**32,634**	30,023
Interest checking		**25,875**	24,477
Savings		**17,045**	19,879
Money market		**11,644**	6,875
Other time		**3,530**	4,015
Certificates - $100,000 and over		**6,571**	3,284
Foreign office and other		**1,976**	964
Total deposits		**99,275**	89,517
Federal funds purchased		**284**	901
Other short-term borrowings		**1,380**	6,280
Accrued taxes, interest and expenses		**1,758**	1,708
Other liabilities*(a)*		**3,487**	2,639
Long-term debt*(a)*		**9,633**	7,085
Total Liabilities		**115,817**	108,130
Equity			
Common stock*(f)*		**2,051**	2,051
Preferred stock*(g)*		**1,034**	398
Capital surplus		**2,561**	2,758
Retained earnings		**10,156**	8,768
Accumulated other comprehensive income		**82**	375
Treasury stock*(f)*		**(1,295)**	(634)
Total Bancorp shareholders' equity		**14,589**	13,716
Noncontrolling interests		**37**	48
Total Equity		**14,626**	13,764
Total Liabilities and Equity	$	**130,443**	121,894

(a) At ***December 31, 2013*** *and 2012, includes $****49*** *and $0 of cash and due from banks,* ***$48*** *and $50 of commercial mortgage loans,* ***$ 1,010*** *and $0 of automobile loans,* ***$(15)*** *and $(5) of ALLL,* ***$13*** *and $3 of other assets,* ***$1*** *and $0 of other liabilities,* ***$ 1,048*** *and $0 of long-term debt from consolidated VIEs that are included in their respective captions. See Note 10.*

(b) Amortized cost of ***$18,409*** *and $ 14,571 at* ***December 31, 2013*** *and 2012, respectively.*

(c) Fair value of ***$208*** *and $284 at* ***December 31, 2013*** *and 2012, respectively.*

(d) Includes ***$890*** *and $2,856 of residential mortgage loans held for sale measured at fair value at* ***December 31, 2013****, and 2012, respectively.*

(e) Includes ***$92*** *and $76 of residential mortgage loans measured at fair value at* ***December 31, 2013*** *and 2012, respectively.*

(f) Common shares: Stated value $2.22 per share; authorized 2,000,000,000; outstanding at ***December 31, 2013 – 855,305,745 (excludes 68,586,836 treasury shares)*** *and December 31, 2012 – 882,152,057 (excludes 41,740,524 treasury shares).*

(g) 458,000 shares of undesignated no par value preferred stock are authorized and unissued at ***December 31, 2013****; fixed-to-floating rate non-cumulative Series H perpetual preferred stock with a $25,000 liquidation preference:* ***24,000*** *authorized, issued and outstanding at* ***December 31, 2013****; fixed-to-floating rate non-cumulative Series I perpetual preferred stock with a $25,000 liquidation preference:* ***18,000*** *authorized, issued and outstanding at* ***December 31, 2013*** *and 8.5% non-cumulative Series G convertible (into 2,159.8272 common shares) perpetual preferred stock with a $25,000 liquidation preference: 46,000 authorized and 16,450 issued and outstanding at December 31, 2012.*

See Notes to Consolidated Financial Statements.

Table of Contents

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31 ($ in millions, except per share data)		2013	2012	2011
Interest Income				
Interest and fees on loans and leases	$	3,447	3,574	3,613
Interest on securities		520	529	600
Interest on other short-term investments		6	4	5
Total interest income		3,973	4,107	4,218
Interest Expense				
Interest on deposits		202	216	352
Interest on other short-term borrowings		6	8	4
Interest on long-term debt		204	288	305
Total interest expense		412	512	661
Net Interest Income		3,561	3,595	3,557
Provision for loan and lease losses		229	303	423
Net Interest Income After Provision for Loan and Lease Losses		3,332	3,292	3,134
Noninterest Income				
Mortgage banking net revenue		700	845	597
Service charges on deposits		549	522	520
Corporate banking revenue		400	413	350
Investment advisory revenue		393	374	375
Card and processing revenue		272	253	308
Other noninterest income		879	574	250
Securities gains, net		21	15	46
Securities gains, net - non-qualifying hedges on mortgage servicing rights		13	3	9
Total noninterest income		3,227	2,999	2,455
Noninterest Expense				
Salaries, wages and incentives		1,581	1,607	1,478
Employee benefits		357	371	330
Net occupancy expense		307	302	305
Technology and communications		204	196	188
Card and processing expense		134	121	120
Equipment expense		114	110	113
Other noninterest expense		1,264	1,374	1,224
Total noninterest expense		3,961	4,081	3,758
Income Before Income Taxes		2,598	2,210	1,831
Applicable income tax expense		772	636	533
Net Income		1,826	1,574	1,298
Less: Net income attributable to noncontrolling interests		(10)	(2)	1
Net Income Attributable to Bancorp		1,836	1,576	1,297
Dividends on preferred stock		37	35	203
Net Income Available to Common Shareholders	$	1,799	1,541	1,094
Earnings Per Share	$	2.05	1.69	1.20
Earnings Per Diluted Share	$	2.02	1.66	1.18
Average common shares - basic		869,462,977	904,425,226	906,460,550
Average common shares - diluted		894,736,445	945,554,102	949,545,420
Cash dividends declared per common share	$	0.47	0.36	0.28

See Notes to Consolidated Financial Statements.

Table of Contents

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 ($ in millions)		2013	2012	2011
Net income	$	**1,826**	1,574	1,298
Other comprehensive (loss) income, net of tax:				
Unrealized gains on available-for-sale securities:				
Unrealized holding (losses) gains on available-for-sale securities arising during the year		**(295)**	(63)	201
Reclassification adjustment for net losses (gains) included in net income		**4**	(10)	(37)
Unrealized gains on cash flow hedge derivatives:				
Unrealized holding (losses) gains on cash flow hedge derivatives arising during the year		**(8)**	24	58
Reclassification adjustment for net gains included in net income		**(29)**	(54)	(45)
Defined benefit pension plans:				
Net actuarial gain (loss) arising during the year		**25**	(5)	(33)
Reclassification of amounts to net periodic benefit costs		**10**	13	12
Other comprehensive (loss) income		**(293)**	(95)	156
Comprehensive income		**1,533**	1,479	1,454
Less: Comprehensive income attributable to noncontrolling interests		**(10)**	(2)	1
Comprehensive income attributable to Bancorp	$	**1,543**	1,481	1,453

See Notes to Consolidated Financial Statements.

[Table of Contents](#)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Bancorp Shareholders' Equity								
($ in millions, except per share data)	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Bancorp Shareholders' Equity	Non-Controlling Interests	Total Equity
Balance at December 31, 2010	$ 1,779	3,654	1,715	6,719	314	(130)	14,051	29	14,080
Net income				1,297			1,297	1	1,298
Other comprehensive income					156		156		156
Cash dividends declared:									
Common stock at $0.28 per share				(257)			(257)		(257)
Preferred stock				(50)			(50)		(50)
Issuance of common stock	272		1,376				1,648		1,648
Redemption of preferred shares, Series F		(3,408)					(3,408)		(3,408)
Redemption of stock warrant			(280)				(280)		(280)
Accretion of preferred dividends, Series F		153		(153)			-		-
Impact of stock transactions under stock compensation plans, net			(21)			65	44		44
Noncontrolling interest							-	21	21
Other		(1)	2	(2)		1	-	(1)	(1)
Balance at December 31, 2011	2,051	398	2,792	7,554	470	(64)	13,201	50	13,251
Net income				1,576			1,576	(2)	1,574
Other comprehensive loss					(95)		(95)		(95)
Cash dividends declared:									
Common stock at $0.36 per share				(325)			(325)		(325)
Preferred stock				(35)			(35)		(35)
Shares acquired for treasury			(23)			(627)	(650)		(650)
Impact of stock transactions under stock compensation plans, net			(11)			54	43		43
Other				(2)		3	1		1
Balance at December 31, 2012	2,051	398	2,758	8,768	375	(634)	13,716	48	13,764
Net income				**1,836**			**1,836**	**(10)**	**1,826**
Other comprehensive loss					**(293)**		**(293)**		**(293)**
Cash dividends declared:									
Common stock at **$0.47 per share**				**(407)**			**(407)**		**(407)**
Preferred stock				**(37)**			**(37)**		**(37)**
Shares acquired for treasury			**(78)**			**(1,242)**	**(1,320)**		**(1,320)**
Issuance of preferred stock		**1,034**					**1,034**		**1,034**
Redemption of preferred stock, Series G		**(398)**	**(142)**			**540**	**-**		**-**
Impact of stock transactions under stock compensation plans, net			**22**			**38**	**60**		**60**
Other			**1**	**(4)**		**3**	**-**	**(1)**	**(1)**
Balance at December 31, 2013	**$ 2,051**	**1,034**	**2,561**	**10,156**	**82**	**(1,295)**	**14,589**	**37**	**14,626**

See Notes to Consolidated Financial Statements.

Table of Contents

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 ($ in millions)		2013	2012	2011
Operating Activities				
Net income	$	**1,826**	1,574	1,298
Adjustments to reconcile net income to net cash provided by operating activities:				
Provision for loan and lease losses		**229**	303	423
Depreciation, amortization and accretion		**507**	531	455
Stock-based compensation expense		**78**	69	59
Provision for deferred income taxes		**253**	271	437
Securities gains		**(199)**	(69)	(58)
Securities gains – non-qualifying hedges on mortgage servicing rights		**(13)**	(10)	(24)
Securities losses		**178**	54	12
Securities losses – non-qualifying hedges on mortgage servicing rights		**-**	7	15
(Recovery of) provision for MSR impairment		**(192)**	103	242
Net gains on sales of loans and fair value adjustments on loans held for sale		**(372)**	(278)	(145)
Bank premises and equipment impairment		**6**	21	-
Capitalized servicing rights		**(250)**	(305)	(236)
Loss on extinguishment of debt		**8**	169	-
Proceeds from sales of loans held for sale		**22,047**	22,044	14,783
Loans originated for sale, net of repayments		**(19,003)**	(21,439)	(15,199)
Dividends representing return on equity method investments		**54**	45	13
Gain on sales of Vantiv, Inc. shares and Vantiv, Inc. IPO		**(336)**	(272)	-
Net change in:				
Trading securities		**(131)**	(28)	115
Other assets		**(672)**	4	(67)
Accrued taxes, interest and expenses		**8**	1	79
Other liabilities		**569**	(238)	164
Net Cash Provided by Operating Activities		**4,595**	2,557	2,366
Investing Activities				
Sales:				
Available-for-sale securities		**9,328**	2,521	2,471
Loans		**657**	275	371
Disposal of bank premises and equipment		**33**	13	35
Repayments / maturities:				
Available-for-sale securities		**3,191**	4,100	3,502
Held-to-maturity securities		**74**	36	29
Purchases:				
Available-for-sale securities		**(16,216)**	(6,813)	(5,689)
Bank premises and equipment		**(274)**	(362)	(319)
Proceeds from sales and dividends representing return of equity method investments		**674**	393	63
Net change in:				
Other short-term investments		**(2,695)**	(640)	(267)
Loans and leases		**(4,750)**	(5,930)	(5,422)
Operating lease equipment		**(206)**	(126)	(59)
Net Cash Used in Investing Activities		**(10,184)**	(6,533)	(5,285)
Financing Activities				
Net change in:				
Core deposits		**6,550**	3,529	5,264
Certificates - $100,000 and over, including foreign office and other		**3,208**	279	(1,202)
Federal funds purchased		**(618)**	555	67
Other short-term borrowings		**(4,900)**	3,041	1,665
Dividends paid on common stock		**(393)**	(309)	(192)
Dividends paid on preferred stock		**(37)**	(35)	(50)
Proceeds from issuance of long-term debt		**5,044**	523	1,500
Repayment of long-term debt		**(2,225)**	(3,159)	(1,607)
Repurchases of treasury shares and related forward contracts		**(1,320)**	(650)	-
Issuance of common stock		**-**	-	1,648
Issuance of preferred stock		**1,034**	-	-
Redemption of preferred stock, Series F		**-**	-	(3,408)
Redemption of stock warrant		**-**	-	(280)
Capital contributions from noncontrolling interests		**-**	-	21
Other		**(17)**	(20)	(3)
Net Cash Provided By Financing Activities		**6,326**	3,754	3,423
Increase (Decrease) in Cash and Due from Banks		**737**	(222)	504
Cash and Due from Banks at Beginning of Period		**2,441**	2,663	2,159
Cash and Due from Banks at End of Period	$	**3,178**	2,441	2,663

See Notes to Consolidated Financial Statements. Note 2 contains cash payments related to interest and income taxes in addition to noncash investing and financing activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Nature of Operations

Fifth Third Bancorp, an Ohio corporation, conducts its principal lending, deposit gathering, transaction processing and service advisory activities through its banking and non-banking subsidiaries from banking centers located throughout the Midwestern and Southeastern regions of the United States.

Basis of Presentation

The Consolidated Financial Statements include the accounts of the Bancorp and its majority-owned subsidiaries and VIEs in which the Bancorp has been determined to be the primary beneficiary. Other entities, including certain joint ventures, in which the Bancorp has the ability to exercise significant influence over operating and financial policies of the investee, but upon which the Bancorp does not possess control, are accounted for by the equity method and not consolidated. The investments in those entities in which the Bancorp does not have the ability to exercise significant influence are generally carried at the lower of cost or fair value. Intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Due From Banks

Cash and due from banks consist of currency and coin, cash items in the process of collection and due from banks. Currency and coin includes both U.S. and foreign currency owned and held at Fifth Third offices and that is in-transit to the FRB. Cash items in the process of collection include checks and drafts that are drawn on another depository institution or the FRB that are payable immediately upon presentation in the U.S. Balances due from banks include non-interest bearing balances that are funds on deposit at other depository institutions or the FRB.

Securities

Securities are classified as held-to-maturity, available-for-sale or trading on the date of purchase. Only those securities which management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. Securities are classified as available-for-sale when, in management's judgment, they may be sold in response to, or in anticipation of, changes in market conditions. Securities are classified as trading when bought and held principally for the purpose of selling them in the near term. Available-for-sale securities are reported at fair value with unrealized gains and losses, net of related deferred income taxes, included in other comprehensive income. Trading securities are reported at fair value with unrealized gains and losses included in noninterest income. The fair value of a security is determined based on quoted market prices. If quoted market prices are not available, fair value is determined based on quoted prices of similar instruments or discounted cash flow models that incorporate market inputs and assumptions including discount rates, prepayment speeds, and loss rates. Realized securities gains or losses are reported within noninterest income in the Consolidated Statements of Income. The cost of securities sold is based on the specific identification method.

Available-for-sale and held-to-maturity securities with unrealized losses are reviewed quarterly for possible OTTI. For debt securities, if the Bancorp intends to sell the debt security or will more likely than not be required to sell the debt security before recovery of the entire amortized cost basis, then an OTTI has occurred. However, even if the Bancorp does not intend to sell the debt security and will not likely be required to sell the debt security before recovery of its entire amortized cost basis, the Bancorp must evaluate expected cash flows to be received and determine if a credit loss has occurred. In the event of a credit loss, the credit component of the impairment is recognized within noninterest income and the non-credit component is recognized through other comprehensive income. For equity securities, the Bancorp's management evaluates the securities in an unrealized loss position in the available-for-sale portfolio for OTTI on the basis of the duration of the decline in value of the security and severity of that decline as well as the Bancorp's intent and ability to hold these securities for a period of time sufficient to allow for any anticipated recovery in the market value. If it is determined that the impairment on an equity security is other than temporary, an impairment loss equal to the difference between the carrying value of the security and its fair value is recognized within noninterest income.

Portfolio Loans and Leases

Basis of Accounting

Portfolio loans and leases are generally reported at the principal amount outstanding, net of unearned income, deferred loan fees and costs, and any direct principal charge-offs. Direct loan origination fees and costs are deferred and the net amount is amortized over the estimated life of the related loans as a yield adjustment. Interest income is recognized based on the principal balance outstanding computed using the effective interest method.

Loans acquired by the Bancorp through a purchase business combination are recorded at fair value as of the acquisition date. The Bancorp does not carry over the acquired company's ALLL, nor does the Bancorp add to its existing ALLL as part of purchase accounting.

Purchased loans are evaluated for evidence of credit deterioration at acquisition and recorded at their initial fair value. For loans acquired with no evidence of credit deterioration, the fair value discount or premium is amortized over the contractual life of the loan as an adjustment to yield. For loans acquired with evidence of credit deterioration, the Bancorp determines at the acquisition date the excess of the loan's contractually required payments over all cash flows expected to be collected as an amount that should not be accreted into interest income (nonaccretable difference). The remaining amount representing the difference in the expected cash flows of acquired loans and the initial investment in the acquired loans is accreted into interest income over the remaining life of the loan or pool of loans (accretable yield). Subsequent to the purchase date, increases in expected cash flows over those expected at the purchase date are recognized prospectively as interest income over the remaining life of the loan. The present value of any decreases in expected cash flows resulting directly from a change in the contractual interest rate are recognized prospectively as a reduction of the accretable yield. The present value of any decreases in expected cash flows after the purchase date as a result of credit deterioration is recognized by recording an ALLL or a direct charge-off. Subsequent to the purchase date, the methods utilized to estimate the required ALLL are similar to originated loans. Loans carried at fair value, mortgage loans held for sale and loans under revolving credit agreements are excluded from the scope of this guidance on loans acquired with deteriorated credit quality.

The Bancorp's lease portfolio consists of both direct financing and leveraged leases. Direct financing leases are carried at the aggregate of lease payments plus estimated residual value of the leased property, less unearned income. Interest income on direct financing leases is recognized over the term of the lease to achieve a constant periodic rate of return on the outstanding investment.

Leveraged leases are carried at the aggregate of lease payments (less nonrecourse debt payments) plus estimated residual value of the leased property, less unearned income. Interest income on leveraged leases is recognized over the term of the lease to achieve a constant rate of return on the outstanding investment in the lease, net of the related deferred income tax liability, in the years in which the net investment is positive.

Nonaccrual Loans

When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premium, accretion of loan discount, and amortization/accretion of deferred net loan fees are discontinued and all previously accrued and unpaid interest is charged against income. Commercial loans are placed on nonaccrual status when there is a clear indication that the borrower's cash flows may not be sufficient to meet payments as they become due. Such loans are also placed on nonaccrual status when the principal or interest is past due 90 days or more, unless the loan is both well secured and in the process of collection. The Bancorp classifies residential mortgage loans that have principal and interest payments that have become past due 150 days as nonaccrual unless the loan is both well secured and in the process of collection. Residential mortgage loans may stay on nonperforming status for an extended time as the foreclosure process typically lasts longer than 180 days. During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. Home equity loans and lines of credit are reported on nonaccrual status if principal or interest has been in default for 90 days or more unless the loan is both well secured and in the process of collection. Home equity loans and lines of credit that have been in default for 60 days or more are also reported on nonaccrual status if the senior lien has been in default 120 days or more, unless the loan is both well secured and in the process of collection. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

Nonaccrual commercial loans, other than those modified in a TDR and nonaccrual credit card loans, are generally accounted for on the cost recovery method. The Bancorp believes the cost recovery method is appropriate for nonaccrual commercial loans and nonaccrual credit card loans because the assessment of collectability of the remaining recorded investment of these loans involves a high degree of subjectivity and uncertainty due to the nature or absence of underlying collateral. Under the cost recovery method, any payments received are applied to reduce principal. Once the entire recorded investment is collected, additional payments received are treated as recoveries of amounts previously charged-off until recovered in full, and any subsequent payments are treated as interest income. Nonaccrual residential mortgage loans and other nonaccrual consumer loans are generally accounted for on the cash basis method. The Bancorp believes the cash basis method is appropriate for nonaccrual residential mortgage and other nonaccrual consumer loans because such loans have generally been written down to estimated collateral values and the collectability of the remaining investment involves only an assessment of the fair value of the underlying collateral, which can be measured more objectively with a lesser degree of uncertainty than assessments of typical commercial loan collateral. Under the cash basis method, interest income is recognized upon cash receipt to the extent to which it would have been accrued on the loan's remaining balance at the contractual rate. Nonaccrual loans may be returned to accrual status when all delinquent interest and principal payments become current in accordance with the loan agreement or when the loan is both well-secured and in the process of collection.

Commercial loans on nonaccrual status, including those modified in a troubled debt restructuring, as well as criticized commercial loans with aggregate borrower relationships exceeding $1 million, are subject to an individual review to identify charge-offs. The Bancorp does not have an established delinquency threshold for partially or fully charging off commercial loans. Residential mortgage loans and credit card loans that have principal and interest payments that have become past due 180 days are assessed for a charge-off to the ALLL, unless such loans are both well-secured and in the process of collection. The Bancorp modified its charge-off policy for home equity loans and lines of credit in the fourth quarter of 2013 to assess for a charge-off to the ALLL when such loans or lines of credit have become past due 120 days if the senior lien is also 120 days past due, unless such loans are both well-secured and in the process of collection. Automobile and other consumer loans and leases that have principal and interest payments that have become past due 120 days are assessed for a charge-off to the ALLL, unless such loans are both well-secured and in the process of collection.

Restructured Loans

A loan is accounted for as a TDR if the Bancorp, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. A TDR typically involves a modification of terms such as a reduction of the stated interest rate or face amount of the loan, a reduction of accrued interest, or an extension of the maturity date(s) at a stated interest rate lower than the current market rate for a new loan with similar risk. During the third quarter of 2012, the OCC, a national bank regulatory agency, issued interpretive guidance that requires non-reaffirmed loans included in Chapter 7 bankruptcy filings to be accounted for as nonperforming TDRs and collateral dependent loans regardless of their payment history and capacity to pay in the future. The Bancorp's banking subsidiary is a state chartered bank which therefore is not subject to guidance of the OCC. The Bancorp does not consider the bankruptcy court's discharge of the borrower's debt a concession when the discharged debt is not reaffirmed, and as such these loans are classified as TDRs only if one or more of the previously mentioned concessions are granted.

The Bancorp measures the impairment loss of a TDR based on the difference between the original loan's carrying amount and the present value of expected future cash flows discounted at the original, effective yield of the loan. Residential mortgage loans, home equity loans, automobile loans and other consumer loans modified as part of a TDR are maintained on accrual status, provided there is reasonable assurance of repayment and of performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans and credit card loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six-months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified

terms are reasonably assured of collection. TDRs of commercial loans and credit cards that do not have a sustained payment history of six months or greater in accordance with their modified terms remain on nonaccrual status until a six-month payment history is sustained. During the nonaccrual period, TDRs of commercial loans are accounted for using the cash basis method for income recognition, provided that full repayment of principal under the modified terms of the loan is reasonably assured.

Impaired Loans

A loan is considered to be impaired when, based on current information and events, it is probable that the Bancorp will be unable to collect all amounts due (including both principal and interest) according to the contractual terms of the loan agreement. Impaired loans generally consist of nonaccrual loans and leases, loans modified in a TDR and loans over $1 million that are currently on accrual status and not yet modified in a TDR, but for which the Bancorp has determined that it is probable that it will grant a payment concession in the near term due to the borrower's financial difficulties. For loans modified in a TDR, the contractual terms of the loan agreement refer to the terms specified in the original loan agreement. A loan restructured in a TDR is no longer considered impaired in years after the restructuring if the restructuring agreement specifies a rate equal to or greater than the rate the Bancorp was willing to accept at the time of the restructuring for a new loan with comparable risk and the loan is not impaired based on the terms specified by the restructuring agreement. Refer to the ALLL section for discussion regarding the Bancorp's methodology for identifying impaired loans and determination of the need for a loss accrual.

Loans Held for Sale

Loans held for sale primarily represent conforming fixed rate residential mortgage loans originated or acquired with the intent to sell in the secondary market and jumbo residential mortgage loans, commercial loans and other consumer loans that management has the intent to sell. Loans held for sale may be carried at the lower of cost or fair value, or carried at fair value where the Bancorp has elected the fair value option of accounting under U.S. GAAP. The Bancorp has elected to measure residential mortgage loans originated as held for sale under the fair value option. For loans in which the Bancorp has not elected the fair value option, the lower of cost or fair value is determined at the individual loan level.

The fair value of residential mortgage loans held for sale is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, discounted cash flow models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral, and market conditions. The anticipated portfolio composition includes the effects of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. These fair value marks are recorded as a component of noninterest income in mortgage banking net revenue. The Bancorp generally has commitments to sell residential mortgage loans held for sale in the secondary market. Gains or losses on sales are recognized in mortgage banking net revenue upon delivery.

Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and, thereafter, reported within the Bancorp's residential mortgage class of portfolio loans and leases. In such cases, the residential mortgage loans will continue to be measured at fair value, which is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component.

Loans held for sale are placed on nonaccrual status consistent with the Bancorp's nonaccrual policy for portfolio loans and leases.

Other Real Estate Owned

OREO, which is included in other assets, represents property acquired through foreclosure or other proceedings and is carried at the lower of cost or fair value, less costs to sell. All OREO property is periodically evaluated for impairment and decreases in carrying value are recognized as reductions in other noninterest income in the Consolidated Statements of Income.

ALLL

The Bancorp disaggregates its portfolio loans and leases into portfolio segments for purposes of determining the ALLL. The Bancorp's portfolio segments include commercial, residential mortgage, and consumer. The Bancorp further disaggregates its portfolio segments into classes for purposes of monitoring and assessing credit quality based on certain risk characteristics. Classes within the commercial portfolio segment include commercial and industrial, commercial mortgage owner-occupied, commercial mortgage non-owner occupied, commercial construction, and commercial leasing. The residential mortgage portfolio segment is also considered a class. Classes within the consumer portfolio segment include home equity, automobile, credit card, and other consumer loans and leases. For an analysis of the Bancorp's ALLL by portfolio segment and credit quality information by class, see Note 6.

The Bancorp maintains the ALLL to absorb probable loan and lease losses inherent in its portfolio segments. The ALLL is maintained at a level the Bancorp considers to be adequate and is based on ongoing quarterly assessments and evaluations of the collectability and historical loss experience of loans and leases. Credit losses are charged and recoveries are credited to the ALLL. Provisions for loan and lease losses are based on the Bancorp's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating probable credit losses. The Bancorp's strategy for credit risk management includes a combination of conservative exposure limits significantly below legal lending limits and conservative underwriting, documentation and collections standards. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

The Bancorp's methodology for determining the ALLL is based on historical loss rates, current credit grades, specific allocation on loans modified in a TDR and impaired commercial credits above specified thresholds and other qualitative adjustments. Allowances on individual commercial loans, TDRs and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience. An unallocated allowance is maintained to recognize the imprecision in estimating and measuring losses when evaluating allowances for individual loans or pools of loans.

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses, as well as loans that have been modified in a TDR, are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include

the industry and geographic region of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. When individual loans are impaired, allowances are determined based on management's estimate of the borrower's ability to repay the loan given the availability of collateral and other sources of cash flow, as well as an evaluation of legal options available to the Bancorp. Allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, fair value of the underlying collateral or readily observable secondary market values. The Bancorp evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Historical credit loss rates are applied to commercial loans that are not impaired or are impaired, but smaller than the established threshold of $1 million and thus not subject to specific allowance allocations. The loss rates are derived from a migration analysis, which tracks the historical net charge-off experience sustained on loans according to their internal risk grade. The risk grading system utilized for allowance analysis purposes encompasses ten categories.

Homogenous loans and leases in the residential mortgage and consumer portfolio segments are not individually risk graded. Rather, standard credit scoring systems and delinquency monitoring are used to assess credit risks, and allowances are established based on the expected net charge-offs. Loss rates are based on the trailing twelve month net charge-off history by loan category. Historical loss rates may be adjusted for certain prescriptive and qualitative factors that, in management's judgment, are necessary to reflect losses inherent in the portfolio. Factors that management considers in the analysis include the effects of the national and local economies; trends in the nature and volume of delinquencies, charge-offs and nonaccrual loans; changes in loan mix; credit score migration comparisons; asset quality trends; risk management and loan administration; changes in the internal lending policies and credit standards; collection practices; and examination results from bank regulatory agencies and the Bancorp's internal credit reviewers.

The Bancorp's primary market areas for lending are the Midwestern and Southeastern regions of the Unites States. When evaluating the adequacy of allowances, consideration is given to these regional geographic concentrations and the closely associated effect changing economic conditions have on the Bancorp's customers.

In the current year, the Bancorp has not substantively changed any material aspect to its overall approach to determining its ALLL for any of its portfolio segments. There have been no material changes in criteria or estimation techniques as compared to prior periods that impacted the determination of the current period ALLL for any of the Bancorp's portfolio segments.

Reserve for Unfunded Commitments

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities and is included in other liabilities in the Consolidated Balance Sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates based on credit grade migration. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the Bancorp's ALLL, as discussed above. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the Consolidated Statements of Income.

Loan Sales and Securitizations

The Bancorp periodically sells loans through either securitizations or individual loan sales in accordance with its investment policies. The sold loans are removed from the balance sheet and a net gain or loss is recognized in the Bancorp's Consolidated Financial Statements at the time of sale. The Bancorp typically isolates the loans through the use of a VIE and thus is required to assess whether the entity holding the sold or securitized loans is a VIE and whether the Bancorp is the primary beneficiary and therefore consolidator of that VIE. If the Bancorp holds the power to direct activities most significant to the economic performance of the VIE and has the obligation to absorb losses or right to receive benefits that could potentially be significant to the VIE, then the Bancorp will generally be deemed the primary beneficiary of the VIE. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate. See Note 10 for further information on consolidated and non-consolidated VIEs.

The Bancorp's loan sales and securitizations are generally structured with servicing retained. As a result, servicing rights resulting from residential mortgage loan sales are initially recorded at fair value and subsequently amortized in proportion to and over the period of estimated net servicing revenues and are reported as a component of mortgage banking net revenue, in the Consolidated Statements of Income. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance. Key economic assumptions used in measuring any potential impairment of the servicing rights include the prepayment speeds of the underlying loans, the weighted-average life, the discount rate, and the weighted-average coupon, as applicable. The primary risk of material changes to the value of the servicing rights resides in the potential volatility in the economic assumptions used, particularly the prepayment speeds. The Bancorp monitors risk and adjusts its valuation allowance as necessary to adequately reserve for impairment in the servicing portfolio. For purposes of measuring impairment, the mortgage servicing rights are stratified into classes based on the financial asset type (fixed rate vs. adjustable rate) and interest rates. Fees received for servicing loans owned by investors are based on a percentage of the outstanding monthly principal balance of such loans and are included in noninterest income in the Consolidated Statements of Income as loan payments are received. Costs of servicing loans are charged to expense as incurred.

Reserve for Representation and Warranty Provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading. The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors.

The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity, and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the

time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in other noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

Bank Premises and Equipment

Bank premises and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method based on estimated useful lives of the assets for book purposes, while accelerated depreciation is used for income tax purposes. Amortization of leasehold improvements is computed using the straight-line method over the lives of the related leases or useful lives of the related assets, whichever is shorter. Whenever events or changes in circumstances dictate, the Bancorp tests its long-lived assets for impairment by determining whether the sum of the estimated undiscounted future cash flows attributable to a long-lived asset or asset group is less than the carrying amount of the long-lived asset or asset group through a probability-weighted approach. In the event the carrying amount of the long-lived asset or asset group is not recoverable, an impairment loss is measured as the amount by which the carrying amount of the long-lived asset or asset group exceeds its fair value. Maintenance, repairs and minor improvements are charged to noninterest expense in the Consolidated Statements of Income as incurred.

Derivative Financial Instruments

The Bancorp accounts for its derivatives as either assets or liabilities measured at fair value through adjustments to accumulated other comprehensive income and/or current earnings, as appropriate. On the date the Bancorp enters into a derivative contract, the Bancorp designates the derivative instrument as either a fair value hedge, cash flow hedge or as a free-standing derivative instrument. For a fair value hedge, changes in the fair value of the derivative instrument and changes in the fair value of the hedged asset or liability or of an unrecognized firm commitment attributable to the hedged risk are recorded in current period net income. For a cash flow hedge, changes in the fair value of the derivative instrument, to the extent that it is effective, are recorded in accumulated other comprehensive income and subsequently reclassified to net income in the same period(s) that the hedged transaction impacts net income. For free-standing derivative instruments, changes in fair values are reported in current period net income.

Prior to entering into a hedge transaction, the Bancorp formally documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivative instruments that are designated as fair value or cash flow hedges to specific assets or liabilities on the balance sheet or to specific forecasted transactions, along with a formal assessment at both inception of the hedge and on an ongoing basis as to the effectiveness of the derivative instrument in offsetting changes in fair values or cash flows of the hedged item. If it is determined that the derivative instrument is not highly effective as a hedge, hedge accounting is discontinued and the adjustment to fair value of the derivative instrument is recorded in net income.

Income Taxes

The Bancorp estimates income tax expense based on amounts expected to be owed to the various tax jurisdictions in which the Bancorp conducts business. On a quarterly basis, management assesses the reasonableness of its effective tax rate based upon its current estimate of the amount and components of net income, tax credits and the applicable statutory tax rates expected for the full year. The estimated income tax expense is recorded in the Consolidated Statements of Income.

Deferred income tax assets and liabilities are determined using the balance sheet method and the net deferred tax asset or liability is reported in other assets or accrued taxes, interest and expenses in the Consolidated Balance Sheets. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and reflects enacted changes in tax rates and laws. Deferred tax assets are recognized to the extent they exist and are subject to a valuation allowance based on management's judgment that realization is more likely than not. This analysis is performed on a quarterly basis and includes an evaluation of all positive and negative evidence, such as the limitation on the use of any net operating losses, to determine whether realization is more likely than not.

Accrued taxes represent the net estimated amount due to taxing jurisdictions and are reported in accrued taxes, interest and expenses in the Consolidated Balance Sheets. The Bancorp evaluates and assesses the relative risks and appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent and other information and maintains tax accruals consistent with its evaluation of these relative risks and merits. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred taxes and accrued taxes as well as the current period's income tax expense and can be significant to the operating results of the Bancorp. Any interest and penalties incurred in connection with income taxes are recorded as a component of income tax expense in the Consolidated Financial Statements. For additional information on income taxes, see Note 20.

Earnings Per Share

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Earnings per diluted share is computed by dividing adjusted net income available to common shareholders by the weighted-average number of shares of common stock and common stock equivalents outstanding during the period. Dilutive common stock equivalents represent the assumed conversion of dilutive convertible preferred stock, the exercise of dilutive stock-based awards and warrants and the dilutive effect of the settlement of outstanding forward contracts.

The Bancorp calculates earnings per share pursuant to the two-class method. The two-class method is an earnings allocation formula that determines earnings per share separately for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. For purposes of calculating earnings per share under the two-class method, restricted shares that contain nonforfeitable rights to dividends are considered participating securities until vested. While the dividends declared per share on such restricted shares are the same as dividends declared per common share outstanding, the dividends recognized on such restricted shares may be less because dividends paid on restricted shares that are expected to be forfeited are reclassified to compensation expense during the period when forfeiture is expected.

Goodwill

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. Goodwill is required to be tested for impairment at the Bancorp's reporting unit level on an annual basis, which for the Bancorp is September 30, and more frequently if events or circumstances indicate that there may be impairment. The Bancorp has determined that its segments qualify as reporting units under U.S. GAAP.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its implied fair value. In testing goodwill for impairment, U.S. GAAP permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount (Step 0). In this qualitative assessment, the Bancorp evaluates events and circumstances which may include, but are not limited to, the general economic environment, banking industry and market conditions, the overall financial performance of the Bancorp, the performance of the Bancorp's stock, the key financial performance metrics of the reporting units, and events affecting the reporting units. If, after assessing the totality of events and circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform the first step (Step 1) of the goodwill impairment test, and continue to the second step (Step 2), if necessary. Step 1 of the goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, Step 2 of the goodwill impairment test is performed to measure the amount of impairment loss, if any.

The fair value of a reporting unit is the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Since none of the Bancorp's reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to the Bancorp's stock price. To determine the fair value of a reporting unit, the Bancorp employs an income-based approach, utilizing the reporting unit's forecasted cash flows (including a terminal value approach to estimate cash flows beyond the final year of the forecast) and the reporting unit's estimated cost of equity as the discount rate. Additionally, the Bancorp determines its market capitalization based on the average of the closing price of the Bancorp's stock during the month including the measurement date, incorporating an additional control premium, and compares this market-based fair value measurement to the aggregate fair value of the Bancorp's reporting units in order to corroborate the results of the income approach.

When required to perform Step 2, the Bancorp compares the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount exceeds the implied fair value, an impairment loss equal to that excess amount is recognized. A recognized impairment loss cannot exceed the carrying amount of that goodwill and cannot be reversed in future periods even if the fair value of the reporting unit subsequently recovers.

During Step 2, the Bancorp determines the implied fair value of goodwill for a reporting unit by assigning the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. This assignment process is only performed for purposes of testing goodwill for impairment. The Bancorp does not adjust the carrying values of recognized assets or liabilities (other than goodwill, if appropriate), nor recognize previously unrecognized intangible assets in the Consolidated Financial Statements as a result of this assignment process. Refer to Note 8 for further information regarding the Bancorp's goodwill.

Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques the Bancorp uses to measure fair value include the market approach, income approach and cost approach. The market approach uses prices or relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach involves discounting future amounts to a single present amount and is based on current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of the asset.

U.S. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bancorp has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Bancorp's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Bancorp's own financial data such as internally developed pricing models and discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The Bancorp's fair value measurements involve various valuation techniques and models, which involve inputs that are observable, when available. Valuation techniques and parameters used for measuring assets and liabilities are reviewed and validated by the Bancorp on a quarterly basis. Additionally, the Bancorp monitors the fair values of significant assets and liabilities using a variety of methods including the evaluation of pricing runs and exception reports based on certain analytical criteria, comparison to previous trades and overall review and assessments for reasonableness. See Note 27 for further information on fair value measurements.

Stock-Based Compensation

The Bancorp recognizes compensation expense for the grant-date fair value of stock-based awards that are expected to vest over the requisite service period. All awards, both those with cliff vesting and graded vesting, are expensed on a straight-line basis. Awards to employees that meet eligible retirement status are expensed immediately. As compensation expense is recognized, a deferred tax asset is recorded that represents an estimate of the future tax deduction from exercise or release of restrictions. At the time awards are exercised, cancelled, expire, or restrictions are released, the Bancorp may be required to recognize an adjustment to income tax expense for the difference between the previously estimated tax deduction and the actual tax deduction realized. For further information on the Bancorp's stock-based compensation plans, see Note 24.

Pension Plans

The Bancorp uses an expected long-term rate of return applied to the fair market value of assets as of the beginning of the year and the expected cash flow during the year for calculating the expected investment return on all pension plan assets. Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of net periodic benefit cost. If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the projected benefit obligation and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of participating employees expected to receive benefits under the plan. The Bancorp uses a third-party actuary to compute the remaining service period of participating employees. This period reflects expected turnover, pre-retirement mortality, and other applicable employee demographics.

Other

Securities and other property held by Fifth Third Investment Advisors, a division of the Bancorp's banking subsidiary, in a fiduciary or agency capacity are not included in the Consolidated Balance Sheets because such items are not assets of the subsidiaries. Investment advisory revenue in the Consolidated Statements of Income is recognized on the accrual basis. Investment advisory service revenues are recognized monthly based on a fee charged per transaction processed and/or a fee charged on the market value of average account balances associated with individual contracts.

The Bancorp recognizes revenue from its card and processing services on an accrual basis as such services are performed, recording revenues net of certain costs (primarily interchange fees charged by credit card associations) not controlled by the Bancorp.

The Bancorp purchases life insurance policies on the lives of certain directors, officers and employees and is the owner and beneficiary of the policies. The Bancorp invests in these policies, known as BOLI, to provide an efficient form of funding for long-term retirement and other employee benefits costs. The Bancorp records these BOLI policies within other assets in the Consolidated Balance Sheets at each policy's respective cash surrender value, with changes recorded in other noninterest income in the Consolidated Statements of Income.

Other intangible assets consist of core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Other intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives. The Bancorp reviews other intangible assets for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.

Securities sold under repurchase agreements are accounted for as collateralized financing transactions and included in other short-term borrowings in the Consolidated Balance Sheets at the amounts which the securities were sold plus accrued interest.

Acquisitions of treasury stock are carried at cost. Reissuance of shares in treasury for acquisitions, exercises of stock-based awards or other corporate purposes is recorded based on the specific identification method.

Advertising costs are generally expensed as incurred.

Accounting and Reporting Developments

Disclosures about Offsetting Assets and Liabilities

In December 2011, and clarified in January 2013, the FASB issued amended guidance related to disclosures about offsetting assets and liabilities. The amended guidance requires the Bancorp to disclose both gross information and net information about financial instruments, including derivatives, and transactions eligible for offset in the Consolidated Balance Sheets as well as financial instruments and transactions subject to agreements similar to a master netting arrangement. The amended guidance was required to be applied retrospectively and was effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. The amended guidance was adopted by the Bancorp on January 1, 2013 and the required disclosures are included in Note 13.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued amended guidance related to amounts reclassified out of AOCI. The amended guidance requires the Bancorp to present, either on the face of the Consolidated Statements of Income or in the Notes to Consolidated Financial Statements, significant amounts reclassified out of AOCI by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required to be reclassified in their entirety, the Bancorp is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amended guidance was effective prospectively for reporting periods beginning after December 15, 2012 and was adopted by the Bancorp on January 1, 2013. The required disclosures are included in Note 22.

Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date

In February 2013, the FASB issued amended guidance relating to the measurement of obligations resulting from joint and several liability arrangements for which the total amount under the arrangement is fixed at the reporting date. For the total amount of an obligation under an arrangement to be considered fixed at the reporting date, there can be no measurement uncertainty relating to the total amount of the obligation. The obligation resulting from joint and several liability arrangements would be measured initially as the sum of 1) the amount the Bancorp has agreed to pay on the basis of its arrangement among its co-obligors and 2) any additional amount the Bancorp expects to pay on behalf of its co-obligors. The amended guidance also would require the Bancorp to disclose the nature and amount of the obligation as well as information about the risks that such obligations pose to future cash flows. The amended guidance is effective for reporting periods beginning after December 15, 2013 and will be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements that exist at the beginning of the fiscal year of adoption. The Bancorp adopted the amended guidance on

January 1, 2014 and the adoption did not have a material impact on the Bancorp's Consolidated Financial Statements.

Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes

In July 2013, the FASB issued amended guidance which permits the OIS to be used as a U.S. benchmark interest rate for hedge accounting purposes, in addition to UST and LIBOR. The amended guidance also removed a previous scope reference that required the same benchmark interest rate be used for similar hedges and that using different rates be rare and justified. The amended guidance was effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013 (i.e., the issuance date). The Bancorp's adoption of the amended guidance did not have a material impact on the Bancorp's Consolidated Financial Statements.

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued amended guidance to clarify that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. The amended guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, with early adoption permitted. The Bancorp adopted the amended guidance on January 1, 2014 and the adoption of the amended guidance did not have a material impact on the Bancorp's Consolidated Financial Statements.

Accounting for Investments in Qualified Affordable Housing Projects

In January 2014, the FASB issued amended guidance which would permit the Bancorp to make an accounting policy election to account for its investments in qualified affordable housing projects using a proportional amortization method if certain conditions are met. Under the proportional amortization method, the Bancorp would amortize the initial cost of the investment in proportion to the tax credits and other tax benefits received and recognize the net investment performance in the income statement as a component of income tax expense (benefit). The amended guidance would require disclosure of the nature of the Bancorp's investments in qualified affordable housing projects, and the effect of the measurement of the investments in qualified affordable housing projects and the related tax credits on the Bancorp's financial position and results of operation. The amended guidance would be applied retrospectively to all periods presented and is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014, with early adoption permitted. The Bancorp is currently in the process of evaluating the impact of adopting the amended guidance on the Bancorp's Consolidated Financial Statements.

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure

In January 2014, the FASB issued amended guidance that clarifies when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan receivable should be derecognized and the real estate property recognized. The amended guidance clarifies that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either (1) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure or (2) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. In addition, the amended guidance requires interim and annual disclosures of both (1) the amount of foreclosed residential real estate property held by the creditor and (2) the recorded investment in consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure according to local requirements of the applicable jurisdiction. The amended guidance may be applied prospectively or through a modified retrospective approach and is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014, with early adoption permitted. The adoption of the amended guidance is not expected to have a material impact on the Bancorp's Consolidated Financial Statements.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments related to interest and income taxes, in addition to noncash investing and financing activities, are presented in the following table for the years ended December 31:

($ in millions)		2013	2012	2011
Cash payments:				
Interest	$	406	524	658
Income taxes		535	383	102
Noncash Investing and Financing Activities:				
Portfolio loans to loans held for sale		641	62	143
Loans held for sale to portfolio loans		44	77	32
Portfolio loans to OREO		204	272	342
Loans held for sale to OREO		4	23	43

3. RESTRICTIONS ON CASH AND DIVIDENDS

The FRB, under Regulation D, requires that banks hold cash in reserve against deposit liabilities, known as the reserve requirement. The reserve requirement is calculated based on a two-week average of daily net transaction account deposits as defined by the FRB and may be satisfied with vault cash. When vault cash is not sufficient to meet the reserve requirement, the remaining amount must be satisfied with funds held at the FRB. At December 31, 2013 and 2012, the Bancorp's banking subsidiary reserve requirement was $1.6 billion and $1.5 billion, respectively. Vault cash was not sufficient to meet the total reserve requirement; therefore, as of December 31, 2013 and 2012, the Bancorp's banking subsidiary satisfied the remaining reserve requirement with $942 million and $1.1 billion, respectively, of the Bancorp's total deposit at the FRB. The Bancorp's total deposit at the FRB is held in other short-term investments in the Consolidated Balance Sheets.

The dividends paid by the Bancorp's banking subsidiary are subject to regulations and limitations prescribed by state and federal supervisory agencies. Due to the regulations and limitations, the Bancorp's banking subsidiary was prohibited from declaring dividends without also obtaining prior approval from supervisory agencies at December 31, 2013 and 2012. The Bancorp's banking subsidiary paid the Bancorp's nonbank subsidiary holding company, which in turn paid the Bancorp $859 million and $2.0 billion in dividends during the years ended December 31, 2013 and 2012, respectively.

The FRB issued guidelines known as CCAR, which provide a common, conservative approach to ensure BHCs, including the Bancorp, hold adequate capital to maintain ready access to funding, continue operations and meet their obligations to creditors and counterparties, and continue to serve as credit intermediaries, even in adverse conditions. The CCAR process requires the submission of a comprehensive capital plan that assumes a minimum planning horizon of nine quarters under various economic scenarios.

The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The capital plan must reflect the revised capital framework that the FRB adopted in connection with the implementation of the Basel III accord, including the framework's minimum regulatory capital ratios and transition arrangements.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviews the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios as they transition to Basel III and above a Basel I Tier 1 common ratio of five percent under baseline and stressful conditions throughout a nine-quarter planning horizon.

The FRB issued stress testing rules that implement section 165(i)(1) and (i)(2) of the DFA. Large BHCs, including the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

In March 2013, the FRB announced it had completed the 2013 CCAR. For BHCs that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non-objection whereby the FRB concurred with the proposed 2013 capital distributions. The FRB indicated to the Bancorp that it did not object to the following proposed capital actions for the period beginning April 1, 2013 and ending March 31, 2014: the potential increase in its quarterly common stock dividend to $0.12 per share; the potential repurchase of up to $750 million in TruPS, subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt; the potential conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders and the repurchase an equivalent amount of common shares issued in the conversion up to $550 million in market value, and the issuance of $550 million in preferred shares; the potential repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion; incremental repurchase of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc stock and the potential issuance of an additional $500 million in preferred stock. Actions consistent with these proposed capital actions were substantially completed in 2013.

The DFA requires that BHCs with over $50 billion in consolidated assets that participated in the 2009 Supervisory Capital Assessment Program, including the Bancorp, conduct two stress tests each year. On May 13, 2013, the FRB launched the 2013 Mid-Cycle Stress Tests, which was submitted to the FRB in July 2013. The stress tests required the BHCs to develop their own baseline, adverse and severely adverse scenarios to reflect its individual operations and risks. Each BHC was required to release its results under the severely adverse scenario, which the Bancorp disclosed on its website on September 24, 2013.

The FRB launched the 2014 stress testing program and CCAR on November 1, 2013. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 6, 2014.

The FRB expects to release summary results of the 2014 stress testing program and CCAR in March 2014. The results will include supervisory projections of capital ratios, losses and revenues under the supervisory adverse and supervisory severely adverse scenarios. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution Fifth Third is required to disclose its own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required by March 31, 2014 and are to be sent to the FRB and publicly disclosed.

4. SECURITIES

The following table provides the amortized cost, fair value and unrealized gains and losses for the major categories of the available-for-sale and other and held-to-maturity securities portfolios as of December 31:

	2013				2012			
($ in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale and other:								
U.S. Treasury and government agencies	$ **26**	**-**	**-**	**26**	41	-	-	41
U.S. Government sponsored agencies	**1,523**	**121**	**-**	**1,644**	1,730	181	-	1,911
Obligations of states and political subdivisions	**187**	**5**	**-**	**192**	203	9	-	212
Agency mortgage-backed securities *(a)*	**12,294**	**140**	**(150)**	**12,284**	8,403	345	(18)	8,730
Other bonds, notes and debentures	**3,514**	**76**	**(8)**	**3,582**	3,161	119	(3)	3,277
Other securities *(b)*	**865**	**5**	**(1)**	**869**	1,033	3	-	1,036
Total	$ **18,409**	**347**	**(159)**	**18,597**	14,571	657	(21)	15,207
Held-to-maturity:								
Obligations of states and political subdivisions	$ **207**	**-**	**-**	**207**	282	-	-	282
Other debt securities	**1**	**-**	**-**	**1**	2	-	-	2
Total	$ **208**	**-**	**-**	**208**	284	-	-	284

(a) *Includes interest-only mortgage backed securities of **$262** and $408 as of **December 31, 2013** and 2012, respectively, recorded at fair value with fair value changes recorded in securities gains, net and securities gains, net – non-qualifying hedges on mortgage servicing rights in the Consolidated Statements of Income.*

(b) *Other securities consist of FHLB and FRB restricted stock holdings of **$402** and **$349**, respectively, at **December 31, 2013** and, $497 and $347, respectively, at December 31, 2012, that are carried at cost, and certain mutual fund and equity security holdings.*

The following table presents realized gains and losses that were recognized in income from available-for-sale securities for the years ended December 31:

($ in millions)	**2013**	2012	2011
Realized gains	$ **77**	75	75
Realized losses	**(102)**	(2)	-
OTTI	**(74)**	(58)	(19)
Net realized (losses) gains *(a)*	$ **(99)**	15	56

(a) *Excludes net gains on interest-only mortgage-backed securities of $129 for the year ended December 31, 2013.*

Trading securities totaled $343 million as of December 31, 2013, compared to $207 million at December 31, 2012. Gross realized gains on trading securities were $1 million, $2 million and $1 million for the years ended December 31, 2013, 2012 and 2011, respectively. Gross realized losses on trading securities were immaterial to the Bancorp for the years ended December 31, 2013 and 2012 and $7 million for the year ended December 31, 2011. Net unrealized gains on trading securities were $3 million, $1 million and $5 million at December 31, 2013, 2012 and 2011, respectively.

At December 31, 2013 and 2012 securities with a fair value of $11.6 billion and $12.6 billion, respectively, were pledged to secure borrowings, public deposits, trust funds, derivative contracts and for other purposes as required or permitted by law.

Table of Contents

The expected maturity distribution of the Bancorp’s agency mortgage-backed securities and the contractual maturity distribution of the Bancorp’s available-for-sale and other and held-to-maturity securities as of December 31, 2013 are shown in the following table:

	Available-for-Sale and Other		Held-to-Maturity	
($ in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt securities:*(a)*				
Under 1 year	$ 120	123	19	19
1-5 years	3,703	3,893	170	170
5-10 years	9,765	9,701	17	17
Over 10 years	3,956	4,011	2	2
Other securities	865	869	-	-
Total	$ 18,409	18,597	208	208

(a) Actual maturities may differ from contractual maturities when there exists a right to call or prepay obligations with or without call or prepayment penalties.

The following table provides the fair value and gross unrealized losses on available-for-sale and other securities in an unrealized loss position, aggregated by investment category and length of time the individual securities have been in a continuous unrealized loss position as of December 31:

	Less than 12 months		12 months or more		Total	
($ in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2013						
Agency mortgage-backed securities	$ **7,221**	**(150)**	**1**	**-**	**7,222**	**(150)**
Other bonds, notes and debentures	**595**	**(5)**	**132**	**(3)**	**727**	**(8)**
Other securities	**33**	**(1)**	**4**	**-**	**37**	**(1)**
Total	$ **7,849**	**(156)**	**137**	**(3)**	**7,986**	**(159)**
2012						
Agency mortgage-backed securities	$ 1,784	(18)	-	-	1,784	(18)
Other bonds, notes and debentures	454	(3)	-	-	454	(3)
Other securities	1	-	-	-	1	-
Total	$ 2,239	(21)	-	-	2,239	(21)

Other-Than-Temporary Impairments

The Bancorp recognized $74 million, $58 million, and $19 million of OTTI on its available-for-sale and other debt securities, included in securities gains, net and securities gains, net – non-qualifying hedges on mortgage servicing rights, in the Bancorp’s Consolidated Statements of Income during the years ended December 31, 2013, 2012, and 2011, respectively. The Bancorp did not recognize OTTI on its held-to-maturity debt securities for the years ended December 31, 2013, 2012, and 2011. Less than one percent of unrealized losses in the available-for-sale securities portfolio were represented by non-rated securities at December 31, 2013 and 2012.

During the years ended December 31, 2013, 2012 and 2011, the Bancorp did not recognize OTTI on any of its available-for-sale equity securities.

Table of Contents

5. LOANS AND LEASES

The Bancorp diversifies its loan and lease portfolio by offering a variety of loan and lease products with various payment terms and rate structures. Lending activities are concentrated within those states in which the Bancorp has banking centers and are primarily located in the Midwestern and Southeastern regions of the United States. The Bancorp's commercial loan portfolio consists of lending to various industry types. Management periodically reviews the performance of its loan and lease products to evaluate whether they are performing within acceptable interest rate and credit risk levels and changes are made to underwriting policies and procedures as needed. The Bancorp maintains an allowance to absorb loan and lease losses inherent in the portfolio. For further information on credit quality and the ALLL, see Note 6.

The following table provides a summary of the total loans and leases classified by primary purpose as of December 31:

($ in millions)		2013	2012
Loans and leases held for sale:			
Commercial and industrial loans	$	**31**	39
Commercial mortgage loans		**3**	13
Commercial construction loans		**2**	9
Commercial leases		**1**	-
Residential mortgage loans		**890**	2,856
Other consumer loans and leases		**17**	22
Total loans and leases held for sale	$	**944**	2,939
Portfolio loans and leases:			
Commercial and industrial loans	$	**39,316**	36,038
Commercial mortgage loans		**8,066**	9,103
Commercial construction loans		**1,039**	698
Commercial leases		**3,625**	3,549
Total commercial loans and leases		**52,046**	49,388
Residential mortgage loans		**12,680**	12,017
Home equity		**9,246**	10,018
Automobile loans		**11,984**	11,972
Credit card		**2,294**	2,097
Other consumer loans and leases		**364**	290
Total consumer loans and leases		**36,568**	36,394
Total portfolio loans and leases	$	**88,614**	85,782

Total portfolio loans and leases are recorded net of unearned income, which totaled $700 million as of December 31, 2013 and $758 million as of December 31, 2012. Additionally, portfolio loans and leases are recorded net of unamortized premiums and discounts, deferred loan fees and costs, and fair value adjustments (associated with acquired loans or loans designated as fair value upon origination) which totaled a net premium of $111 million and $73 million as of December 31, 2013 and 2012, respectively.

The Bancorp's FHLB and FRB advances are generally secured by loans. The Bancorp had loans of $10.9 billion and $12.7 billion at December 31, 2013 and 2012, respectively, pledged at the FHLB, and loans of $33.5 billion and $30.9 billion at December 31, 2013 and 2012, respectively, pledged at the FRB.

The following table presents a summary of the total loans and leases owned by the Bancorp as of and for the years ended December 31:

	Balance			90 Days Past Due and Still Accruing			Net Charge-Offs		
($ in millions)		2013	2012		2013	2012		2013	2012
Commercial and industrial loans	$	**39,347**	36,077	$	**-**	1	$	**168**	165
Commercial mortgage loans		**8,069**	9,116		**-**	22		**47**	99
Commercial construction loans		**1,041**	707		**-**	1		**4**	25
Commercial leases		**3,626**	3,549		**-**	-		**1**	8
Residential mortgage loans		**13,570**	14,873		**66**	75		**60**	122
Home equity		**9,246**	10,018		**-**	58		**97**	157
Automobile loans		**11,984**	11,972		**8**	8		**22**	31
Credit card		**2,294**	2,097		**29**	30		**78**	74
Other consumer loans and leases		**381**	312		**-**	-		**24**	23
Total loans and leases	$	**89,558**	88,721	$	**103**	195	$	**501**	704
Less: Loans held for sale	$	**944**	2,939						
Total portfolio loans and leases	$	**88,614**	85,782						

The Bancorp engages in commercial lease products primarily related to the financing of commercial equipment. The Bancorp had $3.0 billion of direct financing leases and $1.3 billion of leveraged leases at both of the years ended December 31, 2013 and 2012.

Pre-tax income from leveraged leases for 2013 was $25 million compared to pre-tax income in 2012 of $37 million. The tax effect of this income was an expense of $9 million in 2013 and a benefit of $6 million in 2012.

Table of Contents

The components of the investment in lease financing at December 31:

($ in millions)		2013	2012
Rentals receivable, net of principal and interest on nonrecourse debt	$	**3,556**	3,543
Estimated residual value of leased assets		**754**	760
Initial direct cost, net of amortization		**15**	16
Gross investment in lease financing		**4,325**	4,319
Unearned income		**(700)**	(758)
Net investment in lease financing *(a)*	$	**3,625**	3,561

(a) The accumulated allowance for uncollectible minimum lease payments was ***$53 million*** *and $67 million at* ***December 31, 2013*** *and 2012, respectively.*

The Bancorp periodically reviews residual values associated with its leasing portfolio. Declines in residual values that are deemed to be other-than-temporary are recognized as a loss. The Bancorp recognized $13 million and $9 million of residual value write-downs related to commercial leases for the years ended December 31, 2013 and 2012, respectively. The residual value write-downs related to commercial leases are recorded in corporate banking revenue in the Consolidated Statements of Income. At December 31, 2013, the minimum future lease payments receivable for each of the years 2014 through 2018 was $664 million, $591 million, $505 million, $389 million and $289 million, respectively.

6. CREDIT QUALITY AND THE ALLOWANCE FOR LOAN AND LEASE LOSSES

The Bancorp disaggregates ALLL balances and transactions in the ALLL by portfolio segment. Credit quality related disclosures for loans and leases are further disaggregated by class.

Allowance for Loan and Lease Losses

The following tables summarize transactions in the ALLL by portfolio segment:

For the year ended December 31, 2013 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:						
Balance at January 1	$	**1,236**	**229**	**278**	**111**	**1,854**
Losses charged off		**(284)**	**(70)**	**(283)**	**-**	**(637)**
Recoveries of losses previously charged off		**64**	**10**	**62**	**-**	**136**
Provision for loan and lease losses		**42**	**20**	**168**	**(1)**	**229**
Balance at December 31	$	**1,058**	**189**	**225**	**110**	**1,582**

For the year ended December 31, 2012 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:						
Balance at January 1	$	1,527	227	365	136	2,255
Losses charged off		(358)	(129)	(350)	-	(837)
Recoveries of losses previously charged off		61	7	65	-	133
Provision for loan and lease losses		6	124	198	(25)	303
Balance at December 31	$	1,236	229	278	111	1,854

For the year ended December 31, 2011 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:						
Balance at January 1	$	1,989	310	555	150	3,004
Losses charged off		(615)	(180)	(519)	-	(1,314)
Recoveries of losses previously charged off		61	7	74	-	142
Provision for loan and lease losses		92	90	255	(14)	423
Balance at December 31	$	1,527	227	365	136	2,255

Table of Contents

The following tables provide a summary of the ALLL and related loans and leases classified by portfolio segment:

As of December 31, 2013 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:*(a)*						
Individually evaluated for impairment	$	**186** *(c)*	**139**	**53**	**-**	**378**
Collectively evaluated for impairment		**872**	**50**	**172**	**-**	**1,094**
Unallocated		**-**	**-**	**-**	**110**	**110**
Total ALLL	$	**1,058**	**189**	**225**	**110**	**1,582**
Loans and leases:*(b)*						
Individually evaluated for impairment	$	**1,560** *(c)*	**1,325**	**496**	**-**	**3,381**
Collectively evaluated for impairment		**50,486**	**11,259**	**23,392**	**-**	**85,137**
Loans acquired with deteriorated credit quality		**-**	**4**	**-**	**-**	**4**
Total portfolio loans and leases	$	**52,046**	**12,588**	**23,888**	**-**	**88,522**

(a) *Includes **$9** related to leveraged leases.*

(b) *Excludes **$92** of residential mortgage loans measured at fair value, and includes **$881** of leveraged leases, net of unearned income.*

(c) *Includes five restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with a recorded investment of **$28** and an allowance of **$11**.*

As of December 31, 2012 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:*(a)*						
Individually evaluated for impairment	$	95	137	62	-	294
Collectively evaluated for impairment		1,140	91	216	-	1,447
Loans acquired with deteriorated credit quality		1	1	-	-	2
Unallocated		-	-	-	111	111
Total ALLL	$	1,236	229	278	111	1,854
Loans and leases:*(b)*						
Individually evaluated for impairment	$	980	1,298	544	-	2,822
Collectively evaluated for impairment		48,407	10,637	23,833	-	82,877
Loans acquired with deteriorated credit quality		1	6	-	-	7
Total portfolio loans and leases	$	49,388	11,941	24,377	-	85,706

(a) *Includes $11 related to leveraged leases.*

(b) *Excludes $76 of residential mortgage loans measured at fair value, and includes $862 of leveraged leases, net of unearned income.*

CREDIT RISK PROFILE

Commercial Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its commercial portfolio segment, the Bancorp disaggregates the segment into the following classes: commercial and industrial, commercial mortgage owner-occupied, commercial mortgage non-owner occupied, commercial construction and commercial leasing.

To facilitate the monitoring of credit quality within the commercial portfolio segment, and for purposes of analyzing historical loss rates used in the determination of the ALLL for the commercial portfolio segment, the Bancorp utilizes the following categories of credit grades: pass, special mention, substandard, doubtful or loss. The five categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers that do not have identified potential or well defined weaknesses and for which there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on a quarterly basis during the month preceding the end of the calendar quarter.

The Bancorp assigns a special mention rating to loans and leases that have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or lease or the Bancorp's credit position.

The Bancorp assigns a substandard rating to loans and leases that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans and leases have well defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases in this grade also are characterized by the distinct possibility that the Bancorp will sustain some loss if the deficiencies noted are not addressed and corrected.

The Bancorp assigns a doubtful rating to loans and leases that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.

Loans and leases classified as loss are considered uncollectible and are charged off in the period in which they are determined to be uncollectible. Because loans and leases in this category are fully charged down, they are not included in the following tables.

The following table summarizes the credit risk profile of the Bancorp's commercial portfolio segment, by class:

As of December 31, 2013 ($ in millions)		Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	$	**36,776**	**1,118**	**1,419**	**3**	**39,316**
Commercial mortgage owner occupied loans		**3,866**	**209**	**415**	**17**	**4,507**
Commercial mortgage non-owner occupied loans		**2,879**	**248**	**431**	**1**	**3,559**
Commercial construction loans		**855**	**32**	**152**	**-**	**1,039**
Commercial leases		**3,546**	**56**	**23**	**-**	**3,625**
Total	$	**47,922**	**1,663**	**2,440**	**21**	**52,046**

As of December 31, 2012 ($ in millions)		Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	$	33,521	1,113	1,379	25	36,038
Commercial mortgage owner occupied loans		3,934	338	603	1	4,876
Commercial mortgage non-owner occupied loans		2,958	449	815	5	4,227
Commercial construction loans		444	59	195	-	698
Commercial leases		3,483	48	18	-	3,549
Total	$	44,340	2,007	3,010	31	49,388

Consumer Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its consumer portfolio segment, the Bancorp disaggregates the segment into the following classes: home equity, automobile loans, credit card, and other consumer loans and leases. The Bancorp's residential mortgage portfolio segment is also a separate class. The Bancorp considers repayment performance as the best indicator of credit quality for residential mortgage and consumer loans, which includes both the delinquency status and performing versus nonperforming status of the loans. The delinquency status of all residential mortgage and consumer loans is presented by class in the age analysis section below while the performing versus nonperforming status is presented in the table below. Residential mortgage loans that have principal and interest payments that have become past due 150 days are classified as nonperforming unless such loans are both well secured and in the process of collection. During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. Home equity loans and lines of credit are reported as nonperforming if principal or interest has been in default for 90 days or more unless the loan is both well secured and in the process of collection. Home equity loans and lines of credit that have been in default for 60 days or more are also reported as nonperforming if the senior lien has been in default 120 days or more, unless the loan is both well secured and in the process of collection. As a result of the modification of the nonaccrual policy for home equity loans and lines of credit, $46 million of home equity loans and lines of credit were reclassified from performing to nonperforming status during the fourth quarter of 2013. In addition, the Bancorp modified its charge-off policy during the fourth quarter of 2013. Home equity loans and lines of credit that have been in default 120 days or more are assessed for a charge-off if the senior lien has been in default

Table of Contents

120 days or more. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are classified as nonperforming, unless the loan is both well secured and in the process of collection. Credit card loans that have been modified in a TDR are classified as nonperforming unless such loans have a sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

The following table presents a summary of the Bancorp's residential mortgage and consumer portfolio segments disaggregated into performing versus nonperforming status as of December 31:

		2013		2012	
($ in millions)		Performing	Nonperforming	Performing	Nonperforming
Residential mortgage loans *(a)*	$	**12,423**	**165**	11,704	237
Home equity		**9,153**	**93**	9,965	53
Automobile loans		**11,982**	**2**	11,970	2
Credit card		**2,261**	**3 3**	2,058	39
Other consumer loans and leases		**364**	**-**	289	1
Total	$	**36,183**	**293**	35,986	332

(a) *Excludes **$92** and $76 of loans measured at fair value at **December 31, 2013** and 2012, respectively.*

Age Analysis of Past Due Loans and Leases

The following tables summarize the Bancorp's recorded investment in portfolio loans and leases by age and class:

As of December 31, 2013 ($ in millions)		Current Loans and Leases*(c)*	Past Due: 30-89 Days*(c)*	Past Due: 90 Days and Greater*(c)*	Past Due: Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:							
Commercial and industrial loans	$	**39,118**	**53**	**145**	**198**	**39,316**	**-**
Commercial mortgage owner occupied loans		**4,423**	**15**	**69**	**84**	**4,507**	**-**
Commercial mortgage non-owner occupied loans		**3,515**	**9**	**35**	**44**	**3,559**	**-**
Commercial construction loans		**1,010**	**-**	**29**	**29**	**1,039**	**-**
Commercial leases		**3,620**	**-**	**5**	**5**	**3,625**	**-**
Residential mortgage loans *(a)(b)*		**12,284**	**73**	**231**	**304**	**12,588**	**66**
Consumer:							
Home equity		**9,058**	**102**	**86**	**188**	**9,246**	**-**
Automobile loans		**11,919**	**55**	**10**	**65**	**11,984**	**8**
Credit card		**2,225**	**36**	**3 3**	**69**	**2,294**	**29**
Other consumer loans and leases		**362**	**2**	**-**	**2**	**364**	**-**
Total portfolio loans and leases *(a)*	$	**87,534**	**345**	**643**	**988**	**88,522**	**103**

(a) *Excludes $92 of loans measured at fair value.*

(b) *Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2013, $81 of these loans were 30-89 days past due and $378 were 90 days or more past due. The Bancorp recognized $5 million of losses for the year ended December 31, 2013 due to claim denials and curtailments associated with these advances.*

(c) *Includes accrual and nonaccrual loans and leases.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2012 ($ in millions)	Current Loans and Leases(c)	Past Due 30-89 Days(c)	Past Due 90 Days and Greater(c)	Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:						
Commercial and industrial loans	$ 35,826	46	166	212	36,038	1
Commercial mortgage owner occupied loans	4,752	29	95	124	4,876	22
Commercial mortgage non-owner occupied loans	4,094	21	112	133	4,227	-
Commercial construction loans	622	-	76	76	698	1
Commercial leases	3,546	2	1	3	3,549	-
Residential mortgage loans*(a)(b)*	11,547	87	307	394	11,941	75
Consumer:						
Home equity	9,782	126	110	236	10,018	58
Automobile loans	11,900	62	10	72	11,972	8
Credit card	2,025	38	34	72	2,097	30
Other consumer loans and leases	287	2	1	3	290	-
Total portfolio loans and leases*(a)*	$ 84,381	413	912	1,325	85,706	195

(a) Excludes $76 of loans measured at fair value.

(b) Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2012, $80 of these loans were 30-89 days past due and $414 were 90 days or more past due. The Bancorp recognized $2 million of losses for the year ended December 31, 2012 due to claim denials and curtailments associated with these advances.

(c) Includes accrual and nonaccrual loans and leases.

Table of Contents

Impaired Loans and Leases

Larger commercial loans and leases included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp also performs an individual review on loans and leases that are restructured in a troubled debt restructuring. The Bancorp considers the current value of collateral, credit quality of any guarantees, the loan structure, and other factors when evaluating whether an individual loan or lease is impaired. Other factors may include the geography and industry of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. Smaller balance homogenous loans or leases that are collectively evaluated for impairment are not included in the following tables.

The following table summarizes the Bancorp's impaired loans and leases (by class) that were subject to individual review, which includes all loans and leases restructured in a troubled debt restructuring as December 31:

2013 ($ in millions)		Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	870	759	145
Commercial mortgage owner occupied loans *(b)*		85	74	11
Commercial mortgage non-owner occupied loans		154	134	14
Commercial construction loans		68	54	5
Commercial leases		12	12	-
Restructured residential mortgage loans		1,081	1,052	139
Restructured consumer:				
Home equity		377	373	39
Automobile loans		23	23	3
Credit card		59	58	11
Total impaired loans and leases with a related allowance	$	2,729	2,539	367
With no related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	181	177	-
Commercial mortgage owner occupied loans		106	98	-
Commercial mortgage non-owner occupied loans		154	147	-
Commercial construction loans		77	63	-
Commercial leases		14	14	-
Restructured residential mortgage loans		313	273	-
Restructured consumer:				
Home equity		43	39	-
Automobile loans		3	3	-
Total impaired loans and leases with no related allowance		891	814	-
Total impaired loans and leases	$	3,620	3,353 *(a)*	367

*(a) Includes **$869**, **$1,241** and **$444**, respectively, of commercial, residential mortgage and consumer TDRs on accrual status; **$228**, **$84** and **$52**, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

*(b) Excludes five restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with an unpaid principal balance of **$28**, a recorded investment of **$28**, and an allowance of **$11**.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2012 ($ in millions)		Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	263	194	65
Commercial mortgage owner occupied loans		54	43	5
Commercial mortgage non-owner occupied loans		215	160	16
Commercial construction loans		48	37	5
Commercial leases		8	8	5
Restructured residential mortgage loans		1,067	1,023	137
Restructured consumer:				
Home equity		400	396	46
Automobile loans		31	30	4
Credit card		74	74	12
Other consumer loans and leases		2	2	-
Total impaired loans and leases with a related allowance	$	2,162	1,967	295
With no related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	207	169	-
Commercial mortgage owner occupied loans		107	99	-
Commercial mortgage non-owner occupied loans		209	199	-
Commercial construction loans		109	67	-
Commercial leases		5	5	-
Restructured residential mortgage loans		326	275	-
Restructured consumer:				
Home equity		40	39	-
Automobile loans		3	3	-
Total impaired loans and leases with no related allowance		1,006	856	-
Total impaired loans and leases	$	3,168	2,823 *(a)*	295

(a) *Includes $431, $1,175 and $480, respectively, of commercial, residential mortgage and consumer TDRs on accrual status; $177, $123 and $64, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

The following table summarizes the Bancorp's average impaired loans and leases and interest income by class for the year ended December 31:

		2013		2012	
($ in millions)		Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Commercial:					
Commercial and industrial loans	$	517	16	448	4
Commercial mortgage owner occupied loans *(a)*		146	4	156	4
Commercial mortgage non-owner occupied loans		321	8	361	10
Commercial construction loans		108	4	160	2
Commercial leases		11	-	10	-
Restructured residential mortgage loans		1,311	53	1,276	47
Restructured consumer:					
Home equity		429	23	439	24
Automobile loans		29	1	38	1
Credit card		68	4	80	4
Other consumer loans and leases		2	-	1	-
Total impaired loans and leases	$	2,942	113	2,969	96

(a) *Excludes five restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with an unpaid principal balance of **$28**, an average recorded investment of **$29**, and an allowance of **$11**.*

Table of Contents

Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; commercial and credit card TDRs which have not yet met the requirements to be classified as a performing asset; consumer TDRs which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. The following table summarizes the Bancorp's nonperforming loans and leases, by class, as of December 31:

($ in millions)		2013	2012
Commercial:			
Commercial and industrial loans	$	**281**	330
Commercial mortgage owner occupied loans *(a)*		**95**	125
Commercial mortgage non-owner occupied loans		**48**	157
Commercial construction loans		**29**	76
Commercial leases		**5**	9
Total commercial loans and leases		**458**	697
Residential mortgage loans		**166**	237
Consumer:			
Home equity		**93**	53
Automobile loans		**1**	2
Credit card		**3 3**	39
Other consumer loans and leases		**-**	1
Total consumer loans and leases		**127**	95
Total nonperforming loans and leases *(b)(c)*	$	**751**	1,029
OREO and other repossessed property *(d)*		**229**	257

*(a) Excludes **$21** of restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due the risk being assumed by a third party.*

*(b) Excludes **$6** and $29 of nonaccrual loans held for sale at **December 31, 2013** and 2012, respectively.*

*(c) Includes **$10** of nonaccrual government insured commercial loans whose repayments are insured by the SBA at both **December 31, 2013** and 2012, and **$2** and $1 of restructured nonaccrual government insured commercial loans at **December 31, 2013** and 2012, respectively.*

*(d) Excludes **$77** and $72 of OREO related to government insured loans at **December 31, 2013** and 2012, respectively.*

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Within each of the Bancorp's loan classes, TDRs typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. Modifying the terms of loans may result in an increase or decrease to the ALLL depending upon the terms modified, the method used to measure the ALLL for a loan prior to modification, and whether any charge-offs were recorded on the loan before or at the time of modification. Refer to the ALLL section of Note 1 for information on the Bancorp's ALLL methodology. Upon modification of a loan, the Bancorp measures the related impairment as the difference between the estimated future cash flows, discounted at the original effective yield of the loan, expected to be collected on the modified loan and the carrying value of the loan. The resulting measurement may result in the need for minimal or no valuation allowance because it is probable that all cash flows will be collected under the modified terms of the loan. In addition, if the stated interest rate was increased in a TDR, the cash flows on the modified loan, using the pre-modification interest rate as the discount rate, often exceed the recorded investment of the loan. Conversely, the Bancorp often recognizes an impairment loss as an increase to ALLL upon a modification that reduces the stated interest rate on a loan. If a TDR involves a reduction of the principal balance of the loan or the loan's accrued interest, that amount is charged off to the ALLL. At December 31, 2013, the Bancorp had $46 million in line of credit commitments and $40 million in letter of credit commitments to lend additional funds to borrowers whose terms have been modified in a TDR compared to $28 million and $25 million, respectively, at December 31, 2012.

Table of Contents

The following table provides a summary of loans modified in a TDR by the Bancorp during the year ended December 31:

2013 ($ in millions) *(a)*	Number of loans modified in a TDR during the year *(b)*	Recorded investment in loans modified in a TDR during the year	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	**146**	**$ 604**	**39**	**44**
Commercial mortgage owner occupied loans *(c)*	**65**	**19**	**(2)**	**-**
Commercial mortgage non-owner occupied loans	**59**	**72**	**(7)**	**-**
Commercial construction loans	**4**	**34**	**(2)**	**-**
Commercial leases	**1**	**2**	**(5)**	**-**
Residential mortgage loans	**1,620**	**249**	**28**	**-**
Consumer:				
Home equity	**695**	**37**	**(1)**	**-**
Automobile loans	**499**	**14**	**1**	**-**
Credit card	**8,202**	**50**	**7**	**-**
Total portfolio loans and leases	**11,291**	**$ 1,081**	**58**	**44**

2012 ($ in millions) *(a)*	Number of loans modified in a TDR during the year *(b)*	Recorded investment in loans modified in a TDR during the year	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	108	$ 84	(7)	9
Commercial mortgage owner occupied loans	67	53	(8)	2
Commercial mortgage non-owner occupied loans	67	91	(7)	-
Commercial construction loans	17	38	(4)	-
Commercial leases	8	7	1	-
Residential mortgage loans	1,758	340	35	-
Consumer:				
Home equity	1,343	82	1	-
Automobile loans	1,289	23	2	-
Credit card	11,407	75	11	-
Total portfolio loans and leases	16,064	$ 793	24	11

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.
(b) Represents number of loans post-modification.
(c) Excludes five loans modified in a TDR during the year ended ***December 31, 2013*** *associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party. The TDR resulted in a $7 increase to the ALLL and a* ***$2*** *charge-off at modification and has a recorded investment of* ***$28****.*

The Bancorp considers TDRs that become 90 days or more past due under the modified terms as subsequently defaulted. For commercial loans not subject to individual review for impairment, the historical loss rates that are applied to such commercial loans for purposes of determining the allowance include historical losses associated with subsequent defaults on loans previously modified in a TDR. For consumer loans, the Bancorp performs a qualitative assessment of the adequacy of the consumer ALLL by comparing the consumer ALLL to forecasted consumer losses over the projected loss emergence period (the forecasted losses include the impact of subsequent defaults of consumer TDRs). When a residential mortgage, home equity, auto or other consumer loan that has been modified in a TDR subsequently defaults, the present value of expected cash flows used in the measurement of the potential impairment loss is generally limited to the expected net proceeds from the sale of the loan's underlying collateral and any resulting impairment loss is reflected as a charge-off or an increase in ALLL. When a credit card loan that has been modified in a TDR subsequently defaults, the calculation of the impairment loss is consistent with the Bancorp's calculation for other credit card loans that have become 90 days or more past due.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides a summary of subsequent defaults that occurred during the years ended December 31, 2013 and 2012 and within 12 months of the restructuring date:

December 31, 2013 ($ in millions) *(a)*	Number of Contracts		Recorded Investment
Commercial:			
Commercial and industrial loans	**6**	**$**	**11**
Commercial mortgage owner occupied loans	**7**		**1**
Residential mortgage loans	**375**		**58**
Consumer:			
Home equity	**65**		**4**
Automobile loans	**4**		**-**
Credit card	**1,768**		**11**
Total portfolio loans and leases	**2,225**	**$**	**85**

December 31, 2012 ($ in millions) *(a)*	Number of Contracts		Recorded Investment
Commercial:			
Commercial and industrial loans	2	$	3
Commercial mortgage owner occupied loans	3		2
Commercial mortgage non-owner occupied loans	2		1
Commercial construction loans	2		3
Residential mortgage loans	332		57
Consumer:			
Home equity	101		7
Automobile loans	42		-
Credit card (revised)	1,832		13
Total portfolio loans and leases	2,316	$	86

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.

Table of Contents

7. BANK PREMISES AND EQUIPMENT

The following is a summary of bank premises and equipment at December 31:

($ in millions)	Estimated Useful Life		2013	2012
Land and improvements		$	**838**	841
Buildings	2 to 30 yrs.		**1,763**	1,692
Equipment	1 to 30 yrs.		**1,581**	1,460
Leasehold improvements	5 to 30 yrs.		**397**	386
Construction in progress			**118**	141
Accumulated depreciation and amortization			**(2,166)**	(1,978)
Total		$	**2,531**	2,542

Depreciation and amortization expense related to bank premises and equipment was $245 million in 2013, $233 million in 2012 and $224 million in 2011.

For the years ended 2013 and 2012, the Bancorp recorded charges of $6 million and $21 million, respectively, of lower of cost or market adjustments associated with bank premises. These adjustments were generally based on appraisals of the underlying bank premises less estimated selling costs. The recognized impairment losses were recorded in other noninterest income in the Consolidated Statements of Income.

Gross occupancy expense for cancelable and noncancelable leases was $98 million in 2013 and $99 million in 2012 and 2011, which was reduced by rental income from leased premises of $16 million in 2013, $17 million in 2012 and $19 million in 2011. The Bancorp's subsidiaries have entered into a number of noncancelable and capital lease agreements with respect to bank premises and equipment.

The following table provides the annual future minimum payments under capital leases and noncancelable operating leases at December 31, 2013:

($ in millions)		Operating Leases	Capital Leases
Year ending December 31,			
2014	$	91	8
2015		88	7
2016		82	4
2017		75	-
2018		71	-
Thereafter		339	-
Total minimum lease payments	$	746	19
Less: Amounts representing interest		-	1
Present value of net minimum lease payments		-	18

8. GOODWILL

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. Acquisition activity includes acquisitions in the respective period in addition to purchase accounting adjustments related to previous acquisitions. During the fourth quarter of 2008, the Bancorp determined that the Commercial Banking and Consumer Lending segments' goodwill carrying amounts exceeded their associated implied fair values by $750 million and $215 million, respectively. The resulting $965 million goodwill impairment charge was recorded in the fourth quarter of 2008 and represents the total amount of accumulated impairment losses as of December 31, 2013.

Changes in the net carrying amount of goodwill, by reporting unit, for the years ended December 31, 2013 and 2012 were as follows:

($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	Total
Net carrying value as of December 31, 2011	$	613	1,656	-	148	2,417
Acquisition activity		-	(1)	-	-	(1)
Net carrying value as of December 31, 2012	$	613	1,655	-	148	2,416
Acquisition activity		-	-	-	-	-
Net carrying value as of December 31, 2013	**$**	**613**	**1,655**	**-**	**148**	**2,416**

The Bancorp completed its annual goodwill impairment test as of September 30, 2013 by performing a qualitative assessment of goodwill at the reporting unit level to determine whether any indicators of impairment existed. In performing this qualitative assessment, the Bancorp evaluated events and circumstances since the date of the last quantitative impairment test including the results of that test, macroeconomic conditions, banking industry and market conditions, and key financial metrics of the Bancorp as well as segment and overall Bancorp financial performance. After assessing the totality of the events and circumstances, the Bancorp determined that it was not more likely than not that the fair value of each of its reporting units was less than their carrying amounts and, therefore, the first and second steps of the quantitative goodwill impairment test were deemed unnecessary.

Table of Contents

9. INTANGIBLE ASSETS

Intangible assets consist of core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives. Intangible assets have an estimated remaining weighted-average life at December 31, 2013 of 4.1 years.

The details of the Bancorp's intangible assets are shown in the following table:

($ in millions)		Gross Carrying Amount	Accumulated Amortization	Valuation Allowance	Net Carrying Amount
As of December 31, 2013					
Core deposit intangibles	**$**	**154**	**(141)**	**-**	**13**
Other		**45**	**(39)**	**-**	**6**
Total intangible assets	**$**	**199**	**(180)**	**-**	**19**
As of December 31, 2012					
Core deposit intangibles	$	180	(160)	-	20
Other		44	(37)	-	7
Total intangible assets	$	224	(197)	-	27

As of December 31, 2013, all of the Bancorp's intangible assets were being amortized. Amortization expense recognized on intangible assets for the years ended December 31, 2013, 2012 and 2011 was $8 million, $13 million and $22 million, respectively.

The Bancorp's projections of amortization expense shown below are based on existing asset balances as of December 31, 2013. Future amortization expense may vary from these projections. Estimated amortization expense for the years ending December 31, 2014 through 2018 is as follows:

($ in millions)		Total
2014	$	5
2015		2
2016		2
2017		2
2018		2

10. VARIABLE INTEREST ENTITIES

The Bancorp, in the normal course of business, engages in a variety of activities that involve VIEs, which are legal entities that lack sufficient equity to finance their activities, or the equity investors of the entities as a group lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the economic performance of the VIE and the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. For certain investment funds, the primary beneficiary is the enterprise that will absorb a majority of the fund's expected losses or receive a majority of the fund's expected residual returns. The Bancorp evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Bancorp is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Bancorp is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate.

Consolidated VIEs

The following table provides a summary of the classifications of consolidated VIE assets, liabilities and noncontrolling interests included in the Bancorp's Consolidated Balance Sheets as of:

December 31, 2013 ($ in millions)		Automobile Loan Securitization	CDC Investments	Total
Assets:				
Cash and due from banks	$	49	-	49
Commercial mortgage loans		-	48	48
Automobile loans*(a)*		1,010	-	1,010
ALLL		(2)	(13)	(15)
Other assets		11	2	13
Total assets	$	1,068	37	1,105
Liabilities:				
Other liabilities	$	1	-	1
Long-term debt		1,048	-	1,048
Total liabilities	$	1,049	-	1,049
Noncontrolling interests		-	37	37

(a) Net of $52 of unamortized fees and discounts.

December 31, 2012 ($ in millions)		CDC Investments	Total
Assets:			
Commercial mortgage loans	$	50	50
ALLL		(5)	(5)
Other assets		3	3
Total assets	$	48	48
Noncontrolling interests		48	48

Automobile Loan Securitization

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The primary purposes for which the VIE was created were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide the Bancorp with access to liquidity for its originated loans. The Bancorp retained residual interests in the VIE and, therefore, has an obligation to absorb losses and a right to receive benefits from the VIE that could potentially be significant to the VIE. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, holds the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE. As a result, the Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

The economic performance of the VIE is most significantly impacted by the performance of the underlying loans. The principal risks to which the VIE are exposed include credit risk and prepayment risk. The credit and prepayment risks are managed through credit enhancements in the form of reserve accounts, overcollateralization, excess interest on the loans and the subordination of certain classes of asset-backed securities to other classes.

CDC Investments

CDC, a wholly owned indirect subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks. CDC generally co-invests with other unrelated companies and/or individuals and typically makes investments in a separate legal entity that owns the property under development. The entities are usually formed as limited partnerships and LLCs, and CDC typically invests as a limited partner/investor member in the form of equity contributions. The economic performance of the VIEs is driven by the performance of their underlying investment projects as well as the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. Typically, the general partner or managing

member will be the party that has the right to make decisions that will most significantly impact the economic performance of the entity. CDC serves as the managing member of certain LLCs invested in business revitalization projects. The Bancorp has provided an indemnification guarantee to the investor member of these LLCs related to the qualification of tax credits generated by the investor member's investment. Accordingly, the Bancorp concluded that it is the primary beneficiary and, therefore, has consolidated these VIEs. As a result, the investor members' interests in these VIEs are presented as noncontrolling interests in the Bancorp's Consolidated Financial Statements. This presentation includes reporting separately the equity attributable to the noncontrolling interests in the Consolidated Balance Sheets and Consolidated Statements of Changes in Equity and reporting separately the comprehensive income attributable to the noncontrolling interests in the Consolidated Statements of Comprehensive Income and the net income attributable to the noncontrolling interests in the Consolidated Statements of Income. The Bancorp's maximum exposure related to these indemnifications at December 31, 2013 and 2012 was $21 million and $18 million, respectively, which is based on an amount required to meet the investor members' defined target rate of return.

Non-consolidated VIEs

The following tables provide a summary of assets and liabilities carried on the Bancorp's Consolidated Balance Sheets related to non-consolidated VIEs for which the Bancorp holds an interest, but is not the primary beneficiary of the VIE, as well as the Bancorp's maximum exposure to losses associated with its interests in the entities:

As of December 31, 2013 ($ in millions)		Total Assets	Total Liabilities	Maximum Exposure
CDC investments	**$**	**1,436**	**407**	**1,436**
Private equity investments		**204**	**-**	**294**
Loans provided to VIEs		**1,830**	**-**	**2,792**
Automobile loan securitization		**4**	**-**	**4**
Restructured loans		**1**	**-**	**1**

As of December 31, 2012 ($ in millions)		Total Assets	Total Liabilities	Maximum Exposure
CDC investments	$	1,442	394	1,442
Private equity investments		189	-	310
Loans provided to VIEs		1,622	-	2,465
Restructured loans		2	-	2

CDC Investments

As noted previously, CDC typically invests in VIEs as a limited partner or investor member in the form of equity contributions. The Bancorp has determined that it is not the primary beneficiary of these VIEs because it lacks the power to direct the activities that most significantly impact the economic performance of the underlying project or the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. This power is held by the general partners/managing members who exercise full and exclusive control of the operations of the VIEs. Accordingly, the Bancorp accounts for these investments under the equity method of accounting.

The Bancorp's funding requirements are limited to its invested capital and any additional unfunded commitments for future equity contributions. The Bancorp's maximum exposure to loss as a result of its involvement with the VIEs is limited to the carrying amounts of the investments, including the unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Consolidated Balance Sheets, and the liabilities related to the unfunded commitments, which are included in other liabilities in the Consolidated Balance Sheets, are included in the previous tables for all periods presented. The Bancorp has no other liquidity arrangements or obligations to purchase assets of the VIEs that would expose the Bancorp to a loss. In certain arrangements, the general partner/managing member of the VIE has guaranteed a level of projected tax credits to be received by the limited partners/investor members, thereby minimizing a portion of the Bancorp's risk.

Private Equity Investments

The Bancorp, through a wholly owned subsidiary, invests as a limited partner in private equity funds which provide the Bancorp an opportunity to obtain higher rates of return on invested capital, while also creating cross-selling opportunities for the Bancorp's commercial products. Each of the limited partnerships has an unrelated third-party general partner responsible for appointing the fund manager. The Bancorp has not been appointed fund manager for any of these private equity funds. The funds finance primarily all of their activities from the partners' capital contributions and investment returns. Under the VIE consolidation guidance still applicable to the funds, the Bancorp has determined that it is not the primary beneficiary of the funds because it does not absorb a majority of the funds' expected losses or receive a majority of the funds' expected residual returns. Therefore, the Bancorp accounts for its investments in these limited partnerships under the equity method of accounting.

The Bancorp is exposed to losses arising from negative performance of the underlying investments in the private equity funds. As a limited partner, the Bancorp's maximum exposure to loss is limited to the carrying amounts of the investments plus unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Consolidated Balance Sheets, are included in the previous tables. Also, as of December 31, 2013 and 2012, the unfunded commitment amounts to the funds were $90 million and $121 million, respectively. The Bancorp made capital contributions of $31 million and $61 million to private equity funds during 2013 and 2012, respectively. Additionally, in response to the issuance of the Volcker Rule in the fourth quarter of 2013, the Bancorp recognized $4 million of OTTI on its investments in private equity funds. See Note 27 for further information.

Loans Provided to VIEs

The Bancorp has provided funding to certain unconsolidated VIEs sponsored by third parties. These VIEs are generally established to finance certain consumer and small business loans originated by third parties. The entities are primarily funded through the issuance of a loan from the Bancorp or syndication through which the Bancorp is involved. The sponsor/administrator of the entities is responsible for servicing the underlying assets in the VIEs. Because the sponsor/administrator, not the Bancorp, holds the servicing responsibilities, which include the establishment and employment of default mitigation policies and procedures, the Bancorp does not hold the power to direct the activities most significant to the economic performance of the entity and, therefore, is not the primary beneficiary.

The principal risk to which these entities are exposed is credit risk related to the underlying assets. The Bancorp's maximum exposure to loss is equal to the carrying amounts of the loans and unfunded commitments to the VIEs. The Bancorp's outstanding loans to these VIEs, included in commercial loans in the Consolidated Balance Sheets, are included in the previous tables for all periods presented. Also, as of December 31, 2013 and 2012, the Bancorp's unfunded commitments to these entities were $962 million and $843 million, respectively. The loans and unfunded commitments to these VIEs are included in the Bancorp's overall analysis of the ALLL and reserve for unfunded commitments, respectively. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The securitization and the resulting sale of all underlying securities qualified for sale accounting. The Bancorp has concluded that it is not the primary beneficiary of the trust because it has neither the obligation to absorb losses of the entity that could potentially be significant to the VIE nor the right to receive benefits from the entity that could potentially be significant to the VIE. The Bancorp is not required and does not currently intend to provide any additional financial support to the trust. Investors and creditors only have recourse to the assets held by the trust. The interest the Bancorp holds in the VIE relates to servicing rights that are included in the Bancorp's Consolidated Balance Sheets. The maximum exposure to loss is equal to the carrying value of the servicing asset.

Restructured Loans

As part of loan restructuring efforts, the Bancorp received equity capital from certain borrowers to facilitate the restructuring of the borrower's debt. These borrowers meet the definition of a VIE because the Bancorp was involved in their refinancing and because their equity capital is insufficient to fund ongoing operations. These restructurings were intended to provide the VIEs with serviceable debt levels while providing the Bancorp an opportunity to maximize the recovery of the loans. The VIEs finance their operations from earned income, capital contributions, and through restructured debt agreements. Assets of the VIEs are used to settle their specific obligations, including loan payments due to the Bancorp. The Bancorp continues to maintain its relationship with these VIEs as a lender and minority shareholder, however, it is not involved in management decisions and does not have sufficient voting rights to control the membership of the respective boards. Therefore, the Bancorp accounts for its equity investments in these VIEs under the equity method or cost method based on its percentage of ownership and ability to exercise significant influence.

The Bancorp's maximum exposure to loss as a result of its involvement with these VIEs is limited to the equity investments, the principal and accrued interest on the outstanding loans, and any unfunded commitments. Due to the VIEs' short-term cash deficit projections at the restructuring dates, the Bancorp determined that the initial fair value of its equity investments in these VIEs was zero. As of December 31, 2013 and 2012, the Bancorp's carrying value of these equity investments was immaterial to the Bancorp's Consolidated Balance Sheets. Additionally, the Bancorp had outstanding loans to these VIEs, included in commercial loans in the Consolidated Balance Sheets, which are included in the previous tables for all periods presented. The Bancorp had no unfunded loan commitments to these VIEs as of December 31, 2013 and 2012. The loans to these VIEs are included in the Bancorp's overall analysis of the ALLL. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Table of Contents

11. SALES OF RECEIVABLES AND SERVICING RIGHTS

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million.

Residential Mortgage Loan Sales

The Bancorp sold fixed and adjustable rate residential mortgage loans during 2013, 2012, and 2011. In those sales, the Bancorp obtained servicing responsibilities and the investors have no recourse to the Bancorp's other assets for failure of debtors to pay when due. The Bancorp receives annual servicing fees based on a percentage of the outstanding balance. The Bancorp identifies classes of servicing assets based on financial asset type and interest rates.

Information related to residential mortgage loan sales and the Bancorp's mortgage banking activity, which is included in mortgage banking net revenue in the Consolidated Statements of Income, for the years ended December 31 is as follows:

($ in millions)		2013	2012	2011
Residential mortgage loan sales	$	**21,529**	21,574	14,733
Origination fees and gains on loan sales		**453**	821	396
Servicing fees		**251**	250	234

Servicing Assets

The following table presents changes in the servicing assets related to residential mortgage and automobile loans for the years ended December 31:

($ in millions)		2013	2012
Carrying amount before valuation allowance as of the beginning of the period	$	**1,358**	1,239
Servicing obligations that result from the transfer of residential mortgage loans		**244**	305
Servicing obligations that result from the transfer of automobile loans		**6**	-
Amortization		**(168)**	(186)
Carrying amount before valuation allowance		**1,440**	1,358
Valuation allowance for servicing assets:			
Beginning balance		**(661)**	(558)
Recovery of (provision for) MSR impairment		**192**	(103)
Ending balance		**(469)**	(661)
Carrying amount as of the end of the period	$	**971**	697

Amortization expense recognized on servicing rights for the years ended December 31, 2013, 2012 and 2011 was $168 million, $186 million and $135 million, respectively. The Bancorp's projections of amortization expense shown below are based on existing asset balances as of December 31, 2013. Future amortization expense may vary from these projections.

Estimated amortization expense for the years ending December 31, 2014 through 2018 is as follows:

($ in millions)		Total
2014	$	95
2015		88
2016		81
2017		76
2018		71

Temporary impairment or impairment recovery, affected through a change in the MSR valuation allowance, is captured as a component of mortgage banking net revenue in the Consolidated Statements of Income. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the value of the MSR portfolio. This strategy includes the purchase of free-standing derivatives and various available-for-sale securities. The interest income, mark-to-market adjustments and gain or loss from sale activities associated with these portfolios are expected to economically hedge a portion of the change in value of the MSR portfolio caused by fluctuating discount rates, earnings rates and prepayment speeds. The fair value of the servicing asset is based on the present value of expected future cash flows.

The following table displays the beginning and ending fair value of the servicing assets for the years ended December 31:

($ in millions)		2013	2012
Fixed rate residential mortgage loans:			
Beginning balance	$	664	649
Ending balance		929	664
Adjustable rate residential mortgage loans:			
Beginning balance		33	32
Ending balance		38	33
Fixed rate automobile loans:			
Beginning balance		-	-
Ending balance		4	-

The following table presents activity related to valuations of the MSR portfolio and the impact of the non-qualifying hedging strategy, which is included in the Consolidated Statements of Income for the years ended December 31:

($ in millions)		2013	2012	2011
Securities gains, net - non-qualifying hedges on MSRs	$	13	3	9
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio (Mortgage banking net revenue)		(30)	63	344
Recovery of (provision for) MSR impairment (Mortgage banking net revenue)		192	(103)	(242)

As of December 31, 2013 and 2012, the key economic assumptions used in measuring the interests in residential mortgage loans that continued to be held by the Bancorp at the date of sale or securitization resulting from transactions completed during the years ended December 31 were as follows:

		2013				2012			
	Rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate
Residential mortgage loans:									
Servicing assets	Fixed	7.3	9.1 %	10.2 %	N/A	6.9	9.6 %	10.4 %	N/A
Servicing assets	Adjustable	3.6	22.8	11.5	N/A	3.8	22.0	11.4	N/A

Based on historical credit experience, expected credit losses for residential mortgage loan servicing assets have been deemed immaterial, as the Bancorp sold the majority of the underlying loans without recourse. At December 31, 2013 and 2012, the Bancorp serviced $69.2 billion and $62.5 billion, respectively, of residential mortgage loans for other investors. The value of MSRs that continue to be held by the Bancorp is subject to credit, prepayment and interest rate risks on the sold financial assets.

At December 31, 2013, the sensitivity of the current fair value of residual cash flows to immediate 10%, 20% and 50% adverse changes in prepayment speed assumptions and immediate 10% and 20% adverse changes in other assumptions are as follows:

				Prepayment Speed Assumption				Residual Servicing Cash Flows		
					Impact of Adverse Change on Fair Value				Impact of Adverse Change on Fair Value	
($ in millions)(a)	Rate	Fair Value	Weighted-Average Life (in years)	Rate	10%	20%	50%	Discount Rate	10%	20%
Residential mortgage loans:										
Servicing assets	Fixed	$ 929	6.8	10.3 %	$ (36)	(69)	(157)	10.4 %	$ (37)	(72)
Servicing assets	Adjustable	38	3.2	25.6	(2)	(3)	(7)	11.6	(1)	(2)

(a) The impact of the weighted-average default rate on the current fair value of residual cash flows for all scenarios is immaterial.

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on these variations in the assumptions typically cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. The Bancorp believes variations of these levels are reasonably possible; however, there is the potential that adverse changes in key assumptions could be even greater. Also, in the previous table, the effect of a variation in a particular assumption on the fair value of the interests that continue to be held by the Bancorp is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments), which might magnify or counteract these sensitivities.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Bancorp maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate, prepayment and foreign currency volatility. Additionally, the Bancorp holds derivative instruments for the benefit of its commercial customers and for other business purposes. The Bancorp does not enter into unhedged speculative derivative positions.

The Bancorp's interest rate risk management strategy involves modifying the repricing characteristics of certain financial instruments so that changes in interest rates do not adversely affect the Bancorp's net interest margin and cash flows. Derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options and swaptions. Interest rate swap contracts are exchanges of interest payments, such as fixed-rate payments for floating-rate payments, based on a stated notional amount and maturity date. Interest rate floors protect against declining rates, while interest rate caps protect against rising interest rates. Forward contracts are contracts in which the buyer agrees to purchase, and the seller agrees to make delivery of, a specific financial instrument at a predetermined price or yield. Options provide the purchaser with the right, but not the obligation, to purchase or sell a contracted item during a specified period at an agreed upon price. Swaptions are financial instruments granting the owner the right, but not the obligation, to enter into or cancel a swap.

Prepayment volatility arises mostly from changes in fair value of the largely fixed-rate MSR portfolio, mortgage loans and mortgage-backed securities. The Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge prepayment volatility. Principal-only swaps are total return swaps based on changes in the value of the underlying mortgage principal-only trust. TBAs are a forward purchase agreement for a mortgage-backed securities trade whereby the terms of the security are undefined at the time the trade is made.

Foreign currency volatility occurs as the Bancorp enters into certain loans denominated in foreign currencies. Derivative instruments that the Bancorp may use to economically hedge these foreign denominated loans include foreign exchange swaps and forward contracts.

The Bancorp also enters into derivative contracts (including foreign exchange contracts, commodity contracts and interest rate contracts) for the benefit of commercial customers and other business purposes. The Bancorp may economically hedge significant exposures related to these free-standing derivatives by entering into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. The Bancorp's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. Credit risk is minimized through credit approvals, limits, counterparty collateral and monitoring procedures.

The Bancorp's derivative assets include certain contractual features in which the Bancorp requires the counterparties to provide collateral in the form of cash and securities to offset changes in the fair value of the derivatives, including changes in the fair value due to credit risk of the counterparty. As of December 31, 2013 and 2012, the balance of collateral held by the Bancorp for derivative assets was $514 million and $927 million, respectively. The credit component negatively impacting the fair value of derivative assets associated with customer accommodation contracts as of December 31, 2013 and 2012 was $12 million and $18 million, respectively.

In measuring the fair value of derivative liabilities, the Bancorp considers its own credit risk, taking into consideration collateral maintenance requirements of certain derivative counterparties and the duration of instruments with counterparties that do not require collateral maintenance. When necessary, the Bancorp posts collateral primarily in the form of cash and securities to offset changes in fair value of the derivatives, including changes in fair value due to the Bancorp's credit risk. As of December 31, 2013 and 2012, the balance of collateral posted by the Bancorp for derivative liabilities was $559 million and $785 million, respectively. Certain of the Bancorp's derivative liabilities contain credit-risk related contingent features that could result in the requirement to post additional collateral upon the occurrence of specified events. As of December 31, 2013 and 2012, the fair value of the additional collateral that could be required to be posted as a result of the credit-risk related contingent features being triggered was not material to the Bancorp's Consolidated Financial Statements. The posting of collateral has been determined to remove the need for further consideration of credit risk. As a result, the Bancorp determined that the impact of the Bancorp's credit risk to the valuation of its derivative liabilities was immaterial to the Bancorp's Consolidated Financial Statements.

The Bancorp holds certain derivative instruments that qualify for hedge accounting treatment and are designated as either fair value hedges or cash flow hedges. Derivative instruments that do not qualify for hedge accounting treatment, or for which hedge accounting is not established, are held as free-standing derivatives. All customer accommodation derivatives are held as free-standing derivatives.

The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements. Derivative instruments with a positive fair value are reported in other assets in the Consolidated Balance Sheets while derivative instruments with a negative fair value are reported in other liabilities in the Consolidated Balance Sheets. Cash collateral payables and receivables associated with the derivative instruments are not added to or netted against the fair value amounts. For further information on offsetting derivatives, see Note 13 of the Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables reflect the notional amounts and fair values for all derivative instruments included in the Consolidated Balance Sheets as of:

December 31, 2013 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 3,205	292	13
Total fair value hedges		292	13
Cash flow hedges:			
Interest rate swaps related to C&I loans	2,200	40	21
Total cash flow hedges		40	21
Total derivatives designated as qualifying hedging instruments		332	34
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives - risk management and other business purposes:			
Interest rate contracts related to MSRs	4,092	141	14
Forward contracts related to held for sale mortgage loans	1,448	13	1
Stock warrant associated with Vantiv Holding, LLC	664	384	-
Swap associated with the sale of Visa, Inc. Class B shares	947	-	48
Total free-standing derivatives - risk management and other business purposes		538	63
Free-standing derivatives - customer accommodation:			
Interest rate contracts for customers	28,112	329	339
Interest rate lock commitments	924	12	1
Commodity contracts	3,300	66	65
Foreign exchange contracts	19,688	276	252
Total free-standing derivatives - customer accommodation		683	657
Total derivatives not designated as qualifying hedging instruments		1,221	720
Total		$ 1,553	754

December 31, 2012 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 2,880	558	-
Total fair value hedges		558	-
Cash flow hedges:			
Interest rate floors related to C&I loans	1,500	22	-
Interest rate swaps related to C&I loans	1,000	60	-
Interest rate caps related to long-term debt	500	-	-
Interest rate swaps related to long-term debt	250	-	1
Total cash flow hedges		82	1
Total derivatives designated as qualifying hedging instruments		640	1
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives - risk management and other business purposes:			
Interest rate contracts related to MSRs	10,177	219	-
Forward contracts related to held for sale mortgage loans	5,322	2	14
Stock warrant associated with Vantiv Holding, LLC	416	177	-
Swap associated with the sale of Visa, Inc. Class B shares	644	-	33
Total free-standing derivatives - risk management and other business purposes		398	47
Free-standing derivatives - customer accommodation:			
Interest rate contracts for customers	27,354	586	602
Interest rate lock commitments	4,894	60	-
Commodity contracts	3,084	87	82
Foreign exchange contracts	17,297	201	183
Derivative instruments related to equity linked CDs	5	-	-
Total free-standing derivatives - customer accommodation		934	867
Total derivatives not designated as qualifying hedging instruments		1,332	914
Total		$ 1,972	915

Table of Contents

Fair Value Hedges

The Bancorp may enter into interest rate swaps to convert its fixed-rate funding to floating-rate. Decisions to convert fixed-rate funding to floating are made primarily through consideration of the asset/liability mix of the Bancorp, the desired asset/liability sensitivity and interest rate levels. As of December 31, 2013 and 2012, certain interest rate swaps met the criteria required to qualify for the shortcut method of accounting. Based on this shortcut method of accounting treatment, no ineffectiveness is assumed. For interest rate swaps that do not meet the shortcut requirements, an assessment of hedge effectiveness using regression analysis was performed and such swaps were accounted for using the "long-haul" method. The long-haul method requires a quarterly assessment of hedge effectiveness and measurement of ineffectiveness. For interest rate swaps accounted for as a fair value hedge using the long-haul method, ineffectiveness is the difference between the changes in the fair value of the interest rate swap and changes in fair value of the related hedged item attributable to the risk being hedged. The ineffectiveness on interest rate swaps hedging fixed-rate funding is reported within interest expense in the Consolidated Statements of Income.

The following table reflects the change in fair value of interest rate contracts, designated as fair value hedges, as well as the change in fair value of the related hedged items attributable to the risk being hedged, included in the Consolidated Statements of Income:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption		**2013**	2012	2011
Interest rate contracts:					
Change in fair value of interest rate swaps hedging long-term debt	Interest on long-term debt	$	**(279)**	(104)	220
Change in fair value of hedged long-term debt attributable to the risk being hedged	Interest on long-term debt		**276**	107	(227)

Cash Flow Hedges

The Bancorp may enter into interest rate swaps to convert floating-rate assets and liabilities to fixed rates or to hedge certain forecasted transactions. The assets or liabilities may be grouped in circumstances where they share the same risk exposure that the Bancorp desires to hedge. The Bancorp may also enter into interest rate caps and floors to limit cash flow variability of floating rate assets and liabilities. As of December 31, 2013, all hedges designated as cash flow hedges were assessed for effectiveness using regression analysis. Ineffectiveness is generally measured as the amount by which the cumulative change in the fair value of the hedging instrument exceeds the present value of the cumulative change in the hedged item's expected cash flows attributable to the risk being hedged. Ineffectiveness is reported within other noninterest income in the Consolidated Statements of Income. The effective portion of the cumulative gains or losses on cash flow hedges are reported within accumulated other comprehensive income and are reclassified from accumulated other comprehensive income to current period earnings when the forecasted transaction affects earnings. As of December 31, 2013, the maximum length of time over which the Bancorp is hedging its exposure to the variability in future cash flows is 71 months.

Reclassified gains and losses on interest rate contracts related to commercial and industrial loans are recorded within interest income while reclassified gains and losses on interest rate contracts related to long-term debt are recorded within interest expense in the Consolidated Statements of Income. As of December 31, 2013 and 2012, $13 million and $50 million, respectively, of net deferred gains, net of tax, on cash flow hedges were recorded in accumulated other comprehensive income in the Consolidated Balance Sheets. As of December 31, 2013, $25 million in net deferred gains, net of tax, recorded in accumulated other comprehensive income are expected to be reclassified into earnings during the next twelve months. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations, and the addition of other hedges subsequent to December 31, 2013.

During 2013, there were no gains or losses reclassified from accumulated other comprehensive income into earnings associated with the discontinuance of cash flow hedges because it was probable that the original forecasted transaction would not occur by the end of the originally specified time period or within the additional period of time as defined by U.S. GAAP.

The following table presents the net gains (losses) recorded in the Consolidated Statements of Income and the Consolidated Statements of Comprehensive Income relating to derivative instruments designated as cash flow hedges:

For the year ended December 31 ($ in millions)		**2013**	2012	2011
Amount of net (losses) gains recognized in OCI	$	**(13)**	37	89
Amount of net gains reclassified from OCI into net income		**44**	83	69
Amount of ineffectiveness recognized in other noninterest income		**-**	-	1

Free-Standing Derivative Instruments – Risk Management and Other Business Purposes

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge changes in fair value of its largely fixed-rate MSR portfolio. Principal-only swaps hedge the mortgage-LIBOR spread because these swaps appreciate in value as a result of tightening spreads. Principal-only swaps also provide prepayment protection by increasing in value when prepayment speeds increase, as opposed to MSRs that lose value in a faster prepayment environment. Receive fixed/pay floating interest rate swaps and swaptions increase in value when interest rates do not increase as quickly as expected.

The Bancorp enters into forward contracts and mortgage options to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. Interest rate lock commitments issued on residential mortgage loan commitments that will be held for sale are also considered free-standing derivative instruments and the interest rate exposure on these commitments is economically hedged primarily with forward contracts. Revaluation gains and losses from free-standing derivatives related to mortgage banking activity are recorded as a

component of mortgage banking net revenue in the Consolidated Statements of Income.

Additionally, as part of the Bancorp's overall risk management strategy with respect to minimizing significant fluctuations in earnings and cash flows caused by interest rate and prepayment volatility, the Bancorp may enter into free-standing derivative instruments (options, swaptions and interest rate swaps). The gains and losses on these derivative contracts are recorded within other noninterest income in the Consolidated Statements of Income.

In conjunction with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC, the Bancorp received a warrant and issued a put option, which are accounted for as free-standing derivatives. The put option expired as a result of the Vantiv, Inc. initial public offering in March of 2012. Refer to Note 27 for further discussion of significant inputs and assumptions used in the valuation of the warrant.

In conjunction with the sale of Visa, Inc. Class B shares in 2009, the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. This total return swap is accounted for as a free-standing derivative. See Note 27 for further discussion of significant inputs and assumptions used in the valuation of this instrument.

The net gains (losses) recorded in the Consolidated Statements of Income relating to free-standing derivative instruments used for risk management and other business purposes are summarized in the following table:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption		2013	2012	2011
Interest rate contracts:					
Forward contracts related to mortgage loans held for sale	Mortgage banking net revenue	$	**24**	28	(128)
Interest rate contracts related to MSR portfolio	Mortgage banking net revenue		**(30)**	63	345
Interest rate swaps related to long-term debt	Other noninterest income		**-**	2	7
Foreign exchange contracts:					
Foreign exchange contracts for risk management purposes	Other noninterest income		**5**	-	-
Equity contracts:					
Stock warrant associated with Vantiv Holding, LLC	Other noninterest income		**206**	66	32
Put option associated with Vantiv Holding, LLC	Other noninterest income		**-**	1	7
Swap associated with sale of Visa, Inc. Class B shares	Other noninterest income		**(31)**	(45)	(83)

Free-Standing Derivative Instruments – Customer Accommodation

The majority of the free-standing derivative instruments the Bancorp enters into are for the benefit of its commercial customers. These derivative contracts are not designated against specific assets or liabilities on the Bancorp's Consolidated Balance Sheets or to forecasted transactions and, therefore, do not qualify for hedge accounting. These instruments include foreign exchange derivative contracts entered into for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations and commodity contracts to hedge such items as natural gas and various other derivative contracts. The Bancorp may economically hedge significant exposures related to these derivative contracts entered into for the benefit of customers by entering into offsetting contracts with approved, reputable, independent counterparties with substantially matching terms. The Bancorp hedges its interest rate exposure on commercial customer transactions by executing offsetting swap agreements with primary dealers. Revaluation gains and losses on interest rate, foreign exchange, commodity and other commercial customer derivative contracts are recorded as a component of corporate banking revenue in the Consolidated Statements of Income.

The Bancorp enters into risk participation agreements, under which the Bancorp assumes credit exposure relating to certain underlying interest rate derivative contracts. The Bancorp only enters into these risk participation agreements in instances in which the Bancorp has participated in the loan that the underlying interest rate derivative contract was designed to hedge. The Bancorp will make payments under these agreements if a customer defaults on its obligation to perform under the terms of the underlying interest rate derivative contract. As of December 31, 2013 and 2012, the total notional amount of the risk participation agreements was $1.2 billion and $1.0 billion, respectively, and the fair value was a liability of $3 million at December 31, 2013 and $2 million at December 31, 2012, which is included in interest rate contracts for customers. As of December 31, 2013, the risk participation agreements had an average remaining life of 3.0 years.

The Bancorp's maximum exposure in the risk participation agreements is contingent on the fair value of the underlying interest rate derivative contracts in an asset position at the time of default. The Bancorp monitors the credit risk associated with the underlying customers in the risk participation agreements through the same risk grading system currently utilized for establishing loss reserves in its loan and lease portfolio.

Risk ratings of the notional amount of risk participation agreements under this risk rating system are summarized in the following table:

At December 31 ($ in millions)		2013	2012
Pass	$	**1,153**	993
Special mention		**38**	-
Substandard		**12**	13
Total	$	**1,203**	1,006

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The net gains (losses) recorded in the Consolidated Statements of Income relating to free-standing derivative instruments used for customer accommodation are summarized in the following table:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption		2013	2012	2011
Interest rate contracts:					
Interest rate contracts for customers (contract revenue)	Corporate banking revenue	$	**29**	30	28
Interest rate contracts for customers (credit losses)	Other noninterest expense		**(3)**	(2)	(13)
Interest rate contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**7**	6	13
Interest rate lock commitments	Mortgage banking net revenue		**58**	417	206
Commodity contracts:					
Commodity contracts for customers (contract revenue)	Corporate banking revenue		**7**	7	8
Commodity contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**-**	2	-
Foreign exchange contracts:					
Foreign exchange contracts - customers (contract revenue)	Corporate banking revenue		**69**	65	47
Foreign exchange contracts - customers (credit portion of fair value adjustment)	Other noninterest expense		**(2)**	2	1

Table of Contents

13. OFFSETTING DERIVATIVE FINANCIAL INSTRUMENTS

The Bancorp's derivative transactions are generally governed by ISDA Master Agreements and similar arrangements, which include provisions governing the setoff of assets and liabilities between the parties. When the Bancorp has more than one outstanding derivative transaction with a single counterparty, the setoff provisions contained within these agreements generally allow the non-defaulting party the right to reduce its liability to the defaulting party by amounts eligible for setoff, including the collateral received as well as eligible offsetting transactions with that counterparty, irrespective of the currency, place of payment, or booking office. The Bancorp's policy is to present its derivative assets and derivative liabilities on the Consolidated Balance Sheets on a gross basis, even when provisions allowing for setoff are in place.

Collateral amounts included in the table below consist primarily of cash and highly-rated government-backed securities.

December 31, 2013 ($ in millions)	Gross Amount Recognized in the Consolidated Balance Sheet *(a)*	Gross Amounts Not Offset in the Consolidated Balance Sheet: Derivatives	Collateral *(b)*	Net Amount
Assets				
Derivatives	$ **1,157**	**(321)**	**(390)**	$ **446**
Total assets	**1,157**	**(321)**	**(390)**	**446**
Liabilities				
Derivatives	**753**	**(321)**	**(302)**	**130**
Total liabilities	$ **753**	**(321)**	**(302)**	$ **130**

December 31, 2012 ($ in millions)	Gross Amount Recognized in the Consolidated Balance Sheet *(a)*	Gross Amounts Not Offset in the Consolidated Balance Sheet: Derivatives	Collateral *(b)*	Net Amount
Assets				
Derivatives	$ 1,735	(291)	(794)	$ 650
Total assets	1,735	(291)	(794)	650
Liabilities				
Derivatives	915	(291)	(505)	119
Total liabilities	$ 915	(291)	(505)	$ 119

(a) Amount does not include the stock warrant associated with Vantiv Holding, LLC and interest rate lock commitments because these instruments are not subject to master netting or similar arrangement.

(b) Amount of collateral received as an offset to asset positions or pledged as an offset to liability positions. Collateral values in excess of related derivative amounts recognized in the Consolidated Balance Sheets were excluded from this table.

14. OTHER ASSETS

The following table provides the components of other assets included in the Consolidated Balance Sheets as of December 31:

($ in millions)	**2013**	2012
Partnership investments	$ **1,687**	1,657
Bank owned life insurance	**1,587**	1,547
Derivative instruments	**1,553**	1,972
Accounts receivable and drafts-in-process	**1,433**	1,155
Bankers' acceptances	**763**	398
Investment in Vantiv Holding, LLC	**423**	563
Accrued interest receivable	**361**	369
OREO and other repossessed personal property	**306**	329
Prepaid expenses	**94**	80
Income tax receivable	**12**	10
Other	**139**	124
Total	$ **8,358**	8,204

CDC, a wholly owned subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks, which are included above in partnership investments. In addition, Fifth Third Capital Holdings, a wholly owned subsidiary of the Bancorp, invests as a direct private equity investor and as a limited partner in private equity funds, which are included above as partnership investments. The Bancorp has determined that these partnership investments are VIEs and the Bancorp's investments represent variable interests. See Note 10 for further information. Additionally, in response to the issuance of the Volcker Rule in the fourth quarter of 2013, the

Bancorp recognized $4 million of OTTI on its investments in private equity funds. See Note 27 for further information.

The Bancorp purchases life insurance policies on the lives of certain directors, officers and employees and is the owner and beneficiary of the policies. Certain BOLI policies have a stable value agreement through either a large, well-rated bank or multi-national insurance carrier that provides limited cash surrender value protection from declines in the value of each policy's underlying investments. See Note 1 for further information.

The Bancorp utilizes derivative instruments as part of its overall risk management strategy to reduce certain risks related to interest rate, prepayment and foreign currency volatility. The Bancorp also holds derivatives instruments for the benefit of its commercial customers and for other business purposes. For further information on derivative instruments, see Note 12.

A bankers' acceptance is created when a time draft is drawn on and accepted by a bank. By accepting the draft, the bank assumes the credit risk of the underlying obligor, usually the buyer or the seller of goods or their bank, and makes an unconditional promise to pay the holder of the draft the amount of the draft at maturity, which is generally less than one year from the date of the draft. When the Bancorp is the accepting bank, it records the full amount of the acceptance in both other assets and other liabilities in the Consolidated Balance Sheets.

In 2009, the Bancorp sold an approximate 51% interest in its processing business, Vantiv Holding, LLC. As a result of additional share sales completed by the Bancorp in 2012 and 2013, the Bancorp's current ownership share in Vantiv Holding, LLC is approximately 25%. The Bancorp's ownership in Vantiv Holding, LLC is accounted for under the equity method of accounting. See Note 19 for further information.

OREO represents property acquired through foreclosure or other proceedings and is carried at the lower of cost or fair value, less costs to sell. See Note 1 for further information.

15. SHORT-TERM BORROWINGS

Borrowings with original maturities of one year or less are classified as short term, and include federal funds purchased and other short-term borrowings. Federal funds purchased are excess balances in reserve accounts held at FRBs that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings include securities sold under repurchase agreements, derivative collateral, FHLB advances and other borrowings with original maturities of one year or less.

A summary of short-term borrowings and weighted-average rates follows:

	2013		2012	
($ in millions)	Amount	Rate	Amount	Rate
As of December 31:				
Federal funds purchased	**$ 284**	**0.03%**	$ 901	0.10%
Other short-term borrowings	**1,380**	**0.09**	6,280	0.15
Average for the years ended December 31:				
Federal funds purchased	**$ 503**	**0.12%**	$ 560	0.14%
Other short-term borrowings	**3,024**	**0.18**	4,246	0.18
Maximum month-end balance for the years ended December 31:				
Federal funds purchased	**$ 925**		$ 901	
Other short-term borrowings	**8,001**		6,330	

Table of Contents

16. LONG-TERM DEBT

The following table is a summary of the Bancorp's long-term borrowings at December 31:

($ in millions)	Maturity	Interest Rate	2013	2012
Parent Company				
Senior:				
Fixed-rate notes			$ -	758
Fixed-rate notes	2016	3.625%	**999**	999
Fixed-rate notes	2022	3.50%	**497**	497
Subordinated: *(b)*				
Floating-rate notes	2016	0.67%	**250**	250
Fixed-rate notes	2017	5.45%	**558**	583
Fixed-rate notes	2018	4.50%	**555**	584
Fixed-rate notes	2024	4.30%	**748**	-
Fixed-rate notes	2038	8.25%	**1,150**	1,330
Junior subordinated: *(a)*				
Fixed-rate notes			**-**	750
Subsidiaries				
Senior:				
Floating-rate bank notes			**-**	500
Fixed-rate notes	2016	1.15%	**1,000**	-
Fixed-rate notes	2016	0.90%	**400**	-
Floating-rate notes	2016	0.75%	**750**	-
Floating-rate notes	2016	0.67%	**300**	-
Fixed-rate notes	2018	1.45%	**587**	-
Subordinated: *(b)*				
Fixed-rate bank notes	2015	4.75%	**524**	546
Junior subordinated: *(a)*				
Floating-rate debentures	2035	1.67% - 1.94%	**51**	50
FHLB advances	2015-2041	0.05% - 6.87%	**44**	53
Notes associated with consolidated VIE:				
Automobile loan securitization:				
Fixed-rate notes	2014-2020	0.25% - 1.30%	**1,048**	-
Other	2014-2039	Varies	**172**	185
Total			**$ 9,633**	7,085

(a) *Qualify as Tier I capital for regulatory capital purposes. See Note 28 for further information.*
(b) *Qualify as Tier II capital for regulatory capital purposes.*

The Bancorp pays down long-term debt in accordance with contractual terms over maturity periods summarized in the above table. The aggregate annual maturities of long-term debt obligations (based on final maturity dates) as of December 31, 2013, are presented in the following table:

($ in millions)	Parent	Subsidiaries	Total
2014	$ -	157	157
2015	-	526	526
2016	1,249	2,842	4,091
2017	558	390	948
2018	555	592	1,147
Thereafter	2,395	369	2,764
Total	$ 4,757	4,876	9,633

At December 31, 2013, the Bancorp had outstanding principal balances of $9.4 billion, net discounts of $21 million and additions for mark-to-market adjustments on its hedged debt of $278 million. At December 31, 2012, the Bancorp had outstanding principal balances of $6.5 billion, net discounts of $20 million and additions for mark-to-market adjustments on its hedged debt of $555 million. The Bancorp was in compliance with all debt covenants at December 31, 2013.

PARENT COMPANY LONG-TERM BORROWINGS

Senior Notes

On January 25, 2011, the Bancorp issued $1.0 billion of senior notes to third party investors. The senior notes bear a fixed rate of interest of 3.625% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal amounts of the notes is due upon maturity on January 25, 2016. The notes are not subject to redemption at the Bancorp's option at any time prior to maturity.

On March 7, 2012, the Bancorp issued $500 million of senior notes to third party investors, and entered into a Supplemental Indenture dated March 7, 2012 with the Trustee, which modified the existing Indenture for Senior Debt Securities dated April 30, 2008. The Supplemental Indenture and the Indenture define the rights of the senior notes, which senior notes are represented by a Global Security dated as of March 7, 2012. The senior notes bear a fixed rate of interest of 3.50% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal

amounts of the notes will be due upon maturity on March 15, 2022. The notes are not subject to redemption at the Bancorp's option at any time until 30 days prior to maturity.

Subordinated Debt

The subordinated floating-rate notes due in 2016 pay interest at three-month LIBOR plus 42 bps. The Bancorp has entered into interest rate swaps to convert its subordinated fixed-rate notes due in 2017 and 2018 to floating-rate, which pay interest at three-month LIBOR plus 42 bps and 25 bps, respectively, at December 31, 2013. The rates paid on the swaps hedging the subordinated floating-rate notes due in 2017 and 2018 were 0.66% and 0.49%, respectively, at December 31, 2013. Of the $1.0 billion in 8.25% subordinated fixed rate notes due in 2038, $705 million were subsequently hedged to floating and paid a rate of 3.29% at December 31, 2013.

On November 20, 2013, the Bancorp issued and sold $750 million of 4.30% unsecured subordinated fixed rate notes with a maturity date of January 16, 2024. These fixed rate notes will be redeemable by the Bancorp, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest up to, but excluding, the redemption date.

Junior Subordinated Debt

The Bancorp redeemed all $750 million of the outstanding TruPS issued by Fifth Third Capital Trust IV on December 30, 2013. These securities had a distribution rate of 6.50% and a scheduled maturity date of April 1, 2067. Pursuant to the terms of the TruPS, the securities of Fifth Third Capital Trust IV were redeemable within ninety days of a Capital Treatment Event. The Bancorp determined that a Capital Treatment Event occurred upon the publication of a Final Rule regarding Regulatory Capital Rules jointly by the Federal Reserve System and the Office of the Comptroller of the Currency. The redemption price was $1,000 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions to the actual redemption date of $10 million. The Bancorp recognized an $8 million loss on the extinguishment of this debt within other noninterest expense in the Consolidated Statements of Income.

SUBSIDIARY LONG-TERM BORROWINGS

Senior and Subordinated Debt

Medium-term senior notes and subordinated bank notes with maturities ranging from one year to 30 years can be issued by the Bancorp's banking subsidiary. On February 25, 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program. The amended global bank note program increased the Bank's capacity to issue its senior and subordinated unsecured bank notes from $20 billion to $25 billion. As of December 31, 2013, $21.5 billion was available for future issuance under the global bank note program. For the subordinated fixed-rate bank notes due in 2015, the Bancorp entered into interest rate swaps to convert the fixed-rate debt into floating rate. At December 31, 2013, the weighted-average rate paid on the swaps was 0.34%.

On February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes due on February 28, 2018; $400 million of 0.90% senior fixed rate notes due on February 26, 2016; and $300 million of senior floating rate notes due on February 26, 2016. Interest on the floating rate notes is 3-month LIBOR plus 41 bps. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date. The Bank has entered into interest rate swaps to convert its fixed-rate senior notes due in 2016 and 2018 to floating-rate, which pay interest at one-month LIBOR. The rates paid on the swaps hedging the fixed-rate notes due in 2016 and 2018 were 0.65% and 0.77%, respectively, at December 31, 2013.

On November 20, 2013, the Bank issued and sold, under its amended bank notes program, $1.8 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of $1.0 billion of 1.15% senior fixed rate notes due on November 18, 2016 and $750 million of senior floating rate notes due on November 18, 2016. Interest on the floating rate notes is 3-month LIBOR plus 51 bps. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest up to, but excluding, the redemption date.

Junior Subordinated Debt

The junior subordinated floating-rate bank notes due in 2035 were assumed by the Bancorp's banking subsidiary as part of the acquisition of First Charter in May 2008. The obligation was issued to First Charter Capital Trust I and II, respectively. The notes of First Charter Capital Trust I and II pay a floating rate at three-month LIBOR plus 169 bps and 142 bps, respectively. The Bank has fully and unconditionally guaranteed all obligations under the acquired trust preferred securities issued by First Charter Capital Trust I and II.

FHLB Advances

At December 31, 2013, FHLB advances have rates ranging from 0.05% to 6.87%, with interest payable monthly. The advances are secured by certain residential mortgage loans and securities totaling $17.2 billion. The $44 million in remaining advances mature as follows: $2 million in 2015, $3 million in 2016, $1 million in 2017, $5 million in 2018 and $33 million thereafter.

Notes Associated with Consolidated VIE

As previously discussed in Note 10, the Bancorp was determined to be the primary beneficiary of a VIE associated with an automobile loan securitization completed in the third quarter of 2013. As such, $1.0 billion of long-term debt related to this VIE was consolidated in the Bancorp's Consolidated Financial Statements as of December 31, 2013. Third-party holders of this debt do not have recourse to the general assets of the Bancorp.

17. COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES

The Bancorp, in the normal course of business, enters into financial instruments and various agreements to meet the financing needs of its customers. The Bancorp also enters into certain transactions and agreements to manage its interest rate and prepayment risks, provide funding, equipment and locations for its operations and invest in its communities. These instruments and agreements involve, to varying degrees, elements of credit risk, counterparty risk and market risk in excess of the amounts recognized in the Bancorp's Consolidated Balance Sheets. The creditworthiness of counterparties for all instruments and agreements is evaluated on a case-by-case basis in accordance with the Bancorp's credit policies. The Bancorp's significant commitments, contingent liabilities and guarantees in excess of the amounts recognized in the Consolidated Balance Sheets are discussed in further detail below:

Commitments

The Bancorp has certain commitments to make future payments under contracts. The following table reflects a summary of significant commitments as of December 31:

($ in millions)		2013	2012
Commitments to extend credit	$	**62,050**	53,403
Letters of credit		**4,129**	4,281
Forward contracts related to held for sale mortgage loans		**1,448**	5,322
Noncancelable lease obligations		**746**	769
Capital commitments for private equity investments		**90**	121
Purchase obligations		**84**	87
Capital expenditures		**33**	29
Capital lease obligations		**19**	24

Commitments to extend credit

Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Since many of the commitments to extend credit may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements. The Bancorp is exposed to credit risk in the event of nonperformance by the counterparty for the amount of the contract. Fixed-rate commitments are also subject to market risk resulting from fluctuations in interest rates and the Bancorp's exposure is limited to the replacement value of those commitments. As of December 31, 2013 and 2012, the Bancorp had a reserve for unfunded commitments, including letters of credit, totaling $162 million and $179 million, respectively, included in other liabilities in the Consolidated Balance Sheets. The Bancorp monitors the credit risk associated with commitments to extend credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table as of December 31:

($ in millions)		2013	2012
Pass	$	**61,364**	52,812
Special mention		**369**	370
Substandard		**316**	221
Doubtful		**1**	-
Total	$	**62,050**	53,403

Letters of credit

Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party and as summarized in the following table expire as of December 31, 2013:

($ in millions)		
Less than 1 year*(a)*	$	1,899
1 - 5 years*(a)*		2,173
Over 5 years		57
Total	$	4,129

(a) Includes $121 and $4 issued on behalf of commercial customers to facilitate trade payments in U.S. dollars and foreign currencies which expire less than one year and between one and five years, respectively.

Standby letters of credit accounted for 97% of total letters of credit at December 31, 2013 compared to 99% at December 31, 2012 and are considered guarantees in accordance with U.S. GAAP. Approximately 48% and 49% of the total standby letters of credit were fully secured as of December 31, 2013 and 2012, respectively. In the event of nonperformance by the customers, the Bancorp has rights to the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and marketable securities. At December 31, 2013 and 2012 the reserve related to these standby letters of credit was $2 million and $4 million, respectively, and is included in the total reserve for unfunded commitments. The Bancorp monitors the credit risk associated with letters of credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table as of December 31:

($ in millions)		2013	2012
Pass	$	3,651	3,902
Special mention		99	129
Substandard		355	223
Doubtful		24	27
Total	$	4,129	4,281

At December 31, 2013 and 2012, the Bancorp had outstanding letters of credit that were supporting certain securities issued as VRDNs. The Bancorp facilitates financing for its commercial customers, which consist of companies and municipalities, by marketing the VRDNs to investors. The VRDNs pay interest to holders at a rate of interest that fluctuates based upon market demand. The VRDNs generally have long-term maturity dates, but can be tendered by the holder for purchase at par value upon proper advance notice. When the VRDNs are tendered, a remarketing agent generally finds another investor to purchase the VRDNs to keep the securities outstanding in the market. As of December 31, 2013 and 2012, total VRDNs in which the Bancorp was the remarketing agent or were supported by a Bancorp letter of credit were $2.1 billion and $2.8 billion of which FTS acted as the remarketing agent to issuers on $1.8 billion and $2.5 billion, respectively. As remarketing agent, FTS is responsible for finding purchasers for VRDNs that are put by investors. The Bancorp issued letters of credit, as a credit enhancement, on $1.5 billion and $2.0 billion to the VRDNs remarketed by FTS, in addition to $300 million and $345 million in VRDNs remarketed by third parties at December 31, 2013 and 2012, respectively. These letters of credit are included in the total letters of credit balance provided in the previous table.

Forward contracts to sell mortgage loans

The Bancorp enters into forward contracts to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. The outstanding notional amounts of these forward contracts are included in the summary of significant commitments table above for all periods presented.

Noncancelable lease obligations and other commitments

The Bancorp's subsidiaries have entered into a number of noncancelable lease agreements. The minimum rental commitments under noncancelable lease agreements are shown in the summary of significant commitments table. The Bancorp has also entered into a limited number of agreements for work related to banking center construction and to purchase goods or services.

Contingent Liabilities

Private mortgage reinsurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage. The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $37 million at December 31, 2013 and $58 million at December 31, 2012. As of December 31, 2013 and 2012, the Bancorp maintained a reserve of $10 million and $18 million, respectively, related to exposures within the reinsurance portfolio which was included in other liabilities in the Consolidated Balance Sheets. During 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans. In the second quarter of 2011, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the Bancorp releasing collateral to the insurer in the form of investment securities and other assets with a carrying value of $5 million, and the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $11 million and a decrease in the Bancorp's maximum exposure of $27 million. In the fourth quarter of 2012, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $2 million and a decrease in the Bancorp's maximum exposure of $3 million.

Legal claims

There are legal claims pending against the Bancorp and its subsidiaries that have arisen in the normal course of business. See Note 18 for additional information regarding these proceedings.

Guarantees

The Bancorp has performance obligations upon the occurrence of certain events under financial guarantees provided in certain contractual arrangements as discussed in the following sections.

Residential mortgage loans sold with representation and warranty provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading.

The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors. The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as, future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in other noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

During the fourth quarter of 2013, the Bancorp settled certain repurchase claims related to mortgage loans originated and sold to FHLMC prior to January 1, 2009 for $25 million, after paid claim credits and other adjustments. The settlement removes the Bancorp's responsibility to repurchase or indemnify FHLMC for representation and warranty violations on any loan sold prior to January 1, 2009 except in limited circumstances.

As of December 31, 2013 and 2012, the Bancorp maintained reserves related to loans sold with representation and warranty provisions totaling $44 million and $110 million, respectively, included in other liabilities in the Consolidated Balance Sheets.

The Bancorp uses the best information available to it in estimating its mortgage representation and warranty reserve, however, the estimation process is inherently uncertain and imprecise and, accordingly, losses in excess of the amounts accrued as of December 31, 2013, are reasonably possible. The Bancorp currently estimates that it is reasonably possible that it could incur losses related to mortgage representation and warranty provisions in an amount up to approximately $47 million in excess of amounts reserved. This estimate was derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. The actual repurchase losses could vary significantly from the recorded mortgage representation and warranty reserve or this estimate of reasonably possibly losses, depending on the outcome of various factors, including those noted above.

The following table summarizes activity in the reserve for representation and warranty provisions:

($ in millions)		2013	2012
Balance, beginning of period	$	**110**	55
Net additions to the reserve		**7**	107
Losses charged against the reserve		**(73)**	(52)
Balance, end of period	$	**44**	110

The following table provides a rollforward of unresolved claims by claimant type for the year ended December 31, 2013:

	GSE			Private Label		
($ in millions)	Units		Dollars	Units		Dollars
Balance, beginning of period	**294**	$	**48**	**124**	$	**19**
New demands	**1,962**		**259**	**237**		**4**
Loan paydowns/payoffs	**(20)**		**(3)**	**(6)**		**(1)**
Resolved demands	**(1,972)**		**(263)**	**(322)**		**(17)**
Balance, end of period	**264**	$	**41**	**33**	$	**5**

The following table provides a rollforward of unresolved claims by claimant type for the year ended December 31, 2012:

	GSE			Private Label		
($ in millions)	Units		Dollars	Units		Dollars
Balance, beginning of period	328	$	47	109	$	19
New demands	2,519		333	230		7
Loan paydowns/payoffs	(42)		(7)	(2)		-
Resolved demands	(2,511)		(325)	(213)		(7)
Balance, end of period	294	$	48	124	$	19

Residential mortgage loans sold with credit recourse

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. The outstanding balances on these loans sold with credit recourse were $579 million and $662 million at December 31, 2013 and 2012, respectively, and the delinquency rates were 4.4% at December 31, 2013 and 5.9% at December 31, 2012. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $16 million at December 31, 2013 and $20 million at December 31, 2012 recorded in other liabilities in the Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Margin accounts

FTS, a subsidiary of the Bancorp, guarantees the collection of all margin account balances held by its brokerage clearing agent for the benefit of its customers. FTS is responsible for payment to its brokerage clearing agent for any loss, liability, damage, cost or expense incurred as a result of customers failing to comply with margin or margin maintenance calls on all margin accounts. The margin account balance held by the brokerage clearing agent was $12 million at December 31, 2013 and $17 million at December 31, 2012. In the event of any customer default, FTS has rights to the underlying collateral provided. Given the existence of the underlying collateral provided and negligible historical credit losses, the Bancorp does not maintain a loss reserve related to the margin accounts.

Long-term borrowing obligations

The Bancorp had certain fully and unconditionally guaranteed long-term borrowing obligations issued by wholly-owned issuing trust entities of $50 million and $800 million as of December 31, 2013 and 2012, respectively. See Note 16 for further information on these long-term borrowing obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Visa litigation

The Bancorp, as a member bank of Visa prior to Visa's reorganization and IPO (the "IPO") of its Class A common shares in 2008, had certain indemnification obligations pursuant to Visa's certificate of incorporation and by-laws and in accordance with their membership agreements. In accordance with Visa's by-laws prior to the IPO, the Bancorp could have been required to indemnify Visa for the Bancorp's proportional share of losses based on the pre-IPO membership interests. As part of its reorganization and IPO, the Bancorp's indemnification obligation was modified to include only certain known litigation (the "Covered Litigation") as of the date of the restructuring. This modification triggered a requirement to recognize a $3 million liability for the year ended December 31, 2007 equal to the fair value of the indemnification obligation. Additionally during 2007, the Bancorp recorded $169 million for its share of litigation formally settled by Visa and for probable future litigation settlements. In conjunction with the IPO, the Bancorp received 10.1 million of Visa's Class B shares based on the Bancorp's membership percentage in Visa prior to the IPO. The Class B shares are not transferable (other than to another member bank) until the later of the third anniversary of the IPO closing or the date which the Covered Litigation has been resolved; therefore, the Bancorp's Class B shares were classified in other assets and accounted for at their carryover basis of $0. Visa deposited $3 billion of the proceeds from the IPO into a litigation escrow account, established for the purpose of funding judgments in, or settlements of, the Covered Litigation. If Visa's litigation committee determines that the escrow account is insufficient, then Visa will issue additional Class A shares and deposit the proceeds from the sale of the shares into the litigation escrow account. When Visa funds the litigation escrow account, the Class B shares are subject to dilution through an adjustment in the conversion rate of Class B shares into Class A shares. During 2008, the Bancorp recorded additional reserves of $71 million for probable future settlements related to the Covered Litigation and recorded its proportional share of $169 million of the Visa escrow account net against the Bancorp's litigation reserve.

During 2009, Visa announced it had deposited an additional $700 million into the litigation escrow account. As a result of this funding, the Bancorp recorded its proportional share of $29 million of these additional funds as a reduction to its net Visa litigation reserve liability and a reduction to noninterest expense. Later in 2009, the Bancorp completed the sale of Visa, Inc. Class B shares for proceeds of $300 million. As part of this transaction the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. The swap terminates on the later of the third anniversary of Visa's IPO or the date on which the Covered Litigation is settled. The Bancorp calculates the fair value of the swap based on its estimate of the probability and timing of certain Covered Litigation settlement scenarios and the resulting payments related to the swap. The counterparty to the swap as a result of its ownership of the Class B shares will be impacted by dilutive adjustments to the conversion rate of the Class B shares into Class A shares caused by any Covered Litigation losses in excess of the litigation escrow account. If actual judgments in, or settlements of, the Covered Litigation significantly exceed current expectations, then additional funding by Visa of the litigation escrow account and the resulting dilution of the Class B shares could result in a scenario where the Bancorp's ultimate exposure associated with the Covered Litigation (the "Visa Litigation Exposure") exceeds the value of the Class B shares owned by the swap counterparty (the "Class B Value"). In the event the Bancorp concludes that it is probable that the Visa Litigation Exposure exceeds the Class B Value, the Bancorp would record a litigation reserve liability and a corresponding amount of other noninterest expense for the amount of the excess. Any such litigation reserve liability would be separate and distinct from the fair value derivative liability associated with the total return swap.

As of the date of the Bancorp's sale of Visa Class B shares and through December 31, 2013, the Bancorp has concluded that it is not probable that the Visa Litigation Exposure will exceed the Class B value. Based on this determination, upon the sale of Class B shares, the Bancorp reversed its net Visa litigation reserve liability and recognized a free-standing derivative liability associated with the total return swap with an initial fair value of $55 million. The sale of the Class B shares, recognition of the derivative liability and reversal of the net litigation reserve liability resulted in a pre-tax benefit of $288 million ($187 million after-tax) recognized by the Bancorp for the year ended December 31, 2009. In the second and fourth quarters of 2010, Visa funded an additional $500 million and $800 million, respectively, into the escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make cash payments of $20 million and $35 million, respectively, (each of which reduced the swap liability) to the swap counterparty in accordance with the terms of the swap contract. In the second quarter of 2011, Visa funded an additional $400 million into the litigation escrow account. Upon Visa's funding of the litigation escrow account in the second quarter of 2011, along with additional terms of the total return swap, the Bancorp made a $19 million cash payment (which reduced the swap liability) to the swap counterparty. During the fourth quarter of 2011, Visa announced it decided to fund an additional $1.565 billion into the litigation escrow account which increased the swap liability approximately $54 million. Upon Visa's funding of the litigation escrow account in the first quarter of 2012, along with additional terms of the total return swap, the Bancorp made a $75 million cash payment (which reduced the swap liability) to the swap counterparty. On July 24, 2012, Visa funded an additional $150 million into the litigation escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make a $6 million cash payment (which reduced the swap liability) to the swap counterparty during the quarter ended September 30, 2012. The fair value of the swap liability was $48 million and $33 million as of December 31, 2013 and 2012, respectively. Refer to Note 18 for further information.

18. LEGAL AND REGULATORY PROCEEDINGS

During April 2006, the Bancorp was added as a defendant in a consolidated antitrust class action lawsuit originally filed against Visa®, MasterCard® and several other major financial institutions in the United States District Court for the Eastern District of New York. The plaintiffs, merchants operating commercial businesses throughout the U.S. and trade associations, claim that the interchange fees charged by card-issuing banks are unreasonable and seek injunctive relief and unspecified damages. In addition to being a named defendant, the Bancorp is also subject to a possible indemnification obligation of Visa as discussed in Note 17 and has also entered into judgment and loss sharing agreements with Visa, MasterCard and certain other named defendants. In October 2012, the parties to the litigation entered into a settlement agreement. The court entered a Class Settlement Preliminary Approval Order in November 2012. Pursuant to the terms of the settlement agreement, the Bancorp paid $46 million into a class settlement escrow account. Previously, the Bancorp paid an additional $4 million in another settlement escrow in connection with the settlement of claims from plaintiffs not included in the class action. More than 7,900 merchants have requested exclusion from the class settlement. Pursuant to the terms of the settlement agreement, 25% of the funds paid into the class settlement escrow account will be returned to the control of the defendants through Class Exclusion Takedown Payments. Approximately 460 of the merchants who requested exclusion from the class have filed separate federal lawsuits against Visa, MasterCard and certain other defendants alleging similar antitrust violations. The federal lawsuits have been tentatively transferred to the United States District Court for the Eastern District of New York. The Bancorp was not named as a defendant in any of the federal lawsuits, but may have obligations pursuant to indemnification arrangements and/or the judgment or loss sharing agreements noted above. In addition, one merchant filed a separate state court lawsuit against Visa, MasterCard and certain other defendants, including the Bancorp, alleging similar antitrust violations. On January 14, 2014, the court entered a final order approving the class settlement. A number of merchants have filed appeals from that approval. Refer to Note 17 for further information.

In September 2007, Ronald A. Katz Technology Licensing, L.P. (Katz) filed a suit in the United States District Court for the Southern District of Ohio against the Bancorp and its Ohio banking subsidiary. In the suit, Katz alleged that the Bancorp and its Ohio bank infringed on Katz's patents for interactive call processing technology by offering certain automated telephone banking and other services. On December 23, 2013 the parties to the litigation entered into a settlement agreement. The settlement amount was immaterial to the Bancorp's Consolidated Financial Statements. Pursuant to the settlement agreement, the Bank paid the agreed upon settlement proceeds to Katz resulting in the dismissal of the lawsuit with prejudice on January 8, 2014.

For the year ended December 31, 2008, five putative securities class action complaints were filed against the Bancorp and its Chief Executive Officer, among other parties. The five cases have been consolidated under the caption Local 295/Local 851 IBT Employer Group Pension Trust and Welfare Fund v. Fifth Third Bancorp. et al., Case No. 1:08CV00421, and are currently pending in the United States District Court for the Southern District of Ohio. On December 18, 2012, the Bancorp entered into a settlement agreement to resolve these cases. Under the terms of the settlement, the Bancorp and its insurer paid a total of $16 million to a fund to settle all the claims of the class members. In the settlement the Bancorp has denied any liability and has agreed to the settlement in order to avoid potential future litigation costs and uncertainty. The Bancorp does not consider the impact of the settlement to be material to its financial condition or results of operations. On November 20, 2013, the Court entered a Final Judgment and Order of Dismissal approving the settlement. No appeal was filed and the matter now is concluded.

In addition to the foregoing, in 2008 two similar cases were filed in the United States District Court for the Southern District of Ohio against the Bancorp and certain officers styled *Dudenhoeffer v Fifth Third Bancorp et al. Case No. 1:08-cv-538.* The complaints alleged violations of ERISA based on allegations similar to those set forth in the securities class action cases. The ERISA actions were dismissed by the trial court, but the Sixth Circuit Court of Appeals reversed the trial court decision. The Bancorp petitioned the United States Supreme Court to review and reverse the Sixth Circuit decision and sought a stay of proceedings in the trial court pending appeal. On March 25, 2013 the Supreme Court issued an order directing the Solicitor General to file a brief stating the views of the United States on the issues raised in the Bancorp petition and this brief was filed on November 12, 2013. On December 13, 2013 the Supreme Court granted certiorari and agreed to hear the appeal. Oral argument is set for April 2, 2014.

The Bancorp and its subsidiaries are not parties to any other material litigation. However, there are other litigation matters that arise in the normal course of business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes any resulting liability from these other actions would not have a material effect upon the Bancorp's consolidated financial position, results of operations or cash flows.

The Bancorp and/or its affiliates are involved in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by various governmental regulatory agencies and law enforcement authorities, as well as self-regulatory bodies regarding their respective businesses. Additional matters will likely arise from time to time. Any of these matters may result in material adverse consequences to the Bancorp, its affiliates and/or their respective directors, officers and other personnel, including adverse judgments, findings, settlements, fines, penalties, orders, injunctions or other actions, amendments and/or restatements of the Bancorp's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in our disclosure controls and procedures. Investigations by regulatory authorities may from time to time result in civil or criminal referrals to law enforcement authorities such as the Department of Justice or a United States Attorney. Among other matters, the Bancorp has been cooperating with the Department of Justice and the Office of the Inspector General for the Department of Housing and Urban Development in a civil investigation regarding compliance with requirements relating to certain Federal Housing Agency-insured loans originated by affiliates of the Bancorp. The investigation is ongoing, and no demand or claim has been made of the Bancorp. The investigation could lead to a demand under the federal False Claims Act and the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, which allow up to treble and other special damages substantially in excess of actual losses.

As previously disclosed the SEC had been investigating the Bancorp's historical accounting and reporting with respect to certain commercial loans that were sold or reclassified as held-for-sale in the fourth quarter of 2008. At dispute in the matter was whether certain of those loans should have been moved to held for sale in the third quarter rather than the fourth quarter of that year. The Bancorp and the SEC staff agreed to a settlement of that investigation, pursuant to which the Bancorp, without admitting or

denying any factual allegations, consented to the SEC's issuance of an administrative order containing findings that the Bancorp did not properly account for a portion of its commercial real estate loan portfolio in its Form 10-Q for the third quarter of 2008 in violation of certain provisions of the securities laws, including Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934. The settlement also ordered the Bancorp to cease and desist from committing or causing any such violations in the future and to pay a civil penalty of $6.5 million. Daniel T. Poston, the Bancorp's interim chief financial officer during the relevant time, agreed to a separate settlement with the SEC staff pursuant to which Mr. Poston, without admitting or denying any factual allegations, consented to an administrative order containing similar findings and charges against him, a cease and desist order, a separate civil money penalty of $100,000, and a one-year ban from practicing before the SEC. The SEC approved the settlement on December 4, 2013 and this matter is now concluded.

The Bancorp is party to numerous claims and lawsuits as well as threatened or potential actions or claims concerning matters arising from the conduct of its business activities. The outcome of claims or litigation and the timing of ultimate resolution are inherently difficult to predict. The following factors, among others, contribute to this lack of predictability: plaintiff claims often include significant legal uncertainties, damages alleged by plaintiffs are often unspecified or overstated, discovery may not have started or may not be complete and material facts may be disputed or unsubstantiated. As a result of these factors, the Bancorp is not always able to provide an estimate of the range of reasonably possible outcomes for each claim. A reserve for a potential litigation loss is established when information related to the loss contingency indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such reserve is adjusted from time to time thereafter as appropriate to reflect changes in circumstances. The Bancorp also determines, when possible (due to the uncertainties described above), estimates of reasonably possible losses or ranges of reasonably possible losses, in excess of amounts reserved. Under U.S. GAAP, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Bancorp is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Bancorp believes the risk of loss is more than slight. For matters where the Bancorp is able to estimate such possible losses or ranges of possible losses, the Bancorp currently estimates that it is reasonably possible that it could incur losses related to legal proceedings including the matters discussed above in an aggregate amount up to approximately $113 million in excess of amounts reserved, with it also being reasonably possible that no losses will be incurred in these matters. The estimates included in this amount are based on the Bancorp's analysis of currently available information, and as new information is obtained the Bancorp may change its estimates.

For these matters and others where an unfavorable outcome is reasonably possible but not probable, there may be a range of possible losses in excess of the established reserve that cannot be estimated. Based on information currently available, advice of counsel, available insurance coverage and established reserves, the Bancorp believes that the eventual outcome of the actions against the Bancorp and/or its subsidiaries, including the matters described above, will not, individually or in the aggregate, have a material adverse effect on the Bancorp's consolidated financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of those matters, if unfavorable, may be material to the Bancorp's results of operations for any particular period, depending, in part, upon the size of the loss or liability imposed and the operating results for the applicable period.

19. RELATED PARTY TRANSACTIONS

The Bancorp maintains written policies and procedures covering related party transactions to principal shareholders, directors and executives of the Bancorp. These procedures cover transactions such as employee-stock purchase loans, personal lines of credit, residential secured loans, overdrafts, letters of credit and increases in indebtedness. Such transactions are subject to the Bancorp's normal underwriting and approval procedures. Prior to the closing of a loan to a related party, Compliance Risk Management must approve and determine whether the transaction requires approval from or a post notification be sent to the Bancorp's Board of Directors. At December 31, 2013 and 2012, certain directors, executive officers, principal holders of Bancorp common stock, associates of such persons, and affiliated companies of such persons were indebted, including undrawn commitments to lend, to the Bancorp's banking subsidiary.

The following table summarizes the Bancorp's activities with its principal shareholders, directors and executives at December 31:

($ in millions)		2013	2012
Commitments to lend, net of participations:			
Directors and their affiliated companies	$	586	364
Executive officers		2	3
Total	$	588	367
Outstanding balance on loans, net of participations and undrawn commitments	$	86	93

The commitments to lend are in the form of loans and guarantees for various business and personal interests. This indebtedness was incurred in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties. This indebtedness does not involve more than the normal risk of repayment or present other features unfavorable to the Bancorp.

On June 30, 2009, the Bancorp completed the sale of a majority interest in its processing business, Vantiv Holding, LLC. Advent International acquired an approximate 51% interest in Vantiv Holding, LLC for cash and a warrant. The Bancorp retained the remaining approximate 49% interest in Vantiv Holding, LLC.

During the first quarter of 2012, Vantiv, Inc. priced an IPO of its shares and contributed the net proceeds to Vantiv Holding, LLC for additional ownership interests. As a result of this offering, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 39%. The impact of the capital contributions to Vantiv Holding, LLC and the resulting dilution in the Bancorp's interest resulted in a gain of $115 million recognized by the Bancorp in the first quarter of 2012. The Bancorp's ownership share in Vantiv Holding, LLC was further reduced during the fourth quarter of 2012 when the Bancorp sold an approximate six percent interest and recognized a $157 million gain. The Bancorp's ownership of Vantiv Holding, LLC was reduced to 33% as a result of this sale and had a carrying value of $563 million as of December 31, 2012.

The Bancorp's ownership position in Vantiv Holding, LLC was reduced in the second quarter of 2013 when the Bancorp sold an approximate five percent interest and recognized a $242 million gain. The Bancorp's ownership percentage was further reduced in the third quarter of 2013 when the Bancorp sold an approximate three percent interest and recognized an $85 million gain. The Bancorp's remaining approximate 25% ownership in Vantiv Holding, LLC was accounted for as an equity method investment in the Bancorp's Consolidated Financial Statements and had a carrying value of $423 million as of December 31, 2013.

As of December 31, 2013, the Bancorp continued to hold approximately 48.8 million Class B units of Vantiv Holding, LLC and a warrant to purchase approximately 20.4 million Class C non-voting units of Vantiv Holding, LLC, both of which may be exchanged for Class A Common Stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 48.8 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

The Bancorp recognized $77 million, $61 million and $57 million respectively, in noninterest income as part of its equity method investment in Vantiv Holding, LLC for the years ended December 31, 2013, 2012 and 2011 and received cash distributions totaling $40 million and $30 million during 2013 and 2012, respectively.

The Bancorp and Vantiv Holding, LLC have various agreements in place covering services relating to the operations of Vantiv Holding, LLC. The services provided by the Bancorp to Vantiv Holding, LLC were initially required to support Vantiv Holding, LLC as a standalone entity during the deconversion period. The majority of services previously provided by the Bancorp to support Vantiv Holding, Inc. as a standalone entity are no longer necessary and are now limited to certain general business resources. Vantiv Holding, LLC paid the Bancorp $1 million for these services for the years ended December 31, 2013 and 2012 and $21 million for the year ended December 31, 2011. Other services provided to Vantiv Holding, LLC by the Bancorp, have continued beyond the deconversion period, include clearing, settlement and sponsorship. Vantiv Holding, LLC paid the Bancorp $34 million for these services for the years ended December 31, 2013 and 2012 and $37 million for the year ended December 31, 2011. In addition to the previously mentioned services, the Bancorp entered into an agreement under which Vantiv Holding, LLC will provide processing services to the Bancorp. The total amount of fees relating to the processing services provided to the Bancorp by Vantiv Holding, LLC totaled $88 million, $83 million and $74 million for the years ended December 31, 2013, 2012 and 2011, respectively.

As part of the sale, Vantiv Holding, LLC assumed loans totaling $1.25 billion owed to the Bancorp, which were refinanced in 2010 into a larger syndicated loan structure that included the Bancorp. The outstanding balance of loans to Vantiv Holding, LLC was $348 million and $325 million at December 31, 2013 and 2012, respectively. Interest income relating to the loans was $7 million, $11 million and $18 million, respectively, for the years ended December 31, 2013, 2012 and 2011 and is included in interest and fees on loans and leases in the Consolidated Statements of Income. Vantiv Holding, LLC's line of credit was $50 million as of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013 and 2012. Vantiv Holding, LLC did not draw upon its lines of credit during the years ended December 31, 2013 or 2012.

20. INCOME TAXES

The Bancorp and its subsidiaries file a consolidated federal income tax return. The following is a summary of applicable income taxes included in the Consolidated Statements of Income for the years ended December 31:

($ in millions)		2013	2012	2011
Current income tax expense (benefit):				
U.S. Federal income taxes	$	**494**	327	82
State and local income taxes		**23**	38	14
Foreign income taxes		**2**	-	-
Total current tax expense		**519**	365	96
Deferred income tax expense				
U.S. Federal income taxes		**232**	252	411
State and local income taxes		**23**	19	26
Foreign income taxes		**(2)**	-	-
Total deferred income tax expense		**253**	271	437
Applicable income tax expense	$	**772**	636	533

The following is a reconciliation between the statutory U.S. Federal income tax rate and the Bancorp's effective tax rate for the years ended December 31:

($ in millions)	2013	2012	2011
Statutory tax rate	**35.0 %**	35.0	35.0
Increase (decrease) resulting from:			
State taxes, net of federal benefit	**1.2**	1.7	1.4
Tax-exempt income	**(1.1)**	(2.1)	(1.4)
Credits	**(6.0)**	(6.7)	(7.3)
Unrealized stock-based compensation benefits	**0.3**	0.8	1.3
Other, net	**0.3**	0.1	0.1
Effective tax rate	**29.7 %**	28.8	29.1

Tax-exempt income in the rate reconciliation table includes interest on municipal bonds, interest on tax-exempt lending, income/charges on life insurance policies held by the Bancorp, and certain gains on sales of leases that are exempt from federal taxation.

The following table provides a summary of the Bancorp's unrecognized tax benefits as of December 31:

($ in millions)		2013	2012
Tax positions that would impact the effective tax rate, if recognized	$	**7**	18
Tax positions where the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of the deduction		**-**	-
Unrecognized tax benefits	$	**7**	18

The following table provides a reconciliation of the beginning and ending amounts of the Bancorp's unrecognized tax benefits:

($ in millions)		2013	2012	2011
Unrecognized tax benefits at January 1	$	**18**	14	16
Gross increases for tax positions taken during prior period		**1**	6	1
Gross decreases for tax positions taken during prior period		**(7)**	(3)	(2)
Gross increases for tax positions taken during current period		**1**	2	-
Settlements with taxing authorities		**(5)**	-	-
Lapse of applicable statute of limitations		**(1)**	(1)	(1)
Unrecognized tax benefits at December 31	$	**7**	18	14

The Bancorp's unrecognized tax benefits as of December 31, 2013, 2012, and 2011 relate largely to state income tax exposures from taking tax positions where the Bancorp believes it is likely that, upon examination, a state will take a position contrary to the position taken by the Bancorp.

While it is reasonably possible that the amount of the unrecognized tax benefits with respect to certain of the Bancorp's uncertain tax positions could increase or decrease during the next 12 months, the Bancorp believes it is unlikely that its unrecognized tax benefits will change by a material amount during the next 12 months.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred income taxes are comprised of the following items at December 31:

($ in millions)		2013	2012
Deferred tax assets:			
Allowance for loan and lease losses	$	554	649
Deferred compensation		109	105
Reserves		101	63
Reserve for unfunded commitments		57	47
Impairment reserves		31	74
State net operating losses		22	33
Other		149	191
Total deferred tax assets	$	1,023	1,162
Deferred tax liabilities:			
Lease financing	$	865	844
Investments in joint ventures and partnership interests		381	470
MSRs		254	162
Bank premises and equipment		114	108
Qualifying hedges and free-standing derivatives		97	31
State deferred taxes		76	64
Other comprehensive income		44	202
Other		130	124
Total deferred tax liabilities	$	1,961	2,005
Total net deferred tax liability	$	(938)	(843)

At December 31, 2013 and 2012, the Bancorp had recorded deferred tax assets of $22 million and $33 million, respectively, related to state net operating loss carryforwards. The deferred tax assets relating to state net operating losses (primarily resulting from leasing operations) are presented net of specific valuation allowances of $19 million and $20 million at December 31, 2013 and 2012, respectively. If these carryforwards are not utilized, they will expire in varying amounts through 2030.

The Bancorp has determined that a valuation allowance is not needed against the remaining deferred tax assets as of December 31, 2013 or 2012. The Bancorp considered all of the positive and negative evidence available to determine whether it is more likely than not that the deferred tax assets will ultimately be realized and, based upon that evidence, the Bancorp believes it is more likely than not that the deferred tax assets recorded at December 31, 2013 and 2012 will ultimately be realized. The Bancorp reached this conclusion as the Bancorp has taxable income in the carryback period and it is expected that the Bancorp's remaining deferred tax assets will be realized through the reversal of its existing taxable temporary differences and its projected future taxable income.

The IRS concluded its audit for 2008 and 2009 during the first quarter of 2012. As a result, all issues have been resolved with the IRS through 2009. The IRS is currently examining the Bancorp's 2010 and 2011 federal income tax returns. The statute of limitations for the Bancorp's federal income tax returns remains open for tax years 2010-2013. On occasion, as various state and local taxing jurisdictions examine the returns of the Bancorp and its subsidiaries, the Bancorp may agree to extend the statute of limitations for a short period of time. Otherwise, with the exception of a few states with insignificant uncertain tax positions, the statutes of limitations for state income tax returns remain open only for tax years in accordance with each state's statutes.

Any interest and penalties incurred in connection with income taxes are recorded as a component of income tax expense in the Consolidated Financial Statements. During the years ended December 31, 2013, 2012 and 2011, the Bancorp recognized an immaterial amount of interest expense in connection with income taxes. At December 31, 2013 and 2012, the Bancorp had accrued interest liabilities, net of the related tax benefits, of $1 million and $3 million, respectively. No material liabilities were recorded for penalties.

Retained earnings at December 31, 2013 and 2012 included $157 million in allocations of earnings for bad debt deductions of former thrift subsidiaries for which no income tax has been provided. Under current tax law, if certain of the Bancorp's subsidiaries use these bad debt reserves for purposes other than to absorb bad debt losses, they will be subject to federal income tax at the current corporate tax rate.

21. RETIREMENT AND BENEFIT PLANS

The Bancorp's qualified defined benefit plan's benefits were frozen in 1998, except for grandfathered employees. The Bancorp's other retirement plans consist of nonqualified, supplemental retirement plans, which are funded on an as needed basis. A majority of these plans were obtained in acquisitions from prior years. The Bancorp recognizes the overfunded and underfunded status of its pension plans as an asset and liability in the Consolidated Balance Sheets.

The overfunded and underfunded amounts recognized in other assets and other liabilities, respectively, on the Consolidated Balance Sheets were as follows as of December 31:

($ in millions)		2013	2012
Prepaid benefit cost	$	6	-
Accrued benefit liability		(27)	(71)
Net underfunded status	$	(21)	(71)

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables summarize the defined benefit retirement plans as of and for the years ended December 31:

Plans with an Overfunded Status *(a)*

($ in millions)		2013	2012
Fair value of plan assets at January 1	$	**185**	-
Actual return on assets		**30**	-
Contributions		**5**	-
Settlement		**(13)**	-
Benefits paid		**(7)**	-
Fair value of plan assets at December 31	$	**200**	-
Projected benefit obligation at January 1	$	**224**	-
Service cost		**-**	-
Interest cost		**10**	-
Settlement		**(13)**	-
Actuarial gain		**(20)**	-
Benefits paid		**(7)**	-
Projected benefit obligation at December 31	$	**194**	-
Overfunded projected benefit obligation at December 31	$	**6**	-

(a) The Bancorp's defined benefit plan had an Overfunded status at December 31, 2013. The plan was Underfunded at December 31, 2012 and is reflected in the Underfunded Status table.

Plans with an Underfunded Status

($ in millions)		2013	2012
Fair value of plan assets at January 1	$	**-**	181
Actual return on assets		**-**	21
Contributions		**4**	4
Settlement		**-**	(10)
Benefits paid		**(4)**	(11)
Fair value of plan assets at December 31	$	**-**	185
Projected benefit obligation at January 1	$	**32**	253
Service cost		**-**	-
Interest cost		**1**	10
Settlement		**-**	(10)
Actuarial (gain)/loss		**(2)**	14
Benefits paid		**(4)**	(11)
Projected benefit obligation at December 31	$	**27**	256
Unfunded projected benefit obligation at December 31	$	**(27)**	(71)

The estimated net actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2014 is $7 million. The estimated net prior service cost for the defined benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2014 is immaterial to the Consolidated Financial Statements.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes net periodic benefit cost and other changes in plan assets and benefit obligations recognized in other comprehensive income for the years ended December 31:

($ in millions)		2013	2012	2011
Components of net periodic benefit cost:				
Service cost	$	-	-	-
Interest cost		10	10	11
Expected return on assets		(13)	(13)	(15)
Amortization of net actuarial loss		11	14	11
Amortization of net prior service cost		-	-	1
Settlement		5	6	6
Net periodic benefit cost	$	13	17	14
Other changes in plan assets and benefit obligations recognized in other comprehensive income:				
Net actuarial (gain)/loss	$	(38)	7	50
Net prior service cost		-	-	-
Amortization of net actuarial loss		(11)	(14)	(11)
Amortization of prior service cost		-	-	(1)
Settlement		(5)	(6)	(6)
Total recognized in other comprehensive income		(54)	(13)	32
Total recognized in net periodic benefit cost and other comprehensive income	$	(41)	4	46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Measurements of Plan Assets

The following table summarizes plan assets measured at fair value on a recurring basis as of December 31:

	Fair Value Measurements Using(a)			
2013 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Equity securities:				
Equity securities (Value)	$ 8	-	-	$ 8
Equity securities (Blended)*(b)*	40	-	-	40
Total equity securities	48	-	-	48
Mutual and exchange traded funds:				
Money market funds	7	-	-	7
International funds	-	43	-	43
Domestic funds	-	41	-	41
Debt funds	-	20	-	20
Alternative strategies	-	17	-	17
Commodity funds	6	-	-	6
Total mutual and exchange traded funds	13	121	-	134
Debt securities:				
U.S. Treasury obligations	3	-	-	3
Agency mortgage backed	-	13	-	13
Non-agency mortgage backed	-	2	-	2
Corporate bonds*(c)*	-	-	-	-
Total debt securities	3	15	-	18
Total plan assets	$ 64	136	-	$ 200

	Fair Value Measurements Using(a)			
2012 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Equity Securities:				
Equity securities (Growth)*(b)*	$ 50	-	-	$ 50
Equity securities (Value)	52	-	-	52
Equity securities (Blended)	4	-	-	4
Total equity securities	106	-	-	106
Mutual and exchange traded funds:				
Money market funds	4	-	-	4
International funds	29	-	-	29
Commodity funds	9	-	-	9
Total mutual and exchange traded funds	42	-	-	42
Debt securities:				
U.S. Treasury obligations	13	-	-	13
Agency mortgage backed	-	21	-	21
Non-agency mortgage backed	-	2	-	2
Corporate bonds*(c)*	-	1	-	1
Total debt securities	13	24	-	37
Total plan assets	$ 161	24	-	$ 185

(a) For further information on fair value hierarchy levels, see Note 1.
(b) Includes holdings in Bancorp common stock.
(c) Includes private label asset backed securities.

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Equity securities

The plan measures common stock using quoted prices which are available in an active market and classifies these investments within Level 1 of the valuation hierarchy.

Mutual and exchange traded funds

All of the plan's mutual and exchange traded funds are publicly traded. The plan measures the value of these investments using the fund's quoted prices that are available in an active market and classifies these investments within Level 1 of the valuation hierarchy. Where quotes prices are not available, the plan measures the fair value of these investments based on the redemption price of units held, which is based on the current fair value of the fund's underlying assets. Unit values are determined by dividing the fund's net assets at fair value by its units outstanding at the valuation dates to obtain the investment's net asset value. Therefore, these investments are classified within Level 2 of the valuation hierarchy.

Table of Contents

Debt securities
For certain U.S. Treasury obligations and federal agency securities, the plan measures the fair value based on quoted prices, which are available in an active market and classifies these investments within Level 1 of the valuation hierarchy. Where quoted prices are not available, the plan measures the fair value of these investments based on matrix pricing models that include the bid price, which factors in the yield curve and other characteristics of the security including the interest rate, prepayment speeds and length of maturity. Therefore, these investments are classified within Level 2 of the valuation hierarchy.

Plan Assumptions
The plan assumptions are evaluated annually and are updated as necessary. The discount rate assumption reflects the yield on a portfolio of high quality fixed-income instruments that have a similar duration to the plan's liabilities. The expected long-term rate of return assumption reflects the average return expected on the assets invested to provide for the plan's liabilities. In determining the expected long-term rate of return, the Bancorp evaluated actuarial and economic inputs, including long-term inflation rate assumptions and broad equity and bond indices long-term return projections, as well as actual long-term historical plan performance.

The following table summarizes the plan assumptions for the years ended December 31:

Weighted-Average Assumptions	**2013**	2012	2011
For measuring benefit obligations at year end:			
Discount rate	**4.72 %**	3.83	4.27
Rate of compensation increase	**4.00**	4.00	5.00
Expected return on plan assets	**7.50**	8.00	8.25
For measuring net periodic benefit cost:			
Discount rate	**3.83**	4.27	5.39
Rate of compensation increase	**4.00**	5.00	5.00
Expected return on plan assets	**7.50**	8.00	8.25

Lowering both the expected rate of return on the plan assets and the discount rate by 0.25% would have increased the 2013 pension expense by approximately $1 million. Lowering the rate of compensation increase by 0.25% would have an immaterial impact on the Bancorp's Consolidated Financial Statements.

Based on the actuarial assumptions, the Bancorp expects to contribute $4 million to the plan in 2014. Estimated pension benefit payments, which reflect expected future service, are $18 million in 2014, $18 million in 2015, $16 million in 2016, $15 million in 2017 and $14 million in 2018. The total estimated payments for the years 2019 through 2023 is $63 million.

Investment Policies and Strategies
The Bancorp's policy for the investment of plan assets is to employ investment strategies that achieve a range of weighted-average target asset allocations relating to equity securities (including the Bancorp's common stock), fixed income securities (including federal agency obligations, corporate bonds and notes), alternative strategies (including traditional mutual funds, precious metals and commodities) and cash.

The following table provides the Bancorp's targeted and actual weighted-average asset allocations by asset category for the years ended December 31:

Weighted-average asset allocation	Targeted range	**2013**	2012
Equity securities		**65 %**	76
Bancorp common stock		**2**	1
Total equity securities*(a)*	39-78 %	**67**	77
Total fixed income securities	11-41	**22**	20
Alternative strategies	0-18	**7**	-
Cash*(b)*	0-10	**4**	3
Total		**100 %**	100

(a) Includes mutual and exchange traded funds
(b) Cash was held in a Federated Prime Cash Obligation Fund in 2013 and in a Fifth Third Money Market Fund in 2012.

The risk tolerance for the plan is determined by management to be "moderate to aggressive", recognizing that higher returns involve some volatility and that periodic declines in the portfolio's value are tolerated in an effort to achieve real capital growth. There were no significant concentrations of risk associated with the investments of the Bancorp's benefit and retirement plan at December 31, 2013 and 2012.

Permitted asset classes of the plan include cash and cash equivalents, fixed income (domestic and non-U.S. bonds), equities (U.S., non-U.S., emerging markets and REITS), equipment leasing, precious metals, commodity transactions and mortgages. The plan utilizes derivative instruments including puts, calls, straddles or other option strategies, as approved by management. Per ERISA, the Bancorp's common stock cannot exceed ten percent of the fair value of plan assets.

Fifth Third Bank, as Trustee, is expected to manage the plan assets in a manner consistent with the plan agreement and other regulatory, federal and state laws. The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee (the "Committee") is the plan administrator. The Trustee is required to provide to the Committee monthly and quarterly reports covering a list of plan assets, portfolio performance, transactions and asset allocation. The Trustee is also required to keep the Committee apprised of any material changes in the Trustee's outlook and recommended investment policy.

Other Information on Retirement and Benefit Plans

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The accumulated benefit obligation for all defined benefit plans was $221 million and $256 million at December 31, 2013 and 2012, respectively.

Amounts relating to the Bancorp's defined benefit plans with assets exceeding benefit obligations were as follows at December 31:

($ in millions)		2013	2012
Projected benefit obligation	$	**194**	-
Accumulated benefit obligation		**194**	-
Fair value of plan assets		**200**	-

Amounts relating to the Bancorp's defined benefit plans with benefit obligations exceeding assets were as follows at December 31:

($ in millions)		2013	2012
Projected benefit obligation	$	**27**	256
Accumulated benefit obligation		**27**	256
Fair value of plan assets		**-**	185

As of December 31, 2013 and 2012, $200 million and $123 million, respectively, of plan assets were managed by Fifth Third Bank, a subsidiary of the Bancorp. Plan assets included $4 million and $3 million of Bancorp common stock as of December 31, 2013 and 2012, respectively. Plan assets are not expected to be returned to the Bancorp during 2014.

The Bancorp's profit sharing plan expense was $32 million, $46 million and $35 million for the years ended December 31, 2013, 2012, and 2011, respectively. Expenses recognized for matching contributions to the Bancorp's defined contribution savings plans were $43 million, $42 million and $40 million for the years ended December 31, 2013, 2012, and 2011, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22. ACCUMULATED OTHER COMPREHENSIVE INCOME

The activity of the components of other comprehensive income and accumulated other comprehensive income for the years ended December 31:

	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
($ in millions)	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
2013						
Unrealized holding losses on available-for-sale securities arising during period	$ **(454)**	**159**	**(295)**			
Reclassification adjustment for net losses included in net income	**6**	**(2)**	**4**			
Net unrealized gains (losses) on available-for-sale securities	**(448)**	**157**	**(291)**	**412**	**(291)**	**121**
Unrealized holding losses on cash flow hedge derivatives arising during period	**(13)**	**5**	**(8)**			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	**(44)**	**15**	**(29)**			
Net unrealized gains (losses) on cash flow hedge derivatives	**(57)**	**20**	**(37)**	**50**	**(37)**	**13**
Net actuarial gain arising during the period	**38**	**(13)**	**25**			
Reclassification of amounts to net periodic benefit costs	**16**	**(6)**	**10**			
Defined benefit plans, net	**54**	**(19)**	**35**	**(87)**	**35**	**(52)**
Total	$ **(451)**	**158**	**(293)**	**375**	**(293)**	**82**
2012						
Unrealized holding losses on available-for-sale securities arising during period	$ (97)	34	(63)			
Reclassification adjustment for net gains included in net income	(15)	5	(10)			
Net unrealized gains (losses) on available-for-sale securities	(112)	39	(73)	485	(73)	412
Unrealized holding gains on cash flow hedge derivatives arising during period	37	(13)	24			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(83)	29	(54)			
Net unrealized gains (losses) on cash flow hedge derivatives	(46)	16	(30)	80	(30)	50
Net actuarial loss arising during the period	(7)	2	(5)			
Reclassification of amounts to net periodic benefit costs	20	(7)	13			
Defined benefit plans, net	13	(5)	8	(95)	8	(87)
Total	$ (145)	50	(95)	470	(95)	375
2011						
Unrealized holding gains on available-for-sale securities arising during period	$ 309	(108)	201			
Reclassification adjustment for net gains included in net income	(56)	19	(37)			
Net unrealized gains (losses) on available-for-sale securities	253	(89)	164	321	164	485
Unrealized holding gains on cash flow hedge derivatives arising during period	89	(31)	58			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(69)	24	(45)			
Net unrealized gains (losses) on cash flow hedge derivatives	20	(7)	13	67	13	80
Net actuarial loss arising during the period	(50)	17	(33)			
Reclassification of amounts to net periodic benefit costs	18	(6)	12			
Defined benefit plans, net	(32)	11	(21)	(74)	(21)	(95)
Total	$ 241	(85)	156	314	156	470

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The table below presents reclassifications out of accumulated other comprehensive income for the year ended December 31, 2013:

Components of AOCI: ($ in millions)	Amount Reclassified from AOCI *(b)*	Affected Line Item in the Consolidated Statements of Income
Net unrealized gains on available-for-sale securities		
Net losses included in net income	$ (6)	Securities gains, net
	(6)	Income before income taxes
	2	Applicable income tax expense
	(4)	Net income
Net unrealized gains on cash flow hedge derivatives		
Interest rate contracts related to C&I loans	45	Interest and fees on loans and leases
Interest rate contracts related to long-term debt	(1)	Interest on long-term debt
	44	Income before income taxes
	(15)	Applicable income tax expense
	29	Net income
Net periodic benefit costs		
Amortization of net actuarial loss	(11)	Employee benefits expense *(a)*
Settlements	(5)	Employee benefits expense *(a)*
	(16)	Income before income taxes
	6	Applicable income tax expense
	(10)	Net income
Total reclassifications for the period	$ 15	Net income

(a) This AOCI component is included in the computation of net periodic benefit cost. Refer to Note 21 for information on the computation of net periodic benefit cost.
(b) Amounts in parentheses indicate reductions to net income.

23. COMMON, PREFERRED AND TREASURY STOCK

The following is a summary of the share activity within common, preferred and treasury stock for the years ended:

	Common Stock		Preferred Stock		Treasury Stock	
($ in millions, except share data)	Value	Shares	Value	Shares	Value	Shares
December 31, 2010	$ 1,779	801,504,188	$ 3,654	152,771	$ 130	5,231,666
Issuance of common shares	272	122,388,393	-	-	-	-
Exchange of preferred shares, Series G	-	-	-	(1)	-	-
Redemption of preferred shares, Series F	-	-	(3,408)	(136,320)	-	-
Accretion from dividends on preferred shares, Series F	-	-	153	-	-	-
Impact of stock transactions under stock compensation plans, net	-	-	-	-	(65)	(1,093,116)
Other	-	-	(1)		(1)	(50,405)
December 31, 2011	$ 2,051	923,892,581	$ 398	16,450	$ 64	4,088,145
Shares acquired for treasury	-	-	-	-	627	42,424,014
Impact of stock transactions under stock compensation plans, net	-	-	-	-	(54)	(4,654,165)
Other	-	-	-	-	(3)	(117,470)
December 31, 2012	$ 2,051	923,892,581	$ 398	16,450	$ 634	41,740,524
Shares acquired for treasury	**-**	**-**	**-**	**-**	**1,242**	**65,516,126**
Issuance of preferred shares, Series I	**-**	**-**	**441**	**18,000**	**-**	**-**
Issuance of preferred shares, Series H	**-**	**-**	**593**	**24,000**	**-**	**-**
Redemption of preferred shares, Series G	**-**	**-**	**(398)**	**(16,450)**	**(540)**	**(35,529,018)**
Impact of stock transactions under stock compensation plans, net	**-**	**-**	**-**	**-**	**(38)**	**(3,697,042)**
Other	**-**	**-**	**-**	**-**	**(3)**	**556,246**
December 31, 2013	**$ 2,051**	**923,892,581**	**$ 1,034**	**42,000**	**$ 1,295**	**68,586,836**

Common Stock

On January 25, 2011, the Bancorp raised $1.7 billion in new common equity through the issuance of common stock in an underwritten offering with an initial price of $14.00 per share. 121,428,572 shares were issued, which included 12,142,857 shares issued to the underwriters, who exercised their option to purchase additional shares at the offering price of $14.00 per share on January 24, 2011. In connection with this exercise, the Bancorp entered into a forward sale agreement which resulted in a final net payment of 959,821 shares on February 4, 2011.

Preferred Stock—Series I

On December 9, 2013, the Bancorp issued, in a registered public offering, 18,000,000 depositary shares, representing 18,000 shares of 6.625% fixed-to-floating rate non-cumulative Series I perpetual preferred stock, for net proceeds of $441 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative quarterly basis, at an annual rate of 6.625% through but excluding December 31, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.71%. Subject to any required regulatory approval, the Bancorp may redeem the Series I preferred shares at its option in whole or in part, at any time on or after December 31, 2023 and may redeem in whole but not in part, following a regulatory capital event at any time prior to December 31, 2023. The Series I preferred shares are not convertible into Bancorp common shares or any other securities.

Preferred Stock—Series H

On May 16, 2013, the Bancorp issued, in a registered public offering, 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and may redeem in whole but not in part, following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities.

Preferred Stock—Series G

In 2008, the Bancorp issued 8.50% non-cumulative Series G convertible preferred stock. The depositary shares represented 1/250th of a share of Series G convertible preferred stock and had a liquidation preference of $25,000 per preferred share of Series G stock. The preferred stock was convertible at any time, at the option of the shareholder, into 2,159.8272 shares of common stock, representing a conversion price of approximately $11.575 per share of common stock.

On June 11, 2013, pursuant to the Amended Articles of Incorporation, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's Series G perpetual preferred stock. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with the Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

Preferred Stock—Series F

On December 31, 2008, the U.S. Treasury purchased $3.4 billion, or 136,320 shares, of the Bancorp's fixed rate cumulative perpetual preferred stock, Series F, with a liquidation preference of $25,000 per share and related 10-year warrant in the amount of 15% of the preferred stock investment. The warrant gave the U.S Treasury the right to purchase 43,617,747 shares of the Bancorp's common stock at $11.72 per share. The Series F senior preferred stock was issued complying with the terms established by the CPP. Per the program terms, the U.S. Treasury's investment consisted of senior preferred stock with a five percent dividend for each of the first five years of investment and nine percent thereafter, unless the shares were redeemed. The shares were callable by the Bancorp at par after three years and could be repurchased at any time under certain circumstances. The terms also included restrictions on the repurchase of common stock and increases in common stock dividends, which required the U.S. Treasury's consent, for a period of three years from the date of investment unless the preferred shares were redeemed in whole or the U.S. Treasury had transferred all of the preferred shares to a third party.

The proceeds from issuance of the Series F preferred stock were allocated to the preferred stock and to the warrant based on their relative fair values, which resulted in an initial book value of $3.2 billion for the preferred stock and $239 million for the warrant. The resulting discount to the preferred stock was being accreted over five years through retained earnings as a preferred stock dividend, resulting in an effective yield of 6.7% for the Series F preferred stock for the first five years.

On February 2, 2011, the Bancorp used proceeds from the issuance of common shares along with proceeds from a senior debt offering and other available resources to repurchase all 136,320 Series F preferred shares. In connection with the redemption of the Series F preferred stock, the Bancorp accelerated the accretion of the remaining issuance discount on the Series F preferred stock and recorded a reduction in retained earnings and a corresponding increase in preferred stock of $153 million in the Bancorp's Consolidated Balance Sheet. On March 16, 2011, the Bancorp repurchased the warrant issued to the U.S. Treasury in connection with the CPP preferred stock investment at an agreed upon price of $280 million, which was recorded as a reduction to capital surplus in the Bancorp's Consolidated Financial Statements.

Treasury Stock

On March 13, 2012, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2012 CCAR. The FRB indicated to the Bancorp that it did not object to the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. Following the Vantiv Inc. IPO, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 4,838,710 shares, or approximately $75 million, of its outstanding common stock on April 26, 2012. As part of this transaction and all subsequent accelerated share repurchase transactions in 2012 and 2013, the Bancorp entered into forward contracts in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction was based on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreements. Each of the accelerated share repurchases was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the April 2012 forward contract on June 1, 2012, the Bancorp received an additional 631,986 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On August 21, 2012, the Bancorp announced that the FRB did not object to its capital plan resubmitted under the 2012 CCAR process, which included the repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. As a result, on August 21, 2012, Fifth Third's Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization pursuant to which approximately 14 million shares remained available for repurchase by the Bancorp.

On August 23, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 21,531,100 shares, or approximately $350 million, of its outstanding common stock on August 28, 2012. At settlement of the forward contract on October 24, 2012, the Bancorp received an additional 1,444,047 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program. At settlement of the transaction on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares, or approximately $125 million, of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its previously announced Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On March 14, 2013, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2013 CCAR. The FRB indicated to the Bancorp that it did not object to the repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion, and the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common stock, which totaled $157 million and $55 million in after-tax gains during the second and third quarters of 2013, respectively.

On March 19, 2013, the Board of Directors authorized the Bancorp to repurchase up to 100 million common shares in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to effect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization from August of 2012.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million, of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 13, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 8,538,423 shares, or approximately $200 million, of its outstanding common stock on November 18, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before February 28, 2014.

On December 10, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 19,084,195 shares, or approximately $456 million, of its outstanding common stock on December 13, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

On January 28, 2014, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 3,950,705 shares, or approximately $99 million, of its outstanding common stock on January 31, 2014. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

During 2011, the Bancorp repurchased an immaterial amount of common stock.

24. STOCK-BASED COMPENSATION

The Bancorp has historically emphasized employee stock ownership. The following table provides detail of the number of shares to be issued upon exercise of outstanding stock-based awards and remaining shares available for future issuance under all of the Bancorp's equity compensation plans as of December 31, 2013:

Plan Category (shares in thousands)	Number of Shares to be Issued Upon Exercise	Weighted-Average Exercise Price	Shares Available for Future Issuance
Equity compensation plans approved by shareholders			5,393 *(a)*
SARs	*(b)*	*(b)*	*(a)*
Restricted stock	6,710	N/A	*(a)*
Stock options*(c)*	22	$45.82	*(a)*
Phantom stock units	*(d)*	N/A	N/A
Performance units	*(e)*	N/A	*(a)*
Employee stock purchase plan			8,030 *(f)*
Total shares	6,732		13,423

(a) Under the 2011 Incentive Compensation Plan, 39 million shares plus up to 4.5 million shares from the 2008 Incentive Compensation Plan (the Predecessor Plan) of stock were authorized for issuance as incentive and nonqualified stock options, SARs, restricted stock and restricted stock units, performance units and performance restricted stock awards.

(b) The number of shares to be issued upon exercise will be determined at vesting based on the difference between the grant price and the market price at the date of exercise.

(c) Excludes 0.5 million outstanding options awarded under plans assumed by the Bancorp in connection with certain mergers and acquisitions. The Bancorp has not made any awards under these plans and will make no additional awards under these plans. The weighted-average exercise price of the outstanding options is $19.69 per share.

(d) Phantom stock units are settled in cash.

(e) The number of shares to be issued is dependent upon the Bancorp achieving certain predefined performance targets and ranges from zero shares to approximately 2 million shares.

(f) Represents remaining shares of Fifth Third common stock under the Bancorp's 1993 Stock Purchase Plan, as amended and restated, including an additional 1.5 million shares approved by shareholders on March 28, 2007 and an additional 12 million shares approved by shareholders on April 21, 2009.

Stock-based awards are eligible for issuance under the Bancorp's Incentive Compensation Plan to key employees and directors of the Bancorp and its subsidiaries. The Incentive Compensation Plan was approved by shareholders on April 19, 2011, and authorized the issuance of up to 39 million shares plus up to 4.5 million shares under the Predecessor Plan for Full Value Awards as equity compensation and provides for incentive and nonqualified stock options, stock appreciation rights, restricted stock awards and restricted stock units, and performance shares. Full Value Awards are defined as awards with no cash outlay for the employee to obtain the full value. Based on total stock-based awards outstanding (including stock options, stock appreciation rights, restricted stock and performance units) and shares remaining for future grants under the 2011 Incentive Compensation Plan, the potential dilution to which the Bancorp's shareholders of common stock are exposed due to the potential that stock-based compensation will be awarded to executives, directors or key employees of the Bancorp is seven percent. SARs, restricted stock, stock options and performance units outstanding represent seven percent of the Bancorp's issued shares at December 31, 2013.

All of the Bancorp's stock-based awards are to be settled with stock with the exception of phantom stock units that are to be settled in cash. The Bancorp has historically used treasury stock to settle stock-based awards, when available. SARs, issued at fair value based on the closing price of the Bancorp's common stock on the date of grant, have up to ten-year terms and vest and become exercisable either ratably or fully over a four year period of continued employment. The Bancorp does not grant discounted SARs or stock options, re-price previously granted SARs or stock options, or grant reload stock options. Restricted stock grants vest after four years, or ratably over three or four years or ratably after three years of continued employment and include dividend and

voting rights. Stock options were previously issued at fair value based on the closing price of the Bancorp's common stock on the date of grant, have up to ten-year terms and vested and became fully exercisable ratably over a three or four year period of continued employment. Performance unit awards have three-year cliff vesting terms with market conditions as defined by the plan. All of the Bancorp's executive stock-based awards contain a performance hurdle of two percent return on tangible common equity. If this threshold is not met all awards that would vest in the next year are forfeited. The Bancorp met this threshold as of December 31, 2013.

Stock-based compensation expense was $78 million, $69 million and $59 million for the years ended December 31, 2013, 2012 and 2011, respectively, and is included in salaries, wages, and incentives in the Consolidated Statements of Income. The total related income tax benefit recognized was $28 million, $24 million and $21 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Stock Appreciation Rights

The Bancorp uses assumptions, which are evaluated and revised as necessary, in estimating the grant-date fair value of each SAR grant.

The weighted-average assumptions were as follows for the years ended December 31:

	2013	2012	2011
Expected life (in years)	**6**	6	6
Expected volatility	**36%**	37%	35%
Expected dividend yield	**3.0%**	2.8%	2.0%
Risk-free interest rate	**1.0%**	1.2%	2.6%

The expected life is derived from historical exercise patterns and represents the amount of time that SARs granted are expected to be outstanding. The expected volatility is based on a combination of historical and implied volatilities of the Bancorp's common stock. The expected dividend yield is based on annual dividends divided by the Bancorp's stock price. Annual dividends are based on projected dividends, estimated using a historical long-term dividend payout ratio, over the estimated life of the awards. The risk-free interest rate for periods within the contractual life of the SARs is based on the U.S. Treasury yield curve in effect at the time of grant.

The grant-date fair value of SARs is measured using the Black-Scholes option-pricing model. The weighted-average grant-date fair value of SARs granted was $4.56, $4.23 and $4.29 per share for the years ended 2013, 2012 and 2011, respectively. The total grant-date fair value of SARs that vested during 2013, 2012 and 2011 was $29 million, $22 million, and $20 million, respectively.

At December 31, 2013, there was $68 million of stock-based compensation expense related to nonvested SARs not yet recognized. The expense is expected to be recognized over a remaining weighted-average period of approximately 2.6 years.

	2013		2012		2011	
SARs (Number of SARs in thousands)	Number of SARs	Weighted-Average Grant Price	Number of SARs	Weighted-Average Grant Price	Number of SARs	Weighted-Average Grant Price
Outstanding at January 1	**44,120**	**$ 20.41**	36,502	$ 22.20	31,152	$ 24.67
Granted	**10,267**	**16.16**	12,179	14.36	8,633	13.36
Exercised	**(2,904)**	**11.18**	(1,271)	6.29	(521)	3.96
Forfeited or expired	**(2,884)**	**21.78**	(3,290)	23.33	(2,762)	25.76
Outstanding at December 31	**48,599**	$ **19.98**	44,120	$ 20.41	36,502	$ 22.20
Exercisable at December 31	**26,462**	$ **24.14**	23,248	$ 26.76	20,070	$ 30.29

The following table summarizes outstanding and exercisable SARs by grant price at December 31, 2013:

	Outstanding SARs			Exercisable SARs		
Grant price per share	Number of SARs at Year End (000s)	Weighted-Average Grant Price	Weighted-Average Remaining Contractual Life (in years)	Number of SARs at Year End (000s)	Weighted-Average Grant Price	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	4,096	$ 4.08	5.3	4,096	$ 4.08	5.3
$10.01-$20.00	34,077	15.36	7.6	11,940	16.00	6.2
$20.01-$30.00	33	22.85	4.0	33	22.85	4.0
$30.01-$40.00	6,713	38.68	2.7	6,713	38.68	2.7
Over $40.00	3,680	46.32	1.2	3,680	46.32	1.2
All SARs	48,599	$ 19.98	6.2	26,462	$ 24.14	4.5

Restricted Stock Awards

The total grant-date fair value of RSAs that vested during 2013, 2012 and 2011 was $40 million, $32 million and $37 million, respectively. At December 31, 2013, there was $69 million of stock-based compensation expense related to nonvested restricted stock not yet recognized. The expense is expected to be recognized over a remaining weighted-average period of approximately 2.6 years.

	2013		2012		2011	
RSAs (shares in thousands)	Shares	Weighted-Average Grant - Date Fair Value	Shares	Weighted-Average Grant - Date Fair Value	Shares	Weighted-Average Grant - Date Fair Value
Nonvested at January 1	**6,379**	**$ 14.32**	4,764	$ 15.95	5,158	$ 18.89
Granted	**3,583**	**16.21**	3,863	14.33	1,702	13.19
Exercised	**(2,720)**	**14.71**	(1,826)	18.37	(1,646)	22.52
Forfeited	**(532)**	**14.97**	(422)	15.35	(450)	15.34
Nonvested at December 31	**6,710**	**$ 15.11**	6,379	$ 14.32	4,764	$ 15.95

The following table summarizes unvested RSAs by grant-date fair value at December 31, 2013:

	Nonvested RSAs	
Grant-Date Fair Value Per Share	Number of RSAs at Year End (000s)	Weighted-Average Remaining Contractual Life (in years)
$5.01-$10.00	62	1.7
$10.01-$15.00	3,363	1.1
$15.01-$20.00	3,285	1.8
All RSAs	6,710	1.4

Stock options

The grant-date fair value of stock options is measured using the Black-Scholes option-pricing model. There were no stock options granted during 2013, 2012 and 2011.

The total intrinsic value of options exercised was $1 million in 2013 and 2012 and was immaterial to the Bancorp's Consolidated Financial Statements in 2011. Cash received from options exercised was $2 million in 2013 and 2012 and $1 million in 2011. The tax benefit realized from exercised options was immaterial to the Bancorp's Consolidated Financial Statements during 2013, 2012, and 2011. All stock options were vested as of December 31, 2008, therefore, no stock options vested during 2013, 2012, or 2011. As of December 31, 2013, the aggregate intrinsic value of both outstanding options and exercisable options was $3 million.

	2013		2012		2011	
Stock Options (Number of Options in thousands)	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Grant Price
Outstanding at January 1	**3,877**	**$ 45.00**	7,584	$ 53.88	11,859	$ 52.01
Exercised	**(190)**	**11.88**	(205)	10.32	(96)	9.25
Forfeited or expired	**(3,141)**	**51.23**	(3,502)	66.25	(4,179)	49.61
Outstanding at December 31	**546**	**$ 20.72**	3,877	$ 45.00	7,584	$ 53.88
Exercisable at December 31	**546**	**$ 20.72**	3,877	$ 45.00	7,584	$ 53.88

The following table summarizes outstanding and exercisable stock options by exercise price at December 31, 2013:

	Outstanding and Exercisable Stock Options		
Exercise price per share	Number of Options at Year End (000s)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	1	$ 8.59	5.0
$10.01-$20.00	385	13.42	1.6
$20.01-$30.00	1	24.41	4.0
$30.01-$40.00	133	36.38	0.3
Over $40.00	26	49.46	1.1
All stock options	546	$ 20.72	1.3

Other stock-based compensation

The Bancorp's Board of Directors previously approved the use of phantom stock units as part of its compensation for executives in connection with changes made in reaction to the TARP compensation rules. On February 22, 2011, the Bancorp redeemed its Series F preferred stock held by the U.S. Treasury under the CPP. As a result of this redemption, the last payment of phantom stock occurred in April of 2011. The phantom stock units were issued under the Bancorp's 2008 Incentive Compensation Plan. The number of phantom stock units was determined each pay period by dividing the amount of salary to be paid in phantom stock units for that pay period, by the reported closing price of the Bancorp's common stock on the pay date for such pay period. The phantom stock units vested immediately on issuance. Phantom stock was

expensed based on the number of outstanding units multiplied by the closing price of the Bancorp's stock at period end. The phantom stock units did not include any rights to receive dividends or dividend equivalents. Phantom stock units issued on or before June 12, 2010 were settled in cash upon the earlier to occur of June 15, 2011 or the executive's death. Units issued thereafter were settled in cash with 50% settled on June 15, 2012 and 50% settled on June 15, 2013. The amount paid on settlement of the phantom stock units was equal to the total amount of phantom stock units settled at the reported closing price of the Bancorp's common stock on the settlement date. Under the phantom stock program, no phantom stock units were granted during the years ended December 31, 2013 and 2012, and phantom stock units of 132,649 were granted with a weighted average grant price of $14.40 during the year ended December 31, 2011. During 2013, 2012 and 2011, 200,130, 199,813, and 521,091 phantom stock units were settled, respectively.

Performance units are payable contingent upon the Bancorp achieving certain predefined performance targets over the three-year measurement period. Awards granted during 2013, 2012 and 2011 will be entirely settled in stock. The performance targets are based on the Bancorp's performance relative to a defined peer group. During 2013, 2012 and 2011, 348,595, 344,741, and 328,061 performance units, respectively, were granted by the Bancorp. These awards were granted at a weighted-average grant-date fair value of $16.15, $14.36 and $13.36 per unit during 2013, 2012 and 2011, respectively.

The Bancorp sponsors a stock purchase plan that allows qualifying employees to purchase shares of the Bancorp's common stock with a 15% match. During the years ended December 31, 2013, 2012 and 2011, there were 690,039, 827,709 and 886,447 shares, respectively, purchased by participants and the Bancorp recognized stock-based compensation expense of $1 million in each of the respective years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

25. OTHER NONINTEREST INCOME AND OTHER NONINTEREST EXPENSE

The following table presents the major components of other noninterest income and other noninterest expense for the years ended December 31:

($ in millions)		2013	2012	2011
Other noninterest income:				
Gain on Vantiv, Inc. IPO and sale of Vantiv, Inc. shares	$	**336**	272	-
Net gain from warrant and put option associated with sale of the processing business		**206**	67	39
Equity method income from interest in Vantiv Holding, LLC		**77**	61	57
Operating lease income		**75**	60	58
BOLI income		**52**	35	41
Cardholder fees		**47**	46	41
Banking center income		**34**	32	27
Consumer loan and lease fees		**27**	27	31
Insurance income		**25**	28	28
Gain on loan sales		**3**	20	37
TSA revenue		**1**	1	21
Loss on OREO		**(26)**	(57)	(71)
Loss on swap associated with the sale of Visa, Inc. class B shares		**(31)**	(45)	(83)
Other, net		**53**	27	24
Total	$	**879**	574	250
Other noninterest expense:				
Losses and adjustments	$	**221**	187	129
Loan and lease		**158**	183	195
FDIC insurance and other taxes		**127**	114	201
Marketing		**114**	128	115
Impairment of affordable housing investments		**108**	90	85
Professional services fees		**76**	56	58
Operating lease		**57**	43	41
Travel		**54**	52	52
Postal and courier		**48**	48	49
Data processing		**42**	40	29
Recruitment and education		**26**	28	31
Insurance		**17**	18	25
OREO expense		**16**	21	34
Supplies		**16**	17	18
Intangible asset amortization		**8**	13	22
Loss (gain) on debt extinguishment		**8**	169	(8)
Benefit from the reserve for unfunded commitments and letters of credit		**(17)**	(2)	(46)
Other, net		**185**	169	194
Total	$	**1,264**	1,374	1,224

26. EARNINGS PER SHARE

The calculation of earnings per share and the reconciliation of earnings per share and earnings per diluted share for the years ended December 31:

		2013			2012			2011		
(in millions, except per share data)		Income	Average Shares	Per Share Amount	Income	Average Shares	Per Share Amount	Income	Average Shares	Per Share Amount
Earnings per share:										
Net income attributable to Bancorp	$	**1,836**			1,576			1,297		
Dividends on preferred stock		**37**			35			203		
Net income available to common shareholders		**1,799**			1,541			1,094		
Less: Income allocated to participating securities		**14**			10			6		
Net income allocated to common shareholders	$	**1,785**	**869**	**2.05**	1,531	904	1.69	1,088	906	1.20
Earnings per diluted share:										
Net income available to common shareholders	$	**1,799**			1,541			1,094		
Effect of dilutive securities:										
Stock-based awards		**-**	**8**		-	6		-	6	
Series G convertible preferred stock		**18**	**18**		35	36		35	36	
Warrants related to Series F preferred stock		**-**	**-**		-	-		-	2	
Net income available to common shareholders plus assumed conversions		**1,817**			1,576			1,129		
Less: Income allocated to participating securities		**14**			10			6		
Net income allocated to common shareholders plus assumed conversions	$	**1,803**	**895**	**2.02**	1,566	946	1.66	1,123	950	1.18

Shares are excluded from the computation of net income per diluted share when their inclusion has an anti-dilutive effect on earnings per share. The diluted earnings per share computation for 2013, 2012, and 2011 excludes 24 million, 36 million, and 29 million, respectively, of stock appreciation rights and 1 million, 5 million, and 8 million, respectively, of stock options because their inclusion would have been anti-dilutive.

The diluted earnings per share computation for the year ended December 31, 2013 excludes the impact of the forward contracts related to the November 18, 2013 and December 13, 2013 accelerated share repurchase transactions. Based on the average daily volume-weighted average price of the Bancorp's common stock during the fourth quarter of 2013, the counterparty to the transactions would have been required to deliver approximately 5 million shares as of December 31, 2013, and thus the impact of the two accelerated share repurchase transactions would have been anti-dilutive to earnings per share. The diluted earnings per share computation for the year ended December 31, 2012 excludes the impact of the forward contracts related to the November 6, 2012 and December 14, 2012 accelerated share repurchase transactions because, based upon the average daily volume-weighted average price of the Bancorp's common stock during the fourth quarter of 2012, the counterparty to the transactions would have been required to deliver approximately 1 million shares as of December 31, 2012, and thus the impact of the two accelerated share repurchase transactions would have been anti-dilutive to earnings per share.

27. FAIR VALUE MEASUREMENTS

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. For more information regarding the fair value hierarchy and how the Bancorp measures fair value, see Note 1.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured at fair value on a recurring basis, including residential mortgage loans held for sale for which the Bancorp has elected the fair value option as of:

	Fair Value Measurements Using			
December 31, 2013 ($ in millions)	Level 1*(c)*	Level 2*(c)*	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	$ 26	-	-	26
U.S. Government sponsored agencies	-	1,644	-	1,644
Obligations of states and political subdivisions	-	192	-	192
Agency mortgage-backed securities	-	12,284	-	12,284
Other bonds, notes and debentures	-	3,582	-	3,582
Other securities*(a)*	89	29	-	118
Available-for-sale securities*(a)*	115	17,731	-	17,846
Trading securities:				
U.S. Treasury and Government agencies	1	-	-	1
U.S. Government sponsored agencies	-	4	-	4
Obligations of states and political subdivisions	-	12	1	13
Agency mortgage-backed securities	-	3	-	3
Other bonds, notes and debentures	-	7	-	7
Other securities	315	-	-	315
Trading securities	316	26	1	343
Residential mortgage loans held for sale	-	890	-	890
Residential mortgage loans*(b)*	-	-	92	92
Derivative assets:				
Interest rate contracts	13	802	12	827
Foreign exchange contracts	-	276	-	276
Equity contracts	-	-	384	384
Commodity contracts	18	48	-	66
Derivative assets	31	1,126	396	1,553
Total assets	$ 462	19,773	489	20,724
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 1	384	4	389
Foreign exchange contracts	-	252	-	252
Equity contracts	-	-	48	48
Commodity contracts	9	56	-	65
Derivative liabilities	10	692	52	754
Short positions	4	4	-	8
Total liabilities	$ 14	696	52	762

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Fair Value Measurements Using			
December 31, 2012 ($ in millions)	Level 1*(c)*	Level 2*(c)*	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	$ 41	-	-	41
U.S. Government sponsored agencies	-	1,911	-	1,911
Obligations of states and political subdivisions	-	212	-	212
Agency mortgage-backed securities	-	8,730	-	8,730
Other bonds, notes and debentures	-	3,277	-	3,277
Other securities*(a)*	79	113	-	192
Available-for-sale securities*(a)*	120	14,243	-	14,363
Trading securities:				
U.S. Treasury and Government agencies	1	-	-	1
U.S. Government sponsored agencies	-	6	-	6
Obligations of states and political subdivisions	-	16	1	17
Agency mortgage-backed securities	-	7	-	7
Other bonds, notes and debentures	-	15	-	15
Other securities	161	-	-	161
Trading securities	162	44	1	207
Residential mortgage loans held for sale	-	2,856	-	2,856
Residential mortgage loans*(b)*	-	-	76	76
Derivative assets:				
Interest rate contracts	2	1,445	60	1,507
Foreign exchange contracts	-	201	-	201
Equity contracts	-	-	177	177
Commodity contracts	-	87	-	87
Derivative assets	2	1,733	237	1,972
Total assets	$ 284	18,876	314	19,474
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 14	600	3	617
Foreign exchange contracts	-	183	-	183
Equity contracts	-	-	33	33
Commodity contracts	-	82	-	82
Derivative liabilities	14	865	36	915
Short positions	8	2	-	10
Total liabilities	$ 22	867	36	925

*(a) Excludes FHLB and FRB restricted stock totaling **$402** and **$349**, respectively, at **December 31, 2013** and $497 and $347, respectively, at December 31, 2012.*
(b) Includes residential mortgage loans originated as held for sale and subsequently transferred to held for investment.
(c) During the years ended December 31, 2013 and 2012, no assets or liabilities were transferred between Level 1 and Level 2.

The following is a description of the valuation methodologies used for significant instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Available-for-sale and trading securities

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics, or pricing models, such as discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Corporate bonds are included in other bonds, notes and debentures in the previous table. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics.

Residential mortgage loans held for sale

For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, DCF models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the DCF model. These observable inputs include interest rate spreads from agency

Table of Contents

mortgage-backed securities market rates and observable discount rates.

Residential mortgage loans

Residential mortgage loans held for sale that are reclassified to held for investment are transferred from Level 2 to Level 3 of the fair value hierarchy. It is the Bancorp's policy to value any transfers between levels of the fair value hierarchy based on end of period fair values.

For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy. An adverse change in the loss rate or severity assumption would result in a decrease in fair value of the related loan. The Secondary Marketing Department, which reports to the Bancorp's Chief Operating Officer, in conjunction with the Consumer Credit Risk Department, which reports to the Bancorp's Chief Risk and Credit Officer, are responsible for determining the valuation methodology for residential mortgage loans held for investment. The Secondary Marketing Department reviews loss severity assumptions quarterly to determine if adjustments are necessary based on decreases in observable housing market data. This group also reviews trades in comparable benchmark securities and adjusts the values of loans as necessary. Consumer Credit Risk is responsible for the credit component of the fair value which is based on internally developed loss rate models that take into account historical loss rates and loss severities based on underlying collateral values.

Derivatives

Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At December 31, 2013 and 2012, derivatives classified as Level 3, which are valued using models containing unobservable inputs, consisted primarily of a warrant associated with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC to Advent International and a total return swap associated with the Bancorp's sale of Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

The warrant allows the Bancorp to purchase approximately 20 million incremental nonvoting units in Vantiv Holding, LLC under certain defined conditions involving change of control. The fair value of the warrant is calculated in conjunction with a third party valuation provider by applying Black-Scholes option valuation models using probability weighted scenarios which contain the following inputs: Vantiv, Inc. stock price, strike price per the Warrant Agreement and several unobservable inputs, such as expected term, expected volatility, and expected dividend rate.

For the warrant, an increase in the expected term (years) and the expected volatility assumptions would result in an increase in the fair value; correspondingly, a decrease in these assumptions would result in a decrease in the fair value. The Accounting and Treasury Departments, both of which report to the Bancorp's Chief Financial Officer, determined the valuation methodology for the warrant. Accounting and Treasury review changes in fair value on a quarterly basis for reasonableness based on changes in historical and implied volatilities, expected terms, probability weightings of the related scenarios, and other assumptions.

Under the terms of the total return swap, the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Visa, Inc. Class B shares into Class A shares. Additionally, the Bancorp will make a quarterly payment based on Visa's stock price and the conversion rate of the Visa, Inc. Class B shares into Class A shares until the date on which the Covered Litigation is settled. The fair value of the total return swap was calculated using a discounted cash flow model based on unobservable inputs consisting of management's estimate of the probability of certain litigation scenarios, the timing of the resolution of the Covered Litigation and Visa litigation loss estimates in excess, or shortfall, of the Bancorp's proportional share of escrow funds.

An increase in the loss estimate or a delay in the resolution of the Covered Litigation would result in an increase in fair value; correspondingly, a decrease in the loss estimate or an acceleration of the resolution of the Covered Litigation would result in a decrease in fair value. The Accounting and Treasury Departments determined the valuation methodology for the total return swap. Accounting and Treasury review the changes in fair value on a quarterly basis for reasonableness based on Visa stock price changes, litigation contingencies, and escrow funding.

The net fair value asset of the interest rate lock commitments at December 31, 2013 was $11 million. Immediate decreases in current interest rates of 25 bps and 50 bps would result in increases in the fair value of the interest rate lock commitments of approximately $8 million and $15 million, respectively. Immediate increases of current interest rates of 25 bps and 50 bps would result in decreases in the fair value of the interest rate lock commitments of approximately $9 million and $18 million, respectively. The decrease in fair value of interest rate lock commitments due to immediate 10% and 20% adverse changes in the assumed loan closing rates would be approximately $1 million and $2 million, respectively, and the increase in fair value due to immediate 10% and 20% favorable changes in the assumed loan closing rates would be approximately $1 million and $2 million, respectively. These sensitivities are hypothetical and should be used with caution, as changes in fair value based on a variation in assumptions typically cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear.

The Secondary Marketing Department and the Consumer Line of Business Finance Department, which reports to the Bancorp's Chief Financial Officer, are responsible for determining the valuation methodology for IRLCs. Secondary Marketing, in conjunction with a third party valuation provider, periodically review loan closing rate assumptions and recent loan sales to determine if adjustments are needed for current market conditions not reflected in historical data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables are a reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the year ended December 31, 2013 ($ in millions)	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 1	76	57	144	$ 278
Total gains or losses (realized/unrealized):					
Included in earnings	**-**	**(1)**	**59**	**175**	**233**
Purchases	**-**	**-**	**(2)**	**-**	**(2)**
Settlements	**-**	**(17)**	**(106)**	**17**	**(106)**
Transfers into Level 3*(b)*	**-**	**34**	**-**	**-**	**34**
Ending balance	**$ 1**	**92**	**8**	**336**	**$ 437**
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2013 *(c)*	**$ -**	**(1)**	**11**	**175**	**$ 185**

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the year ended December 31, 2012 ($ in millions)	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 1	65	32	32	$ 130
Total gains or losses (realized/unrealized):					
Included in earnings	-	-	418	22	440
Settlements	-	(15)	(393)	90	(318)
Transfers into Level 3*(b)*	-	26	-	-	26
Ending balance	$ 1	76	57	144	$ 278
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012 *(c)*	$ -	-	233	22	$ 255

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the year ended December 31, 2011 ($ in millions)	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 6	46	2	53	$ 107
Total gains or losses (realized/unrealized):					
Included in earnings	-	4	205	(43)	166
Purchases	-	-	-	2	2
Sales	(5)	-	-	-	(5)
Settlements	-	(9)	(175)	20	(164)
Transfers into Level 3*(b)*	-	24	-	-	24
Ending balance	$ 1	65	32	32	$ 130
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2011 *(c)*	$ -	4	32	(43)	$ (7)

*(a) Net interest rate derivatives include derivative assets and liabilities of **$12** and **$4**, respectively, as of **December 31, 2013**, $60 and $3, respectively as of December 31, 2012 and $34 and $2, respectively, as of December 31, 2011. Net equity derivatives include derivative assets and liabilities of **$384** and **$48**, respectively, as of **December 31, 2013,** $177 and $33, respectively, as of December 31, 2012, and $113 and $81, respectively, as of December 31, 2011.*

(b) Includes residential mortgage loans held for sale that were transferred to held for investment.

(c) Includes interest income and expense.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The total gains and losses included in earnings for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were recorded in the Consolidated Statements of Income as follows:

($ in millions)	2013	2012	2011
Mortgage banking net revenue	57	418	210
Corporate banking revenue	1	1	2
Other noninterest income	175	21	(46)
Total gains	$ 233	440	166

The total gains and losses included in earnings attributable to changes in unrealized gains and losses related to Level 3 assets and liabilities still held at December 31, 2013, 2012 and 2011 were recorded in the Consolidated Statements of Income as follows:

($ in millions)	2013	2012	2011
Mortgage banking net revenue	10	233	37
Corporate banking revenue	-	1	1
Other noninterest income	175	21	(45)
Total (losses) gains	$ 185	255	(7)

The following table presents information as of December 31, 2013 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a recurring basis:

($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	$ 92	Loss rate model	Interest rate risk factor Credit risk factor	(23.7) - 16.5% 0 - 63.4%	2.3% 2.6%
IRLCs, net	11	Discounted cash flow	Loan closing rates	14.9 - 98.7%	68.5%
Stock warrant associated with Vantiv Holding, LLC	384	Black-Scholes option valuation model	Expected term (years) Expected volatility*(a)* Expected dividend rate	2.00 - 15.50 18.5 - 33.2% -	5.1 25.4% -
Swap associated with the sale of Visa, Inc. Class B shares	(48)	Discounted cash flow	Timing of the resolution of the Covered Litigation	12/31/2014 - 12/31/2019	NM

(a) Based on historical and implied volatilities of comparable companies assuming similar expected terms.

The following table presents information as of December 31, 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a recurring basis:

($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	$ 76	Loss rate model	Interest rate risk factor Credit risk factor	(91.2) - 17.0% 0 - 68.4%	5.8% 4.3%
IRLCs, net	60	Discounted cash flow	Loan closing rates	9.9 - 95.0%	58.3%
Stock warrant associated with Vantiv Holding, LLC	177	Black-Scholes option valuation model	Expected term (years) Expected volatility*(a)* Expected dividend rate	2.00 - 16.50 27.2 - 40.0% -	6.2 33.8% -
Swap associated with the sale of Visa, Inc. Class B shares	(33)	Discounted cash flow	Timing of the resolution of the Covered Litigation	12/31/2013 - 12/31/2016	NM

(a) Based on historical and implied volatilities of comparable companies assuming similar expected terms.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables represent those assets that were subject to fair value adjustments during the years ended December 31, 2013 and 2012 and still held as of the end of the period, and the related losses from fair value adjustments on assets sold during the period as well as assets still held as of the end of the period:

	Fair Value Measurements Using				Total Losses
As of December 31, 2013 ($ in millions)	Level 1	Level 2	Level 3	Total	**2013**
Commercial loans held for sale *(a)*	$ -	**-**	**3**	**3**	**(7)**
Commercial and industrial loans	**-**	**-**	**443**	**443**	**(281)**
Commercial mortgage loans	**-**	**-**	**61**	**61**	**(41)**
Commercial construction loans	**-**	**-**	**16**	**16**	**(10)**
MSRs	**-**	**-**	**967**	**967**	**192**
OREO	**-**	**-**	**87**	**87**	**(45)**
Private equity investment funds	**-**	**-**	**181**	**181**	**(4)**
Total	$ -	**-**	**1,758**	**1,758**	**(196)**

	Fair Value Measurements Using				Total Losses
As of December 31, 2012 ($ in millions)	Level 1	Level 2	Level 3	Total	2012
Commercial loans held for sale *(a)*	$ -	-	9	9	(13)
Commercial and industrial loans	-	-	83	83	(122)
Commercial mortgage loans	-	-	46	46	(50)
Commercial construction loans	-	-	4	4	(22)
MSRs	-	-	697	697	(103)
OREO	-	-	165	165	(74)
Total	$ -	-	1,004	1,004	(384)

(a) *Includes commercial nonaccrual loans held for sale.*

The following tables present information as of December 31, 2013 and 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a nonrecurring basis:

As of December 31, 2013 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	**$ 3**	Appraised value	Appraised value	**NM**	**NM**
			Cost to sell	**NM**	**10.0%**
Commercial and industrial loans	**443**	Appraised value	Collateral value	**NM**	**NM**
Commercial mortgage loans	**61**	Appraised value	Collateral value	**NM**	**NM**
Commercial construction loans	**16**	Appraised value	Collateral value	**NM**	**NM**
MSRs	**967**	Discounted cash flow	Prepayment speed	**0 -100%**	**(Fixed) 10.3%** **(Adjustable) 25.6%**
			Discount rates	**9.4 - 18.0%**	**(Fixed) 10.4%** **(Adjustable) 11.6%**
OREO	**87**	Appraised value	Appraised value	**NM**	**NM**
Private equity investment funds	**44** *(a)*	Liquidity discount applied to fund's net asset value	Liquidity discount	**0 - 18%**	**3.0%**

(a) *Includes funds the Bancorp will be prohibited from retaining after the July 21, 2015 end of the conformance period for the final rules, adopted under the Bank Holding Company Act, that implemented the provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as the Volcker Rule.*

Table of Contents

As of December 31, 2012 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	$ 9	Appraised value	Appraised value	NM	NM
			Cost to sell	NM	10.0%
Commercial and industrial loans	83	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
Commercial mortgage loans	46	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
Commercial construction loans	4	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
MSRs	697	Discounted cash flow	Prepayment speed	0 - 100%	(Fixed) 16.1% (Adjustable) 26.9%
			Discount rates	9.4 - 18.0%	(Fixed) 10.5% (Adjustable) 11.7%
OREO	165	Appraised value	Appraised value	NM	NM

Commercial loans held for sale

During 2013 and 2012, the Bancorp transferred $5 million and $16 million, respectively, of commercial loans from the portfolio to loans held for sale that upon transfer were measured at fair value using significant unobservable inputs. These loans had fair value adjustments in 2013 and 2012 totaling $4 million and $1 million, respectively, and were generally based on appraisals of the underlying collateral and were therefore, classified within Level 3 of the valuation hierarchy. Additionally, during 2013 and 2012 there were fair value adjustments on existing commercial loans held for sale of $3 million and $12 million, respectively. The fair value adjustments were also based on appraisals of the underlying collateral and were therefore classified within Level 3 of the valuation hierarchy. An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The Accounting Department determines the procedures for valuation of commercial HFS loans which may include a comparison to recently executed transactions of similar type loans. A monthly review of the portfolio is performed for reasonableness. Quarterly, appraisals approaching a year old are updated and the Real Estate Valuation group, which reports to the Chief Risk and Credit Officer, in conjunction with the Commercial Line of Business review the third party appraisals for reasonableness. Additionally, the Commercial Line of Business Finance Department, which reports to the Bancorp Chief Financial Officer, in conjunction with Accounting review all loan appraisal values, carrying values and vintages.

Commercial loans held for investment

During 2013 and 2012, the Bancorp recorded nonrecurring impairment adjustments to certain commercial and industrial, commercial mortgage and commercial construction loans held for investment. Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure and other factors when evaluating whether an individual loan is impaired. When the loan is collateral dependent, the fair value of the loan is generally based on the fair value of the underlying collateral supporting the loan and therefore these loans were classified within Level 3 of the valuation hierarchy. In cases where the carrying value exceeds the fair value, an impairment loss is recognized.

An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The fair values and recognized impairment losses are reflected in the previous table. Commercial Credit Risk, which reports to the Chief Risk and Credit Officer, is responsible for preparing and reviewing the fair value estimates for commercial loans held for investment.

MSRs

Mortgage interest rates increased during the year ended December 31, 2013 and the Bancorp recognized a recovery of temporary impairment on servicing rights. The Bancorp recognized temporary impairments in certain classes of the MSR portfolio during the year ended December 31, 2012 and the carrying value was adjusted to the fair value. MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs do occur, the precise terms and conditions typically are not readily available. Accordingly, the Bancorp estimates the fair value of MSRs using internal discounted cash flow models with certain unobservable inputs, primarily prepayment speed assumptions, discount rates and weighted average lives, resulting in a classification within Level 3 of the valuation hierarchy. Refer to Note 11 for further information on the assumptions used in the valuation of the Bancorp's MSRs. The Secondary Marketing Department and Treasury Department are responsible for determining the valuation methodology for MSRs. Representatives from Secondary Marketing, Treasury, Accounting and Risk Management are responsible for reviewing key assumptions used in the internal discounted cash flow model. Two external valuations of the MSR portfolio are obtained from third parties that use valuation models in order to assess the reasonableness of the internal discounted cash flow model. Additionally, the Bancorp participates in peer surveys that provide additional confirmation of the reasonableness of key assumptions utilized in the MSR valuation process and the resulting MSR prices.

OREO

During 2013 and 2012, the Bancorp recorded nonrecurring adjustments to certain commercial and residential real estate properties classified as OREO and measured at the lower of carrying amount or fair value. These nonrecurring losses are primarily due to declines in real estate values of the properties recorded in OREO. For the years ended December 31, 2013 and 2012, these losses include $19 million and $17 million, respectively, recorded as charge-offs, on new OREO properties transferred from loans during the respective periods and $26 million and $57 million, respectively, recorded as negative fair value adjustments on OREO in other noninterest income subsequent to their transfer from loans. As discussed in the following paragraphs, the fair value amounts are generally based on appraisals of the property values, resulting in a

classification within Level 3 of the valuation hierarchy. In cases where the carrying amount exceeds the fair value, less costs to sell, an impairment loss is recognized. The previous tables reflect the fair value measurements of the properties before deducting the estimated costs to sell.

The Real Estate Valuation department, which reports to the Chief Risk and Credit Officer, is solely responsible for managing the appraisal process and evaluating the appraisal for all commercial properties transferred to OREO. All appraisals on commercial OREO properties are updated on at least an annual basis.

The Real Estate Valuation department reviews the BPO data and internal market information to determine the initial charge-off on residential real estate loans transferred to OREO. Once the foreclosure process is completed, the Bancorp performs an interior inspection to update the initial fair value of the property. These properties are reviewed at least every 30 days after the initial interior inspections are completed. The Asset Manager receives a monthly status report for each property which includes the number of showings, recently sold properties, current comparable listings and overall market conditions.

Private equity investment funds

The Volcker Rule, which was approved by the respective federal agencies on December 10, 2013 and becomes effective July 21, 2015, prohibits the Bancorp from retaining an interest in certain of its private equity fund investments. Therefore, while the Bancorp has not approved a formal plan to sell any of the private equity funds, the Bancorp has determined that it may be forced to sell certain of these funds prior to their scheduled redemption dates. As a result, the Bancorp has performed nonrecurring fair value measurements on a fund by fund basis to determine whether OTTI exists. The Bancorp estimated the fair value of a fund by using the net asset value reported by the fund manager, and in some cases, applying an estimated market discount to the reported net asset value of the fund. Because the length of time until the investment will become redeemable is generally not certain, these funds were classified within Level 3 of the valuation hierarchy. An adverse change in the reported net asset values or estimated market discounts where applicable, would result in a decrease in the fair value estimate. In cases where the carrying value exceeds the fair value, an impairment loss is recognized. The Bancorp's private equity department, which reports to the Chief Operating Officer, in conjunction with Accounting, is responsible for preparing and reviewing the fair value estimates.

Fair Value Option

The Bancorp elected to measure certain residential mortgage loans held for sale under the fair value option as allowed under U.S. GAAP. Electing to measure residential mortgage loans held for sale at fair value reduces certain timing differences and better matches changes in the value of these assets with changes in the value of derivatives used as economic hedges for these assets. Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and maintained in the Bancorp's loan portfolio. In such cases, the loans will continue to be measured at fair value.

Fair value changes recognized in earnings for instruments held at December 31, 2013 and 2012 for which the fair value option was elected as well as the changes in fair value of the underlying IRLCs, included gains of $20 million and $157 million, respectively. Additionally, fair value changes included in earnings for instruments for which the fair value option was elected but are no longer held by the Bancorp at December 31, 2013 and 2012 included gains of $431 million and $849 million during 2013 and 2012, respectively. These gains are reported in mortgage banking net revenue in the Consolidated Statements of Income.

Valuation adjustments related to instrument-specific credit risk for residential mortgage loans measured at fair value negatively impacted the fair value of those loans by $2 million and $3 million at December 31, 2013 and 2012, respectively. Interest on residential mortgage loans measured at fair value is accrued as it is earned using the effective interest method and is reported as interest income in the Consolidated Statements of Income.

The following table summarizes the difference between the fair value and the principal balance for residential mortgage loans measured at fair value as of:

($ in millions)		Aggregate Fair Value	Aggregate Unpaid Principal Balance	Difference
December 31, 2013				
Residential mortgage loans measured at fair value	$	**982**	**962**	**20**
Past due loans of 90 days or more		**1**	**2**	**(1)**
Nonaccrual loans		**2**	**2**	**-**
December 31, 2012				
Residential mortgage loans measured at fair value	$	2,932	2,775	157
Past due loans of 90 days or more		3	4	(1)
Nonaccrual loans		-	1	(1)

Table of Contents

Fair Value of Certain Financial Instruments

The following tables summarize the carrying amounts and estimated fair values for certain financial instruments, excluding financial instruments measured at fair value on a recurring basis:

As of December 31, 2013 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
Financial assets:					
Cash and due from banks	$ 3,178	3,178	-	-	3,178
Other securities	751	-	751	-	751
Held-to-maturity securities	208	-	-	208	208
Other short-term investments	5,116	5,116	-	-	5,116
Loans held for sale	54	-	-	54	54
Portfolio loans and leases:					
Commercial and industrial loans	38,549	-	-	39,804	39,804
Commercial mortgage loans	7,854	-	-	7,430	7,430
Commercial construction loans	1,013	-	-	856	856
Commercial leases	3,572	-	-	3,261	3,261
Residential mortgage loans *(a)*	12,399	-	-	11,541	11,541
Home equity	9,152	-	-	9,181	9,181
Automobile loans	11,961	-	-	11,748	11,748
Credit card	2,202	-	-	2,380	2,380
Other consumer loans and leases	348	-	-	361	361
Unallocated allowance for loan and lease losses	(110)	-	-	-	-
Total portfolio loans and leases, net *(a)*	86,940	-	-	86,562	86,562
Financial liabilities:					
Deposits	99,275	-	99,288	-	99,288
Federal funds purchased	284	284	-	-	284
Other short-term borrowings	1,380	-	1,380	-	1,380
Long-term debt	9,633	9,645	577	-	10,222

(a) Excludes $92 of residential mortgage loans measured at fair value on a recurring basis.

As of December 31, 2012 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
Financial assets:					
Cash and due from banks	$ 2,441	2,441	-	-	2,441
Other securities	844	-	844	-	844
Held-to-maturity securities	284	-	-	284	284
Other short-term investments	2,421	2,421	-	-	2,421
Loans held for sale	83	-	-	83	83
Portfolio loans and leases:					
Commercial and industrial loans	35,236	-	-	36,496	36,496
Commercial mortgage loans	8,770	-	-	8,020	8,020
Commercial construction loans	665	-	-	505	505
Commercial leases	3,481	-	-	3,310	3,310
Residential mortgage loans *(a)*	11,712	-	-	11,532	11,532
Home equity	9,875	-	-	9,798	9,798
Automobile loans	11,944	-	-	12,076	12,076
Credit card	2,010	-	-	2,139	2,139
Other consumer loans and leases	270	-	-	288	288
Unallocated allowance for loan and lease losses	(111)	-	-	-	-
Total portfolio loans and leases, net *(a)*	83,852	-	-	84,164	84,164
Financial liabilities:					
Deposits	89,517	-	85,592	-	85,592
Federal funds purchased	901	901	-	-	901
Other short-term borrowings	6,280	-	6,280	-	6,280
Long-term debt	7,085	6,925	884	-	7,809

(a) Excludes $76 of residential mortgage loans measured at fair value on a recurring basis.

Cash and due from banks, other securities, other short-term investments, deposits, federal funds purchased and other short-term borrowings

For financial instruments with a short-term or no stated maturity, prevailing market rates and limited credit risk, carrying amounts approximate fair value. Those financial instruments include cash and due from banks, FHLB and FRB restricted stock, other short-term investments, certain deposits (demand, interest checking, savings, money market and foreign office deposits), and federal funds purchased. Fair values for other time deposits, certificates of deposit $100,000 and over and other short-term borrowings were estimated using a discounted cash flow calculation that applied prevailing LIBOR/swap interest rates for the same maturities.

Held-to-maturity securities

The Bancorp's held-to-maturity securities are primarily composed of instruments that provide income tax credits as the economic return on the investment. The fair value of these instruments is estimated based on current U.S. Treasury tax credit rates.

Loans held for sale

Fair values for commercial loans held for sale were valued based on executable bids when available, or on discounted cash flow models incorporating appraisals of the underlying collateral, as well as assumptions about investor return requirements and amounts and timing of expected cash flows. Fair values for other consumer loans held for sale are based on contractual values upon which the loans may be sold to a third party, and approximate their carrying value.

Portfolio loans and leases, net

Fair values were estimated by discounting future cash flows using the current market rates of loans to borrowers with similar credit characteristics and similar remaining maturities.

Long-term debt

Fair values for long-term debt were based on quoted market prices, when available, or a discounted cash flow calculation using LIBOR/swap interest rates and, in some cases, a spread for new issuances with similar terms.

28. CERTAIN REGULATORY REQUIREMENTS AND CAPITAL RATIOS

The principal source of income and funds for the Bancorp (parent company) are dividends from its subsidiaries. The dividends paid by the Bancorp's banking subsidiary are subject to regulations and limitations prescribed by the appropriate state and federal supervisory authorities. The Bancorp's nonbank subsidiaries are also limited by certain federal and state statutory provisions and regulations covering the amount of dividends that may be paid in any given year.

The Bancorp's banking subsidiary must maintain cash reserve balances when total reservable deposit liabilities are greater than the regulatory exemption. These reserve requirements may be satisfied with vault cash and balances on deposit with the FRB. In 2013 and 2012, the banking subsidiary was required to maintain average cash reserve balances of $1.6 billion and $1.5 billion, respectively.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines pursuant to which it assesses the adequacy of capital in examining and supervising a bank holding company and in analyzing applications to it under the Bank Holding Company Act of 1956, as amended. These guidelines include quantitative measures that assign risk weightings to assets and off-balance sheet items, as well as define and set minimum regulatory capital requirements. All bank holding companies are required to maintain Tier I capital (core capital) of at least four percent of risk-weighted assets (Tier I capital ratio), total capital (Tier I plus Tier II capital) of at least eight percent of risk-weighted assets (Total risk-based capital ratio), and Tier I capital of at least three percent of adjusted quarterly average assets (Tier I leverage ratio). Failure to meet the minimum capital requirements can initiate certain actions by regulators that could have a direct material effect on the Consolidated Financial Statements of the Bancorp.

Tier I capital consists principally of shareholders' equity including Tier I qualifying TruPS. It excludes unrealized gains and losses on available-for-sale securities and unrecognized pension actuarial gains and losses and prior service cost, goodwill, certain other intangibles and unrealized gains and losses on cash flow hedges. The revised regulatory capital rules known as Basel III will phase out the inclusion of certain TruPS as a component of Tier I capital when the rules become effective for the Bancorp beginning January 1, 2015. Under these provisions, these TruPS would qualify as a component of Tier II capital. At December 31, 2013, the Bancorp's Tier I capital included $60 million of TruPS representing approximately 5 bps of risk-weighted assets.

Tier II capital consists principally of term subordinated debt, redeemable preferred stock and, subject to limitations, allowances for credit losses.

Assets and credit equivalent amounts of off-balance-sheet items are assigned to one of several broad risk categories, according to the obligor, guarantor or nature of collateral. The aggregate dollar value of the amount of each category is multiplied by the associated risk weighting of that category. The resulting weighted values from each of the risk categories in sum is the total risk-weighted assets. Quarterly average assets for this purpose do not include goodwill and any other intangible assets and other investments that the FRB determines should be deducted from Tier I capital.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines for banking subsidiaries substantially similar to those adopted for bank holding companies, as described previously. In addition, the federal banking agencies have issued substantially similar regulations to implement the system of prompt corrective action established by Section 38 of the Federal Deposit Insurance Act. Under the regulations, a bank generally shall be deemed to be well-capitalized if it has a Total risk-based capital ratio of 10% or more, a Tier I capital ratio of six percent or more, a Tier I leverage ratio of five percent or more and is not subject to any written capital order or directive. If an institution becomes undercapitalized, it would become subject to significant additional oversight, regulations and requirements as mandated by the Federal Deposit Insurance Act.

The Bancorp and its banking subsidiary, Fifth Third Bank, had Tier I capital, Total risk-based capital and Tier I leverage ratios above the well-capitalized levels at December 31, 2013 and 2012. As of December 31, 2013, the most recent notification from the FRB categorized the Bancorp and its banking subsidiary as well-capitalized under the regulatory framework for prompt corrective action. To continue to qualify for financial holding company status pursuant to the Gramm-Leach-Bliley Act of 1999, the Bancorp's banking subsidiary must, among other things, maintain "well-capitalized" capital ratios.

The following table presents capital and risk-based capital and leverage ratios for the Bancorp and its banking subsidiary at December 31:

	2013		2012	
($ in millions)	**Amount**	**Ratio**	Amount	Ratio
Tier I risk-based capital (to risk-weighted assets):				
Fifth Third Bancorp (Consolidated)	**$ 12,094**	**10.36%**	$ 11,685	10.65%
Fifth Third Bank	**13,245**	**11.52**	12,145	11.28
Total risk-based capital (to risk-weighted assets):				
Fifth Third Bancorp (Consolidated)	**16,441**	**14.08**	15,816	14.42
Fifth Third Bank	**14,795**	**12.86**	13,721	12.74
Tier I leverage (to average assets):				
Fifth Third Bancorp (Consolidated)	**12,094**	**9.64**	11,685	10.05
Fifth Third Bank	**13,245**	**10.73**	12,145	10.65

Table of Contents

29. PARENT COMPANY FINANCIAL STATEMENTS

Condensed Statements of Income (Parent Company Only) For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income				
Dividends from subsidiaries:				
Consolidated bank subsidiaries *(a)*	$	**-**	-	-
Consolidated nonbank subsidiary		**859**	1,959	1,677
Interest on loans to subsidiaries		**14**	17	29
Total income		**873**	1,976	1,706
Expenses				
Interest		**178**	215	216
Other		**36**	61	25
Total expenses		**214**	276	241
Income Before Income Taxes and Change in Undistributed Earnings of Subsidiaries		**659**	1,700	1,465
Applicable income tax benefit		**74**	96	79
Income Before Change in Undistributed Earnings of Subsidiaries		**733**	1,796	1,544
Change in undistributed earnings		**1,103**	(220)	(247)
Net Income	$	**1,836**	1,576	1,297

*(a) The Bancorp's indirect banking subsidiary paid dividends to the Bancorp's direct nonbank subsidiary holding company of **$859 million**, $2.0 billion and $2.0 billion for the years ended **2013**, 2012, and 2011, respectively.*

Condensed Statements of Comprehensive Income (Parent Company Only) For the years ended December 31 ($ in millions)		**2013**	2012	2011
Net income	$	**1,836**	1,576	1,297
Other comprehensive income, net of tax:				
Unrealized gains on cash flow hedge derivatives		**-**	3	2
Other comprehensive income		**-**	3	2
Comprehensive income attributable to Parent	$	**1,836**	1,579	1,299

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Balance Sheets (Parent Company Only) As of December 31 ($ in millions)	2013	2012
Assets		
Cash	$ -	-
Short-term investments	2,505	3,481
Loans to subsidiaries:		
Bank subsidiaries	-	-
Nonbank subsidiaries	974	1,021
Total loans to subsidiaries	974	1,021
Investment in subsidiaries		
Nonbank subsidiaries	16,254	15,376
Total investment in subsidiaries	16,254	15,376
Goodwill	80	80
Other assets	323	579
Total Assets	$ 20,136	20,537
Liabilities		
Other short-term borrowings	311	566
Accrued expenses and other liabilities	442	456
Long-term debt (external)	4,757	5,751
Total Liabilities	5,510	6,773
Parent Company Shareholders' Equity	14,626	13,764
Total Liabilities and Parent Company Shareholders' Equity	$ 20,136	20,537

Condensed Statements of Cash Flows (Parent Company Only) For the years ended December 31 ($ in millions)	2013	2012	2011
Operating Activities			
Net income	$ 1,836	1,576	1,297
Adjustments to reconcile net income to net cash provided by operating activities:			
(Benefit from) provision for deferred income taxes	(1)	2	(3)
Net change in undistributed earnings	(1,103)	220	247
Net change in:			
Other assets	13	57	39
Accrued expenses and other liabilities	(28)	18	3
Net Cash Provided by Operating Activities	717	1,873	1,583
Investing Activities			
Net change in:			
Short-term investments	976	107	(635)
Loans to subsidiaries	47	11	489
Net Cash Provided by (Used in) Investing Activities	1,023	118	(146)
Financing Activities			
Net change in other short-term borrowings	(255)	(89)	241
Proceeds from issuance of long-term debt	750	500	1,000
Repayment of long-term debt	(1,500)	(1,440)	(400)
Dividends paid on common shares	(393)	(309)	(192)
Dividends paid on preferred shares	(37)	(35)	(50)
Issuance of common shares	-	-	1,648
Issuance of preferred stock	1,034	-	-
Repurchases of treasury shares and related forward contracts	(1,320)	(650)	-
Redemption of Series F preferred shares and related warrants	-	-	(3,688)
Other, net	(19)	(18)	(6)
Net Cash Used in Financing Activities	(1,740)	(2,041)	(1,447)
Net (Decrease) Increase in Cash	-	(50)	(10)
Cash at Beginning of Year	-	50	60
Cash at End of Year	$ -	-	50

30. BUSINESS SEGMENTS

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices are improved and businesses change.

The Bancorp manages interest rate risk centrally at the corporate level by employing an FTP methodology. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan originations and deposit taking. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of the estimated durations for the indeterminate-lived deposits. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2013 to reflect the current market rates and updated market assumptions. These rates were generally higher than those in place during 2012, thus net interest income for deposit providing businesses was positively impacted during 2013

The business segments are charged provision expense based on the actual net charge-offs experienced by the loans and leases owned by each segment. Provision expense attributable to loan and leases growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Results of operations and assets by segment for each of the three years ended December 31 are:

2013 ($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$	1,487	1,461	312	154	147	-	3,561
Provision for loan and lease losses		187	217	92	2	(269)	-	229
Net interest income after provision for loan and lease losses		1,300	1,244	220	152	416	-	3,332
Noninterest income:								
Mortgage banking net revenue		-	12	687	1	-	-	700
Service charges on deposits		242	304	-	3	-	-	549
Corporate banking revenue		386	13	-	3	(2)	-	400
Investment advisory revenue		5	148	-	384	-	(144)(a)	393
Card and processing revenue		52	291	-	5	(76)	-	272
Other noninterest income		95	86	45	10	643	-	879
Securities gains, net		-	-	3	-	18	-	21
Securities gains, net - non-qualifying hedges on mortgage servicing rights		-	-	13	-	-	-	13
Total noninterest income		780	854	748	406	583	(144)	3,227
Noninterest expense:								
Salaries, wages and incentives		233	457	175	134	582	-	1,581
Employee benefits		40	127	40	25	125	-	357
Net occupancy expense		23	185	8	10	81	-	307
Technology and communications		11	4	1	-	188	-	204
Card and processing expense		7	126	-	-	1	-	134
Equipment expense		4	58	1	-	51	-	114
Other noninterest expense		825	748	460	284	(909)	(144)	1,264
Total noninterest expense		1,143	1,705	685	453	119	(144)	3,961
Income before income taxes		937	393	283	105	880	-	2,598
Applicable income tax expense		171	138	100	37	326	-	772
Net income		766	255	183	68	554	-	1,826
Less: Net income attributable to noncontrolling interests		-	-	-	-	(10)	-	(10)
Net income attributable to Bancorp		766	255	183	68	564	-	1,836
Dividends on preferred stock		-	-	-	-	37	-	37
Net income available to common shareholders	$	766	255	183	68	527	-	1,799
Total goodwill	$	613	1,655	-	148	-	-	2,416
Total assets	$	52,287	50,038	22,610	10,711	(5,203)	-	130,443

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2012 ($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$	1,432	1,362	314	117	370	-	3,595
Provision for loan and lease losses		223	294	176	10	(400)	-	303
Net interest income after provision for loan and lease losses		1,209	1,068	138	107	770	-	3,292
Noninterest income:								
Mortgage banking net revenue		-	14	830	1	-	-	845
Service charges on deposits		225	294	-	3	-	-	522
Corporate banking revenue		395	15	-	3	-	-	413
Investment advisory revenue		6	129	-	366	-	(127)(a)	374
Card and processing revenue		46	279	-	4	(76)	-	253
Other noninterest income		65	81	42	19	367	-	574
Securities gains, net		-	-	1	-	14	-	15
Securities gains, net - non-qualifying hedges on mortgage servicing rights		-	-	3	-	-	-	3
Total noninterest income		737	812	876	396	305	(127)	2,999
Noninterest expense:								
Salaries, wages and incentives		229	448	192	136	602	-	1,607
Employee benefits		39	125	39	25	143	-	371
Net occupancy expense		21	187	8	11	75	-	302
Technology and communications		10	3	1	-	182	-	196
Card and processing expense		5	115	-	-	1	-	121
Equipment expense		2	54	1	1	52	-	110
Other noninterest expense		800	660	429	264	(652)	(127)	1,374
Total noninterest expense		1,106	1,592	670	437	403	(127)	4,081
Income before income taxes		840	288	344	66	672	-	2,210
Applicable income tax expense		146	102	121	23	244	-	636
Net income		694	186	223	43	428	-	1,574
Less: Net income attributable to noncontrolling interests		-	-	-	-	(2)	-	(2)
Net income attributable to Bancorp		694	186	223	43	430	-	1,576
Dividends on preferred stock		-	-	-	-	35	-	35
Net income available to common shareholders	$	694	186	223	43	395	-	1,541
Total goodwill	$	613	1,655	-	148	-	-	2,416
Total assets	$	48,693	48,856	24,657	9,212	(9,524)	-	121,894

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

[Table of Contents](#)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2011 ($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$	1,357	1,423	343	113	321	-	3,557
Provision for loan and lease losses		490	393	261	27	(748)	-	423
Net interest income after provision for loan and lease losses		867	1,030	82	86	1,069	-	3,134
Noninterest income:								
Mortgage banking net revenue		-	11	585	1	-	-	597
Service charges on deposits		207	309	-	4	-	-	520
Corporate banking revenue		332	14	-	3	1	-	350
Investment advisory revenue		12	117	-	364	(1)	(117)(a)	375
Card and processing revenue		38	305	-	4	(39)	-	308
Other noninterest income		52	81	36	(3)	84	-	250
Securities gains, net		-	-	-	-	46	-	46
Securities gains, net - non-qualifying hedges on mortgage servicing rights		-	-	9	-	-	-	9
Total noninterest income		641	837	630	373	91	(117)	2,455
Noninterest expense:								
Salaries, wages and incentives		203	454	149	138	534	-	1,478
Employee benefits		37	127	34	26	106	-	330
Net occupancy expense		20	184	8	11	82	-	305
Technology and communications		11	5	1	1	170	-	188
Card and processing expense		5	114	-	-	1	-	120
Equipment expense		2	51	1	1	58	-	113
Other noninterest expense		795	640	433	244	(771)	(117)	1,224
Total noninterest expense		1,073	1,575	626	421	180	(117)	3,758
Income before income taxes		435	292	86	38	980	-	1,831
Applicable income tax expense (benefit)		(6)	102	30	14	393	-	533
Net income		441	190	56	24	587	-	1,298
Less: Net income attributable to noncontrolling interests		-	-	-	-	1	-	1
Net income attributable to Bancorp		441	190	56	24	586	-	1,297
Dividends on preferred stock		-	-	-	-	203	-	203
Net income available to common shareholders	$	441	190	56	24	383	-	1,094
Total goodwill	$	613	1,656	-	148	-	-	2,417
Total assets	$	45,864	46,703	24,325	7,670	(7,595)	-	116,967

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

31. SUBSEQUENT EVENTS

On February 20, 2014, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The primary purposes for which the VIE was created were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide the Bancorp with access to liquidity for its originated loans. The Bancorp retained residual interests in the VIE and, therefore, has an obligation to absorb losses and a right to receive benefits from the VIE that could potentially be significant to the VIE. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, holds the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE. As a result, the Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, will consolidate this VIE in the Bancorp's first quarter of 2014 Form 10-Q. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

On January 28, 2014, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 3,950,705 shares, or approximately $99 million, of its outstanding common stock on January 31, 2014. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

Commission file number 001-33653

Incorporated in the State of Ohio
I.R.S. Employer Identification No. 31-0854434
Address: 38 Fountain Square Plaza
Cincinnati, Ohio 45263
Telephone: (800) 972-3030

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Common Stock, Without Par Value	The NASDAQ Stock Market LLC
Depositary Shares Representing a 1/1000th Ownership Interest in a Share of 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I	The NASDAQ Stock Market LLC

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes: ☒ No: ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes: ☐ No: ☒

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ 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). Yes: ☒ No: ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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

There were 851,455,370 shares of the Bancorp's Common Stock, without par value, outstanding as of January 31, 2014. The Aggregate Market Value of the Voting Stock held by non-affiliates of the Bancorp was $15,298,734,875 as of June 30, 2013.

DOCUMENTS INCORPORATED BY REFERENCE

This report incorporates into a single document the requirements of the U.S. Securities and Exchange Commission (SEC) with respect to annual reports on Form 10-K and annual reports to shareholders. The Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders is incorporated by reference into Part III of this report.

Only those sections of this 2013 Annual Report to Shareholders that are specified in this Cross Reference Index constitute part of the Registrant's Form 10-K for the year ended December 31, 2013. No other information contained in this 2013 Annual Report to Shareholders shall be deemed to constitute any part of this Form 10-K nor shall any such information be incorporated into the Form 10-K and shall not be deemed "filed" as part of the Registrant's Form 10-K.

10-K Cross Reference Index

PART I		
Item 1.	Business	16-20, 174-180
	Employees	41
	Segment Information	43-49, 168-171
	Average Balance Sheets	37
	Analysis of Net Interest Income and Net Interest Income Changes	36-49
	Investment Securities Portfolio	54-55, 102-103
	Loan and Lease Portfolio	53-54, 104-105
	Risk Elements of Loan and Lease Portfolio	58-75
	Deposits	55-57
	Return on Equity and Assets	15
	Short-term Borrowings	57, 128
Item 1A.	Risk Factors	27-35
Item 1B.	Unresolved Staff Comments	None
Item 2.	Properties	181
Item 3.	Legal Proceedings	135-136
Item 4.	Mine Safety Disclosures	N/A
	Executive Officers of the Bancorp	181
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	182
Item 6.	Selected Financial Data	15
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15-85
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	75-78
Item 8.	Financial Statements and Supplementary Data	88-172
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	None
Item 9A.	Controls and Procedures	86
Item 9B.	Other Information	None
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	184
Item 11.	Executive Compensation	184
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	149-152, 184
Item 13.	Certain Relationships and Related Transactions, and Director Independence	184
Item 14.	Principal Accounting Fees and Services	184
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	184-186
SIGNATURES		187

AVAILABILITY OF FINANCIAL INFORMATION

Fifth Third Bancorp (the "Bancorp") files reports with the SEC. Those reports include the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements, as well as any amendments to those reports. The public may read and copy any materials the Bancorp files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The Bancorp's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are accessible at no cost on the Bancorp's web site at www.53.com on a same day basis after they are electronically filed with or furnished to the SEC.

PART I

ITEM 1. BUSINESS

General Information

The Bancorp, an Ohio corporation organized in 1975, is a bank holding company as defined by the Bank Holding Company Act of 1956, as amended (the "BHCA"), and is registered as such with the Board of Governors of the Federal Reserve System (the "FRB"). The Bancorp's principal office is located in Cincinnati, Ohio.

The Bancorp's subsidiaries provide a wide range of financial products and services to the retail, commercial, financial, governmental, educational and medical sectors, including a wide variety of checking, savings and money market accounts, and credit products such as credit cards, installment loans, mortgage loans and leases. Fifth Third Bank has deposit insurance provided by the Federal Deposit Insurance Corporation (the "FDIC") through the Deposit Insurance Fund. Refer to Exhibit 21 filed as an attachment to this Annual Report on Form 10-K for a list of subsidiaries of the Bancorp as of December 31, 2013.

The Bancorp derives the majority of its revenues from the U.S. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Consolidated Financial Statements.

Additional information regarding the Bancorp's businesses is included in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Competition

The Bancorp competes for deposits, loans and other banking services in its principal geographic markets as well as in selected national markets as opportunities arise. In addition to the challenge of attracting and retaining customers for traditional banking services, the Bancorp's competitors include securities dealers, brokers, mortgage bankers, investment advisors and insurance companies. These competitors, with focused products targeted at highly profitable customer segments, compete across geographic boundaries and provide customers increasing access to meaningful alternatives to banking services in nearly all significant products. The increasingly competitive environment is a result primarily of changes in regulation, changes in technology, product delivery systems and the accelerating pace of consolidation among financial service providers. These competitive trends are likely to continue.

Acquisitions

The Bancorp's strategy for growth includes strengthening its presence in core markets, expanding into contiguous markets and broadening its product offerings while taking into account the integration and other risks of growth. The Bancorp evaluates strategic acquisition opportunities and conducts due diligence activities in connection with possible transactions. As a result, discussions, and in some cases, negotiations may take place and future acquisitions involving cash, debt or equity securities may occur. These typically involve the payment of a premium over book value and current market price, and therefore, some dilution of book value and net income per share may occur with any future transactions.

Regulation and Supervision

In addition to the generally applicable state and federal laws governing businesses and employers, the Bancorp and its banking subsidiary are subject to extensive regulation by federal and state laws and regulations applicable to financial institutions and their parent companies. Virtually all aspects of the business of the

Bancorp and its banking subsidiary are subject to specific requirements or restrictions and general regulatory oversight. The principal objectives of state and federal banking laws and regulations and the supervision, regulation and examination of banks and their parent companies (such as the Bancorp) by bank regulatory agencies are the maintenance of the safety and soundness of financial institutions, maintenance of the federal deposit insurance system and the protection of consumers or classes of consumers, rather than the specific protection of shareholders of a bank or the parent company of a bank. To the extent the following material describes statutory or regulatory provisions, it is qualified in its entirety by reference to the particular statute or regulation.

Regulators

The Bancorp and/or its banking subsidiary are subject to regulation and supervision primarily by the FRB, the Consumer Financial Protection Bureau (the "CFPB") and the Ohio Division of Financial Institutions (the "Division") and additionally by certain other functional regulators and self-regulatory organizations. The Bancorp is also subject to regulation by the SEC by virtue of its status as a public company and due to the nature of some of its businesses. The Bancorp's banking subsidiary is subject to regulation by the FDIC, which insures the bank's deposits as permitted by law.

The federal and state laws and regulations that are applicable to banks and to some extent bank holding companies regulate, among other matters, the scope of their business, their activities, their investments, their reserves against deposits, the timing of the availability of deposited funds, the amount of loans to individual and related borrowers and the nature, amount of and collateral for certain loans, and the amount of interest that may be charged on loans. Various federal and state consumer laws and regulations also affect the services provided to consumers.

The Bancorp and/or its subsidiary are required to file various reports with, and is subject to examination by regulators, including the FRB and the Division. The FRB, Division and the CFPB have the authority to issue orders to bank holding companies and/or banks to cease and desist from certain banking practices and violations of conditions imposed by, or violations of agreements with, the FRB, Division and CFPB. Certain of the Bancorp's and/or its banking subsidiary regulators are also empowered to assess civil money penalties against companies or individuals in certain situations, such as when there is a violation of a law or regulation. Applicable state and federal laws also grant certain regulators the authority to impose additional requirements and restrictions on the activities of the Bancorp and or its banking subsidiary and, in some situations, the imposition of such additional requirements and restrictions will not be publicly available information.

Acquisitions

The BHCA requires the prior approval of the FRB for a bank holding company to acquire substantially all the assets of a bank or to acquire direct or indirect ownership or control of more than 5% of any class of the voting shares of any bank, bank holding company or savings association, or to increase any such non-majority ownership or control of any bank, bank holding company or savings association, or to merge or consolidate with any bank holding company.

The BHCA prohibits a bank holding company from acquiring a direct or indirect interest in or control of more than 5% of any class of the voting shares of a company that is not a bank or a bank holding company and from engaging directly or indirectly in activities other than those of banking, managing or controlling banks or furnishing services to its banking subsidiaries, except that it may engage in and may own shares of companies engaged in certain activities the FRB has determined to be so closely related to banking or managing or controlling banks as to be proper incident thereto.

Financial Holding Companies

The Gramm-Leach-Bliley Act of 1999 ("GLBA") permits a qualifying bank holding company to become a financial holding company ("FHC") and thereby to engage directly or indirectly in a broader range of activities than those permitted for a bank holding company under the BHCA. Permitted activities for a FHC include securities underwriting and dealing, insurance underwriting and brokerage, merchant banking and other activities that are declared by the FRB, in cooperation with the Treasury Department, to be "financial in nature or incidental thereto" or are declared by the FRB unilaterally to be "complementary" to financial activities. In addition, a FHC is allowed to conduct permissible new financial activities or acquire permissible non-bank financial companies with after-the-fact notice to the FRB. A bank holding company may elect to become a FHC if each of its banking subsidiaries is well capitalized, is well managed and has at least a "Satisfactory" rating under the Community Reinvestment Act ("CRA"). The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") also extended the well capitalized and well managed requirement to the bank holding company. In 2000, the Bancorp elected and qualified for FHC status under the GLBA. To maintain FHC status, a holding company must continue to meet certain requirements. The failure to meet such requirements could result in restrictions on the activities of the FHC or loss of FHC status. If restrictions are imposed on the activities of an FHC, such information may not necessarily be available to the public.

Dividends

The Bancorp depends in part upon dividends received from its direct and indirect subsidiaries, including its indirect banking subsidiary, to fund its activities, including the payment of dividends. The Bancorp and its banking subsidiary are subject to various federal and state restrictions on their ability to pay dividends. The FRB has authority to prohibit bank holding companies from paying dividends if such payment is deemed to be an unsafe or unsound practice. The FRB has indicated generally that it may be an unsafe or unsound practice for bank holding companies to pay dividends unless a bank holding company's net income is sufficient to fund the dividends and the expected rate of earnings retention is consistent with the organization's capital needs, asset quality and overall financial condition. The ability to pay dividends may be further limited by provisions of the Dodd-Frank Act and implanting regulations (see the "Regulatory Reform" section).

Source of Strength

Under long-standing FRB policy and now as codified in the Dodd-Frank Act, a bank holding company is expected to act as a source of financial and managerial strength to each of its banking subsidiaries and to commit resources to their support. This support may be required at times when the bank holding company may not have the resources to provide it.

FDIC Assessments

As contemplated by the Dodd-Frank Act the FDIC has revised the framework by which insured depository institutions with more

than $10 billion in assets (“large IDIs”) are assessed for purposes of payments to the Deposit Insurance Fund (the “DIF”). The final rule implementing revisions to the assessment system took effect for the quarter beginning April 1, 2011.

Prior to the passage of the Dodd-Frank Act, a large IDI’s DIF premiums principally were based on the size of an IDI’s domestic deposit base. The Dodd-Frank Act changed the assessment base from a large IDI’s domestic deposit base to its total assets less tangible equity. In addition to potentially greatly increasing the size of a large IDI’s assessment base, the expansion of the assessment base affords the FDIC much greater flexibility to vary its assessment system based upon the different asset classes that large IDIs normally hold on their balance sheets.

To implement this provision, the FDIC created an assessment scheme vastly different from the deposit-based system. Under the new system, large IDIs are assessed under a complex “scorecard” methodology that seeks to capture both the probability that an individual large IDI will fail and the magnitude of the impact on the DIF if such a failure occurs.

Transactions with Affiliates

Sections 23A and 23B of the Federal Reserve Act, restrict transactions between a bank and its affiliates (as defined in Sections 23A and 23B of the Federal Reserve Act), including a parent bank holding company. The Bancorp’s banking subsidiary is subject to certain restrictions, including but not limited to restrictions on loans to its affiliates, on investments in the stock or securities thereof, on the taking of such stock or securities as collateral for loans to any borrower, and on the issuance of a guarantee or letter of credit on their behalf. Among other things, these restrictions limit the amount of such transactions, require collateral in prescribed amounts for extensions of credit, prohibit the purchase of low quality assets and require that the terms of such transactions be substantially equivalent to terms of comparable transactions with non-affiliates. Generally, the Bancorp’s banking subsidiary is limited in its extension of credit to any affiliate to 10% of the banking subsidiary’s capital stock and surplus and its extension of credit to all affiliates to 20% of the banking subsidiary’s capital stock and surplus.

Community Reinvestment Act

The CRA generally requires insured depository institutions to identify the communities they serve and to make loans and investments and provide services that meet the credit needs of those communities. Furthermore, the CRA requires the FRB to evaluate the performance of the Bancorp’s banking subsidiary in helping to meet the credit needs of its communities. As a part of the CRA program, the banking subsidiary is subject to periodic examinations by the FRB, and must maintain comprehensive records of their CRA activities for this purpose. During these examinations, the FRB rates such institutions’ compliance with the CRA as “Outstanding,” “Satisfactory,” “Needs to Improve” or “Substantial Noncompliance.” Failure of an institution to receive at least a “Satisfactory” rating could inhibit such institution or its holding company from undertaking certain activities, including engaging in activities permitted as a financial holding company under the GLBA and acquiring other financial institutions. The FRB must take into account the record of performance of banks in meeting the credit needs of the entire community served, including low- and moderate- income neighborhoods. Fifth Third Bank received a “Satisfactory” CRA rating in its most recent CRA examination.

Capital

The FRB has established capital guidelines for bank holding companies and FHCs. The FRB, the Division and the FDIC have also issued regulations establishing capital requirements for banks. Failure to meet capital requirements could subject the Bancorp and its banking subsidiary to a variety of restrictions and enforcement actions. In addition, as discussed previously, the Bancorp and its banking subsidiary must remain well capitalized and well managed for the Bancorp to retain its status as a FHC. See the “Regulatory Reform” section for additional information on capital requirements impacting the Bancorp.

Privacy

The FRB, FDIC and other bank regulatory agencies have adopted final guidelines (the “Guidelines) for safeguarding confidential, personal customer information. The Guidelines require each financial institution, under the supervision and ongoing oversight of its Board of Directors or an appropriate committee thereof, to create, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information and protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. The Bancorp has adopted a customer information security program that has been approved by the Bancorp’s Board of Directors.

The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to non-affiliated third parties. In general, the statute requires explanations to consumers on policies and procedures regarding the disclosure of such nonpublic personal information, and, except as otherwise required by law, prohibits disclosing such information except as provided in the banking subsidiary’s policies and procedures. The Bancorp’s banking subsidiary has implemented a privacy policy.

Anti-Money Laundering

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “Patriot Act”), designed to deny terrorists and others the ability to obtain access to the United States financial system, has significant implications for depository institutions, brokers, dealers and other businesses involved in the transfer of money. The Patriot Act, as implemented by various federal regulatory agencies, requires financial institutions, including the Bancorp and its subsidiaries, to implement new policies and procedures or amend existing policies and procedures with respect to, among other matters, anti-money laundering, compliance, suspicious activity and currency transaction reporting and due diligence on customers. The Patriot Act and its underlying regulations also permit information sharing for counter-terrorist purposes between federal law enforcement agencies and financial institutions, as well as among financial institutions, subject to certain conditions, and require the FRB (and other federal banking agencies) to evaluate the effectiveness of an applicant in combating money laundering activities when considering applications filed under Section 3 of the BHCA or the Bank Merger Act. The Bancorp’s Board has approved policies and procedures that are believed to be compliant with the Patriot Act.

Exempt Brokerage Activities
The GLBA amended the federal securities laws to eliminate the blanket exceptions that banks traditionally have had from the definition of "broker" and "dealer." The GLBA also required that there be certain transactional activities that would not be "brokerage" activities, which banks could effect without having to register as a broker. In September 2007, the FRB and SEC approved Regulation R to govern bank securities activities. Various exemptions permit banks to conduct activities that would otherwise constitute brokerage activities under the securities laws. Those exemptions include conducting brokerage activities related to trust, fiduciary and similar services, certain services and also conducting a de minimis number of riskless principal transactions, certain asset-backed transactions and certain securities lending transactions. The Bancorp only conducts non-exempt brokerage activities through its affiliated registered broker-dealer.

Regulatory Reform
On July 21, 2010, President Obama signed into law the Dodd-Frank Act, which is aimed, in part, at accountability and transparency in the financial system and includes numerous provisions that apply to and/or could impact the Bancorp and its banking subsidiary. The Dodd-Frank Act implements changes that, among other things, affect the oversight and supervision of financial institutions, provide for a new resolution procedure for large financial companies, create a new agency responsible for implementing and enforcing compliance with consumer financial laws, introduce more stringent regulatory capital requirements, effect significant changes in the regulation of over-the-counter derivatives, reform the regulation of credit rating agencies, implement changes to corporate governance and executive compensation practices, incorporate requirements on proprietary trading and investing in certain funds by financial institutions (known as the "Volcker Rule"), require registration of advisers to certain private funds, and effect significant changes in the securitization market. In order to fully implement many provisions of the Dodd-Frank Act, various government agencies, in particular banking and other financial services agencies are required to promulgate regulations. Set forth below is a discussion of some of the major sections the Dodd-Frank Act and implementing regulations that have or could have a substantial impact on the Bancorp and its banking subsidiary. Due to the volume of regulations required by the Dodd-Frank Act, not all proposed or final regulations that may have an impact on the Bancorp or its banking subsidiary are necessarily discussed.

Financial Stability Oversight Council
The Dodd-Frank Act created the Financial Stability Oversight Council ("FSOC"), which is chaired by the Secretary of the Treasury and composed of expertise from various financial services regulators. The FSOC has responsibility for identifying risks and responding to emerging threats to financial stability. On March 15, 2012, the Department of Treasury issued an interim final rule to establish an assessment schedule for the collection of fees from bank holding companies and foreign banks with at least $50 billion in assets to cover the expenses of the Office of Financial Research and FSOC. The fees would also cover certain expenses incurred by the FDIC. The Bancorp paid approximately $1 million for the initial assessment period which commenced July 21, 2012 and ended March 31, 2013 and was not assessed a fee in the first semiannual assessment which ended September 30, 2013.

On August 16, 2013, the FRB also adopted a final rule to implement an assessment provision under the Dodd-Frank Act equal to the expense and the FRB estimates are necessary or appropriate to supervise and regulate bank holding companies with $50 billion or more in assets. The Bancorp paid approximately $3 million for the first annual assessment under the FRB's rule.

Executive Compensation
The Dodd-Frank Act provides for a say on pay for shareholders of all public companies. Under the Dodd-Frank Act, each company must give its shareholders the opportunity to vote on the compensation of its executives at least once every three years. The Dodd-Frank Act also adds disclosure and voting requirements for golden parachute compensation that is payable to named executive officers in connection with sale transactions. The SEC adopted rules finalizing these say on pay provisions in January 2011.

Pursuant to the Dodd-Frank Act, in June 2012, the SEC adopted a final rule directing the stock exchanges to prohibit listing classes of equity securities if a company's compensation committee members are not independent. The rule also provides that a company's compensation committee may only select a compensation consultant, legal counsel or other advisor after taking into consideration factors to be identified by the SEC that affect the independence of a compensation consultant, legal counsel or other advisor.

The SEC is required under the Dodd-Frank Act to issue rules obligating companies to disclose in proxy materials for annual meetings of shareholders information that shows the relationship between executive compensation actually paid to their named executive officers and their financial performance, taking into account any change in the value of the shares of a company's stock and dividends or distributions. The Dodd-Frank Act also requires the SEC to propose rules requiring companies to disclose the ratio of the compensation of its chief executive officer to the median compensation of its employees. The SEC proposed rules implementing the pay ratio provisions in September 2013.

The Dodd-Frank Act provides that the SEC must issue rules directing the stock exchanges to prohibit listing any security of a company unless the company develops and implements a policy providing for disclosure of the policy of the company on incentive-based compensation that is based on financial information required to be reported under the securities laws and that, in the event the company is required to prepare an accounting restatement due to the material noncompliance of the company with any financial reporting requirement under the securities laws, the company will recover from any current or former executive officer of the company who received incentive-based compensation during the three-year period preceding the date on which the company is required to prepare the restatement based on the erroneous data, any exceptional compensation above what would have been paid under the restatement.

The Dodd-Frank Act requires the SEC to adopt a rule to require that each company disclose in the proxy materials for its annual meetings whether an employee or board member is permitted to purchase financial instruments designed to hedge or offset decreases in the market value of equity securities granted as compensation or otherwise held by the employee or board member.

Corporate Governance
The Dodd-Frank Act clarifies that the SEC may, but is not required to promulgate rules that would require that a company's proxy materials include a nominee for the board of directors

submitted by a shareholder. Although the SEC promulgated rules to accomplish this, these rules were invalidated by a federal appeals court decision. The SEC has said that they will not challenge the ruling, but has not ruled out the possibility that new rules could be proposed.

The Dodd-Frank Act requires stock exchanges to have rules prohibiting their members from voting securities that they do not beneficially own (unless they have received voting instructions from the beneficial owner) with respect to the election of a member of the board of directors (other than an uncontested election of directors of an investment company registered under the Investment Company Act of 1940), executive compensation or any other significant matter, as determined by the SEC by rule.

Credit Ratings

The Dodd-Frank Act includes a number of provisions that are targeted at improving the reliability of credit ratings. The SEC has been charged with adopting various rules in this regard.

Consumer Issues

The Dodd-Frank Act created a new bureau, the CFPB, which has the authority to implement regulations pursuant to numerous consumer protection laws and has supervisory authority, including the power to conduct examination and take enforcement actions, with respect to depository institutions with more than $10 billion in consolidated assets. The CFPB also has authority, with respect to consumer financial services to, among other things, restrict unfair, deceptive or abusive acts or practices, enforce laws that prohibit discrimination and unfair treatment and to require certain consumer disclosures.

Debit Card Interchange Fees

The Dodd-Frank Act provides for a set of new rules requiring that interchange transaction fees for electric debit transactions be "reasonable" and proportional to certain costs associated with processing the transactions. The FRB was given authority to, among other things, establish standards for assessing whether interchange fees are reasonable and proportional. In June 2011, the FRB issued a final rule establishing certain standards and prohibitions pursuant to the Dodd-Frank Act, including establishing standards for debit card interchange fees and allowing for an upward adjustment if the issuer develops and implements policies and procedures reasonably designed to prevent fraud. The provisions regarding debit card interchange fees and the fraud adjustment became effective October 1, 2011. The rules impose requirements on the Bancorp and its banking subsidiary and may negatively impact our revenues and results of operations. On July 31, 2013 a United States District Court found that portions of the final interchange rules were contrary to the language of the Dodd-Frank Act. The Court held that, in adopting the final rules, the FRB violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore the rule's maximum permissible fees were too high. In addition, the Court held that the final rules' network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the final rule, but stayed its ruling to provide the FRB an opportunity to replace the invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge likely would be reduced.

FDIC Matters and Resolution Planning

Title II of the Dodd-Frank Act creates an orderly liquidation process that the FDIC can employ for failing systemically important financial companies. Additionally, the Dodd-Frank Act also codifies many of the temporary changes that had already been implemented, such as permanently increasing the amount of deposit insurance to $250,000.

In January 2012, the FDIC issued a final rule that requires an insured depository institution with $50 billion or more in total assets to submit periodic contingency plans to the FDIC for resolution in the event of the institution's failure. The rule became effective in January 2012, however, submission of plans will be staggered over a period of time. The Bancorp's banking subsidiary is subject to this rule and submitted its first resolution plan pursuant to this rule as of December 31, 2013.

In October 2011, the FRB and FDIC issued a final rule implementing the resolution planning requirements of Section165(d) of the Dodd-Frank Act. The final rule requires bank holding companies with assets of $50 billion or more and nonbank financial firms designated by FSOC for supervision by the FRB to annually submit resolution plans to the FDIC and FRB. Each plan shall describe the company's strategy for rapid and orderly resolution in bankruptcy during times of financial distress. Under the final rule, companies will submit their initial resolution plans on a staggered basis. The Bancorp submitted its first resolution plan pursuant to this rule as of December 31, 2013.

Proprietary Trading and Investing in Certain Funds

The Dodd-Frank Act sets forth new restrictions on banking organizations' ability to engage in proprietary trading and sponsors of or invest in private equity and hedge funds (the "Volcker Rule"). The final regulations implementing the Volcker Rule ("Final Rules") were adopted on December 10, 2013. The Volcker Rule generally prohibits any banking entity from (i) engaging in short-term proprietary trading for its own account and (ii) sponsoring or acquiring any ownership interest in a private equity or hedge fund. The Volcker Rule and Final Rules contain a number of exceptions. The Volcker Rule permits transactions in the securities of the U.S. government and its agencies, certain government-sponsored enterprises and states and their political subdivisions, as well as certain investments in small business investment companies. Transactions on behalf of customers and in connection with certain underwriting and market making activities, as well as risk-mitigating hedging activities and certain foreign banking activities are also permitted. The Final Rules exclude certain funds from the prohibition on fund ownership and sponsorship including wholly-owned subsidiaries, joint ventures, and acquisitions vehicles, as well as SEC registered investment companies. *De minimis* ownership of private equity or hedge funds is also permitted under the Final Rules. In addition to the general prohibition on sponsorship and investment, the Volcker rule contains additional requirements applicable to any private equity or hedge fund that is sponsored by the banking entity or for which it serves as investment manager or investment advisor. The Bancorp will be required under the Final Rules to demonstrate that it has a Volcker Rule compliance program. In connection with the issuance of the Final Rules, the Federal Reserve extended the conformance period generally until July 21, 2015. The Final Rules become effective April 2014, but because

of the FRB general extension, the Bancorp will have until July 21, 2015 to fully conform its activities and investments to the Final Rules. The FRB may extend the conformance period for two additional one-year periods. Further, with respect to covered funds that are "illiquid funds", the FRB has the authority to grant up to five more years for the Bancorp to conform to the final Volcker Rule with respect to such illiquid funds. The Bancorp does not know whether it will be granted any extension of time to conform its activities to the final Volcker Rule.

Derivatives

Title VII of the Dodd-Frank Act includes measures to broaden the scope of derivative instruments subject to regulation by requiring clearing and exchange trading of certain derivatives, imposing new capital and margin requirements for certain market participants and imposing position limits on certain over-the-counter derivatives. Certain affiliates of the Bancorp that engage in significant swaps activities may be required to register with the Commodity Futures Trading Commission or the SEC as a swap dealer, security-based swap dealer, major swap participant or major security-based swap participant. As with the Volcker Rule, the Bancorp will be required to demonstrate that it has a satisfactory compliance program to monitor the activities of any such entity registered under the new regulations. The ultimate impact of these derivatives regulations, and the time it will take to comply, continues to remain uncertain. The final regulations will impose additional operational and compliance costs on us and may require us to restructure certain businesses and negatively impact our revenues and results of operations.

Interstate Bank Branching

The Dodd-Frank Act includes provisions permitting national and insured state banks to engage in *de novo* interstate branching if, under the laws of the state where the new branch is to be established, a state bank chartered in that state would be permitted to establish a branch.

Systemically Significant Companies and Capital

Title I of the Dodd-Frank Act creates a new regulatory regime for large bank holding companies. U.S. bank holding companies with $50 billion or more in total consolidated assets, including Fifth Third, are subject to enhanced prudential standards and early remediation requirements under Title I. Title I of Dodd-Frank establishes a broad framework for identifying, applying heightened supervision and regulation to, and (as necessary) limiting the size and activities of systemically significant financial companies.

The Dodd-Frank Act requires the FRB to impose enhanced capital and risk-management standards on these firms and mandates the FRB to conduct annual stress tests on all bank holding companies with $50 billion or more in assets to determine whether they have the capital needed to absorb losses in baseline, adverse, and severely adverse economic conditions. In November 2011, the FRB adopted final rules requiring bank holding companies with $50 billion or more in consolidated assets to submit capital plans to the FRB on an annual basis. Under the final rules, the FRB annually will evaluate an institutions capital adequacy, internal capital adequacy, assessment processes and plans to make capital distributions such as dividend payments and stock repurchases.

In November 2013, the FRB provided instructions on the 2014 Comprehensive Capital Analysis and Review ("CCAR"). The 2014 CCAR required bank holding companies with consolidated assets of $50 billion or more to submit a capital plan to the FRB by January 6, 2014. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy.

In December 2011, the FRB issued proposed rules to strengthen regulation and supervision of large bank holding companies and systemically important nonbank financial firms. The proposed rules would generally apply to all U.S. bank holding companies with consolidated assets of $50 billion or more, such as the Bancorp, and any nonbank financial firms that may be designated by the FSOC as systemically important companies. The proposal, which is mandated by the Dodd-Frank Act, includes a wide range of measures addressing such issues as capital, liquidity, credit exposure, stress testing, risk management and early remediation requirements.

In December of 2010 and revised in June of 2011, the Basel Committee on Banking Supervision (the "Basel Committee") issued Basel III, a global regulatory framework, to enhance international capital standards. Basel III is designed to materially improve the quality of regulatory capital and introduces a new minimum common equity requirement. Basel III also raises the numerical minimum capital requirements and introduces capital conservation and countercyclical buffers to induce banking organizations to hold capital in excess of regulatory minimums. In addition, Basel III establishes an international leverage standard for internationally active banks.

In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved the final enhanced regulatory capital rules ("Final Capital Rules"), which included modifications to the proposed rules.

The Final Capital Rules, among other things, (i) introduce a new capital measure "Common Equity Tier 1" ("CET1"), (ii) specify that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting specified requirements, (iii) define CET1 narrowly by requiring that most adjustments to regulatory capital measures be made to CET1 and not to the other components of capital and (iv) expand the scope of the adjustments as compared to existing regulations. CET1 capital consists of common stock instruments that meet the eligibility criteria in the final rules, retained earnings, accumulated other comprehensive income and common equity Tier 1 minority interest.

When fully phased-in on January 1, 2019, the Final Capital Rules require banking organizations to maintain (i) a minimum ratio of CET1 to risk-weighted assets of at least 4.5%, plus a 2.5% "capital conservation buffer" (which is added to the 4.5% CET1 ratio as that buffer is phased-in, effectively resulting in a minimum ratio of CET1 to risk-weighted assets of at least 7.0% upon full implementation), (ii) a minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer (which is added to the 6.0% Tier 1 capital ratio as that buffer is phased-in, effectively resulting in a minimum Tier 1 capital ratio of 8.5% upon full implementation), (iii) a minimum ratio of total capital (that is, Tier 1 plus Tier 2 capital) to risk-weighted assets of at least 8.0%, plus the capital

conservation buffer (which is added to the 8.0% total capital ratio as that buffer is phased-in, effectively resulting in a minimum total capital ratio of 10.5% upon full implementation) and (iv) as a newly adopted international standard, a minimum leverage ratio of 4.0%, calculated as the ratio of Tier 1 capital to adjusted average consolidated assets for large internationally active banks.

The Final Capital Rules also provide for a "countercyclical capital buffer" designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum but below the conservation buffer will face limitations on the payment of dividends, common stock repurchases and discretionary cash payments to executive officers based on the amount of the shortfall.

The Final Capital Rules provide for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing rights, deferred tax assets dependent upon future taxable income and significant investments in non-consolidated financial entities be deducted from CET1 to the extent that any one such category exceeds 10% of CET1 or all such categories in the aggregate exceed 15% of CET1. Under current capital standards, the effects of accumulated other comprehensive income items included in capital are excluded for the purposes of determining regulatory capital ratios. Under the Final Capital Rules, Bancorp has a one-time election (the "Opt-out Election") to filter certain accumulated other comprehensive income ("AOCI") components, comparable to the treatment under the current general risk-based capital rule.

The new capital rules are effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain of their components and other provisions. The Bancorp is in the process of evaluating the final rules and their potential impact.

ITEM 2. PROPERTIES

The Bancorp's executive offices and the main office of Fifth Third Bank are located on Fountain Square Plaza in downtown Cincinnati, Ohio in a 32-story office tower, a five-story office building with an attached parking garage and a separate ten-story office building known as the Fifth Third Center, the William S. Rowe Building and the 530 Building, respectively. The Bancorp's main operations center is located in Cincinnati, Ohio, in a three-story building with an attached parking garage known as the Madisonville Operations Center. The Bank owns 100% of these buildings.

At December 31, 2013, the Bancorp, through its banking and non-banking subsidiaries, operated 1,320 banking centers, of which 941 were owned, 264 were leased and 115 for which the buildings are owned but the land is leased. The banking centers are located in the states of Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, North Carolina, West Virginia, Pennsylvania, Missouri, and Georgia. The Bancorp's significant owned properties are owned free from mortgages and major encumbrances.

EXECUTIVE OFFICERS OF THE BANCORP

Officers are appointed annually by the Board of Directors at the meeting of Directors immediately following the Annual Meeting of Shareholders. The names, ages and positions of the Executive Officers of the Bancorp as of February 24, are listed below along with their business experience during the past 5 years:

Kevin T. Kabat, 57. Vice Chairman of the Bancorp since September 2012 and Chief Executive Officer of the Bancorp since April 2007. Previously, Mr. Kabat was President of the Bancorp from June 2006 to September 2012 and Chairman from June 2008 to June 2010. Prior to that, Mr. Kabat was Executive Vice President of the Bancorp since December 2003.

Steven Alonso, 53. Executive Vice President of the Bancorp since March 2012. Previously, Mr. Alonso was Executive Vice President of Fifth Third Bank since November 2008. Prior to that, Mr. Alonso served as founder, chairman and CEO of OakStreet Mortgage, LLC.

Greg D. Carmichael, 52. President of the Bancorp since September 2012 and Chief Operating Officer of the Bancorp since June 2006. Previously, Mr. Carmichael was the Executive Vice President and Chief Information Officer of the Bancorp since June 2003.

Frank R. Forrest, 59. Executive Vice President and Chief Risk and Credit Officer of the Bancorp since September 2013. Previously, Mr. Forrest served with Bank of America Merrill Lynch. From March 2012 until June 2013, Mr. Forrest served as Managing Director and Quality Control Executive for Legacy Asset Services, a division of Bank of America. From September 2008 until March 2012, Mr. Forrest was Managing Director and Global Debt Products Executive for Global Corporate and Investment Banking. Formerly from January 2007 to September 2008, Mr. Forrest was Risk Management Executive for Commercial Banking.

Mark D. Hazel, 48. Senior Vice President and Controller of the Bancorp since February 2010. Prior to that, Mr. Hazel was the Assistant Bancorp Controller since 2006 and was the Controller of Nonbank entities since 2003.

James R. Hubbard, 55. Senior Vice President and Chief Legal Officer of the Bancorp since February 2010. Prior to that, Mr. Hubbard was the Senior Vice President and Director of Legal Services since June 2001.

James C. Leonard, 44. Senior Vice President and Treasurer of the Bancorp since October 2013. Previously, Mr. Leonard was the Director of Business Planning and Analysis since 2006 and was the Chief Financial Officer of the Commercial Banking Division since 2001.

Gregory L. Kosch, 54. Executive Vice President of the Bancorp since June 2005. Previously, Mr. Kosch was Senior Vice President and head of the Bancorp's Commercial Division in the Chicago affiliate since June 2002.

Daniel T. Poston, 55. Executive Vice President of the Bancorp since June 2003, and Chief Strategy and Administrative Officer of the Bancorp since October 2013. Previously, Mr. Poston was the Chief Financial Officer of the Bancorp from September 2009 to October 2013. Previously, Mr. Poston was the Controller of the Bancorp from July 2007 to May 2008 and from November 2008 to September 2009. Previously, Mr. Poston was the Chief Financial Officer of the Bancorp from May 2008 to November 2008. Formerly, Mr. Poston was the Auditor of the Bancorp since October 2001 and was Senior Vice President of the Bancorp and Fifth Third Bank since January 2002.

Joseph R. Robinson, 46. Executive Vice President and Chief Information Officer and Director of Information Technology and Operations of the Bancorp since September 2009. Previously, Mr. Robinson was Executive Vice President and Chief Information Officer of the Bancorp since April 2008. Prior to that, he was Senior Vice President and Director of Central Operations since November 2006 and Senior Vice President of IT Enterprise Solutions since March 2004.

Robert A. Sullivan, 59. Senior Executive Vice President of the Bancorp since December 2002.

Teresa J. Tanner, 45. Executive Vice President and Chief Human Resources Officer of the Bancorp since February 2010. Previously, Ms. Tanner was Senior Vice President and Director of Enterprise Learning since September 2008. Prior to that, she was Human Resources Senior Vice President and Senior Business Partner for the Information Technology and Central Operations divisions since July 2006. Previously, she was Vice President and Senior Business Partner for Operations since September 2004.

Mary E. Tuuk, 49. Executive Vice President of Corporate Services & Board Secretary of the Bancorp since July 2013. Previously, Ms. Tuuk served as Affiliate President of Fifth Third Bank (Western Michigan) from November 2011 to June 2013. Prior to that, Ms. Tuuk was the Executive Vice President and Chief Risk Officer of the Bancorp from June 2007 to October 2011 and from July 2013 through September 2013. Ms. Tuuk was Senior Vice President of Fifth Third Bancorp since 2003.

Tayfun Tuzun, 49. Executive Vice President and Chief Financial Officer of the Bancorp since October 2013. Previously, Mr. Tuzun was the Senior Vice President and Treasurer of the Bancorp from December 2011 to October 2013. Prior to that, Mr. Tuzun was the Assistant Treasurer and Balance Sheet Manager of Fifth Third Bancorp. Previously, Mr. Tuzun was the Structured Finance Manager since 2007.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Bancorp’s common stock is traded in the over-the-counter market and is listed under the symbol “FITB” on the NASDAQ ® Global Select Market System.

High and Low Stock Prices and Dividends Paid Per Share

2013	High	Low	Dividends Paid Per Share
Fourth Quarter	$21.14	$17.49	$0.12
Third Quarter	$19.79	$17.80	$0.12
Second Quarter	$18.74	$15.62	$0.12
First Quarter	$16.77	$15.19	$0.11

2012	High	Low	Dividends Paid Per Share
Fourth Quarter	$16.16	$13.75	$0.10
Third Quarter	$15.95	$13.07	$0.10
Second Quarter	$14.67	$12.04	$0.08
First Quarter	$14.73	$12.78	$0.08

See a discussion of dividend limitations that the subsidiaries can pay to the Bancorp discussed in Note 3 of the Notes to the Consolidated Financial Statements. Additionally, as of December 31, 2013, the Bancorp had 49,524 shareholders of record.

Issuer Purchases of Equity Securities

Period	Shares Purchased*(a)*	Average Price Paid Per Share	Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Shares that May Be Purchased Under the Plans or Programs
October 2013	4,270,250	$18.39	4,270,250	70,694,231
November 2013	8,538,423	19.68	8,538,423	62,155,808
December 2013	19,084,195	20.33	19,084,195	43,071,613
Total	31,892,868	$19.90	31,892,868	43,071,613

(a) The Bancorp repurchased 66,283, 93,841 and 63,573 shares during October, November and December of 2013 in connection with various employee compensation plans of the Bancorp. These purchases are not included against the maximum number of shares that may yet be purchased under the Board of Directors authorization.

See further discussion of stock-based compensation in Note 24 of the Notes to the Consolidated Financial Statements.

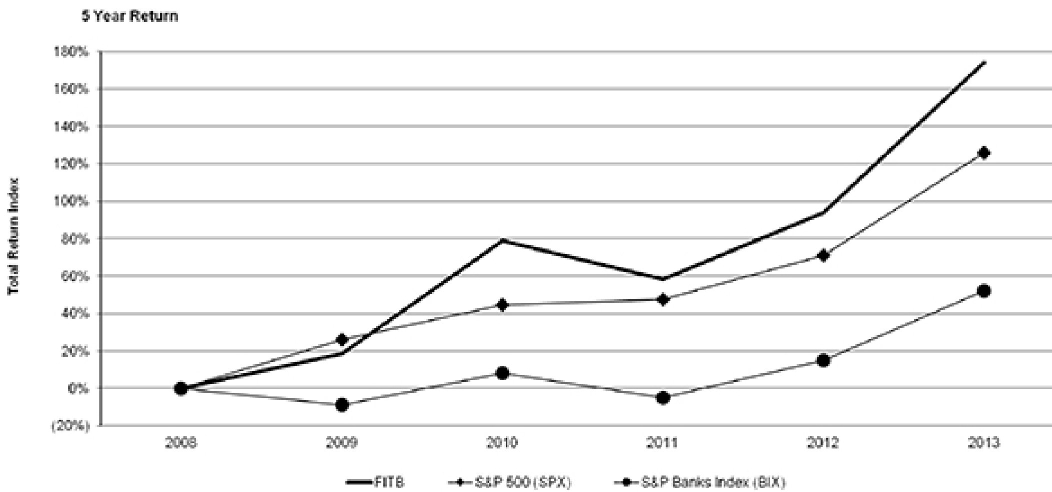
Table of Contents

The following performance graphs do not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Bancorp specifically incorporates the performance graphs by reference therein.

Total Return Analysis

The graphs below summarize the cumulative return experienced by the Bancorp's shareholders over the years 2008 through 2013, and 2003 through 2013, respectively, compared to the S&P 500 Stock and the S&P Banks indices.

FIFTH THIRD BANCORP VS. MARKET INDICES



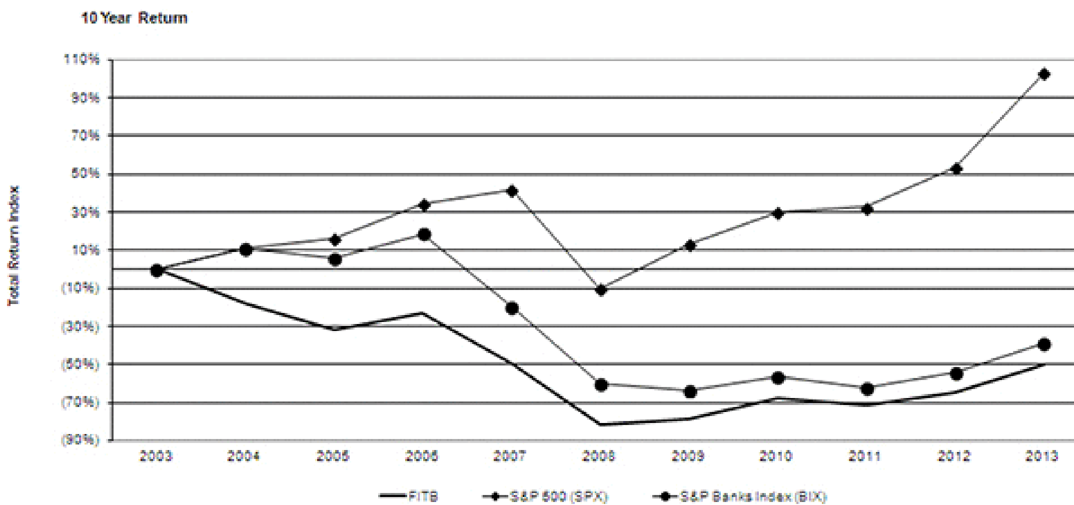


Table of Contents

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item relating to the Executive Officers of the Registrant is included in PART I under "EXECUTIVE OFFICERS OF THE BANCORP."

The information required by this item concerning Directors and the nomination process is incorporated herein by reference under the caption "ELECTION OF DIRECTORS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

The information required by this item concerning the Audit Committee and Code of Business Conduct and Ethics is incorporated herein by reference under the captions "CORPORATE GOVERNANCE" and "BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

The information required by this item concerning Section 16 (a) Beneficial Ownership Reporting Compliance is incorporated herein by reference under the caption "SECTION 16 (a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference under the captions "COMPENSATION DISCUSSION AND ANALYSIS," "COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS," "COMPENSATION COMMITTEE REPORT" and "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security ownership information of certain beneficial owners and management is incorporated herein by reference under the captions "CERTAIN BENEFICIAL OWNERS," "ELECTION OF DIRECTORS," "COMPENSATION DISCUSSION AND ANALYSIS" and "COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

The information required by this item concerning Equity Compensation Plan information is included in Note 24 of the Notes to the Consolidated Financial Statements.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference under the captions "CERTAIN TRANSACTIONS", "ELECTION OF DIRECTORS", "CORPORATE GOVERNANCE" and "BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference under the caption "PRINCIPAL INDEPENDENT EXTERNAL AUDIT FIRM FEES" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

	Pages
Report of Independent Registered Public Accounting Firm	87
Fifth Third Bancorp and Subsidiaries Consolidated Financial Statements	88-92
Notes to Consolidated Financial Statements	93-172

The schedules for the Bancorp and its subsidiaries are omitted because of the absence of conditions under which they are required, or because the information is set forth in the Consolidated Financial Statements or the notes thereto.

The following lists the Exhibits to the Annual Report on Form 10-K.

2.1 Master Investment Agreement (excluding exhibits and schedules) dated as of March 27, 2009 and amended as of June 30, 2009, among Fifth Third Bank, Fifth Third Financial Corporation, Advent-Kong Blocker Corp., FTPS Holding, LLC and Fifth Third Processing Solutions, LLC. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 2, 2009.

3.1 Amended Articles of Incorporation of Fifth Third Bancorp, as amended.

3.2 Code of Regulations of Fifth Third Bancorp, as Amended as of September 18, 2012. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on September 21, 2012.

4.1 Junior Subordinated Indenture, dated as of March 20, 1997 between Fifth Third Bancorp and Wilmington Trust Company, as Debenture Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 26, 1997.

4.2 Indenture, dated as of May 23, 2003, between Fifth Third Bancorp and Wilmington Trust Company, as Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2003.

4.3 Global security representing Fifth Third Bancorp's $500,000,000 4.50% Subordinated Notes due 2018. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2003.

4.4 First Supplemental Indenture, dated as of December 20, 2006, between Fifth Third Bancorp and Wilmington Trust Company, as Trustee. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.5 Global security representing Fifth Third Bancorp's $500,000,000 5.45% Subordinated Notes due 2017. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.6 Global security representing Fifth Third Bancorp's $250,000,000 Floating Rate Subordinated Notes due 2016. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.7 First Supplemental Indenture dated as of March 30, 2007 between Fifth Third Bancorp and Wilmington Trust Company, as trustee, to the Junior Subordinated Indenture dated as of May 20, 1997 between Fifth Third and the Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 30, 2007.

4.8 Global security dated as of March 4, 2008 representing Fifth Third Bancorp's $500,000,000 8.25% Subordinated Notes due 2038. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2008. (1)

4.9 Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third Bancorp and Wilmington Trust Company, as trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2008.

4.10 Supplemental Indenture dated as of January 25, 2011 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third and the Trustee. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011.

4.11 Global Security dated as of January 25, 2011 representing Fifth Third Bancorp's $500,000,000 3.625% Senior Notes due 2016. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011. (2)

4.12 Second Supplemental Indenture dated as of March 7, 2012 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third and the Trustee. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2012.

4.13 Global Security dated as of March 7, 2012 representing Fifth Third Bancorp's $500,000,000 3.500% Senior Notes due 2022. Incorporated by reference to the Registrant's Current Report on Form 8-K/A filed with the Securities and Exchange Commission on March 7, 2012.

4.14 Deposit Agreement dated May 16, 2013, between Fifth Third Bancorp, as issuer, Wilmington Trust, National Association, as depositary and calculation agent, American Stock Transfer & Trust Company, LLC, as transfer agent and registrar, and the holders from time to time of the depositary receipts issued thereunder. Incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 16, 2013.

4.15 Form of Certificate Representing the 5.10% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 16, 2013.

4.16 Form of Depositary Receipt for the 5.10% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 16, 2013.

4.17 Global Security dated as of November 20, 2013 representing Fifth Third Bancorp's $500,000,000 4.30% Subordinated Notes due 2024. Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 20, 2013.

4.18 Deposit Agreement dated December 9, 2013, between Fifth Third Bancorp, as issuer, Wilmington Trust, National Association, as depositary and calculation agent, American Stock Transfer & Trust Company, LLC as transfer agent and registrar, and the holders from time to time of the depositary receipts issued thereunder. Incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2013.

4.19 Form of Certificate Representing the 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2013.

4.20 Form of Depositary Receipt for the 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2013.

10.1 Fifth Third Bancorp Unfunded Deferred Compensation Plan for Non-Employee Directors, as Amended and Restated. Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013. *

10.2 Indenture effective November 19, 1992 between Fifth Third Bancorp, Issuer and NBD Bank, N.A., Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 1992 and as Exhibit 4.1 to the Registrant's Registration Statement on Form S-3, Registration No. 33-54134.

10.3 Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.4 First Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.5 Second Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to Exhibit 10.7 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012.*

10.6 Third Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.7 Fourth Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated.*

10.8 Fifth Third Bancorp Incentive Compensation Plan. Incorporated by reference to Registrant's Proxy Statement dated February 19, 2004.*

10.9 Fifth Third Bancorp 2008 Incentive Compensation Plan. Incorporated by reference to the Registrant's Proxy Statement dated March 6, 2008.*

10.10 Fifth Third Bancorp 2011 Incentive Compensation Plan. Incorporated by reference to the Registrant's Proxy Statement dated March 10, 2011.*

10.11 Amended and Restated Fifth Third Bancorp 1993 Stock Purchase Plan. Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.12 Fifth Third Bancorp Non-qualified Deferred Compensation Plan, as Amended and Restated.

10.13 Fifth Third Bancorp Stock Option Gain Deferral Plan. Incorporated by reference to Registrant's Proxy Statement dated February 9, 2001.*

10.14 Amendment No. 1 to Fifth Third Bancorp Stock Option Gain Deferral Plan. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2006. *

10.15 Notice of Grant of Performance Units and Award Agreement. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.16 Notice of Grant of Restricted Stock and Award Agreement (for Executive Officers). Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.17 Notice of Grant of Stock Appreciation Rights and Award Agreement. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.18 Notice of Grant of Restricted Stock and Award Agreement (for Directors). Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.19 Amended and Restated First National Bankshares of Florida, Inc. 2003 Incentive Plan. Incorporated by reference to First National Bankshares of Florida, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003. *

10.20 Form of Executive Agreement effective December 31, 2008, between Fifth Third Bancorp and Kevin T. Kabat, Robert A. Sullivan and Greg D. Carmichael. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *

10.21 Form of Executive Agreement effective December 31, 2008, between Fifth Third Bancorp and Mary E. Tuuk. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *

10.22 Form of Executive Agreement effective February 3, 2014, between Fifth Third Bancorp and Tayfun Tuzun. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 7, 2014.*

10.23 Form of Executive Agreement effective February 3, 2014, between Fifth Third Bancorp and Frank R. Forrest. Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 7, 2014.*

10.24 Form of Amended Executive Agreement effective January 19, 2012, between Fifth Third Bancorp and Daniel T. Poston. Incorporated by

reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 24, 2012. *

10.25 Warrant dated June 30, 2009 issued by Vantiv Holding, LLC to Fifth Third Bank. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.26 Second Amended & Restated Limited Liability Company Agreement (excluding certain exhibits) dated as of March 21, 2012 by and among Vantiv, Inc., Fifth Third Bank, FTPS Partners, LLC, Vantiv Holding, LLC and each person who becomes a member after March 21, 2012. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.27 Amendment and Restatement Agreement and Reaffirmation (excluding certain schedules) dated as of June 30, 2009 among Fifth Third Processing Solutions, LLC, FTPS Holding, LLC, Card Management Company, LLC, Fifth Third Holdings, LLC and Fifth Third Bank. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 2, 2009.

10.28 Registration Rights Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Fifth Third Bank, FTPS Partners, LLC, JPDN Enterprises, LLC and certain stockholders of Vantiv, Inc. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.29 Exchange Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Vantiv Holding, LLC, Fifth Third Bank, FTPS Partners, LLC and such other holders of Class B Units and Class C Non-Voting Units that are from time to time parties of the Exchange Agreement. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.30 Recapitalization Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Vantiv Holding, LLC, Fifth Third Bank, FTPS Partners, LLC, JPDN Enterprises, LLC and certain stockholders of Vantiv, Inc. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.31 Description of Vantiv, Inc. Director Compensation for Greg D. Carmichael. Incorporated by reference to Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. On May 10, 2012, Daniel T. Poston was elected as a Class B Director of Vantiv, Inc. Mr. Poston is subject to a substantially similar compensation arrangement as described in Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.*

10.32 Stock Appreciation Right Award Agreement. Incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.33 Performance Share Award Agreement. Incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.34 Restricted Stock Award Agreement (for Directors). Incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.35 Restricted Stock Award Agreement (for Executive Officers). Incorporated by reference to Exhibit 10.5 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.36 Separation Agreement dated July 25, 2013 between Paul Reynolds and Fifth Third Bancorp. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 30, 2013.*

10.37 Master Confirmation, as supplemented by a Supplemental Confirmation, for accelerated share repurchase transaction dated November 13, 2013 between Fifth Third Bancorp and Deutsche Bank AG, London Branch**

10.38 Master Confirmation, as supplemented by a Supplemental Confirmation, for accelerated share repurchase transaction dated December 10, 2013 between Fifth Third Bancorp and Deutsche Bank AG, London Branch**

12.1 Computations of Consolidated Ratios of Earnings to Fixed Charges.

12.2 Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements.

21 Fifth Third Bancorp Subsidiaries, as of December 31, 2013.

23 Consent of Independent Registered Public Accounting Firm-Deloitte & Touche LLP.

31(i) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.

31(ii) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

32(i) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.

32(ii) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

101 Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements tagged as blocks of text and in detail.

(1) Fifth Third Bancorp also entered into an identical security on March 4, 2008 representing an additional $500,000,000 of its 8.25% Subordinated Notes due 2038.

(2) Fifth Third Bancorp also entered into an identical security on January 25, 2011 representing an additional $500,000,000 of its 3.625% Senior Notes due 2016.

* *Denotes management contract or compensatory plan or arrangement.*

** *An application for confidential treatment for selected portions of this exhibit has been filed with the Securities and Exchange Commission.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIFTH THIRD BANCORP
Registrant

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and CEO
Principal Executive Officer
February 24, 2014

Pursuant to requirements of the Securities Exchange Act of 1934, this report has been signed on February 24, 2014 by the following persons on behalf of the Registrant and in the capacities indicated.

OFFICERS:

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and CEO
Principal Executive Officer

/s/ Tayfun Tuzun
Tayfun Tuzun
Executive Vice President and CFO
Principal Financial Officer

/s/ Mark D. Hazel
Mark D. Hazel
Senior Vice President and Controller
Principal Accounting Officer

DIRECTORS:

/s/ William M. Isaac
William M. Isaac
Chairman

/s/ James P. Hackett
James P. Hackett
Lead Director

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Darryl F. Allen
Darryl F. Allen

/s/ B. Evan Bayh III
B. Evan Bayh III

/s/ Ulysses L. Bridgeman, Jr.
Ulysses L. Bridgeman, Jr.

/s/ Emerson L. Brumback
Emerson L. Brumback

/s/ Gary R. Heminger
Gary R. Heminger

/s/ Jewell D. Hoover
Jewell D. Hoover

/s/ Kevin T. Kabat
Kevin T. Kabat

/s/ Mitchel D. Livingston, Ph.D.
Mitchel D. Livingston, Ph.D.

/s/ Michael B. McCallister
Michael B. McCallister

/s/ Hendrik G. Meijer
Hendrik G. Meijer

/s/ John J. Schiff, Jr.
John J. Schiff, Jr.

/s/ Marsha C. Williams
Marsha C. Williams

Table of Contents

CONSOLIDATED TEN YEAR COMPARISON

AVERAGE ASSETS ($ IN MILLIONS)

	Interest-Earning Assets							
Year	Loans and Leases	Federal Funds Sold *(a)*	Interest-Bearing Deposits in Banks*(a)*	Securities	Total	Cash and Due from Banks	Other Assets	Total Average Assets
2013	**$ 89,093**	**1**	**2,416**	**16,444**	**$ 107,954**	**2,482**	**15,053**	**$ 123,732**
2012	84,822	2	1,493	15,319	101,636	2,355	15,695	117,614
2011	80,214	1	2,030	15,437	97,682	2,352	15,335	112,666
2010	79,232	11	3,317	16,371	98,931	2,245	14,841	112,434
2009	83,391	12	1,023	17,100	101,526	2,329	14,266	114,856
2008	85,835	438	183	13,424	99,880	2,490	13,411	114,296
2007	78,348	257	147	11,630	90,382	2,275	10,613	102,477
2006	73,493	252	144	20,910	94,799	2,477	8,713	105,238
2005	67,737	88	113	24,806	92,744	2,750	8,102	102,876
2004	57,042	120	195	30,282	87,639	2,216	5,763	94,896

AVERAGE DEPOSITS AND SHORT-TERM BORROWINGS ($ IN MILLIONS)

	Deposits									
Year	Demand	Interest Checking	Savings	Money Market	Other Time	Certificates $100,000 and Over	Foreign Office	Total	Short-Term Borrowings	Total
2013	**$ 29,925**	**23,582**	**18,440**	**9,467**	**3,760**	**6,339**	**1,518**	**$ 93,031**	**3,527**	**$ 96,558**
2012	27,196	23,096	21,393	4,903	4,306	3,102	1,555	85,551	4,806	90,357
2011	23,389	18,707	21,652	5,154	6,260	3,656	3,497	82,315	3,122	85,437
2010	19,669	18,218	19,612	4,808	10,526	6,083	3,361	82,277	1,926	84,203
2009	16,862	15,070	16,875	4,320	14,103	10,367	2,265	79,862	6,980	86,842
2008	14,017	14,191	16,192	6,127	11,135	9,531	4,220	75,413	10,760	86,173
2007	13,261	14,820	14,836	6,308	10,778	6,466	3,155	69,624	6,890	76,514
2006	13,741	16,650	12,189	6,366	10,500	5,795	3,711	68,952	8,670	77,622
2005	13,868	18,884	10,007	5,170	8,491	4,001	3,967	64,388	9,511	73,899
2004	12,327	19,434	7,941	3,473	6,208	2,403	4,449	56,235	13,539	69,774

INCOME ($ IN MILLIONS, EXCEPT PER SHARE DATA)

						Per Share*(b)*				
									Originally Reported	
Year	Interest Income	Interest Expense	Noninterest Income	Noninterest Expense	Net Income (Loss) Available to Common Shareholders	Earnings	Diluted Earnings	Dividends Declared	Earnings	Diluted Earnings
2013	**$ 3,973**	**412**	**3,227**	**3,961**	**1,799**	**2.05**	**2.02**	**0.47**	**2.05**	**$ 2.02**
2012	4,107	512	2,999	4,081	1,541	1.69	1.66	0.36	1.69	1.66
2011	4,218	661	2,455	3,758	1,094	1.20	1.18	0.28	1.20	1.18
2010	4,489	885	2,729	3,855	503	0.63	0.63	0.04	0.63	0.63
2009	4,668	1,314	4,782	3,826	511	0.73	0.67	0.04	0.73	0.67
2008	5,608	2,094	2,946	4,564	(2,180)	(3.91)	(3.91)	0.75	(3.94)	(3.94)
2007	6,027	3,018	2,467	3,311	1,075	1.99	1.98	1.70	2.00	1.99
2006	5,955	3,082	2,012	2,915	1,188	2.13	2.12	1.58	2.14	2.13
2005	4,995	2,030	2,374	2,801	1,548	2.79	2.77	1.46	2.79	2.77
2004	4,114	1,102	2,355	2,863	1,524	2.72	2.68	1.31	2.72	2.68

MISCELLANEOUS AT DECEMBER 31 ($ IN MILLIONS, EXCEPT PER SHARE DATA)

		Bancorp Shareholders' Equity								
Year	Common Shares Outstanding	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total	Book Value Per Share	Allowance for Loan and Leases Losses
2013	**855,305,745**	**$ 2,051**	**1,034**	**2,561**	**10,156**	**82**	**(1,295)**	**$ 14,589**	**15.85**	**$ 1,582**
2012	882,152,057	2,051	398	2,758	8,768	375	(634)	13,716	15.10	1,854
2011	919,804,436	2,051	398	2,792	7,554	470	(64)	13,201	13.92	2,255
2010	796,272,522	1,779	3,654	1,715	6,719	314	(130)	14,051	13.06	3,004
2009	795,068,164	1,779	3,609	1,743	6,326	241	(201)	13,497	12.44	3,749
2008	577,386,612	1,295	4,241	848	5,824	98	(229)	12,077	13.57	2,787
2007	532,671,925	1,295	9	1,779	8,413	(126)	(2,209)	9,161	17.18	937
2006	556,252,674	1,295	9	1,812	8,317	(179)	(1,232)	10,022	18.00	771
2005	555,623,430	1,295	9	1,827	8,007	(413)	(1,279)	9,446	16.98	744
2004	557,648,989	1,295	9	1,934	7,269	(169)	(1,414)	8,924	15.99	713

(a) Federal funds sold and interest-bearing deposits in banks are combined in other short-term investments in the Consolidated Financial Statements.
(b) Adjusted for accounting guidance related to the calculation of earnings per share, which was adopted retroactively on January 1, 2009.

FIFTH THIRD BANCORP DIRECTORS

William M. Isaac, Chairman
Senior Managing Director-Global Head of Financial Institutions
FTI Consulting

James P. Hackett, Lead Director
CEO & Director
Steelcase, Inc.

Nicholas K. Akins
President & CEO
American Electric Power Company

Darryl F. Allen
Retired Chairman
President & CEO
Aeroquip-Vickers, Inc.

B. Evan Bayh III
Partner
McGuireWoods LLP

Ulysses L. Bridgeman, Jr.
President
B.F. Companies

Emerson L. Brumback
Retired President & COO
M&T Bank

Gary R. Heminger
President, CEO & Director
Marathon Petroleum Corporation

Jewell D. Hoover
Principal & Bank Consultant
Hoover and Associates, LLC

Kevin T. Kabat
Vice Chairman & CEO
Fifth Third Bancorp

Mitchel D. Livingston, Ph.D.
Retired Vice President for Student Affairs
& Chief Diversity Officer
University of Cincinnati

Michael B. McCallister
Retired Chairman & CEO
Humana Inc.

Hendrik G. Meijer
Co-Chairman, Director & Co-CEO
Meijer, Inc.

John J. Schiff, Jr.
Chairman of the Executive Committee & Director
Cincinnati Financial Corporation

Marsha C. Williams
Retired Senior Vice President & Chief Financial Officer
Orbitz Worldwide, Inc.

DIRECTORS EMERITI

Philip G. Barach
John F. Barrett
J. Kenneth Blackwell
Milton C. Boesel, Jr.
Douglas G. Cowan
Thomas L. Dahl
Ronald A. Dauwe
Gerald V. Dirvin
Thomas B. Donnell
Nicholas M. Evans
Richard T. Farmer
Louis R. Fiore
John D. Geary
Ivan W. Gorr
Joseph H. Head, Jr.
Allen M. Hill
William J. Keating
Jerry L. Kirby
Robert L. Koch II
Kenneth W. Lowe
Robert B. Morgan
Michael H. Norris
David E. Reese
James E. Rogers
George A. Schaefer, Jr.
Donald B. Shackelford
David B. Sharrock
Stephen Stranahan
Dennis J. Sullivan, Jr.
Dudley S. Taft
Alton C. Wendzel

FIFTH THIRD BANCORP OFFICERS

Kevin T. Kabat
Vice Chairman & CEO

Greg D. Carmichael
President &
Chief Operating Officer

Steven Alonso
Executive Vice President

Frank R. Forrest
Executive Vice President,
Chief Risk and Credit Officer

Mark D. Hazel
Senior Vice President &
Controller

James R. Hubbard
Senior Vice President &
Chief Legal Officer

Gregory L. Kosch
Executive Vice President

James C. Leonard
Senior Vice President & Treasurer

Daniel T. Poston
Executive Vice President &
Chief Strategy and Administrative Officer

Joseph R. Robinson
Executive Vice President &
Chief Information Officer

Robert A. Sullivan
Senior Executive Vice President

Teresa J. Tanner
Executive Vice President &
Chief Human Resources Officer

Mary E Tuuk
Executive Vice President of
Corporate Services and Board Secretary

Tayfun Tuzun
Executive Vice President &
Chief Financial Officer

AFFILIATE AND MARKET PRESIDENTS

Donald Abel, Jr.
David A. Call
John N. Daniel
Karen Dee
David Girodat
Shawn Hagan
Thomas Heiks
Nancy H. Huber
Julie Hughes
Jerry Kelsheimer
Randolph Koporc
Robert W. LaClair
Brian Lamb
Ralph S. Michael III
Jordan A. Miller, Jr.
Thomas Partridge
Robert A. Sullivan
Michelle L. VanDyke
Thomas G. Welch, Jr.

FIFTH THIRD BANCORP BOARD COMMITTEES

Finance Committee
William M. Isaac, Chair
Emerson L. Brumback
James P. Hackett
Gary R. Heminger
Kevin T. Kabat

Audit Committee
Darryl F. Allen, Chair
Emerson L. Brumback
Jewell D. Hoover
Michael B. McCallister
Marsha C. Williams

Human Capital and Compensation Committee
Gary R. Heminger, Chair
Emerson L. Brumback
Mitchel D. Livingston, Ph. D.
Hendrik G. Meijer
Marsha C. Williams

Nominating and Corporate Governance Committee
James P. Hackett, Chair
Darryl F. Allen
B. Evan Bayh III
Ulysses L. Bridgeman, Jr.

Risk and Compliance Committee
Marsha C. Williams, Chair
B. Evan Bayh III
Ulysses L. Bridgeman, Jr.
Jewell D. Hoover
Hendrik G. Meijer

Trust Committee
Mitchel D. Livingston, Ph.D., Chair
Kevin T. Kabat
John J. Schiff, Jr.

Exhibit 3.1

AMENDED ARTICLES OF INCORPORATION
OF
FIFTH THIRD BANCORP, AS AMENDED

FIRST: The name of the corporation shall be FIFTH THIRD BANCORP.

SECOND: The place in the State of Ohio where the principal office of the corporation is to be located is the City of Cincinnati, County of Hamilton.

THIRD: The purpose for which the corporation is formed is to engage in any and/or all lawful acts or activities for which corporations may be formed under Section 1701.01 to 1701.98, inclusive, of the Ohio Revised Code, as amended.

FOURTH: (A) The total authorized number of shares of the corporation is Two Billion Five Hundred Thousand (2,000,500,000) shares, which shall be classified as follows:

1) Two Billion (2,000,000,000) shares of common stock, without par value. Each share of common stock shall entitle the holder thereof to one (1) vote on each matter properly submitted to the stockholders for their vote, consent, waiver, release or other action, subject to the provisions of the law with respect to cumulative voting.

2) Five Hundred Thousand (500,000) shares of preferred stock, without par value.

(a) **Series D Perpetual Preferred Stock.** Seven-Thousand Two-Hundred Fifty (7,250) shares of the preferred stock of the corporation shall be designated "Series D Perpetual Preferred Stock" and shall have the rights, preferences and entitlements that follow:

1. Designation and Amount. The shares of such series shall be designated as Series D Perpetual Preferred Stock (the "Series D Preferred Stock"), which shall be a closed series consisting of 7,250 shares of cumulative perpetual convertible preferred stock. The number of authorized shares of the Series D Preferred Stock may not be increased or decreased. Each share of the Series D Preferred Stock shall have a stated value of $1,000 per share (the "Series D Stated Value").

2. Dividends.

(i) *Entitlement*. The holders of the Series D Preferred Stock shall be entitled to receive, as and when declared payable by the Board of Directors from funds of the corporation legally available for the payment thereof, cumulative preferred dividends in lawful money of the United States of America at the applicable rate fixed and determined as herein authorized, and no more, payable quarterly on the last day of each March, June, September, and December (the "Series D Dividend Payment Dates") in each year with respect to the quarterly period beginning on the first day of each calendar quarter and ending on each such respective payment date (the "Series D Dividend Period") to shareholders of record on a date, to be fixed by

the Board of Directors, not exceeding forty (40) days preceding each Series D Dividend Payment Date. Accumulations of dividends shall not bear interest. The initial dividend payment for Series D Preferred Stock will accrue from the date such series is issued and will be payable on the First Series D Dividend Payment Date following such date. The annual rate of preferred dividends on each share of Series D Preferred Stock shall be the product of the applicable Series D Dividend Rate (as hereinafter described) and the Series D Stated Value, payable in quarterly installments, provided, however, that if any change in the Series D Dividend Rate shall occur, the dividends payable for that part of the Series D Dividend Period occurring prior to such change shall be payable on the basis of the Series D Dividend Rate in effect prior to such change and the dividends payable for that part of the Series D Dividend Period from and after such change shall be payable on the basis of the Series D Dividend Rate then becoming effective and such determination shall be made on the basis of a thirty (30) day month and a three hundred and sixty (360) day year.

(ii) *Series D Dividend Rate*. The rate of preferred dividends per share of the Series D Preferred Stock per annum based on the Series D Stated Value (the "Series D Dividend Rate") shall be eight percent (8%).

(iii) *Cumulative and Perpetual*. All dividends payable on account of the Series D Preferred Stock shall be cumulative and shall be paid, from funds of the corporation legally available for the payment thereof, so long as any shares of the Series D Preferred Stock are outstanding.

(iv) *Restrictions on Dividend Payments*. All shares of Common Stock and each series of Preferred Stock shall rank junior to the Series D Preferred Stock as to dividends. So long as any shares of the Series D Preferred Stock remain outstanding, no dividend shall be paid or declared, or declared and set apart for payment, or other distribution made, on the shares of any class of stock ranking, as to dividend rights, junior to the Series D Preferred Stock, nor shall any shares of any class of stock (or series thereof) of the corporation ranking, as to dividend rights, junior to, or on a parity with, the Series D Preferred Stock, be purchased, redeemed or otherwise acquired for value by the corporation, unless all dividends, at the applicable rate, on the Series D Preferred Stock shall have been declared and paid, or declared and set apart for payment, for all past Series D Dividend Periods ending immediately prior to the date on which such dividend, distribution, purchase, redemption or acquisition is to occur and the then current Series D Dividend Period; provided, however, that the foregoing restrictions shall not apply (a) to the declaration and payment, on shares ranking junior to the Series D Preferred Stock as to dividend rights, of dividends payable solely in shares of stock of any class of shares ranking junior to the Series D Preferred Stock as to dividend rights, or (b) to the acquisition of any shares ranking junior to, or on a parity with, the Series D Preferred Stock as to dividend rights through application of the proceeds of the issue and sale of any class of any shares ranking junior to, or on a parity with, the Series D Preferred Stock as to dividend rights sold at or about the time of such acquisition. No dividends shall be paid or declared, or declared and set apart for payment, or other distribution made on any shares of any class of stock (or series thereof) of the corporation ranking, as to dividend rights, on a parity with the Series D Preferred Stock for any dividend period unless, at the same time, a like proportion of dividends for the same or similar dividend period, ratably in proportion to the respective annual dividend rate fixed therefor, shall be paid or declared, or declared and set apart for payment, on all shares of Series D Preferred Stock.

3. <u>Status of Reacquired Shares.</u> The corporation shall retire any of the shares of the Series D Preferred Stock that are converted into shares of Common Stock pursuant to Paragraph (2)(a)5., or that it repurchases or otherwise acquires, and such shares shall not be reissued as shares of Series D Preferred Stock but shall revert to authorized but unissued shares of Preferred Stock and may be reissued as shares of a different series of Preferred Stock in any future designation by the Board of Directors.

4. <u>Restriction on Issuance of Additional Preferred Stock.</u> So long as any shares of the Series D Preferred Stock are outstanding, the corporation shall not issue any securities ranking senior to, or on a parity with, the Series D Preferred Stock as to dividend rights or rights upon the liquidation, dissolution or winding up of the corporation, without the prior approval of the holders of a majority of the Series D Preferred Stock.

5. <u>Conversion.</u>

(i) *Right of Conversion*. Subject to the provisions for adjustment set forth herein, each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, in the manner hereinafter provided, into fully paid and nonassessable shares of Common Stock at the conversion price, determined as herein provided, in effect on the date of conversion, each share of Series D Preferred Stock being credited at its Series D Stated Value. The price at which shares of Common Stock shall be delivered upon conversion of shares of Series D Preferred Stock (the "Series D Conversion Price") shall be initially $23.5399 per share of Common Stock. The Series D Conversion Price shall be adjusted in certain instances as provided in Paragraph (2)(a)5.(iii) below.

(ii) *Procedure for Conversion*. Any holder of shares of Series D Preferred Stock desiring to convert such shares into shares of Common Stock shall surrender the certificate or certificates for the shares of Series D Preferred Stock being converted, duly endorsed in blank or duly endorsed or assigned to the corporation, at the principal office of the corporation or at a bank or trust company appointed by the corporation for that purpose, accompanied by a written notice of conversion specifying the number of shares of Series D Preferred Stock to be converted and the name or names in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If such notice shall specify a name or names other than that of such holder, such notice shall be accompanied by payment of all transfer taxes payable upon the issue of shares of Common Stock in such name or names. If less than all of the shares of Series D Preferred Stock represented by a certificate are to be converted by a holder, the corporation, upon such conversion, shall issue and deliver, or cause to be issued and delivered, to such holder a certificate or certificates for the shares of Series D Preferred Stock not so converted. The holders of shares of Series D Preferred Stock at the close of business on the record date fixed for a Series D Dividend Payment Date shall be entitled to receive the dividend payable on such shares of Series D Preferred Stock on the corresponding Series D Dividend Payment Date notwithstanding the subsequent conversion thereof or the corporation's default in payment of the dividend due on such Series D Dividend Payment Date.

However, shares of Series D Preferred Stock surrendered for conversion during the period from the close of business on any record date fixed for a Series D Dividend Payment Date for the Series D Preferred Stock to the opening of business on the corresponding Series D Dividend Payment Date must be accompanied by payment of an amount equal to the dividend payable on such shares of Series D Preferred Stock on such Series D Dividend Payment Date. A holder of shares of Series D Preferred Stock on a record date fixed for a Series D Dividend Payment Date who (or whose transferee) converts shares of Series D Preferred Stock on a Series D Dividend Payment Date will receive the dividend payable on such shares of Series D Preferred Stock by the corporation on such date, and the converting holder need not include payment in the amount of such dividend upon surrender of shares of Series D Preferred Stock for conversion. Except as provided above, no payment or adjustment will be made on account of unpaid dividends upon the conversion of Series D Preferred Stock.

As promptly as practicable after the surrender of certificates for shares of Series D Preferred Stock as aforesaid, the corporation shall issue and shall deliver at such office to such holder, or on his or her written order, a certificate or certificates for the number of full shares of Common Stock issuable upon the conversion of such shares in accordance with the provisions of this Paragraph (2)(a)5., and any fractional interest in respect of a share of Common Stock arising upon such conversion shall be promptly settled as provided in Paragraph (2)(a)5.(vi).

Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which the certificates for shares of Series D Preferred Stock shall have been surrendered and such notice received by the corporation as aforesaid; the shares of Series D Preferred Stock so surrendered for conversion shall no longer be deemed to be outstanding and all rights with respect to such shares of Series D Preferred Stock shall cease, except the right of the holders thereof to receive full shares of Common Stock in exchange therefor, payment of dividends as provided in the first paragraph of this Paragraph (2)(a)5.(ii) and payment for any fractional shares; and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the holder or holders of record of the shares represented thereby at such time on such date. All shares of Common Stock delivered upon conversions of the Series D Preferred Stock will upon delivery be duly and validly issued and fully paid and nonassessable.

(iii) *Adjustments of the Series D Conversion Price* .

(A) The Series D Conversion Price shall be adjusted from time to time as follows:

(1) In case the corporation shall pay or make a dividend or other distribution on any class of capital stock of the corporation in shares of Common Stock, the Series D Conversion Price in effect at the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such dividend or other distribution shall be reduced by multiplying such Series D Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution, such reduction to become effective immediately after the opening of business on the day following the date fixed for such determination.

(2) In case the corporation shall issue rights or warrants entitling any person to subscribe for or purchase Common Stock at a price per share less than the current market price per share (determined as provided in Paragraph (2)(a)5.(iii)(B) herein) of the Common Stock on the date fixed for the determination of the persons entitled to receive such rights or warrants, the Series D Conversion Price in effect at the opening of business on the day following the date fixed for such determination shall be reduced by multiplying such Series D Conversion Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such current market price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such reduction to become effective immediately after the opening of business on the day following the date fixed for such determination. Notwithstanding the foregoing, in the event that the corporation shall distribute or shall have distributed any rights or warrants to acquire capital stock (“Rights”) pursuant to this Paragraph (2)(a)5.(iii)(A)(2), the distribution of separate certificates representing the Rights subsequent to their initial distribution (whether or not the initial distribution of the Rights shall have occurred prior to the date of the issuance of the Series D Preferred Stock) shall be deemed to be the distribution of the Rights for purposes of this Paragraph (2)(a)5.(iii)(A)(2); provided that the corporation may, in lieu of making any adjustment pursuant to this Paragraph (2)(a)5.(iii)(A)(2) upon a distribution of separate certificates representing the Rights, make proper provision so that each holder of Series D Preferred Stock who converts such Series D Preferred Stock (or any portion thereof) (A) before the record date for such distribution of separate certificates shall be entitled to receive upon conversion shares of Common Stock issued with Rights and (B) after such record date and prior to the expiration, redemption or termination of the Rights shall be entitled to receive upon conversion, in addition to the shares of Common Stock issuable upon conversion, the same number of Rights as would a holder of the number of shares of Common Stock that such Series D Preferred Stock so converted would have entitled the holder thereof to purchase in accordance with the terms and provisions applicable to the Rights if such Series D Preferred Stock were converted immediately prior to the record date for such distribution. Common Stock owned by or held for the account of the Corporation or any majority owned subsidiary shall not be deemed outstanding for the purpose of any adjustment required under this Paragraph (2)(a)5.(iii)(A)(2).

(3) In case the corporation shall, by dividend or otherwise, distribute to any holder of the corporation’s securities evidences of indebtedness or assets (including securities, but excluding any rights or warrants referred to in Paragraph (2)(a)5.(iii)(A)(2), any dividend or distribution paid in cash out of the surplus of the corporation and any dividend or distribution referred to in Paragraph (2)(a)5.(iii)(A)(1) herein), the Series D Conversion Price shall be adjusted so that the same shall equal the price determined by multiplying the Series D Conversion Price in effect immediately prior to the close of business on the date fixed for the determination of shareholders entitled to receive such distribution by a

fraction of which the numerator shall be the current market price per share (determined as provided in Paragraph (2)(a)5.(iii)(B) herein) of the Common Stock on the date fixed for such determination, less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive) of the portion of the assets or evidences of indebtedness so distributed allocable to one share of Common Stock, and the denominator shall be such current market price per share of Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of shareholders entitled to receive such distribution.

(4) In case the outstanding shares of Common Stock shall be subdivided into a greater number of shares, the Series D Conversion Price in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately reduced, and, conversely, in case the outstanding shares of Common Stock shall each be combined into a smaller number of shares, the Series D Conversion Price in effect at the opening of business on the day following the day upon which such combination becomes effective shall be proportionately increased, such reduction or increase, as the case may be, to become effective immediately after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(5) The reclassification of Common Stock into securities other than Common Stock (other than any reclassification upon a consolidation or merger to which Paragraph (2)(a)5.(iii)(E) applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of shareholders entitled to receive such distribution" and the "date fixed for such determination" within the meaning of Paragraph (2)(a)5.(iii)(A)(3), and (b) a subdivision or combination, as the case may be, of the number of shares of Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective," or "the day upon which such combination becomes effective," as the case may be, and "the day upon which such subdivision or combination becomes effective," within the meaning of Paragraph (2)(a)5.(iii)(A)(4).

(B) For the purpose of any computation under Paragraph (2)(a)5.(iii)(A)(2) and Paragraph (2)(a)5.(iii)(A)(3), the current market price per share of Common Stock on any day shall be deemed to be the average of the average high and low sales price per share for the Common Stock, as reported on the Nasdaq National Market or such national securities exchange on which the Common Stock is primarily traded at the time of such computation, for thirty (30) consecutive trading days immediately preceding the day in question.

(C) Notwithstanding the provisions of Paragraph (2)(a)5.(iii)(A) above, no adjustment in the Series D Conversion Price shall be required unless such adjustment (plus any adjustments not previously made by reason of this Paragraph (2)(a)5.(iii)(C)) would require an increase or decrease of at least 1% in such price; provided, however, that any adjustments which by reason of this Paragraph (2)(a)5.(iii)(C) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Paragraph (2)(a)5.(iii) shall be made to the nearest cent.

(D) The corporation may make such reductions in the Series D Conversion Price, in addition to those required by this Paragraph (2)(a)5.(iii), as it considers to be advisable in order to avoid or diminish any income tax to any holder of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes or for any other reasons.

(E) In case the Corporation shall effect any capital reorganization of the Common Stock (other than a subdivision, combination, capital reorganization or reclassification provided for in Paragraph (2)(a)5.(iii)(A)) or shall consolidate, merge or engage in a statutory share exchange with or into any other corporation (other than a consolidation, merger or share exchange in which the corporation is the surviving corporation and each share of Common Stock outstanding immediately prior to such consolidation or merger is to remain outstanding immediately after such consolidation or merger) or shall sell or transfer all or substantially all its assets to any other corporation, lawful provision shall be made as a part of the terms of such transaction whereby the holders of Series D Preferred Stock shall receive upon conversion thereof, in lieu of each share of Common Stock which would have been issuable upon conversion of such stock if converted immediately prior to the consummation of such transaction, the same kind and amount of stock (or other securities, cash or property, if any) as may be issuable or distributable in connection with such transaction with respect to each share of Common Stock outstanding at the effective time of such transaction, subject to subsequent adjustments for subsequent stock dividends and distributions, subdivisions or combination of shares, capital reorganization, reclassifications, consolidations, mergers or share exchanges, as nearly equivalent as possible to the adjustments provided for in this Paragraph (2)(a)5.(iii).

(F) Whenever the Series D Conversion Price is adjusted as herein provided, a notice stating that the Series D Conversion Price has been adjusted and setting forth the adjusted Series D Conversion Price shall, as soon as practicable, be mailed to the holders of record of outstanding shares of Series D Preferred Stock.

(G) In case:

(1) the corporation shall declare a dividend or other distribution on the Common Stock otherwise than in cash out of its surplus;

(2) the corporation shall authorize the granting to the holders of the Common Stock of rights or warrants entitling them to subscribe for or purchase any shares of capital stock of any class or of any other rights;

(3) of any reclassification of the Common Stock (other than a subdivision or combination of outstanding shares of Common Stock), or of any consolidation, merger or share exchange to which the corporation is a party and for which approval of any shareholders of the corporation is required, or of the sale or transfer of all or substantially all the assets of the corporation; or

(4) of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation;

then the corporation shall cause to be mailed to the holders of record of the outstanding shares of Series D Preferred Stock, at least twenty (20) days (or ten (10) days in any case specified in Paragraph (2)(a)5.(iii)(G)(1) or Paragraph (2)(a)5.(iii)(G)(2) above) prior to the applicable record or effective date hereinafter specified, a notice stating (a) the date as of which the holders of record of shares of Common Stock to be entitled to such dividend, distribution, rights or warrants is to be determined, or (b) the date on which such reclassification, consolidation, merger, share exchange, sale, transfer, liquidation, dissolution or winding up is expected to become effective and the date as of which it is expected that holders of record of Common Stock shall be entitled to exchange their shares for securities or other property, if any, deliverable upon such reclassification, consolidation, merger, share exchange, sale, transfer, liquidation, dissolution or winding up. Such notice shall also state whether such transaction will result in any adjustment in the Series D Conversion Price applicable to the Series D Preferred Stock and, if so, shall state what the adjusted Series D Conversion Price will be and when it will become effective. Neither the failure to give the notice required by this Paragraph (2)(a)5.(iii)(G), nor any defect therein, to any particular holder shall affect the sufficiency of the notice or the legality or validity of the proceedings described in Paragraph (2)(a)5.(iii)(G)(1) through Paragraph (2)(a)5.(iii)(G)(4).

(iv) *Reservation of Shares Issuable Upon Conversion*. The corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, for the purpose of issuance upon conversion of Series D Preferred Stock, the full number of shares of Common Stock then issuable upon the conversion of all shares of Series D Preferred Stock then outstanding and shall take all action necessary so that shares of Common Stock so issued will be validly issued, fully paid and nonassessable.

(v) *Allocation of Costs*. The corporation will pay any and all stamp or similar taxes that may be payable in respect of the issuance or delivery of shares of Common Stock on conversion of Series D Preferred Stock. The corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series D Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person requesting such issuance has paid to the corporation the amount of any such tax or has established to the satisfaction of the corporation that such tax has been paid.

(vi) *Payment in Lieu of Fractional Shares*. No fractional shares or scrip representing fractional shares of Common Stock shall be issued upon the conversion of Series D Preferred Stock. If any such conversion would otherwise require the issuance of such a fractional share, an amount equal to such fraction multiplied by the average of the average high and low sales price per share for the Common Stock, as reported on the Nasdaq National Market or such national securities exchange on which the Common Stock is primarily traded at the time of such computation, for thirty (30) consecutive trading days immediately preceding the date of conversion, shall be paid to the holder in cash by the corporation.

(vii) *Approval of Conversion*. Conversion of shares of the Series D Preferred Stock held of record by Thomas D. Flanagan may be converted into shares of Common Stock pursuant to this Paragraph (2)(a)5 only if the conversion has received the prior approval of the Board of Governors of the Federal Reserve System or, where permitted to be approved by a Federal Reserve Bank, the prior approval of the appropriate Federal Reserve Bank, unless at the time of such redemption, such prior approval shall not be required under applicable laws, rules or regulations, or order of said Board of Governors.

6. Liquidation Preference. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the corporation, each holder of the Series D Preferred Stock shall be entitled to receive out of the assets of the corporation available for distribution to shareholders, after payment in full of all amounts owing to the holders of all shares of all classes or series of stock having rights senior to the Series D Preferred Stock upon the liquidation, dissolution or winding up of the corporation, an amount per share equal to, but no more than, the Series D Stated Value per share of each share of Series D Preferred Stock held by such holder, including all accrued and unpaid dividends, whether or not declared, to and including the date of the voluntary or involuntary liquidation, dissolution or winding up of the corporation. Until payment to the holders of the Series D Preferred Stock of all amounts owing as aforesaid, or until money or other assets sufficient for such payment shall have been set apart from its other funds and assets for payment by the corporation, for the account of such holders, so as to be and continue to be available for payment to such holders, no payment or distribution upon such liquidation, dissolution or winding up shall be made to holders of shares ranking junior to, or on a parity with, the Series D Preferred Stock as to rights upon the liquidation, dissolution or winding up of the corporation. The Common Stock and each series of Preferred Stock shall be junior to the Series D Preferred Stock as to rights upon the liquidation, dissolution or liquidation or winding up of the corporation, except that the Series E Preferred Stock shall be on a parity with the Series D Preferred Stock with respect to the right to receive payment or distribution upon the liquidation, dissolution or liquidation or winding up of the corporation. If upon any such liquidation, dissolution or winding up, the assets of the corporation available for payment and distribution to shareholders are insufficient to make payment in full, as hereinabove provided, to the holders of the Series D Preferred Stock and the holders of all other shares of Preferred Stock which rank on a parity with the Series D Preferred Stock as to rights upon the liquidation, dissolution or winding up of the corporation, payment shall be made to such holders ratably in accordance with the liquidation value of shares held by them, respectively.

Neither a consolidation nor merger of the corporation with or into any other corporation, nor a merger of any other corporation into the corporation, nor the purchase or redemption of all or any part of the outstanding shares of any class or classes of stock of the corporation, nor the sale or transfer of properties of the corporation substantially as an entirety, shall be construed to be a liquidation, dissolution or winding up of the corporation within the meaning of the foregoing provisions.

7. Business Combinations and Other Transactions. The Corporation shall not effect a merger, consolidation, reorganization, recapitalization or similar transaction or an exchange of securities with another party unless, following such merger, consolidation, reorganization, recapitalization, similar transaction or exchange of securities, (i) the Series D Preferred Stock will remain issued and outstanding, or (ii) provision shall have been made for the

issuance to the holders of the Series D Preferred Stock of another series of preferred stock with powers, preferences and special rights substantially identical to those of the Series D Preferred Stock.

8. Voting of Series D Preferred Stock. The holders of the Series D Preferred Stock shall have no right to vote upon any matter except as shall be affirmatively provided in the Ohio General Corporation Law.

(b) **Series E Perpetual Preferred Stock.** Two-Thousand shares of preferred stock of the corporation shall be designated "Series E Perpetual Preferred Stock" and shall have the rights, preferences and entitlements that follow:

1. Designation and Amount. The shares of such series shall be designated as Series E Perpetual Preferred Stock (the "Series E Preferred Stock"), which shall be a closed series consisting of 2,000 shares of cumulative perpetual preferred stock. The number of authorized shares of Series E Preferred Stock may not be increased or decreased. Each share of the Series E Preferred Stock shall have a stated value of $1,000 per share (the "Series E Stated Value").

2. Dividends.

(i) *Entitlement*. The holders of Series E Preferred Stock shall be entitled to receive, as and when declared payable by the Board of Directors from funds of the corporation legally available for the payment thereof, cumulative preferred dividends in lawful money of the United States of America at the applicable rate fixed and determined as herein authorized, and no more, payable quarterly on the last day of each March, June, September, and December (the "Series E Dividend Payment Dates") in each year with respect to the quarterly period beginning on the first day of each calendar quarter and ending on each such respective payment date (the "Series E Dividend Period") to shareholders of record on a date, to be fixed by the Board of Directors, not exceeding forty (40) days preceding each Series E Dividend Payment Date. Accumulations of dividends shall not bear interest. The initial dividend payment for Series E Preferred Stock will accrue from the date such series is issued and will be payable on the first Series E Dividend Payment Date following such date. The annual rate of preferred dividends on each share of Series E Preferred Stock shall be the product of the applicable Series E Dividend Rate (as hereinafter described) and the Series E Stated Value, payable in quarterly installments, provided, however, that if any change in the Series E Dividend Rate shall occur the dividends payable for that part of the Series E Dividend Period occurring prior to such change shall be payable on the basis of the Series E Dividend Rate in effect prior to such change and the dividends payable for that part of the Series E Dividend Period from and after such change shall be payable on the basis of the Series E Dividend Rate then becoming effective and such determination shall be made on the basis of a thirty (30) day month and a three hundred and sixty (360) day year.

(ii) *Series E Dividend Rate*. The rate of preferred dividends per share of the Series E Preferred Stock per annum based on the Series E Stated Value (the "Series E Dividend Rate") shall be eight percent (8%).

(iii) *Cumulative and Perpetual*. Dividends payable on account of the Series E Preferred Stock shall be cumulative and shall be paid, from funds of the corporation legally available for the payment thereof, so long as any shares of the Series E Preferred Stock are outstanding.

(iv) *Restrictions on Dividend Payments*. All shares of the Common Stock and each series of Preferred Stock shall rank junior to the Series E Preferred Stock as to dividends, except that the Series D Preferred Stock shall rank senior to the Series E Preferred Stock as to dividends.

So long as any shares of the Series E Preferred Stock remain outstanding, no dividend shall be paid or declared, or declared and set apart for payment, or other distribution made, on the shares of any class of stock ranking, as to dividend rights, junior to the Series E Preferred Stock, nor shall any shares of any class of stock (or series thereof) of the corporation ranking, as to dividend rights, junior to, or on a parity with, the Series E Preferred Stock, be purchased, redeemed or otherwise acquired for value by the corporation, unless dividends on the Series E Preferred Stock shall have been declared and paid, or declared and set apart for payment, for all past Series E Dividend Periods ending immediately prior to the date on which such dividend, distribution, purchase, redemption or acquisition is to occur and the then current Series E Dividend Period; provided, however, that the foregoing restrictions shall not apply (a) to the declaration and payment, on shares ranking junior to the Series E Preferred Stock as to dividend rights, of dividends payable solely in shares of stock of any class of shares ranking junior to the Series E Preferred Stock as to dividend rights or, (b) to the acquisition of any shares ranking junior to, or on a parity with, the Series E Preferred Stock as to dividend rights through application of the proceeds of the issue and sale of any class of any shares ranking junior to, or on a parity, with the Series E Preferred Stock as to dividend rights sold at or about the time of such acquisition. No dividends shall be paid or declared, or declared and set apart for payment, or other distribution made on any shares of any class of stock (or series thereof) of the corporation ranking, as to dividend rights, on a parity with the Series E Preferred Stock for any dividend period unless, at the same time, a like proportion of dividends for the same or similar dividend period, ratably in proportion to the respective annual dividend rate fixed therefor, shall be paid or declared, or declared and set apart for payment, on all shares of Series E Preferred Stock.

3. Status of Reacquired Shares. The corporation shall retire any of the shares of the Series E Preferred Stock that are converted into cash pursuant to Paragraph (2)(b)5., or that it repurchases or otherwise acquires, and such shares shall not be reissued as shares of Series E Preferred Stock but shall revert to authorized but unissued shares of Preferred Stock and may be reissued as shares of a different series of Preferred Stock in any future designation by the Board of Directors.

4. Restriction on Issuance of Additional Preferred Stock. So long as any shares of the Series E Preferred Stock are outstanding, the corporation shall not issue any securities ranking senior to, or on a parity with, the Series E Preferred Stock as to dividend rights or rights upon the liquidation, dissolution or winding up of the corporation without the prior approval of the holders of a majority of the Series E Preferred Stock.

5. Change of Control. In the event of a Change of Control (as defined below) of the corporation that is not approved by the holders of a majority of the outstanding shares of the Series E Preferred Stock and upon the approval of the holders of a majority of the outstanding shares of Series E Preferred Stock, the shares of Series E Preferred Stock then outstanding shall convert into the right to receive a cash payment, effective as of the effective date of such Change of Control, (the "Change of Control Effective Date"), equal to the sum of (1) the value of the consideration exchanged or paid in connection with the Change of Control for such whole number of shares of Common Stock into which the shares of Series E Preferred Stock outstanding on the Change of Control Effective Date would be convertible if such shares were at the time shares of Series D Preferred Stock, and (2) the amount that would have been payable in lieu of fractional shares to a holder of such number of shares of Series D Preferred Stock upon conversion into Common Stock. For purposes of this Paragraph (2)(b)5. a "Change of Control" shall mean any merger, consolidation, reorganization, recapitalization or similar transaction, a tender offer by or exchange of securities with another party, or a combination of the foregoing, wherein another party or its affiliates shall acquire voting securities of the corporation which, together with voting securities already owned by such party or affiliates, exceeds 50% of the voting power of the corporation entitled to vote in the election of directors of the corporation. Any consideration paid in a Change of Control other than cash shall be valued for purposes of this Paragraph (2)(b)5. on the same basis that it was valued in good faith by the Board of Directors of the corporation in taking any action on or with respect to the Change of Control.

6. Liquidation Preference. In the event of a voluntary or involuntary liquidation, dissolution or winding up of the corporation, each holder of the Series E Preferred Stock shall be entitled to receive out of the assets of the corporation available for distribution to shareholders, after payment in full of all amounts owing to the holders of all shares of all classes or series of stock having rights senior to the Series E Preferred Stock upon the liquidation, dissolution or winding up of the corporation, an amount per share equal to, but no more than, the Series E Stated Value per share of each share of Series E Preferred Stock, including all accrued and unpaid dividends whether or not declared, to and including the date of the voluntary or involuntary liquidation, dissolution or winding up of the corporation. Until payment to the holders of the Series E Preferred Stock of all amounts owing as aforesaid, or until money or other assets sufficient for such payment shall have been set apart from its other funds and assets for payment by the corporation, for the account of such holders, so as to be and continue to be available for payment to such holders, no payment or distribution upon such liquidation, dissolution or winding up shall be made to holders of shares ranking junior to, or on a parity with, the Series E Preferred Stock as to rights upon the liquidation, dissolution or winding up. The Common Stock and each series of Preferred Stock shall be junior to the Series E Preferred Stock as to rights upon the liquidation, dissolution or liquidation or winding up of the corporation, except that the Series D Preferred Stock shall be on a parity with the Series E Preferred Stock with respect to the right to receive payment or distribution upon the liquidation, dissolution or liquidation or winding up of the corporation. If upon any such liquidation, dissolution or winding up, the assets of the corporation available for payment and distribution to shareholders are insufficient to make payment in full, as hereinabove provided, to the holders of

the Series E Preferred Stock and the holders of all other shares of Preferred Stock which rank on a parity with the Series E Preferred Stock as to rights upon the liquidation, dissolution or winding up of the corporation, payment shall be made to such holders ratably in accordance with the liquidation value of shares held by them, respectively.

Neither a consolidation nor merger of the corporation with or into any other corporation, nor a merger of any other corporation into the corporation, nor the purchase or redemption of all or any part of the outstanding shares of any class or classes of stock of the corporation, nor the sale or transfer of properties of the corporation substantially as an entirety, shall be construed to be a liquidation, dissolution or winding up of the corporation within the meaning of the foregoing provisions.

7. Business Combinations and Other Transactions. The Corporation shall not effect a merger, consolidation, reorganization, recapitalization or similar transaction or an exchange of securities with another party unless, following such merger, consolidation, reorganization, recapitalization, similar transaction or exchange of securities, (i) the Series E Preferred Stock will remain issued and outstanding, (ii) provision shall have been made for the issuance to the holders of the Series E Preferred Stock of another series of preferred stock with powers, preferences and special rights substantially identical to those of the Series E Preferred Stock, or (iii) the holders of a majority of the outstanding shares of the Series E Preferred Stock shall have approved the conversion of the outstanding shares of Series E Preferred Stock into the right to receive a cash payment in accordance with Paragraph (2)(b)5.

8. Voting of Series E Preferred Stock. The holders of the Series E Preferred Stock shall have no right to vote upon any matter except as shall be affirmatively provided in the Ohio General Corporation Law.

(c) **Designation and Number of Shares**. There is hereby created out of the authorized and unissued shares of preferred stock of the Corporation a series of preferred stock designated as the "Fixed Rate Cumulative Perpetual Preferred Stock, Series F" (the "Designated Preferred Stock"). The authorized number of shares of Designated Preferred Stock shall be 136,321. Each of the 136,321 shares of the Designated Preferred Stock, no par value, shall have a liquidation preference of $25,000 per share, and $3,408,025,000 in the aggregate.

1. Standard Provisions. The Standard Provisions contained in Annex A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this Certificate of Designations to the same extent as if such provisions had been set forth in full herein.

2. Definitions. The following terms are used in this Certificate of Designations (including the Standard Provisions in Annex A hereto) as defined below:

(i) "Common Stock" means the common stock, par value $0.00 per share, of the Corporation.

(ii) "Dividend Payment Date " means March 31, June 30, September 30 and December 31 of each year.

(iii) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation the terms of which expressly provide that it ranks junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation.

(iv) "Liquidation Amount" means $25,000 per share of Designated Preferred Stock.

(v) "Minimum Amount" means $852,006,000.00.

(vi) "Parity Stock" means any class or series of stock of the Corporation (other than Designated Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to Designated Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Corporation (in each case without regard to whether dividends accrue cumulatively or non-cumulatively). Without limiting the foregoing, Parity Stock shall include the Corporation's Series G Preferred Stock.

(vii) "Signing Date" means the Original Issue Date.

3. Certain Voting Matters. Holders of shares of Designated Preferred Stock will be entitled to one vote for each such share on any matter on which holders of Designated Preferred Stock are entitled to vote, including any action by written consent.

(d) **8.50% Non-Cumulative Perpetual Convertible Preferred Stock, Series G.** Forty-Six Thousand (46,000) shares of the preferred stock of the Corporation shall be designated "8.50% Non-Cumulative Perpetual Convertible Preferred Stock, Series G." Each of the Forty-Six Thousand (46,000) shares of the Series G Preferred Stock, no par value, shall have a liquidation preference of $25,000 per share, and $1,150,000,000 in the aggregate, and shall have the rights, preferences and entitlements that follow:

1. Designation. The shares of such series shall be designated as "8.50% Non-Cumulative Perpetual Convertible Preferred Stock, Series G" (the "Series G Preferred Stock").

2. Dividends.

(i) Dividends on shares of Series G Preferred Stock will not be mandatory. Holders of the Series G Preferred Stock, in preference to the holders of the corporation's common stock and of any other shares of the corporation's stock ranking junior to the Series G Preferred Stock as to payment of dividends, will be entitled to receive, only when, as and if declared by the Board of Directors, out of funds legally available for payment, cash dividends. These dividends will be payable at a rate *per annum* equal to 8.50% (the "*Dividend Rate*"), applied to the $25,000 liquidation preference per share, and will be paid on March 31, June 30, September 30 and December 31 of each year (each, a "*Dividend Payment Date*"), with

respect to the Dividend Period, or portion thereof, ending on the day preceding the respective Dividend Payment Date. A " *Dividend Period*" means each period commencing on (and including) a Dividend Payment Date and continuing to (but not including) the next succeeding Dividend Payment Date, except that the first Dividend Period for the initial issuance of the Series G Preferred Stock will commence upon the original issue date of the Series G Preferred Stock and be paid on September 30, 2008. Dividends will be paid to holders of record on the respective date fixed for that purpose by the Board of Directors in advance of payment of each particular dividend. If a Dividend Payment Date is not a business day, the applicable dividend shall be paid on the first business day following that day without adjustment. A "*business day*" means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York, New York and Cincinnati, Ohio are permitted or required by any applicable law to close. The amount of dividends payable per share of Series G Preferred Stock on each Dividend Payment Date will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(ii) Dividends on shares of Series G Preferred Stock will not be cumulative. Accordingly, if the Board of Directors does not declare a dividend on the Series G Preferred Stock payable in respect of any dividend period before the related Dividend Payment Date, such dividend will not accrue and the corporation will have no obligation to pay a dividend for that dividend period on the Dividend Payment Date or at any future time, whether or not dividends on the Series G Preferred Stock are declared for any future dividend period.

3. Ranking.

(i) With respect to the payment of dividends and the amounts to be paid upon liquidation, the Series G Preferred Stock will rank (a) senior to the corporation's common stock and all other equity securities designated as ranking junior to the Series G Preferred Stock, which will include all future issuances of preferred stock, other than those series designated as ranking on parity with it; (b) at least equally with all other equity securities designated as ranking on a parity with the Series G Preferred Stock with respect to the payment of dividends and distribution of assets upon any liquidation, dissolution or winding-up of the corporation; and (c) junior to the Series D Preferred Stock (as defined in Paragraph A(2)(a) of this Article Fourth) and Series E Preferred Stock (as defined in Paragraph A(2)(b) of this Article Fourth).

(ii) The corporation will not issue any series of preferred stock in the future that ranks senior to the Series G Preferred Stock, but the corporation may issue additional series ranking junior to or on a parity with the Series G Preferred Stock with respect to the payment of dividends and distribution of assets upon any liquidation, dissolution or winding up of the corporation. The corporation's common stock and any other equity securities designated as ranking junior to the Series G Preferred Stock are referred to herein as "*junior stock.*"

(iii) So long as any shares of Series G Preferred Stock remain outstanding, unless the full dividends for the then-current Dividend Period on all outstanding shares of Series G Preferred Stock have been paid, or declared and funds set aside therefor, on any day in the immediately succeeding Dividend Period: (a) no dividend whatsoever shall be

declared on any junior stock, other than a dividend payable solely in junior stock; and (b) the corporation and its subsidiaries may not purchase, redeem or otherwise acquire for consideration (other than as a result of reclassification of junior stock for or into junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock), nor will the corporation pay to or make available any monies for a sinking fund for the redemption of any junior stock.

(iv) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, upon the Series G Preferred Stock and any shares of any class or series or any securities convertible into shares of any class or series of other equity securities designated as ranking on a parity with the Series G Preferred Stock as to payment of dividends ("*Dividend Parity Stock*"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series G Preferred Stock and the Dividend Parity Stock shall be shared: (a) first ratably by the holders of any shares of such other series of Dividend Parity Stock who have the right to receive dividends with respect to Dividend Periods prior to the then-current Dividend Period, in proportion to their respective amounts of the undeclared and unpaid dividends relating to prior Dividend Periods; and (b) thereafter by the holders of the shares of Series G Preferred Stock and the Dividend Parity Stock on a *pro rata* basis.

(v) The corporation will not issue any new series of preferred stock having dividend payment dates that are not a March 31, June 30, September 30 and December 31 (or the next business day, if applicable).

4. Conversion.

(i) Optional Conversion Right. Each share of the Series G Preferred Stock may be converted at any time, at the option of the holder, into 2,159.8272 shares of the corporation's common stock plus cash in lieu of fractional shares, subject to anti-dilution adjustments (such rate or adjusted rate, the " *conversion rate*").

The conversion rate and the corresponding conversion price in effect at any given time are referred to as the " *applicable conversion rate*" and the "*applicable conversion price*," respectively, and will be subject to adjustment as described below. The applicable conversion price at any given time will be computed by dividing $25,000 by the applicable conversion rate at such time.

If the conversion date is prior to the record date for any declared dividend on Series G Preferred Stock for the dividend period in which the holder elects to convert, the holder will not receive any declared dividends for that dividend period. If the conversion date is after the record date for any declared dividend and prior to the dividend payment date, the holder will receive that dividend on the relevant dividend payment date if the holder was the holder of record on the record date for that dividend; *however*, whether or not the holder was the holder of record on the record date, if the holder converts after a record date and prior to the related dividend payment date, the holder must pay to the conversion agent (as defined in Paragraph 4(xiii)) when the

holder converts the holder's shares of Series G Preferred Stock an amount in cash equal to the full dividend actually paid on the dividend payment date for the then-current dividend period on the shares being converted, unless the holder's shares of Series G Preferred Stock are being converted as a consequence of a mandatory conversion at the option of the corporation, a make-whole acquisition or a fundamental change as described below in Paragraph 4(ii), Paragraph 4(v) and Paragraph 4(vi).

The corporation will pay any and all stock transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series G Preferred Stock or shares of the corporation's common stock or other securities issued on account of Series G Preferred Stock or certificates representing such shares or securities. The corporation will not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series G Preferred Stock, shares of the corporation's common stock or other securities in a name other than that in which the shares of Series G Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any person other than a payment to the registered holder thereof, and will not be required to make any such issuance, delivery or payment unless and until the person otherwise entitled to such issuance, delivery or payment has paid to the corporation the amount of any such tax or has established, to the satisfaction of the corporation, that such tax has been paid or is not payable.

(ii) Mandatory Conversion at the Option of the corporation. On or after June 30, 2013, the corporation may, at its option, at any time or from time to time cause some or all of the Series G Preferred Stock to be converted into shares of the corporation's common stock at the then applicable conversion rate. The corporation may exercise its conversion right if, for twenty (20) trading days within any period of thirty (30) consecutive trading days, including the last trading day of such period, ending on the trading day preceding the date the corporation gives notice of mandatory conversion, the closing price of the corporation's common stock exceeds 130% of the then applicable conversion price of the Series G Preferred Stock. If less than all of the Series G Preferred Stock are converted, the conversion agent will select the Series G Preferred Stock to be converted by lot, or on a *pro rata* basis or by another method the conversion agent considers fair and appropriate, including any method required by The Depository Trust Company ("DTC") or any successor depositary (so long as such method is not prohibited by the rules of any stock exchange or quotation association on which the Series G Preferred Stock is then traded or quoted). If the conversion agent selects a portion of a holder's shares of Series G Preferred Stock for partial mandatory conversion and the holder converts a portion of the holder's shares of Series G Preferred Stock at the same time, the portion converted at the holder's option will reduce the portion of the holder's Series G Preferred Stock selected for mandatory conversion. The "*closing price*" of the corporation's common stock on any date of determination means the closing sale price or, if no closing sale price is reported, the last reported sale price per share of the corporation's common stock on the NASDAQ Global Select Market on that date. If the shares of the corporation's common stock are not traded on the NASDAQ Global Select Market on any date of determination, the closing price of the corporation's common stock on any date of determination means the closing sale price as reported in the composite transactions for the principal U.S. national or regional securities exchange on which the corporation's common stock is so listed or quoted, or, if no

closing price is reported, the last reported sale price on the principal U.S. national or regional securities exchange on which the corporation's common stock is so listed or quoted, or if the corporation's common stock is not so listed or quoted on a U.S. national or regional securities exchange, the last quoted bid price for the corporation's common stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization, or, if that bid price is not available, the market price of the corporation's common stock on that date as determined by a nationally recognized independent investment banking firm (unaffiliated with the corporation) retained by the corporation for this purpose. The "*closing price*" for any other share of capital stock shall be determined on a comparable basis. A "*trading day*" is a day on which the corporation's common stock: (a) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business; and (b) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the corporation's common stock.

For purposes of calculating the "*closing price*" of the corporation's common stock, if a reorganization event (as defined in Paragraph 4(vii) below) has occurred and (1) the exchange property (as defined in Section 4(vii)) consists only of shares of the corporation's common stock, the "*closing price*" shall be based on the closing price of such shares of the corporation's common stock; (2) the exchange property consists only of cash, the "*closing price*" shall be the cash amount paid per share; and (3) the exchange property consists of securities, cash and/or other property, the "*closing price*" shall be based on the sum, as applicable, of (x) the closing price of the corporation's common stock, (y) the cash amount paid per share and (z) the value (as determined by the Board of Directors from time-to-time) of any other securities or property paid to the corporation's shareholders in connection with the reorganization event.

All references to the closing price and last reported sale price of one of the shares of the corporation's common stock on the NASDAQ Global Select Market shall be such closing price and last reported sale price as reflected on the website of the NASDAQ Global Select Market (*http://www.nasdaq.com*) and as reported by Bloomberg Professional Service; *provided* that in the event that there is a discrepancy between the closing sale price as reflected on the website of the NASDAQ Global Select Market and as reported by Bloomberg Professional Service, the closing sale price and last reported sale price on the website of the NASDAQ Global Select Market shall govern.

To exercise the mandatory conversion right described above, the corporation must give notice (i) by providing a notice of such conversion to each holder of the corporation's Series G Preferred Stock or (ii) issuing a press release and making this information available on the corporation's website. The conversion date will be a date selected by the corporation (the "*mandatory conversion date*") and will be no less than ten days, and no more than twenty (20) days, after the date on which the corporation provides such notice of mandatory conversion or issues such press release. In addition to any information required by applicable law or regulation, the notice of mandatory conversion and press release shall state, as appropriate: (a) the mandatory conversion date; (b) the number shares of the corporation's common stock to be issued upon conversion of each share of Series G Preferred Stock; and (c) the number of shares of Series G Preferred Stock to be converted.

(iii) Limitation on Beneficial Ownership. Notwithstanding the foregoing, no holder of Series G Preferred Stock will be entitled to receive shares of the corporation's common stock upon conversion to the extent (but only to the extent) that such receipt would cause such converting holder to become, directly or indirectly, a " *beneficial owner*" (within the meaning of Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder) of more than 9.9% of the shares of the corporation's common stock outstanding at such time. Any purported delivery of the corporation's common stock upon conversion of Series G Preferred Stock shall be void and have no effect to the extent, but only to the extent, that such delivery would result in the converting holder becoming the beneficial owner of more than 9.9% of the shares of the corporation's common stock outstanding at such time. If any delivery of the corporation's common stock owed to a holder upon conversion of Series G Preferred Stock is not made, in whole or in part, as a result of this limitation, the corporation's obligation to make such delivery shall not be extinguished and the corporation shall deliver such shares as promptly as practicable after any such converting holder gives notice to the corporation that such delivery would not result in it being the beneficial owner of more than 9.9% of the corporation's common stock outstanding at such time. This limitation on beneficial ownership shall not constrain in any event the corporation's ability to exercise its right to cause the Series G Preferred Stock to convert mandatorily.

(iv) Conversion Procedures. Conversion into the shares of the corporation's common stock will occur on the mandatory conversion date or any applicable conversion date (as defined below). On the mandatory conversion date, certificates representing shares of the corporation's common stock will be issued and delivered to the holder or the holder's designee upon presentation and surrender of the certificate evidencing the Series G Preferred Stock to the conversion agent if shares of the Series G Preferred Stock are held in certificated form, and upon compliance with some additional procedures described below. If a holder's interest is a beneficial interest in a global certificate representing Series G Preferred Stock, a book-entry transfer through DTC will be made by the conversion agent upon compliance with the depositary's procedures for converting a beneficial interest in a global security. On the date of any conversion at the option of the holders, if a holder's interest is in certificated form, a holder must do each of the following in order to convert: (a) complete and manually sign the conversion notice provided by the conversion agent, or a facsimile of the conversion notice, and deliver this irrevocable notice to the conversion agent; (b) surrender the shares of Series G Preferred Stock to the conversion agent; (c) if required, furnish appropriate endorsements and transfer documents; (d) if required, pay all transfer or similar taxes; and (e) if required, pay funds equal to any declared and unpaid dividend payable on the next dividend payment date.

If a holder's interest is a beneficial interest in a global certificate representing Series G Preferred Stock, in order to convert, a holder must comply with the last three requirements listed above and comply with the depositary's procedures for converting a beneficial interest in a global security. The date on which a holder complies with the foregoing procedures is the " *conversion date*."

A holder may obtain copies of the required form of the conversion notice from the conversion agent. The conversion agent will, on a holder's behalf, convert the Series G

Preferred Stock into the corporation's common stock, in accordance with the terms of the notice delivered by the corporation described below. Payments of cash for dividends and in lieu of fractional shares and, if the corporation's common stock is to be delivered, a book-entry transfer through DTC will be made by the conversion agent.

The person or persons entitled to receive shares of the corporation's common stock and/or securities issuable upon conversion of the Series G Preferred Stock will be treated as the record holder(s) of such shares as of the close of business on the applicable conversion date. Prior to the close of business on the applicable conversion date, the shares of the corporation's common stock and/or securities issuable upon conversion of the Series G Preferred Stock will not be deemed to be outstanding for any purpose and the holder will have no rights with respect to the corporation's common stock, including voting rights, rights to respond to tender offers and rights to receive any dividends or other distributions on the corporation's common stock or other securities issuable upon conversion, by virtue of holding the Series G Preferred Stock.

(v) Conversion Upon Certain Acquisitions.

(a) *General*. The following provisions will apply if, prior to the conversion date, one of the following events occur prior to the conversion date for shares of Series G Preferred Stock: (i) a " *person*" or "*group*" within the meaning of Section 13(d) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate " *beneficial owner*," as defined in Rule 13d-3 under the Exchange Act, of shares of the corporation's capital stock entitling such person or group to exercise 50% or more of the total voting power of all shares of the corporation's capital stock; or (ii) consummation of any consolidation or merger of the corporation or similar transaction or any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the corporation and its subsidiaries, taken as a whole, to any person other than one of the corporation's subsidiaries, in each case pursuant to which the corporation's common stock will be converted into cash, securities or other property, other than pursuant to a transaction in which the persons that "*beneficially owned*" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, voting shares immediately prior to such transaction beneficially own, directly or indirectly, voting shares representing a majority of the total voting power of all outstanding classes of voting shares of the continuing or surviving person immediately after the transaction. These transactions are referred to as "*make-whole acquisitions*;" *provided*, *however*, that a make-whole acquisition will not be deemed to have occurred if (x) at least 90% of the consideration (as determined by the Board of Directors) received by holders of the corporation's common stock in the transaction or transactions consists of shares of the corporation's common stock or American Depositary Receipts in respect of shares of the corporation's common stock that are traded on a U.S. national securities exchange or that will be traded on a U.S. national securities exchange when issued or exchanged in connection with a make-whole acquisition and (y) such transaction or transactions are a reorganization event (as described below in Paragraph 4(vii) with the consequence that each share of Series G Preferred Stock outstanding immediately prior to such transaction or transactions will become convertible into such shares of the corporation's common stock or American Depositary Receipts in respect of shares of the corporation's common stock in such transaction or transactions. Upon a make-whole acquisition, the corporation will, under the

circumstances provided below in this Section 4(v), increase the conversion rate in respect of any conversions of the Series G Preferred Stock that occur during the period (the "*make-whole acquisition conversion period*") beginning on the effective date of the make-whole acquisition (the "*make-whole acquisition effective date*") and ending on the date that is thirty (30) days after the make-whole acquisition effective date, by a number of additional shares of the corporation's common stock (the " *make-whole shares*") as described below.

The corporation will notify holders, at least twenty (20) days prior to the anticipated make-whole acquisition effective date of such make-whole acquisition, or within two business days of becoming aware of a make-whole acquisition described in Paragraph 4(v)(a)(i) of the anticipated make-whole acquisition effective date of such transaction. The notice will specify the anticipated make-whole acquisition effective date of the make-whole acquisition and the date by which each holder's make-whole acquisition conversion right must be exercised, which shall be thirty (30) days after the make-whole acquisition effective date. The corporation will also notify holders on the make-whole acquisition effective date of such make-whole acquisition, or as soon as practicable thereafter, specifying, among other things, the date that is thirty (30) days after the make-whole acquisition effective date, the number of make-whole shares and the amount of the cash, securities and other consideration receivable by the holder upon conversion. To exercise the make-whole acquisition conversion right, a holder must deliver to the conversion agent, on or before the close of business on the date specified in the notice, the certificate evidencing such holder's shares of the Series G Preferred Stock, if the shares of the Series G Preferred Stock are held in certificated form. If a holder's interest is a beneficial interest in a global certificate representing Series G Preferred Stock, in order to convert a holder must comply with the requirements listed above in Paragraph 4(iv) and comply with the depositary's procedures for converting a beneficial interest in a global security. The date that the holder complies with these requirements is referred to as the "*make-whole conversion date.*" If a holder does not elect to exercise the make-whole acquisition conversion right within the specified period, such holder's shares of the Series G Preferred Stock will remain outstanding until otherwise converted but will not be eligible to receive make-whole shares.

(b) *Make-Whole Shares*. The following table sets forth the number of make-whole shares per share of Series G Preferred Stock for each share price and effective date set forth below:

Common Stock Price	**June 25, 2008**	**June 30, 2009**	**June 30, 2010**	**June 30, 2011**	**June 30, 2012**	**June 30, 2013**	**Thereafter**
$9.26	539.9568	539.9568	539.9568	539.9568	535.4657	539.9568	539.9568
$10.00	507.7434	479.3367	458.2452	442.3782	421.6382	439.6154	435.4400
$11.50	373.3951	345.2667	322.2862	298.7240	267.3819	266.8385	261.2518
$13.00	283.2983	258.3703	233.8376	204.7061	164.5931	130.8016	134.0156
$15.05	209.7587	186.8266	165.4783	134.2429	90.7086	0.7189	0.9596
$17.50	152.3791	133.5064	114.7792	86.6998	46.6655	-	-
$20.00	118.6715	103.5533	88.6562	64.3948	32.6515	-	-
$22.50	96.7425	84.4161	72.7387	52.2759	26.5248	-	-

$25.00	81.2203	71.2120	62.0169	44.6319	22.8395	-	-
$30.00	60.5934	53.8142	48.0275	34.8204	17.8425	-	-
$40.00	37.9361	34.2680	31.8490	23.3217	11.7063	-	-
$50.00	25.8236	23.4291	22.4928	16.5102	8.0380	-	-
$60.00	18.4131	16.6115	16.4176	12.0103	5.6052	-	-
$80.00	10.0753	8.7237	9.1358	6.4894	2.6035	-	-
$100.00	5.6902	4.4637	5.0780	3.3018	0.8643	-	-
$125.00	2.6300	1.4728	2.1313	0.9092	-	-	-

The exact common stock price and effective dates may not be set forth on the table, in which case:

(i) if the common stock price is between two common stock price amounts on the table or the effective date is between two dates on the table, the number of make-whole shares will be determined by straight-line interpolation between the number of make-whole shares set forth for the higher and lower common stock price amounts and the two dates, as applicable, based on a 365-day year;

(ii) if the common stock price is in excess of $125.00 per share (subject to adjustment as described below), no make-whole shares will be issued upon conversion of the Series G Preferred Stock; and

(iii) if the common stock price is less than $9.26 per share (subject to adjustment as described below), no make-whole shares will be issued upon conversion of the Series G Preferred Stock.

The number of make-whole shares will be determined by reference to the table above and is based on the make-whole acquisition effective date and the price (the "*share price*") paid per share of the corporation's common stock in such transaction. If the holders of the corporation's common stock receive only cash (in a single per-share amount, other than with respect to appraisal and similar rights) in the make-whole acquisition, the share price shall be the cash amount paid per share. For purposes of the preceding sentence as applied to a make-whole acquisition described in Paragraph 4(v)(a)(x) above, a single price per share shall be deemed to have been paid only if the transaction or transactions that caused the person or group to become direct or indirect ultimate beneficial owners of the corporation's common stock representing more than 50% of the voting power of the corporation's common stock was a tender offer for more than 50% of the corporation's outstanding common stock. Otherwise, the share price shall be the average of the closing price per share of the corporation's common stock on the ten (10) trading days up to but not including the make-whole acquisition effective date.

The share prices set forth in the second column of the table will be adjusted as of any date on which the conversion rate of the Series G Preferred Stock is adjusted. The adjusted share prices will equal the share prices applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment

giving rise to the share price adjustment and the denominator of which is the conversion rate as so adjusted. Each of the number of make-whole shares in the table will be subject to adjustment in the same manner as the conversion rate as set forth under Paragraph 4(viii).

(vi) Conversion Upon Fundamental Change. In lieu of receiving the make-whole shares, if the reference price (as defined below) in connection with a make-whole acquisition is less than $9.26, subject to adjustment (a "*fundamental change*"), a holder may elect to convert each share of Series G Preferred Stock during the period beginning on the effective date of the fundamental change and ending on the date that is thirty (30) days after the effective date of the fundamental change at an adjusted conversion price equal to the greater of (1) the reference price and (2) $ 4.63, subject to adjustment (the " *base price*"). The base price will be adjusted as of any date that the conversion rate of the Series G Preferred Stock is adjusted. The adjusted base price will equal the base price applicable immediately prior to such adjustment multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the conversion rate adjustment and the denominator of which is the conversion rate as so adjusted. If the reference price is less than the base price, holders will receive a maximum of 5,399.5680 shares of the corporation's common stock per share of Series G Preferred Stock, subject to adjustment, which may result in a holder receiving value that is less than the liquidation preference of the Series G Preferred Stock. In lieu of issuing shares of the corporation's common stock upon conversion in the event of a fundamental change, the corporation may at its option, and the corporation obtains any necessary regulatory approval, make a cash payment equal to the reference price for each share of the corporation's common stock otherwise issuable upon conversion.

The "*reference price*" shall be the "*share price*" as defined above in the paragraph immediately succeeding the table under Paragraph 4(v).

To exercise the fundamental change conversion right, a holder must comply with the requirements listed above under Paragraph 4(iv) on or before the date that is thirty (30) days following the effectiveness of the fundamental change and indicate that it is exercising the fundamental change conversion right. If a holder does not elect to exercise the fundamental change conversion right, such holder will not be eligible to convert such holder's shares at the base price and such holder's shares of the Series G Preferred Stock will remain outstanding until otherwise converted.

The corporation will notify holders, at least twenty (20) days prior to the anticipated effective date of a fundamental change, or within two business days of becoming aware of a make-whole acquisition described in the Paragraph 4(v)(a)(i) of the anticipated effective date of such transaction. The notice will specify the anticipated effective date of the fundamental change and the date by which each holder's fundamental change conversion right must be exercised. The corporation also will provide notice to holders on the effective date of a fundamental change, or as soon as practicable thereafter, specifying, among other things, the date that is thirty (30) days after the effective date, the adjusted conversion price following the fundamental change and the amount of the cash, securities and other consideration receivable by the holder upon conversion. To exercise the fundamental change conversion right, a holder must comply with the requirements listed above in Paragraph 4(iv) on or before the date that is thirty

(30) days following the effectiveness of the fundamental change and indicate that it is exercising the fundamental change conversion right. If a holder does not elect to exercise the fundamental change conversion right within such period, such holder will not be eligible to convert such holder's shares at the base price and such holder's shares of Series G Preferred Stock will remain outstanding (subject to the holder electing to convert such holder's shares as described above in Paragraph 4(v).

(vii) Reorganization Events. In the event of: (a) any consolidation or merger of the corporation with or into another person in each case pursuant to which the corporation's common stock will be converted into cash, securities or other property of the corporation or another person; (b) any sale, transfer, lease or conveyance to another person of all or substantially all of the consolidated assets of the corporation and its subsidiaries, taken as a whole, in each case pursuant to which the corporation's common stock will be converted into cash, securities or other property; (c) any reclassification of the corporation's common stock into securities, including securities other than the corporation's common stock; or (d) any statutory exchange of the corporation's securities with another person (other than in connection with a merger or acquisition, each of which is referred to as a "*reorganization event*," each share of the Series G Preferred Stock outstanding immediately prior to such reorganization event will, without the consent of the holders of the Series G Preferred Stock, become convertible into the types and amounts of securities, cash and other property receivable in such reorganization event by a holder of the corporation's common stock that was not the counterparty to the reorganization event or an affiliate of such other party (such securities, cash and other property, the "*exchange property*"). In the event that holders of the corporation's common stock have the opportunity to elect the form of consideration to be received in such transaction, the consideration that the holders of the Series G Preferred Stock are entitled to receive will be deemed to be the types and amounts of consideration received by the majority of the holders of the corporation's common stock that affirmatively make an election. In the event that holders of the corporation's common stock either (i) do not have the opportunity to elect the form of consideration to be received in the transaction or (ii) do not make any such election, the consideration that the holders of the Series G Preferred Stock are entitled to receive will be deemed to be the type and amount of consideration received by the holders of the corporation's common stock (and in the same proportions). Holders have the right to convert their shares of Series G Preferred Stock in the event of certain acquisitions as described in Paragraph 4(v) and Paragraph 4(vi).

(viii) Anti-Dilution Rate Adjustments. The conversion rate will be adjusted, without duplication, if certain events occur:

(a) the issuance of the corporation's common stock as a dividend or distribution to all holders of the corporation's common stock, or a subdivision or combination of the corporation's common stock (other than in connection with a transaction constituting a reorganization event), in which event the conversion rate will be adjusted based on the following formula:

$$CR1 = CR0 \times (OS1 \div OS0)$$

where,

CR0	=	the conversion rate in effect at the close of business on the record date
CR1	=	the conversion rate in effect immediately after the record date
OS0	=	the number of shares of the corporation's common stock outstanding at the close of business on the record date prior to giving effect to such event
OS1	=	the number of shares of the corporation's common stock that would be outstanding immediately after, and solely as a result of, such event

Notwithstanding the foregoing, (1) no adjustment will be made for the issuance of the corporation's common stock as a dividend or distribution to all holders of the corporation's common stock that is made in lieu of a quarterly or annual cash dividend or distribution to such holders, to the extent such dividend or distribution does not exceed the applicable "dividend threshold amount" (as defined below) (with the amount of any such dividend or distribution equaling the number of such shares being issued multiplied by the average of the VWAP of the corporation's common stock over each of the five consecutive VWAP trading days prior to the ex-date for such dividend or distribution) and (2) in the event any dividend, distribution, subdivision or combination that is the subject of this Paragraph 4(viii)(a) is declared but not so paid or made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay or make such dividend or distribution or effect such subdivision or combination, to the conversion rate that would then be in effect if such dividend or distribution had not been declared or such subdivision or combination had not been announced.

(b) the issuance to all holders of the corporation's common stock of certain rights or warrants (other than rights issued pursuant to a shareholder rights plan or rights or warrants issued in connection with a transaction constituting a reorganization event) entitling them for a period expiring sixty (60) days or less from the date of issuance of such rights or warrants to purchase shares of the corporation's common stock (or securities convertible into the corporation's common stock) at less than (or having a conversion price per share less than) the current market price of the shares of the corporation's common stock as of the record date, in which event the conversion rate will be adjusted based on the following formula:

$$CR1 = CR0 \times [(OS0 + X) \div (OS0 + Y)]$$

where,

CR0	=	the conversion rate in effect at the close of business on the record date
CR1	=	the conversion rate in effect immediately after the record date
OS0	=	the number of shares of the corporation's common stock outstanding at the close of business on the record date
X	=	the total number of shares of the corporation's common stock issuable pursuant to such rights or warrants (or upon conversion of such securities)
Y	=	the number of shares equal to quotient of the aggregate price payable to exercise such rights or warrants (or the conversion price for such securities paid upon conversion) divided by the average of the VWAP of shares of

the corporation's common stock over each of the ten consecutive VWAP trading days prior to the Business Day immediately preceding the announcement of the issuance of such rights or warrants

Notwithstanding the foregoing, (1) in the event that such rights or warrants described in this Section 4(viii)(b) are not so issued, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to issue such rights or warrants, to the conversion rate that would then be in effect if such issuance had not been declared and (2) to the extent that such rights or warrants are not exercised prior to their expiration or shares of the corporation's common stock are otherwise not delivered pursuant to such rights or warrants upon the exercise of such rights or warrants, the conversion rate shall be readjusted to the conversion rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of the corporation's common stock actually delivered.

In determining the aggregate price payable for such shares of the corporation's common stock , there shall be taken into account any consideration received by the corporation for such rights or warrants and the value of such consideration (if other than cash, to be determined by the Board of Directors). If an adjustment to the conversion rate may be required pursuant to this Paragraph 4(viii)(b) delivery of any additional shares of the corporation's common stock that may be deliverable upon conversion as a result of an adjustment required pursuant to this Paragraph 4(viii)(b) shall be delayed to the extent necessary in order to complete the calculations provided for in this Paragraph 4(viii)(b).

(c) the dividend or other distribution to all holders of shares of the corporation's capital stock (other than shares of the corporation's common stock) or evidences of the corporation's indebtedness or the corporation's assets (excluding any dividend, distribution or issuance covered by clauses (a) or (b) above or (d) below, any dividend or distribution in connection with a transaction constituting a reorganization event or any spin-off to which the provisions set forth below in this clause (c) apply) in which event the conversion rate will be adjusted based on the following formula:

$$CR1 = CR0 \times [SP0 \div (SP0 - FMV)]$$

where,

CR0	=	the conversion rate in effect at the close of business on the record date
CR1	=	the conversion rate in effect immediately after the record date
SP0	=	the current market price as of the record date
FMV	=	the fair market value (as determined by the Board of Directors) on the record date of the shares of capital stock, evidences of indebtedness or assets so distributed, applicable to one of the shares of the corporation's common stock

However, if the transaction that gives rise to an adjustment pursuant to this clause (c) is one pursuant to which the payment of a dividend or other distribution on the shares of the

corporation's common stock consists of shares of capital stock of, or similar equity interests in, a subsidiary or other business unit of the corporation (*i.e.*, a spin-off) that are, or, when issued, will be, traded or quoted on the NYSE, the NASDAQ Stock Market or any other national or regional securities exchange or market, then the conversion rate will instead be adjusted based on the following formula:

$$CR1 = CR0 \times [(FMV0 + MP0) \div MP0]$$

where,

CR0	=	the conversion rate in effect at the close of business on the record date
CR1	=	the conversion rate in effect immediately after the record date
FMV0	=	the average of the VWAP of the capital stock or similar equity interests distributed to holders of the corporation's common stock applicable to one of the shares of the corporation's common stock over each of the ten consecutive VWAP trading days commencing on and including the third VWAP trading day after the date on which "*ex-distribution trading*" commences for such dividend or distribution on the NYSE or such other national or regional exchange or association or over-the-counter market or if not so traded or quoted, the fair market value of the capital stock or similar equity interests distributed to holders of the corporation's common stock applicable to one of shares of the corporation's common stock as determined by the Board of Directors
MP0	=	the average of the VWAP of the corporation's common stock over each of the ten consecutive VWAP trading days commencing on and including the third VWAP trading day after the date on which "*ex-distribution trading*" commences for such dividend or distribution on the NYSE, the NASDAQ Global Select Market or such other national or regional exchange or association or over-the-counter market on which the corporation's common stock is then traded or quoted

Notwithstanding the foregoing, (1) if any dividend or distribution of the type described in this Paragraph 4(viii)(c) is declared but not so paid or made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or distribution, to the conversion rate that would then be in effect if such dividend or distribution had not been declared. If an adjustment to the Conversion Rate may be required under this Paragraph 4(viii)(c), delivery of any additional shares of the corporation's common stock that may be deliverable upon conversion as a result of an adjustment required under this Paragraph 4(viii)(c) shall be delayed to the extent necessary in order to complete the calculations provided for in this Paragraph 4(viii)(c).

(d) The corporation makes a distribution consisting exclusively of cash to all holders of shares of the corporation's common stock, excluding (a) any regular cash dividend on the shares of the corporation's common stock to the extent that the aggregate regular cash dividend per share of the corporation's common stock does not exceed $0.15 in any fiscal quarter (the *"dividend threshold amount"*) and (b) any consideration payable in connection with a tender or exchange offer made by the corporation or any of its subsidiaries referred to in clause (e) below, in which event, the conversion rate will be adjusted based on the following formula:

$$CR1 = CR0 \times [(SP0 - T) \div (SP0 - C)]$$

Where,

CR0	=	the conversion rate in effect at the close of business on the record date
CR1	=	the conversion rate in effect immediately after the record date
SP0	=	the current market price as of the record date
T	=	the dividend threshold amount; *provided* that in the case of any dividend in a quarter other than the regular quarterly dividend or distribution, the dividend threshold amount shall be deemed to be zero
C	=	the amount in cash per share the corporation distributes to holders or pay in such dividend or distribution

The dividend threshold amount is subject to adjustment on an inversely proportional basis whenever the conversion rate is adjusted, *provided* that no adjustment will be made to the dividend threshold amount for any adjustment made to the conversion rate pursuant to this clause (d).

Notwithstanding the foregoing, if any dividend or distribution of the type described in this Paragraph 4(viii)(d) is declared but not so paid or made, the conversion rate shall be immediately readjusted, effective as of the date the Board of Directors publicly announces its decision not to pay such dividend or distribution, to the conversion rate that would then be in effect if such dividend or distribution had not been declared.

(e) The corporation or one or more of its subsidiaries make purchases of the corporation's common stock pursuant to a tender offer or exchange offer by corporation or one of its subsidiaries for the corporation's common stock to the extent that the cash and value (as determined by the Board of Directors) of any other consideration included in the payment per share of the corporation's common stock validly tendered or exchanged exceeds the VWAP per share of the corporation's common stock on the VWAP trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer (the *"expiration date"*), in which event the conversion rate will be adjusted based on the following formula:

$$CR1 = CR0 \times [(FMV + (SP1 \times OS1)) \div (SP1 \times OS0)]$$

where,

CR0	=	the conversion rate in effect at the close of business on the expiration date
CR1	=	the conversion rate in effect immediately after the expiration date
FMV	=	the fair market value (as determined by the Board of Directors), on the expiration date, of the aggregate value of all cash and any other consideration paid or payable for shares validly tendered or exchanged and not withdrawn as of the expiration date (the "*purchased shares*")

OS1 = the number of shares of the corporation’s common stock outstanding as of the last time tenders or exchanges may be made pursuant to such tender or exchange offer (the “ *expiration time*”) less any purchased shares

OS0 = the number of shares of the corporation’s common stock outstanding at the expiration time, including any purchased shares

SP1 = the average of the VWAP of shares of the corporation’s common stock over each of the five consecutive VWAP trading days commencing with the VWAP trading day immediately after the expiration date

Notwithstanding the foregoing, if the corporation, or one of its subsidiaries, is obligated to purchase shares of the corporation’s common stock pursuant to any such tender or exchange offer, but the corporation or such subsidiary is permanently prevented by applicable law from effecting any such purchases, or all such purchases are rescinded, then the conversion rate shall be readjusted to be the conversion rate that would then be in effect if such tender or exchange offer had not been made. If an adjustment to the conversion rate may be required under this Paragraph 4(viii)(e), deliver of any additional shares of the corporation’s common stock that may be deliverable upon conversion as a result of an adjustment required under this Paragraph 4(viii)(e) shall be delayed to the extent necessary in order to complete the calculations provided for in this Paragraph 4(viii)(e).

“*Record date*” means, for purpose of a conversion rate adjustment, with respect to any dividend, distribution or other transaction or event in which the holders of the shares of the corporation’s common stock have the right to receive any cash, securities or other property or in which the shares of the corporation’s common stock (or other applicable security) are exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of holders of the shares of the corporation’s common stock entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

“*Current market price*” of the shares of the corporation’s common stock on any day, means the average of the VWAP of the shares of the corporation’s common stock over each of the ten consecutive VWAP trading days ending on the earlier of the day in question and the day before the ex-date or other specified date with respect to the issuance or distribution requiring such computation, appropriately adjusted to take into account the occurrence during such period of any event described in clauses (a) through (e) above. For purposes of the foregoing, “*ex-date*” means the first date on which the shares of the corporation’s common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive an issuance or distribution.

“*VWAP*” per share of the corporation’s common stock on any VWAP trading day means the per share volume-weighted average price as displayed under the heading “*Bloomberg VWAP*” on Bloomberg page “*FITB <equity> AQR*” (or its equivalent successor if such page is not available) in respect of the period from the open of trading on the relevant VWAP trading day until the close of trading on the relevant VWAP trading day (or if such volume-weighted average price is unavailable, the market price of one of the shares of the corporation’s common

stock on such VWAP trading days determined, using a volume-weighted average method, by a nationally recognized investment banking firm (unaffiliated with the corporation) retained for this purpose by the corporation, which investment banking firm may be an underwriter of the Series G Preferred Stock offered hereby).

A "*VWAP trading day*" means, for purposes of determining a VWAP, a business day on which the relevant exchange or quotation system is scheduled to be open for business and a day on which there has not occurred or does not exist a market disruption event. A "*market disruption event*" means any of the following events that has occurred: (x) any suspension of, or limitation imposed on, trading by the relevant exchange or quotation system during the one-hour period prior to the close of trading for the regular trading session on the relevant exchange or quotation system (or for purposes of determining VWAP any period or periods aggregating one half-hour or longer) and whether by reason of movements in price exceeding limits permitted by the relevant exchange or quotation system or otherwise relating to the shares of the corporation's common stock or in futures or option contracts relating to the shares of the corporation's common stock on the relevant exchange or quotation system; (y) any event (other than a failure to open or a closure as described below) that disrupts or impairs the ability of market participants during the one-hour period prior to the close of trading for the regular trading session on the relevant exchange or quotation system (or for purposes of determining VWAP any period or periods aggregating one half-hour or longer) in general to effect transactions in, or obtain market values for, the shares of the corporation's common stock on the relevant exchange or quotation system or futures or options contracts relating to the shares of the corporation's common stock on any relevant exchange or quotation system; or (z) the failure to open of the exchange or quotation system on which futures or options contracts relating to the shares of the corporation's common stock are traded or the closure of such exchange or quotation system prior to its respective scheduled closing time for the regular trading session on such day (without regard to after hours or other trading outside the regular trading session hours) unless such earlier closing time is announced by such exchange or quotation system at least one hour prior to the earlier of the actual closing time for the regular trading session on such day and the submission deadline for orders to be entered into such exchange or quotation system for execution at the actual closing time on such day.

Except as stated above, the conversion rate will not be adjusted for the issuance of the corporation's common stock or any securities convertible into or exchangeable for shares of the corporation's common stock or carrying the right to purchase any of the foregoing or for the repurchase of shares of the corporation's common stock. An adjustment to the conversion rate also need not be made for a transaction referred to in clauses (a) through (e) above if holders of the Series G Preferred Stock may participate in the transaction on a basis and with notice that the Board of Directors determines to be fair and appropriate in light of the basis and notice on which holders of the corporation's common stock participate in the transaction. In addition, no adjustment to the conversion rate need be made for a change in the par value or no par value of the corporation's common stock.

The corporation may from time to time, to the extent permitted by law and subject to the applicable rules of the NASDAQ, increase the conversion rate of the Series G Preferred Stock by a specified amount for a period of at least twenty (20) business days. In that case, the

corporation will give at least fifteen (15) calendar days' prior notice of such increase. The corporation may also make such increases in the conversion rate, in addition to those set forth above, as the Board of Directors deems advisable to avoid or diminish any income tax to holders of the corporation's common stock resulting from any dividend or distribution of shares (or rights to acquire stock) or from any event treated as such for income tax purposes.

No adjustment in the conversion rate will be required unless such adjustment would require an increase or decrease of at least one percent; *provided, however*, that any such minor adjustments that are not required to be made will be carried forward and taken into account in any subsequent adjustment, and *provided further* that any such adjustment of less than one percent that has not been made will be made upon the date of any mandatory conversion at the corporation's option, a make-whole acquisition or a fundamental change.

Adjustments to the conversion rate will be calculated to the nearest 1/10,000th of a share.

(ix) Fractional Shares. No fractional shares of the corporation's common stock will be issued to holders of the Series G Preferred Stock upon conversion. In lieu of any fractional shares of the corporation's common stock otherwise issuable in respect of the aggregate number of shares of the Series G Preferred Stock of any holder that are converted, that holder will be entitled to receive an amount in cash (computed to the nearest cent) equal to the same fraction of the closing price per share of the corporation's common stock determined as of the second trading day immediately preceding the effective date of conversion.

If more than one share of the Series G Preferred Stock is surrendered for conversion at one time by or for the same holder, the number of full shares of the corporation's common stock issuable upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series G Preferred Stock so surrendered.

(x) Successive Adjustments. After an adjustment to the conversion rate under this Paragraph 4(viii), any subsequent event requiring an adjustment under this Paragraph 4(viii) shall cause an adjustment to such conversion rate as so adjusted.

(xi) Multiple Adjustments. For the avoidance of doubt, if an event occurs that would trigger an adjustment to the conversion rate pursuant to this Paragraph 4(viii) under more than one subsection hereof, such event, to the extent fully taken into account in a single adjustment, shall not result in multiple adjustments hereunder.

(xii) Notice of Adjustment. Whenever a conversion rate is adjusted as provided under Paragraph 4(viii), the corporation shall within ten (10) business days following the occurrence of an event that requires such adjustment (or if the corporation is not aware of such occurrence, as soon as reasonably practicable after becoming so aware) or within fifteen (15) calendar days of the date the corporation makes an adjustment pursuant to Section 4(viii):

(a) compute the adjusted applicable conversion rate in accordance with Section 4(viii) and prepare and transmit to the conversion agent an officers' certificate setting forth the applicable conversion rate, as the case may be, the method of calculation thereof in reasonable detail, and the facts requiring such adjustment and upon which such adjustment is based; and

(b) provide a written notice to the holders of the Series G Preferred Stock of the occurrence of such and a statement in reasonable detail setting forth the method by which the adjustment to the applicable conversion rate was determined and setting forth the adjusted applicable conversion rate.

(xiii) Conversion Agent. *"Conversion Agent"* means the transfer agent of the corporation, acting in its capacity as conversion agent for the Series G Preferred Stock, and its successor, and assigns or any other conversion agent appointed by the corporation. The conversion agent shall not at any time be under any duty or responsibility to any holder to determine whether any facts exist that may require any adjustment of the applicable conversion rate or with respect to the nature or extent or calculation of any such adjustment when made, or with respect to the method employed in making the same. The conversion agent shall be fully authorized and protected in relying on any Officers' Certificate delivered pursuant to Paragraph 4(xii) and any adjustment contained therein and the conversion agent shall not be deemed to have knowledge of any adjustment unless and until it has received such certificate. The conversion agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of the corporation's common stock, or of any securities or property, that may at the time be issued or delivered with respect to any of the Series G Preferred Stock; and the conversion agent makes no representation with respect thereto. The Conversion Agent shall not be responsible for any failure of the corporation to issue, transfer or deliver any shares of the corporation's common stock pursuant to a the conversion of the Series G Preferred Stock or to comply with any of the duties, responsibilities or covenants of the corporation contained in this Section 4.

(xiv) Withholding. All payments and distributions (or deemed distributions) on the Series G Preferred Stock (and on the shares of the corporation's common stock received upon their conversion) shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by the holders.

5. Liquidation Rights.

(i) In the event that the corporation voluntarily or involuntarily liquidates, dissolves or winds up its affairs, holders of Series G Preferred Stock will be entitled to receive an amount per share referred to as the " *Total Liquidation Amount*," equal to the fixed liquidation preference of $25,000 per share, plus any declared and unpaid dividends including, if applicable, a *pro rata* portion of any declared and unpaid dividends for the then-current Dividend Period to the date of liquidation, without regard to any undeclared dividends. Holders of the Series G Preferred Stock will be entitled to receive the Total Liquidation Amount out of the corporation's assets that are available for distribution to shareholders of the corporation's capital stock ranking on a parity on liquidation to the Series G Preferred Stock, after payment or provision for payment of the corporation's debts and other liabilities, and distributions on the Series D Preferred Stock and Series E Preferred Stock, but before any distribution of assets is made to holders of the corporation's common stock or any other shares ranking, as to that distribution, junior to the Series G Preferred Stock.

(ii) If the corporation's assets are not sufficient to pay the Total Liquidation Amount in full to all holders of Series G Preferred Stock and all holders of any shares of the corporation's stock ranking as to any such distribution on a parity with the Series G Preferred Stock, the amounts paid to the holders of Series G Preferred Stock and to such other shares will be paid *pro rata* in accordance with the respective Total Liquidation Amount and the aggregate liquidation amount of any such outstanding shares of parity stock.

(iii) If the Total Liquidation Amount per share of Series G Preferred Stock has been paid in full to all holders of Series G Preferred Stock and the liquidation preference of any other shares ranking on a parity with the Series G Preferred Stock has been paid in full, the holders of the corporation's common stock or any other shares ranking, as to such distribution, junior to the Series G Preferred Stock will be entitled to receive all of the corporation's remaining assets according to their respective rights and preferences.

(iv) For purposes of the liquidation rights, neither the sale, conveyance, exchange or transfer of all or substantially all of the corporation's property and assets, nor the consolidation or merger by the corporation with or into any other corporation or by another corporation with or into the corporation, will constitute a liquidation, dissolution or winding-up of the corporation's affairs.

6. Voting Rights.

Except as required by Ohio law, and except for the circumstances provided for in Section 8(ii), holders of the Series G Preferred Stock will not have any voting rights and will not be entitled to elect any directors; provided, however, in the event the Company issues shares of Preferred Stock in connection with any capital purchase program(s) authorized by the Emergency Economic Stabilization Act of 2008 ("EESA") and implemented by the United States Department of the Treasury, the holders of the Series G Preferred Stock voting together as a class with the holders of such Preferred Stock, shall have the right to elect two directors of the Company and to vote to remove such directors, upon the occurrence of events that would permit the holders of such Preferred Stock to elect or remove such directors. In situations in which Ohio law requires mandatory voting rights for a class of shares, the corporation will treat each series of the corporation's preferred stock, including the Series G Preferred Stock, as a separate class for voting purposes.

7. Mergers and Consolidations.

(i) The corporation will not effect any merger or consolidation of the corporation with or into any entity other than a corporation, or any merger or consolidation of the corporation with or into any other corporation unless (a) Series G Preferred Stock remains issued and outstanding following the transaction, (b) holders of Series G Preferred Stock are issued a class or series of preferred stock of the surviving or resulting corporation, or a corporation controlling such corporation, having substantially identical voting powers, preferences and

special rights, or (c) such merger is approved by a class vote of the holders of Series G Preferred Stock pursuant to the mandatory voting rights provided by Ohio law and as set forth in Section 6 above.

(ii) In addition, if the surviving corporation in any such merger or consolidation or its parent company, as applicable, has outstanding immediately after the consummation of such merger or consolidation one or more series of preferred stock having rights similar to those described below in Section 8, except that the persons nominated upon the occurrence of a Triggering Event are actual directors with the right to vote with members of the surviving corporation's board of directors on matters considered by the board (as opposed to being merely Advisory Directors as described in Section 8), then the corporation's participation in such merger or consolidation will be conditioned upon the Articles of Incorporation or other charter document for the surviving corporation being amended to permit equivalent rights for holders of the Series G Preferred Stock.

8. Right to Nominate Advisory Directors.

(i) If and when dividends payable on the Series G Preferred Stock or on any other class or series ranking on a parity with the Series G Preferred Stock as to payment of dividends and that have a comparable right to nominate Advisory Directors, referred to herein as "*Covered Parity Stock*," shall have not been declared and paid (i) in the case of the Series G Preferred Stock and Covered Parity Stock bearing non-cumulative dividends, in full for at least six quarterly dividend periods or their equivalent (whether or not consecutive), or (ii) in the case of Covered Parity Stock bearing cumulative dividends, in an aggregate amount equal to full dividends for at least six quarterly dividend periods or their equivalent (whether or not consecutive) (each, a "*Triggering Event*"), the holders of the Covered Parity Stock, acting as a single class, will be entitled to nominate two persons for appointment by the corporation as "*Advisory Directors*" to attend meetings of the Board of Directors.

(ii) Promptly after any Dividend Payment Date on which a Triggering Event occurs, the corporation will call a meeting of the holders of Covered Parity Stock for the purpose of nominating Advisory Directors. Under the terms of the Series G Preferred Stock, if a Triggering Event has occurred, the corporation will promptly appoint each such person as an Advisory Director following his or her execution of an agreement with the corporation governing such Advisory Director's standard of conduct. The holders of shares of Series G Preferred Stock and other Covered Parity Stock, will be entitled to act together as a single class, to seek removal of any Advisory Director then in office by the adoption of a resolution to that effect. Upon the approval of any such resolution seeking removal of any Advisory Director, the corporation will terminate the appointment of such Advisory Director effective as of the date of such resolution. Upon the resignation, death or removal of any Advisory Director, the holders of Covered Parity Stock will be entitled to nominate a replacement Advisory Director to be appointed by the corporation as described above.

The Advisory Directors will have the right to attend all meetings of the Board of Directors, to address the board at such meetings and to receive notices of all meetings of the Board of Directors and copies of all information distributed to members of the Board of

Directors in advance of or during such meetings. The Advisory Directors will not be members of the Board of Directors and will not have the right to vote with members of the Board on matters considered. The term of each Advisory Director, once appointed, will continue until the earliest of (i) the first date as of which full dividends on the Series G Preferred Stock and such other classes or series of Covered Parity Stock, have been paid for at least one year, in the case of non-cumulative Covered Parity Stock, and all dividends have been fully paid, in the case of cumulative Covered Parity Stock or (ii) the date on which such Advisory Director resigns, dies or is removed either by the holders of the Covered Parity Stock, or by the Board of Directors if such Advisory Director fails to comply with his or her obligations under the agreement with the corporation.

The right of each person appointed as Advisory Director to attend meetings of the Board of Directors is subject to such person entering into an agreement (an *"Advisory Director Agreement"*) in the form agreed with the corporation. Under the Advisory Director Agreement: (i) the corporation and such person shall agree that, as an Advisory Director of the corporation, such person will be subject to the provisions of Sections 1701.59 and 1701.60 of the Ohio General Corporation Law applicable to directors and to the corporation's Code of Regulations, Articles of Incorporation, Corporate Governance Guidelines and policies applicable to directors of the corporation, and accordingly, such person will be subject to the same duty to treat confidentially information such person receives concerning the corporation and its affiliates in such person's capacity as an Advisory Director that such person would be subject to if such person were a director of the corporation; and (ii) the parties shall acknowledge that, as an Advisory Director, (a) such person is not a Director of the corporation and such person does not share with the members of the Board the power, authority and responsibility to direct the operations of the corporation, and (b) Sections 1701.59 and 1701.60 of the Ohio General Corporation Law as applied to such person will be construed to reflect such person's special status as an Advisory Director appointed by the corporation, as opposed to a Director elected in accordance with the corporation's Code of Regulations. In particular, the corporation will acknowledge and agree that:
(x) Section 1701.61 of the Ohio General Corporation Law will not preclude such person from attending meetings of the Board, addressing the Board and receiving related materials where the subject of the Board's deliberations include the corporation's compliance with the terms of its outstanding securities, including without limitation the Series G Preferred Stock; and (y) such person will not receive the compensation paid to directors of the corporation, although such person's expenses of attending meetings of the Board will be reimbursed to such person by the corporation in the same manner and amount as the directors of the corporation. Provided, however, Directors appointed by holders of Series G Preferred Stock or other shares of the corporation's (or a successor's) preferred stock under the circumstances described in Paragraph 7(ii) will not be required to enter into an Advisory Director Agreement. The requirement for such an Advisory Director Agreement only applies to Advisory Directors.

9. Reservation of Common Shares.

(i) The corporation shall at all times reserve and keep available out of its authorized and unissued shares of common stock, solely for issuance upon the conversion of shares of Series G Preferred Stock as provided in these Articles of Amendment, free from any preemptive rights or other similar rights, such number of shares of common stock as shall from

time to time be issuable upon the conversion of all the shares of Series G Preferred Stock then outstanding, calculated assuming the applicable conversion price equals the base price, subject to adjustment described under Paragraph 4(viii). For purposes of this Section 9, the number of shares of common stock that shall be deliverable upon the conversion of all outstanding shares of Series G Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder.

(ii) All shares of common stock delivered upon conversion of the Series G Preferred Stock shall be duly authorized, validly issued, fully paid and non-assessable, free and clear of all liens, claims, security interests and other encumbrances (other than liens, charges, interests and other encumbrances created by the holders).

10. Preemptive or Subscription Rights. The holders of the Series G Preferred Stock shall not have any preemptive or subscription rights.

11. Form. The Series G Preferred Stock will be issued only in fully registered form.

(e) **5.10 % Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H.** Twenty Four Thousand (24,000) shares of the preferred stock of the Corporation shall be designated “5.10 % Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H.” Each of the Twenty Four Thousand (24,000) shares of the 5.10% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H, no par value, shall have a liquidation preference of $25,000 per share, and $600,000,000 in the aggregate, and shall have the rights, preferences and entitlements that follow:

1. Designation. The shares of such series shall be designated as “5.10 % Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H” (the “Series H Preferred Stock”).

2. Dividends.

(i) Dividends on shares of Series H Preferred Stock will not be mandatory. Holders of the Series H Preferred Stock, in preference to the holders of the corporation’s common stock and of any other shares of the corporation’s stock ranking junior to the Series H Preferred Stock as to payment of dividends, will be entitled to receive, only as and if declared by the Board of Directors, out of funds legally available for payment, cash dividends. Commencing on the original issuance date of the Series H Preferred Stock (the “*Original Issuance Date*”) through, but excluding June 30, 2023 (the “*Fixed Rate Period*”), dividends on the Series H Preferred Stock will accrue, on a non-cumulative basis, at an annual rate of 5.10%. Commencing on June 30, 2023 and continuing for so long as any shares of the Series H Preferred Stock remain outstanding (the “ *Floating Rate Period*”), dividends on the Series H Preferred Stock will accrue, on a non-cumulative basis, at an annual rate equal to three-month LIBOR, reset quarterly, plus 3.033%. For the Fixed Rate Period, dividends on the liquidation preference of $25,000 per share of Series H Preferred Stock will be payable, when, as and if declared by the Board of Directors, semi-annually in arrears on each June 30 and December 31 beginning on

December 31, 2013 to and including June 30, 2023 (each such date a " *Fixed Rate Dividend Payment Date*"). For the Floating Rate Period, dividends on the liquidation preference of $25,000 per share of Series H Preferred Stock will be payable, when as and if declared by the Board of Directors, quarterly in arrears on March 31, June 30, September 30 and December 31 of each year beginning on September 30, 2023 (each such date a "*Floating Rate Dividend Payment Date*" and each Floating Rate Payment Date and each Fixed Rate Payment Date, together referred to as a "*Dividend Payment Date*"). Each Dividend Payment Date shall relate to the immediately preceding Dividend Payment Period. A "*Dividend Payment Period*" means each period commencing on, and including, a Dividend Payment Date and ending on, but excluding, the next succeeding Dividend Payment Date, except that the first Dividend Payment Period shall commence on, and include, the Original Issuance Date of the Series H Preferred Stock and end on, but exclude, December 31, 2013. Declared dividends, if any, will be paid to holders of record of Series H Preferred Stock on the respective date fixed for that purpose by the Board of Directors in advance of payment of each particular dividend (a " *Record Date*"). If any Dividend Payment Date or any date fixed for payment upon redemption is not a Business Day, then such payment shall be payable on the next succeeding Business Day without any increase in the amount payable as a result of such postponement.

For the Fixed Rate Period, the dividend payable on the Series H Preferred Stock for any Dividend Payment Period will be computed on the basis of a 360-day year of twelve 30-day months.

For the Floating Rate Period, the dividend accrued for each day (the " *Daily Dividend Amount*") will be calculated by dividing the dividend rate in effect for such day by 360 and multiplying the result by the aggregate liquidation preference of the Series H Preferred Stock. The dividend to be paid, when, as and if declared by the Board of Directors, on the Series H Preferred Stock for each quarterly Dividend Payment Period will be calculated by adding the Daily Dividend Amounts for each day in such quarterly Dividend Payment Period. All percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 8.765435% (or .08765435) being rounded to 8.76544% or .0876544)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

A "*Business Day*" means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York, New York and Cincinnati, Ohio are permitted or required by any applicable law to close.

"*Three-month LIBOR*" means, with respect to any quarterly Dividend Payment Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for such three-month period commencing on the first day of that quarterly Dividend Payment Period that appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time) on the LIBOR determination date for that quarterly Dividend Payment Period. If such rate does not appear on Reuters Screen LIBOR01 Page, three-month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for such three-month period commencing on the first day of that quarterly Dividend Payment Period and in a principal amount of not less than $1,000,000 are

offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the calculation agent (after consultation with the corporation), at approximately 11:00 a.m., London time, on the LIBOR determination date for that quarterly Dividend Payment Period. The calculation agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, three-month LIBOR with respect to that quarterly Dividend Payment Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, three-month LIBOR with respect to that quarterly Dividend Payment Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the calculation agent, at approximately 11:00 a.m., New York City time, on the LIBOR determination date for that quarterly Dividend Payment Period for loans in U.S. dollars to leading European banks for a three-month period commencing on the first day of that quarterly Dividend Payment Period and in a principal amount of not less than $1,000,000. However, if fewer than three banks selected by the calculation agent to provide quotations are quoting as described above, three-month LIBOR for that quarterly Dividend Payment Period will be the same as three-month LIBOR as determined for the immediately preceding Dividend Payment Period. The establishment of three-month LIBOR for each quarterly Dividend Payment Period by the calculation agent shall (in the absence of manifest error) be final and binding.

"*Calculation agent*" means Wilmington Trust, National Association, or any other firm appointed by Fifth Third, acting as calculation agent. Upon request of the holder of any shares of Series H Preferred Stock, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective for the next quarterly Dividend Payment Period for the Series H Preferred Stock.

"*LIBOR determination date*" means the second London banking day immediately preceding the first day of the relevant quarterly Dividend Payment Period.

"*Reuters Screen LIBOR01 Page*" means the display designated on the Reuters Screen LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page on the service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

(ii) Dividends on shares of Series H Preferred Stock will not be cumulative. Accordingly, if the Board of Directors does not declare a dividend on the Series H Preferred Stock payable in respect of any Dividend Payment Period before the related Dividend Payment Date, such dividend will not accrue and the corporation will have no obligation to pay a dividend for that Dividend Payment Period on the Dividend Payment Date or at any future time, whether or not dividends on the Series H Preferred Stock are declared for any future Dividend Payment Period.

3. Ranking.

(i) The Series H Preferred Stock will rank (a) senior to the corporation's common stock and all other equity securities that the corporation may issue in the

future designated as ranking junior to the Series H Preferred Stock; (b) equally with our outstanding Series G Preferred Stock; and (c) equally with any other shares of preferred stock, and with all other equity securities that the corporation may issue in the future the terms of which provide that such preferred stock or other equity securities shall rank on a parity with the Series H Preferred Stock, in each case with respect to the payment of dividends and distribution of assets upon any liquidation, dissolution or winding-up of the corporation.

(ii) The corporation will not issue any series of preferred stock in the future that ranks senior to the Series H Preferred Stock, but the corporation may issue additional series ranking junior to or on a parity with the Series H Preferred Stock with respect to the payment of dividends and distribution of assets upon any liquidation, dissolution or winding up of the corporation. The corporation's common stock and any preferred stock or other equity securities designated as ranking junior to the Series H Preferred Stock are referred to herein as "*junior stock.*"

(iii) So long as any shares of Series H Preferred Stock remain outstanding, unless the full dividends for the then-current Dividend Payment Period on all outstanding shares of Series H Preferred Stock have been paid, or declared and funds set aside therefor, on any day in the immediately succeeding Dividend Payment Period: (a) no dividend whatsoever shall be declared on any junior stock, other than a dividend payable solely in junior stock; and (b) the corporation and its subsidiaries may not purchase, redeem or otherwise acquire for consideration (other than as a result of reclassification of junior stock for or into junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock), nor will the corporation pay to or make available any monies for a sinking fund for the redemption of any junior stock.

(iv) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, upon the Series H Preferred Stock and any shares of any class or series or any securities convertible into shares of any class or series of other equity securities designated as ranking on a parity with the Series H Preferred Stock as to payment of dividends ("*Dividend Parity Stock*"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series H Preferred Stock and the Dividend Parity Stock shall be shared: (a) first ratably by the holders of any shares of such other series of Dividend Parity Stock who have the right to receive dividends with respect to Dividend Payment Periods prior to the then-current Dividend Payment Period, in proportion to their respective amounts of the undeclared and unpaid dividends relating to prior Dividend Payment Periods; and (b) thereafter by the holders of the shares of Series H Preferred Stock and the Dividend Parity Stock on a *pro rata* basis.

(v) The corporation will not issue any new series of preferred stock having dividend payment dates that are not a March 31, June 30, September 30 or December 31 (or the next business day, if applicable).

4. Conversion. The Series H Preferred Stock are not convertible into shares of any other class or series of the corporation's capital stock or any other security.

5. Redemption.

(i) Subject to receiving all required regulatory approvals (including prior approval by the Federal Reserve, if required), the Series H Preferred Stock may be redeemed at the option of the corporation, in whole or in part, at any time, or from time to time on or after June 30, 2023 at a redemption price equal to $25,000 per share, plus an amount equal to any declared but unpaid dividends, without accumulation of any undeclared dividends. At any time after the corporation’s good faith determination that an event has occurred that would constitute a “regulatory capital event,” the corporation may at its option, subject to receiving all required regulatory approvals (including prior approval by the Federal Reserve, if required), provide notice of its intent to redeem the Series H Preferred Stock in accordance with the procedures described below, and subsequently redeem in whole, but not in part, prior to June 30, 2023, the shares of Series H Preferred Stock at the time outstanding at a redemption price equal to $25,000 per share, plus an amount equal to any declared but unpaid dividends, without accumulation of any undeclared dividends.

A “*regulatory capital event*” means the corporation’s reasonable determination that as a result of any: amendment to, clarification of, or change (including any announced prospective change) in the laws or regulations of the United States or any political subdivision of the United States that is enacted or becomes effective on or after the Original Issuance Date; proposed change in the laws or regulations of the United States or any political subdivision of the United States that is announced or becomes effective on or after the Original Issuance Date; or official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying the laws or regulations of the United States or any political subdivision of the United States that is announced on or after the Original Issuance Date, there is more than an insubstantial risk that the corporation will not be entitled to treat the full liquidation preference amount of all shares of Series H Preferred Stock then outstanding as Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series H Preferred Stock is outstanding.

(ii) Holders of Series H Preferred Stock do not have any right to require redemption of the Series H Preferred Stock.

(iii) The corporation will mail notice of every redemption of the Series H Preferred Stock by first class mail, postage prepaid, addressed to the holders of record of the Series H Preferred Stock to be redeemed at their respective last addresses appearing on the corporation’s books. The corporation may redeem the Series H Preferred Stock upon not less than 30 and not more than 60 days’ notice, which notice will be irrevocable, at a price of 100% of the liquidation preference of the redeemed Series H Preferred Stock, plus declared but unpaid dividends, if any, to, but excluding, the redemption date. Each notice shall state: (a) the redemption date; (b) the aggregate number of shares of Series H Preferred Stock to be redeemed, and if less than all shares of Series H Preferred Stock held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (c) the redemption price; and (d) the place or places where the Series H Preferred Stock is to be redeemed.

(iv) If notice of redemption of any shares of Series H Preferred Stock has been duly given and if the funds necessary for such redemption have been irrevocably set aside by us for the benefit of the holders of the shares of Series H Preferred Stock so called for redemption, then, on and after the redemption date, dividends will not accrue on such shares of Series H Preferred Stock, such shares of Series H Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price. In case of any redemption of only part of the shares of Series H Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the corporation may determine to be fair and equitable.

6. Status of Reacquired Shares. Shares of Series H Preferred Stock that are redeemed, repurchased or otherwise acquired by the corporation shall not be reissued as shares of Series H Preferred Stock but shall revert to authorized but unissued shares of Preferred Stock and may be reissued as shares of a different series of Preferred Stock in any future designation by the Board of Directors.

7. Liquidation Rights.

(i) In the event that the corporation voluntarily or involuntarily liquidates, dissolves or winds up its affairs, holders of Series H Preferred Stock will be entitled to receive an amount per share referred to as the "*Total Liquidation Amount*," equal to the fixed liquidation preference of $25,000 per share, plus any declared and unpaid dividends including, if applicable, a *pro rata* portion of any declared and unpaid dividends for the then-current Dividend Payment Period to the date of liquidation, without regard to any undeclared dividends. Holders of the Series H Preferred Stock will be entitled to receive the Total Liquidation Amount out of the corporation's assets that are available for distribution to shareholders of the corporation's capital stock ranking on a parity on liquidation to the Series H Preferred Stock, after payment or provision for payment of the corporation's debts and other liabilities, but before any distribution of assets is made to holders of the corporation's common stock or any other shares ranking, as to that distribution, junior to the Series H Preferred Stock.

(ii) If the corporation's assets are not sufficient to pay the Total Liquidation Amount in full to all holders of Series H Preferred Stock and all holders of any shares of the corporation's stock ranking as to any such distribution on a parity with the Series H Preferred Stock, the amounts paid to the holders of Series H Preferred Stock and to holders of such other shares will be paid *pro rata* in accordance with the respective Total Liquidation Amount and the aggregate liquidation amount of any such outstanding shares of parity stock.

(iii) If the Total Liquidation Amount per share of Series H Preferred Stock has been paid in full to all holders of Series H Preferred Stock and the liquidation preference of any other shares ranking on a parity with the Series H Preferred Stock has been paid in full, the holders of the corporation's common stock or any other shares ranking, as to such distribution, junior to the Series H Preferred Stock will be entitled to receive all of the corporation's remaining assets according to their respective rights and preferences.

(iv) For purposes of the liquidation rights, neither the sale, conveyance, exchange or transfer for cash, shares of stock, securities or other consideration, of all or substantially all of the corporation's property and assets, nor the consolidation or merger by the corporation with or into any other corporation or by another corporation with or into the corporation, will constitute a liquidation, dissolution or winding-up of the corporation's affairs.

8. Voting Rights.

Except as required by Ohio law, holders of the Series H Preferred Stock will not have any voting rights and will not be entitled to elect any directors. In situations in which Ohio law requires mandatory voting rights for a class of shares, the corporation will, unless prohibited by Ohio law, treat each series of the corporation's preferred stock, including the Series H Preferred Stock, as a separate class for voting purposes.

9. Mergers and Consolidations.

The corporation will not effect any merger or consolidation of the corporation with or into any entity other than a corporation, or any merger or consolidation of the corporation with or into any other corporation unless (a) the Series H Preferred Stock remains issued and outstanding following the transaction, (b) holders of Series H Preferred Stock are issued a class or series of preferred stock of the surviving or resulting corporation, or a corporation controlling such corporation, having substantially identical voting powers, preferences and special rights, or (c) such merger is approved by a class vote of the holders of Series H Preferred Stock pursuant to the mandatory voting rights provided by Ohio law and as set forth in Section 8 above.

10. Preemptive or Subscription Rights. The holders of the Series H Preferred Stock shall not have any preemptive or subscription rights.

11. Form. The Series H Preferred Stock will be issued only in fully registered form.

(f) **6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I.** Eighteen Thousand (18,000) shares of the preferred stock of the Corporation shall be designated "6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I." Each of the Eighteen Thousand (18,000) shares of the 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I, no par value, shall have a liquidation preference of $25,000 per share, and $450,000,000 in the aggregate, and shall have the rights, preferences and entitlements that follow:

1. Designation. The shares of such series shall be designated as "6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I" (the "Series I Preferred Stock").

2. Dividends.

(i) Dividends on shares of Series I Preferred Stock will not be mandatory. Holders of the Series I Preferred Stock, in preference to the holders of the corporation's common stock and of any other shares of the corporation's stock ranking junior to the Series I Preferred Stock as to payment of dividends, will be entitled to receive, only as and if declared by the Board of Directors, out of funds legally available for payment, cash dividends. Commencing on the original issuance date of the Series I Preferred Stock (the "*Original Issuance Date*") through, but excluding December 31, 2023 (the " *Fixed Rate Period*"), dividends on the Series I Preferred Stock will accrue, on a non-cumulative basis, at an annual rate of 6.625%. Commencing on December 31, 2023 and continuing for so long as any shares of the Series I Preferred Stock remain outstanding (the " *Floating Rate Period*"), dividends on the Series I Preferred Stock will accrue, on a non-cumulative basis, at an annual rate equal to three-month LIBOR, reset quarterly, plus 3.71%. For the Fixed Rate Period, dividends on the liquidation preference of $25,000 per share of Series I Preferred Stock will be payable, when, as and if declared by the Board of Directors, quarterly in arrears on each March 31, June 30, September 30 and December 31 beginning on March 31, 2014 to and including December 31, 2023 (each such date a " *Fixed Rate Dividend Payment Date*"). For the Floating Rate Period, dividends on the liquidation preference of $25,000 per share of Series I Preferred Stock will be payable, when as and if declared by the Board of Directors, quarterly in arrears on March 31, June 30, September 30 and December 31 of each year beginning on March 31, 2024 (each such date a " *Floating Rate Dividend Payment Date* " and each Floating Rate Payment Date and each Fixed Rate Payment Date, together referred to as a " *Dividend Payment Date*"). Each Dividend Payment Date shall relate to the immediately preceding Dividend Payment Period. A "*Dividend Payment Period*" means each period commencing on, and including, a Dividend Payment Date and ending on, but excluding, the next succeeding Dividend Payment Date, except that the first Dividend Payment Period shall commence on, and include, the Original Issuance Date of the Series I Preferred Stock and end on, but exclude, March 31, 2014. Declared dividends, if any, will be paid to holders of record of Series I Preferred Stock on the respective date fixed for that purpose by the Board of Directors in advance of payment of each particular dividend (a " *Record Date*"). If any Dividend Payment Date or any date fixed for payment upon redemption is not a Business Day, then such payment shall be payable on the next succeeding Business Day without any increase in the amount payable as a result of such postponement.

For the Fixed Rate Period, the dividend payable on the Series I Preferred Stock for any Dividend Payment Period will be computed on the basis of a 360-day year of twelve 30-day months.

For the Floating Rate Period, the dividend accrued for each day (the " *Daily Dividend Amount*") will be calculated by dividing the dividend rate in effect for such day by 360 and multiplying the result by the aggregate liquidation preference of the Series I Preferred Stock. The dividend to be paid, when, as and if declared by the Board of Directors, on the Series I Preferred Stock for each quarterly Dividend Payment Period will be calculated by adding the Daily Dividend Amounts for each day in such quarterly Dividend Payment Period. All percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 8.765435% (or .08765435) being rounded to 8.76544% or .0876544)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

A "*Business Day*" means any day other than a Saturday, Sunday or any other day on which banking institutions and trust companies in New York, New York and Cincinnati, Ohio are permitted or required by any applicable law to close.

"*Three-month LIBOR*" means, with respect to any quarterly Dividend Payment Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for such three-month period commencing on the first day of that quarterly Dividend Payment Period that appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time) on the LIBOR determination date for that quarterly Dividend Payment Period. If such rate does not appear on Reuters Screen LIBOR01 Page, three-month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for such three-month period commencing on the first day of that quarterly Dividend Payment Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the calculation agent (after consultation with the corporation), at approximately 11:00 a.m., London time, on the LIBOR determination date for that quarterly Dividend Payment Period. The calculation agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, three-month LIBOR with respect to that quarterly Dividend Payment Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, three-month LIBOR with respect to that quarterly Dividend Payment Period will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the calculation agent, at approximately 11:00 a.m., New York City time, on the LIBOR determination date for that quarterly Dividend Payment Period for loans in U.S. dollars to leading European banks for a three-month period commencing on the first day of that quarterly Dividend Payment Period and in a principal amount of not less than $1,000,000. However, if fewer than three banks selected by the calculation agent to provide quotations are quoting as described above, three-month LIBOR for that quarterly Dividend Payment Period will be the same as three-month LIBOR as determined for the immediately preceding Dividend Payment Period. The establishment of three-month LIBOR for each quarterly Dividend Payment Period by the calculation agent shall (in the absence of manifest error) be final and binding.

"*Calculation agent*" means Wilmington Trust, National Association, or any other firm appointed by Fifth Third, acting as calculation agent. Upon request of the holder of any shares of Series I Preferred Stock, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective for the next quarterly Dividend Payment Period for the Series I Preferred Stock.

"*LIBOR determination date*" means the second London banking day immediately preceding the first day of the relevant quarterly Dividend Payment Period.

"*Reuters Screen LIBOR01 Page*" means the display designated on the Reuters Screen LIBOR01 Page (or such other page as may replace Reuters Screen LIBOR01 Page on the service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. Dollar deposits).

(ii) Dividends on shares of Series I Preferred Stock will not be cumulative. Accordingly, if the Board of Directors does not declare a dividend on the Series I Preferred Stock payable in respect of any Dividend Payment Period before the related Dividend Payment Date, such dividend will not accrue and the corporation will have no obligation to pay a dividend for that Dividend Payment Period on the Dividend Payment Date or at any future time, whether or not dividends on the Series I Preferred Stock are declared for any future Dividend Payment Period.

3. Ranking.

(i) The Series I Preferred Stock will rank (a) senior to the corporation's common stock and all other equity securities that the corporation may issue in the future designated as ranking junior to the Series I Preferred Stock; (b) equally with our outstanding Series H Preferred Stock; and (c) equally with any other shares of preferred stock, and with all other equity securities that the corporation may issue in the future the terms of which provide that such preferred stock or other equity securities shall rank on a parity with the Series I Preferred Stock, in each case with respect to the payment of dividends and distribution of assets upon any liquidation, dissolution or winding-up of the corporation.

(ii) The corporation will not issue any series of preferred stock in the future that ranks senior to the Series I Preferred Stock, but the corporation may issue additional series ranking junior to or on a parity with the Series I Preferred Stock with respect to the payment of dividends and distribution of assets upon any liquidation, dissolution or winding up of the corporation. The corporation's common stock and any preferred stock or other equity securities designated as ranking junior to the Series I Preferred Stock are referred to herein as "*junior stock.*"

(iii) So long as any shares of Series I Preferred Stock remain outstanding, unless the full dividends for the then-current Dividend Payment Period on all outstanding shares of Series I Preferred Stock have been paid, or declared and funds set aside therefor, on any day in the immediately succeeding Dividend Payment Period: (a) no dividend whatsoever shall be declared on any junior stock, other than a dividend payable solely in junior stock; and (b) the corporation and its subsidiaries may not purchase, redeem or otherwise acquire for consideration (other than as a result of reclassification of junior stock for or into junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock), nor will the corporation pay to or make available any monies for a sinking fund for the redemption of any junior stock.

(iv) On any Dividend Payment Date for which full dividends are not paid, or declared and funds set aside therefor, upon the Series I Preferred Stock and any shares of any class or series or any securities convertible into shares of any class or series of other equity securities designated as ranking on a parity with the Series I Preferred Stock as to payment of dividends ("*Dividend Parity Stock*"), all dividends paid or declared for payment on that Dividend Payment Date with respect to the Series I Preferred Stock and the Dividend Parity Stock shall be

shared: (a) first ratably by the holders of any shares of such other series of Dividend Parity Stock who have the right to receive dividends with respect to Dividend Payment Periods prior to the then-current Dividend Payment Period, in proportion to their respective amounts of the undeclared and unpaid dividends relating to prior Dividend Payment Periods; and (b) thereafter by the holders of the shares of Series I Preferred Stock and the Dividend Parity Stock on a *pro rata* basis.

(v) The corporation will not issue any new series of preferred stock having dividend payment dates that are not a March 31, June 30, September 30 or December 31 (or the next business day, if applicable).

4. Conversion. The Series I Preferred Stock are not convertible into shares of any other class or series of the corporation's capital stock or any other security.

5. Redemption.

(i) Subject to receiving all required regulatory approvals (including prior approval by the Federal Reserve, if required), the Series I Preferred Stock may be redeemed at the option of the corporation, in whole or in part, at any time, or from time to time on or after December 31, 2023 at a redemption price equal to $25,000 per share, plus an amount equal to any declared but unpaid dividends, without accumulation of any undeclared dividends. At any time after the corporation's good faith determination that an event has occurred that would constitute a "regulatory capital event," the corporation may at its option, subject to receiving all required regulatory approvals (including prior approval by the Federal Reserve, if required), provide notice of its intent to redeem the Series I Preferred Stock in accordance with the procedures described below, and subsequently redeem in whole, but not in part, prior to December 31, 2023, the shares of Series I Preferred Stock at the time outstanding at a redemption price equal to $25,000 per share, plus an amount equal to any declared but unpaid dividends, without accumulation of any undeclared dividends.

A "*regulatory capital event*" means the corporation's reasonable determination that as a result of any: amendment to, clarification of, or change (including any announced prospective change) in the laws or regulations of the United States or any political subdivision of the United States that is enacted or becomes effective on or after the Original Issuance Date; proposed change in the laws or regulations of the United States or any political subdivision of the United States that is announced or becomes effective on or after the Original Issuance Date; or official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying the laws or regulations of the United States or any political subdivision of the United States that is announced on or after the Original Issuance Date, there is more than an insubstantial risk that the corporation will not be entitled to treat the full liquidation preference amount of all shares of Series I Preferred Stock then outstanding as additional Tier 1 capital (or its equivalent) for purposes of the capital adequacy guidelines or regulations of the appropriate federal banking agency, as then in effect and applicable, for as long as any share of Series I Preferred Stock is outstanding.

(ii) Holders of Series I Preferred Stock do not have any right to require redemption of the Series I Preferred Stock.

(iii) The corporation will mail notice of every redemption of the Series I Preferred Stock by first class mail, postage prepaid, addressed to the holders of record of the Series I Preferred Stock to be redeemed at their respective last addresses appearing on the corporation's books. The corporation may redeem the Series I Preferred Stock upon not less than 30 and not more than 60 days' notice, which notice will be irrevocable, at a price of 100% of the liquidation preference of the redeemed Series I Preferred Stock, plus declared but unpaid dividends, if any, to, but excluding, the redemption date. Each notice shall state: (a) the redemption date; (b) the aggregate number of shares of Series I Preferred Stock to be redeemed, and if less than all shares of Series I Preferred Stock held by the holder are to be redeemed, the number of shares to be redeemed from the holder; (c) the redemption price; and (d) the place or places where the Series I Preferred Stock is to be redeemed.

(iv) If notice of redemption of any shares of Series I Preferred Stock has been duly given and if the funds necessary for such redemption have been irrevocably set aside by us for the benefit of the holders of the shares of Series I Preferred Stock so called for redemption, then, on and after the redemption date, dividends will not accrue on such shares of Series I Preferred Stock, such shares of Series I Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price. In case of any redemption of only part of the shares of Series I Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the corporation may determine to be fair and equitable.

6. Status of Reacquired Shares. Shares of Series I Preferred Stock that are redeemed, repurchased or otherwise acquired by the corporation shall not be reissued as shares of Series I Preferred Stock but shall revert to authorized but unissued shares of Preferred Stock and may be reissued as shares of a different series of Preferred Stock in any future designation by the Board of Directors.

7. Liquidation Rights.

(i) In the event that the corporation voluntarily or involuntarily liquidates, dissolves or winds up its affairs, holders of Series I Preferred Stock will be entitled to receive an amount per share referred to as the " *Total Liquidation Amount*," equal to the fixed liquidation preference of $25,000 per share, plus any declared and unpaid dividends including, if applicable, a *pro rata* portion of any declared and unpaid dividends for the then-current Dividend Payment Period to the date of liquidation, without regard to any undeclared dividends. Holders of the Series I Preferred Stock will be entitled to receive the Total Liquidation Amount out of the corporation's assets that are available for distribution to shareholders of the corporation's capital stock ranking on a parity on liquidation to the Series I Preferred Stock, after payment or provision for payment of the corporation's debts and other liabilities, but before any distribution of assets is made to holders of the corporation's common stock or any other shares ranking, as to that distribution, junior to the Series I Preferred Stock.

(ii) If the corporation's assets are not sufficient to pay the Total Liquidation Amount in full to all holders of Series I Preferred Stock and all holders of any shares of the corporation's stock ranking as to any such distribution on a parity with the Series I Preferred Stock, the amounts paid to the holders of Series I Preferred Stock and to holders of such other shares will be paid *pro rata* in accordance with the respective Total Liquidation Amount and the aggregate liquidation amount of any such outstanding shares of parity stock.

(iii) If the Total Liquidation Amount per share of Series I Preferred Stock has been paid in full to all holders of Series I Preferred Stock and the liquidation preference of any other shares ranking on a parity with the Series I Preferred Stock has been paid in full, the holders of the corporation's common stock or any other shares ranking, as to such distribution, junior to the Series I Preferred Stock will be entitled to receive all of the corporation's remaining assets according to their respective rights and preferences.

(iv) For purposes of the liquidation rights, neither the sale, conveyance, exchange or transfer for cash, shares of stock, securities or other consideration, of all or substantially all of the corporation's property and assets, nor the consolidation or merger by the corporation with or into any other corporation or by another corporation with or into the corporation, will constitute a liquidation, dissolution or winding-up of the corporation's affairs.

8. Voting Rights.

Except as required by Ohio law, holders of the Series I Preferred Stock will not have any voting rights and will not be entitled to elect any directors. In situations in which Ohio law requires mandatory voting rights for a class of shares, the corporation will, unless prohibited by Ohio law, treat each series of the corporation's preferred stock, including the Series I Preferred Stock, as a separate class for voting purposes.

9. Mergers and Consolidations.

The corporation will not effect any merger or consolidation of the corporation with or into any entity other than a corporation, or any merger or consolidation of the corporation with or into any other corporation unless (a) the Series I Preferred Stock remains issued and outstanding following the transaction, (b) holders of Series I Preferred Stock are issued a class or series of preferred stock of the surviving or resulting corporation, or a corporation controlling such corporation, having substantially identical voting powers, preferences and special rights, or (c) such merger is approved by a class vote of the holders of Series I Preferred Stock pursuant to the mandatory voting rights provided by Ohio law and as set forth in Section 8 above.

10. Preemptive or Subscription Rights. The holders of the Series I Preferred Stock shall not have any preemptive or subscription rights.

11. Form. The Series I Preferred Stock will be issued only in fully registered form.

(g) With respect to all other shares of preferred stock of the corporation:

1. Each share of the preferred stock shall entitle the holder thereof to no voting rights, except as otherwise required by law or except as otherwise provided by the Board of Directors in order to comply with the terms required for shares of preferred stock issued in connection with any capital purchase program(s) authorized by the Emergency Economic Stabilization Act of 2008 ("EESA") and implemented by the United States Department of the Treasury.

2. The dividend rights of the preferred stock shall be non-cumulative, except as otherwise provided by the Board of Directors.

3. The Board of Directors shall have the right to adopt amendments to these Articles of Incorporation in respect of any unissued or treasury shares of the preferred stock and thereby fix or change: the division of such shares into series and the designation and authorized number of shares of each series; the dividend rate; whether dividend rights shall be cumulative or non-cumulative; the dates of payment of dividends and the dates from which they are cumulative; liquidation price; redemption rights and price; sinking fund requirements, conversion rights and restrictions on the issuance of such shares or any series thereof; provided however, except for the foregoing variations which the Board of Directors are authorized to fix or change, all of the express terms of different series of such shares be identical.

Upon the adoption of any amendment pursuant to the foregoing authority, a certificate signed by the president or a vice president and by a secretary or an assistant secretary, containing a copy of the resolution adopting the amendment and a statement of the manner and basis or its adoption, shall be accompanied by the fees then required by law, before the corporation shall have the rights to issue any of such shares.

(B) The Board of Directors may, from time to time, determine the time when, the terms under which, and the considerations for which the corporation issues, disposes of, or receives subscriptions for its shares of any class or series thereof, including treasury shares. Payment for shares shall be made with money or other property of any description, or any interest therein, actually transferred to the corporation, or labor or services actually rendered to the corporation.

FIFTH: The corporation, by its Board of Directors, may, subject to these Articles of Incorporation, purchase, repurchase, redeem or otherwise acquire the shares of any class issued by it, at such times and on such terms as they shall determine to be in the best interests of the corporation. All shares of the corporation purchased, redeemed or otherwise acquired, unless the Board of Directors or the laws of the State of Ohio specifically provide otherwise, shall be held as treasury shares. Provided, however, that this Article Fifth shall not create authority in the Board of Directors to cause an involuntary redemption of the shares of the common stock.

SIXTH: The Board of Directors shall have the right, to the extent permitted by law: (i) to fix, determine and vary the amount of stated capital of the corporation; (ii) to determine whether any, and if any, what part of the surplus of the corporation, however created or arising, shall be used, disposed of or declared in dividends or paid to the stockholders; and (iii) without action by the stockholder, to use and apply the surplus of the corporation, or any part thereof, at any time

or from time to time, in the purchase or acquisition of shares of any class, voting trust certificates for shares, bonds, debentures, notes, script, warrants, obligations, evidences of indebtedness, or other securities of the corporation, to such extent of in such amount, in such manner and upon such terms as the Board of Directors shall determine expedient.

SEVENTH: No holder of any share or shares of any class issued by the corporation shall be entitled as such, as a matter of right, at any time, to subscribe for or purchase (i) shares of any class issued by the corporation, now or hereafter authorized, (ii) securities of the corporation convertible into or exchangeable for shares of any class issued by the corporation, now or hereafter authorized, or (iii) securities of the corporation to which shall be attached or appertain any rights or options, whether by the terms of such securities or in the contracts, warrants or other instruments (whether transferable or non-transferable or separable or inseparable from such securities) evidencing such rights or options, entitling the holders thereof to subscribe for or purchase shares of any class issued by the corporation, now or hereafter authorized; it being the intent and is the effect of this Article Seventh to fully eliminate any and all pre-emptive rights with respect to the shares of any class issued by the corporation, now or hereafter authorized.

EIGHTH: At each meeting of stockholders for the election of directors, each nominee who receives a majority of the votes cast with respect to his/her election shall be elected as a director; provided, however, that if the election is contested or cumulative voting is in effect pursuant to Section 1701.55 of the Ohio Revised Code, then the nominees receiving the greatest number of votes “for” his/her election shall be elected. For purposes of this Article EIGHTH, a majority of votes cast means that the number of shares voted “for” a director’s election must exceed the number of shares voted “against” his/her election, with abstentions and broker non-votes being disregarded. An election shall be considered “contested” if the number of nominees exceeds the number of directors to be elected by the class(es) of shares eligible to vote in such election.

NINTH: These Amended Articles of Incorporation supersede and take the place of the existing Amended Articles of Incorporation.

ANNEX A

STANDARD PROVISIONS

Section 1. General Matters. Each share of Designated Preferred Stock shall be identical in all respects to every other share of Designated Preferred Stock. The Designated Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Designated Preferred Stock shall rank equally with Parity Stock and shall rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Corporation.

Section 2. Standard Definitions. As used herein with respect to Designated Preferred Stock:

(a) "Applicable Dividend Rate" means (i) during the period from the Original Issue Date to, but excluding, the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 5% per annum and (ii) from and after the first day of the first Dividend Period commencing on or after the fifth anniversary of the Original Issue Date, 9% per annum.

(b) "Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(c) "Business Combination" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Corporation's stockholders.

(d) "Business Day" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(e) "Bylaws" means the Code of Regulations of the Corporation, as they may be amended from time to time.

(f) "Certificate of Designations" means the Certificate of Designations or comparable instrument relating to the Designated Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(g) "Charter" means the Corporation's certificate or articles of incorporation, articles of association, or similar organizational document.

(h) "Dividend Period" has the meaning set forth in Section 3(a).

(i) "Dividend Record Date" has the meaning set forth in Section 3(a).

(j) "Liquidation Preference" has the meaning set forth in Section 4(a).

(k) "Original Issue Date" means the date on which shares of Designated Preferred Stock are first issued.

(l) "Preferred Director" has the meaning set forth in Section 7(b).

(m) "Preferred Stock" means any and all series of preferred stock of the Corporation, including the Designated Preferred Stock.

(n) "Qualified Equity Offering" means the sale and issuance for cash by the Corporation to persons other than the Corporation or any of its subsidiaries after the Original Issue Date of shares of perpetual Preferred Stock, Common Stock or any combination of such stock, that, in each case, qualify as and may be included in Tier 1 capital of the Corporation at the time of issuance under the applicable risk-based capital guidelines of the Corporation's Appropriate Federal Banking Agency (other than any such sales and issuances made pursuant to agreements or arrangements entered into, or pursuant to financing plans which were publicly announced, on or prior to October 13, 2008).

(o) "Share Dilution Amount" has the meaning set forth in Section 3(b).

(p) "Standard Provisions" mean these Standard Provisions that form a part of the Certificate of Designations relating to the Designated Preferred Stock.

(q) "Successor Preferred Stock" has the meaning set forth in Section 5(a).

(r) "Voting Parity Stock" means, with regard to any matter as to which the holders of Designated Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 3. Dividends.

(a) Rate. Holders of Designated Preferred Stock shall be entitled to receive, on each share of Designated Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on (i) the Liquidation Amount per share of Designated Preferred Stock and (ii) the amount of accrued and unpaid dividends for any prior Dividend Period on such share of Designated Preferred Stock, if any. Such dividends shall begin to accrue and be cumulative from the Original Issue Date, shall compound on each subsequent Dividend Payment Date (*i.e.*, no dividends shall accrue on other dividends unless and until the first Dividend Payment Date for such other dividends has passed without such other dividends having been paid on such date) and shall be payable quarterly in arrears on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20

calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends will accrue as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a "Dividend Period", provided that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Designated Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Designated Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Designated Preferred Stock on any Dividend Payment Date will be payable to holders of record of Designated Preferred Stock as they appear on the stock register of the Corporation on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date"). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Holders of Designated Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on Designated Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Priority of Dividends. So long as any share of Designated Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Corporation or any of its subsidiaries unless all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in Section 3(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of Designated Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice, *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (ii) purchases or other acquisitions by a broker-dealer subsidiary of the Corporation

solely for the purpose of market-making, stabilization or customer facilitation transactions in Junior Stock or Parity Stock in the ordinary course of its business; (iii) purchases by a broker-dealer subsidiary of the Corporation of capital stock of the Corporation for resale pursuant to an offering by the Corporation of such capital stock underwritten by such broker-dealer subsidiary; (iv) any dividends or distributions of rights or Junior Stock in connection with a stockholders' rights plan or any redemption or repurchase of rights pursuant to any stockholders' rights plan; (v) the acquisition by the Corporation or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Corporation or any of its subsidiaries), including as trustees or custodians; and (vi) the exchange or conversion of Junior Stock for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock. "Share Dilution Amount" means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the date of the Corporation's consolidated financial statements most recently filed with the Securities and Exchange Commission prior to the Original Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full upon Designated Preferred Stock and any shares of Parity Stock, all dividends declared on Designated Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as all accrued and unpaid dividends per share on the shares of Designated Preferred Stock (including, if applicable as provided in Section 3(a) above, dividends on such amount) and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide written notice to the holders of Designated Preferred Stock prior to such Dividend Payment Date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including

Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of Designated Preferred Stock shall not be entitled to participate in any such dividends.

Section 4. Liquidation Rights.

(a) Voluntary or Involuntary Liquidation. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Designated Preferred Stock shall be entitled to receive for each share of Designated Preferred Stock, out of the assets of the Corporation or proceeds thereof (whether capital or surplus) available for distribution to stockholders of the Corporation, subject to the rights of any creditors of the Corporation, before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other stock of the Corporation ranking junior to Designated Preferred Stock as to such distribution, payment in full in an amount equal to the sum of (i) the Liquidation Amount per share and (ii) the amount of any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount), whether or not declared, to the date of payment (such amounts collectively, the "Liquidation Preference").

(b) Partial Payment. If in any distribution described in Section 4(a) above the assets of the Corporation or proceeds thereof are not sufficient to pay in full the amounts payable with respect to all outstanding shares of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution, holders of Designated Preferred Stock and the holders of such other stock shall share ratably in any such distribution in proportion to the full respective distributions to which they are entitled.

(c) Residual Distributions. If the Liquidation Preference has been paid in full to all holders of Designated Preferred Stock and the corresponding amounts payable with respect of any other stock of the Corporation ranking equally with Designated Preferred Stock as to such distribution has been paid in full, the holders of other stock of the Corporation shall be entitled to receive all remaining assets of the Corporation (or proceeds thereof) according to their respective rights and preferences.

(d) Merger, Consolidation and Sale of Assets Not Liquidation. For purposes of this Section 4, the merger or consolidation of the Corporation with any other corporation or other entity, including a merger or consolidation in which the holders of Designated Preferred Stock receive cash, securities or other property for their shares, or the sale, lease or exchange (for cash, securities or other property) of all or substantially all of the assets of the Corporation, shall not constitute a liquidation, dissolution or winding up of the Corporation.

Section 5. Redemption.

(a) Optional Redemption. Except as provided below, the Designated Preferred Stock may not be redeemed prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date. On or after the first Dividend Payment Date falling on or

after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption.

Notwithstanding the foregoing, prior to the first Dividend Payment Date falling on or after the third anniversary of the Original Issue Date, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may redeem, in whole or in part, at any time and from time to time, the shares of Designated Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, at a redemption price equal to the sum of (i) the Liquidation Amount per share and (ii) except as otherwise provided below, any accrued and unpaid dividends (including, if applicable as provided in Section 3(a) above, dividends on such amount) (regardless of whether any dividends are actually declared) to, but excluding, the date fixed for redemption; *provided* that (x) the Corporation (or any successor by Business Combination) has received aggregate gross proceeds of not less than the Minimum Amount (plus the "Minimum Amount" as defined in the relevant certificate of designations for each other outstanding series of preferred stock of such successor that was originally issued to the United States Department of the Treasury (the "Successor Preferred Stock") in connection with the Troubled Asset Relief Program Capital Purchase Program) from one or more Qualified Equity Offerings (including Qualified Equity Offerings of such successor), and (y) the aggregate redemption price of the Designated Preferred Stock (and any Successor Preferred Stock) redeemed pursuant to this paragraph may not exceed the aggregate net cash proceeds received by the Corporation (or any successor by Business Combination) from such Qualified Equity Offerings (including Qualified Equity Offerings of such successor).

The redemption price for any shares of Designated Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Corporation or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Designated Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of Designated Preferred Stock will have no right to require redemption or repurchase of any shares of Designated Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of Designated Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Corporation. Such mailing shall be at least 30 days and not more than 60 days before the date

fixed for redemption. Any notice mailed as provided in this Subsection shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of Designated Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Designated Preferred Stock. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Corporation or any other similar facility, notice of redemption may be given to the holders of Designated Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of Designated Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price.

(d) Partial Redemption. In case of any redemption of part of the shares of Designated Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of Designated Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without charge to the holder thereof.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Corporation, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least $500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Corporation, after which time the holders of the shares so called for redemption shall look only to the Corporation for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of Designated Preferred Stock that are redeemed, repurchased or otherwise acquired by the Corporation shall revert to authorized but unissued shares of Preferred Stock (*provided* that any such cancelled shares of Designated Preferred Stock may be reissued only as shares of any series of Preferred Stock other than Designated Preferred Stock).

Section 6. Conversion. Holders of Designated Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7. Voting Rights.

(a) General. The holders of Designated Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Preferred Stock Directors. Whenever, at any time or times, dividends payable on the shares of Designated Preferred Stock have not been paid for an aggregate of six quarterly Dividend Periods or more, whether or not consecutive, the authorized number of directors of the Corporation shall automatically be increased by two and the holders of the Designated Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect two directors (hereinafter the "Preferred Directors" and each a "Preferred Director") to fill such newly created directorships at the Corporation's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until all accrued and unpaid dividends for all past Dividend Periods, including the latest completed Dividend Period (including, if applicable as provided in Section 3(a) above, dividends on such amount), on all outstanding shares of Designated Preferred Stock have been declared and paid in full at which time such right shall terminate with respect to the Designated Preferred Stock, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent default of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Corporation to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Corporation may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of Designated Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall be reduced by the number of Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders a majority of the shares of Designated Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of Designated Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of Designated Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior Stock. Any amendment or alteration of the Certificate of Designations for the Designated Preferred Stock or the Charter to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Corporation ranking senior to Designated Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Corporation;

(ii) Amendment of Designated Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Designated Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Designated Preferred Stock; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Designated Preferred Stock, or of a merger or consolidation of the Corporation with another corporation or other entity, unless in each case (x) the shares of Designated Preferred Stock remain outstanding or, in the case of any such merger or consolidation with respect to which the Corporation is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Designated Preferred Stock immediately prior to such consummation, taken as a whole; *provided*, *however*, that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of Designated Preferred Stock necessary to satisfy preemptive or similar rights granted by the Corporation to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of Preferred Stock, ranking equally with and/or junior to Designated Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Designated Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of Designated Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Designated Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of Designated Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules of the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Designated Preferred Stock is listed or traded at the time.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Corporation and the transfer agent for Designated Preferred Stock may deem and treat the record holder of any share of Designated Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor such transfer agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of Designated Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of Designated Preferred Stock are issued in book-entry form through The Depository Trust Corporation or any similar facility, such notices may be given to the holders of Designated Preferred Stock in any manner permitted by such facility.

Section 10. No Preemptive Rights. No share of Designated Preferred Stock shall have any rights of preemption whatsoever as to any securities of the Corporation, or any warrants, rights or options issued or granted with respect thereto, regardless of how such securities, or such warrants, rights or options, may be designated, issued or granted.

Section 11. Replacement Certificates. The Corporation shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Corporation. The Corporation shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Corporation of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Corporation.

Section 12. Other Rights. The shares of Designated Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

Exhibit 10.7

FOURTH AMENDMENT
TO
THE FIFTH THIRD BANCORP MASTER
PROFIT SHARING PLAN
(as amended and restated effective as of September 20, 2010)

Pursuant to the reserved power of amendment contained in Section 12.1 of The Fifth Third Bancorp Master Profit Sharing Plan (as amended and restated effective as of September 20, 2010) (the "Plan"), the Plan is hereby amended effective 12/2/2013 by revising Section 9.1(b) in its entirety to read as follows:

(b) Distributions. When a Participant's benefit becomes distributable under Section 8.4 of the Plan, such benefit shall be paid in such of the forms described below as the Participant elects, subject to (c) below:

(1) Available Distribution Forms. The available forms, described in more detail below, are:

(A) a single sum,

(B) periodic installments, not less frequently than annually, with any installments remaining unpaid at the Participant's death to be paid to his Beneficiary,

(C) partial withdrawal, or

(D) with respect to Participants covered by an Appendix, such other form or forms as are specified in the applicable Appendix.

The foregoing are the exclusive forms of benefit available under the Plan. References below to annuity forms of payment serve only to implement the minimum distribution rules with respect to annuity forms (if any) that potentially could be available to particular Participants under a future Appendix.

In the absence of a valid election by the date benefit payments are to commence, the form of payout shall be a single sum cash distribution.

(2) Single Sum. If a single sum payment is otherwise applicable, to the extent the Participant has his Account invested in the Fifth Third Stock Fund, he may elect to have whole shares of Fifth Third Bancorp stock distributed to him in accordance with rules and procedures established by the Administrator, with the remainder of his distribution in cash.

(3) Periodic Installments. Periodic installments shall be in cash.

In accordance with rules and procedures established by the Administrator and subject to the minimum distribution requirements of Section 9.4, a periodic installment election may be revoked or modified by the Participant.

For a distribution commencing on or after the Effective Date, if the Participant elects periodic installments under (b)(1)(B) above and does not revoke that election, any amount remaining unpaid at the Participant's death shall be paid in a single sum cash distribution to his Beneficiary as soon as administratively feasible after the Participant's death. If a Participant dies after having commenced and then revoked a periodic installment election, Section 10.1 shall be applied as if the Participant's benefit had not commenced.

While receiving installment payments, a Participant may also elect a partial withdrawal from his Account under (b)(1)(C) above.

(4) Partial Withdrawal. In accordance with rules and procedures established by the Administrator, a Participant may make a partial withdrawal from his Account from time to time under (b)(1)(C) above. A partial withdrawal shall be in cash.

IN WITNESS WHEREOF, Fifth Third Bank has caused this Amendment to be adopted as of this 18 day of December, 2013.

FIFTH THIRD BANK

BY: Teresa Tanner

5217057.1

Exhibit 10.12

THE FIFTH THIRD BANCORP
NONQUALIFIED DEFERRED COMPENSATION PLAN

(as amended and restated effective as of January 1, 2013)

THE FIFTH THIRD BANCORP
NONQUALIFIED DEFERRED COMPENSATION PLAN

(as amended and restated effective as of January 1, 2013)

ARTICLE I – INTRODUCTION AND SECTION 409A COMPLIANCE

1.1 Amendment and Restatement. Fifth Third Bancorp most recently amended and restated The Fifth Third Bancorp Nonqualified Deferred Compensation Plan in its entirety effective January 1, 2009. That document was amended by the First and Second Amendments. Fifth Third Bancorp hereby again amends and restates the Plan effective January 1, 2013; provided however, Section 2.10 is effective as of the first day of the Open Enrollment Period relating to the 2012 Plan Year.

1.2 Transition Rules under Section 409A.

(a) 2005 Payment Elections. In accordance with Paragraph 10.3, the Committee allowed new payment elections under Article X in 2005 with respect to Pre-2013 Accounts which, for purposes of Article X, were treated as a Participant's timely initial election under Paragraph 10.2(a) with respect to his Pre-2013 Account and not as a change in election under Paragraph 10.2(b). Any such election shall be administered by the Committee in its sole and absolute discretion and in compliance with Internal Revenue Service Notice 2005-1 and any other applicable legal authority.

(b) 2007 and 2008 Payment Elections. In its discretion, the Committee was authorized to allow a Participant who remained actively employed by an Employer to complete a new payment election under Paragraph 10.1 with respect to his Pre-2013 Account by a date in 2007 or 2008 determined by the Committee. The Committee was authorized to allow such an election on a case-by-case basis in its discretion without being required to extend the opportunity to all Participants. Any such election shall be treated as an initial election under Paragraph 10.2(a) with respect to his Pre-2013 Account and not a change under Paragraph 10.2(b). Any such election shall be administered by the Committee in compliance with Internal Revenue Service Notice 2006-79 (for elections in 2007) and Notice 2007-86 (for elections in 2008) and any other applicable legal authority.

(c) 2007 Performance Based Restricted Stock Deferral. In accordance with Paragraph 4.4, the Committee shall administer deferral elections with respect to certain Performance Based Restricted Stock in 2007. Any such election shall be administered by the Committee in its sole and absolute discretion and in compliance with Internal Revenue Service Notice 2006-79 and any other applicable legal authority.

(d) Required 2008 Payment Elections by Active Participants . A Participant who, as of the first day of the Open Enrollment Period in 2008, was actively employed by an Employer (i.e., had not had a Separation from Service) was required to complete a new payment election under Paragraph 10.1 by a date in 2008 determined by the Committee. Any such election shall be treated as an initial election under Paragraph 10.2(a) with respect to the Participant's Pre-2013 Account and not a change under Paragraph 10.2(b). If such a Participant did not make a timely election in 2008 under this Paragraph 1.2(d), payment of his Pre- 2013 Account shall be made (consistent with Paragraph 10.2(a)) as of the first business day of August of the Plan Year immediately following the Plan Year in which the Separation from Service occurs in a single lump sum cash distribution (except as provided in Paragraph 10.2(b) in the case of a valid change in payment election). Any prior payment elections by such a Participant shall have no force and effect.

ARTICLE II- DEFINITIONS

2.1 "Beneficiary" shall mean the person or persons entitled to receive the distributions, if any, payable under the Plan upon or after a Participant's death, to such person or persons as such Participant's Beneficiary. Each Participant may designate a Beneficiary by filing the proper form with the Committee. A Participant may designate one or more contingent Beneficiaries to receive any distributions after the death of a prior Beneficiary. A designation shall be effective upon said filing, provided that it is so filed during such Participant's lifetime, and may be changed from time to time by the Participant. If there is no designated Beneficiary to receive any amount that becomes payable to a Beneficiary, then the Participant's Beneficiary shall be the estate of the last to die of the Participant and any properly designated Beneficiaries.

2.2 "Claims Review Committee" shall mean the committee established by the Committee for purposes of administering the claims and claim review procedures under the Plan.

2.3 "Code" shall mean the Internal Revenue Code of 1986, as amended at the particular time applicable. A reference to a section of the Code shall include said section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

2.4 "Committee" shall mean The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee which is responsible for the administration of this Plan in accordance with the provisions of the Plan as set forth in this document. A reference to the Committee includes its delegate.

2.5 "Compensation" shall mean the total base earnings plus the cash portion of variable compensation (but excluding performance-based, additional cash compensation incentives) paid by an Employer to a Participant or which would otherwise be paid but for a deferral election hereunder.

2.6 “Effective Date” shall mean January 1, 2013.

2.7 “Employer” shall mean Fifth Third Bank, an Ohio Banking Corporation, and any other subsidiary of Fifth Third Bancorp or any successor or assignee of any of them.

2.8 “Executive” shall mean an employee of an Employer who is employed on a full-time basis and who is a Bank President, Bank Executive Vice President, Bank Senior Vice President or Bank Vice President. For employment on and after the Effective Date, full-time employment status shall no longer be required such that for periods on and after the Effective Date, “Executive” shall mean an employee of an Employer (regardless of whether he is full-time or part-time) who is a Bank President, Bank Executive Vice President, Bank Senior Vice President or Bank Vice President.

2.9 “Grandfathered Participant” shall mean a Participant (other than an individual who is a Participant under Paragraph 2.13(b)) whose service with all Employers terminated prior to September 1, 1999.

2.10 “Key Employee” shall mean an employee of an Employer who is in Pay Band A, B, C, D, P or Q, as determined by Fifth Third Bancorp.

2.11 “Master Profit Sharing Plan” shall mean The Fifth Third Bancorp Master Profit Sharing Plan, as amended from time to time.

2.12 “Open Enrollment Period” shall mean such period no more than thirty (30) days in length prescribed by the Committee, closing no later than the last day of the Plan Year immediately preceding the Plan Year for which elections to defer Compensation under Article IV are permitted.

2.13 “Participant” shall mean any of the following:

(a) any Executive or Key Employee who satisfies the eligibility requirements of Article III and who receives an allocation to his Post-2012 Account or Pre-2013 Account under Article IV, Article V, or Article VI, as well as any former Executive or Key Employee who has a Pre-2013 Account or Post-2012 Account under the Plan; or

(b) any person who has a Predecessor Plan Account attributable to his employment covered by a Predecessor Plan.

2.14 “Performance Based Restricted Stock” shall mean common stock without par value of Fifth Third Bancorp, granted under the 2004 Fifth Third Bancorp Incentive Compensation Plan, or any successor plan, subject to the satisfaction of specified performance goals, provided the grant is not includible in the income of the recipient in the year of grant for federal income tax purposes (and the recipient does not make an election under section 83(b) of the Code to include the grant in income in the year of the grant).

2.15 "Plan" shall mean The Fifth Third Bancorp Nonqualified Deferred Compensation Plan as described in this instrument, and as may be amended, thereafter.

2.16 "Plan Year" shall mean the calendar year.

2.17 "Post-2012 Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited to a Participant under this Plan for Plan Years after 2012. A Participant's Post-2012 Account under the Plan may include one or more of the following subaccounts:

(a) Post-2012 Employee Contribution Account.

(b) Post-2012 Employer Contribution Account.

2.18 "Post-2012 Employee Contribution Account" shall mean the account established by an Employer as a book reserve to reflect the amounts deferred by a Participant under Paragraphs 4.1 and 4.2 for Plan Years beginning after 2012, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.19 "Post-2012 Employer Contribution Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited by an Employer as matching contributions under Article V for Plan Years beginning after 2012 and profit sharing contributions under Article VI for Plan Years beginning after 2012, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.20 "Pre-2013 Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited to a Participant under this Plan for Plan Years before 2013. A Participant's Pre-2013 Account under the Plan may include one or more of the following subaccounts:

(a) Pre-2013 Deferred Compensation Account.

(b) Pre-2013 Matching Account.

(c) Predecessor Plan Account.

(d) Pre-2013 Profit Sharing Account.

2.21 "Pre-2013 Deferred Compensation Account" shall mean the account established by an Employer as a book reserve to reflect the amounts deferred by a Participant under Paragraphs 4.1 and 4.2 for Plan Years beginning before 2013, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.22 "Pre-2013 Matching Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited by an Employer as matching contributions under Article V for Plan Years beginning before 2013, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.23 "Pre-2013 Profit Sharing Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited by an Employer as profit sharing contributions under Article VI for Plan Years beginning before 2013, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.24 "Predecessor Plan" shall mean any other nonqualified deferred compensation plan designated by the Committee. Each such Predecessor Plan was completely amended and restated into this Plan.

2.25 "Predecessor Plan Account" shall mean an account established by the Employer as a book reserve to reflect amounts credited hereunder with respect to a Predecessor Plan, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.26 "Qualified Executive" shall mean an employee of an Employer who is an Executive who meets the criteria in either (a) or (b) below:

(a) an Executive is a Qualified Executive if he was an Executive for the 2007 Plan Year who had a Compensation deferral election in effect under the Plan for the 2007 Plan Year and thereafter;

(b) an Executive is a Qualified Executive if (i) he was a Key Employee who had a Compensation deferral election in effect under the Plan for the most recent Plan Year in which he was eligible to do so as a Key Employee, and thereafter, and (ii) as of the first day of an Open Enrollment Period, he no longer qualifies as a Key Employee by reason of a change in his Pay Band (i.e., he is no longer in Pay Band A, B, C, D, P or Q).

An individual meeting the criteria in (a) or (b) shall no longer be considered a Qualified Executive if, at any time and for any reason (including termination of employment and voluntary decision to cease deferring), he no longer has a Compensation deferral election in effect.

2.27 "Separation from Service" means the termination of employment with all Employers. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate that the Employer and Participant reasonably anticipate that no further services would be performed after a certain date or that the level of bona fide services would permanently decrease to no more than 20 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of employment if the Participant has been employed by an Employer less than 36 months). A Participant is not treated as having terminated employment while he is on military leave, sick leave or other bona fide leave of absence

if the period of such leave does not exceed six months, or if longer, so long as the individual retains a right to reemployment under an applicable statute or by contract. The determination of whether a Separation of Service has occurred shall be based on applicable regulations and other applicable legal authority under section 409A of the Code.

ARTICLE III– ELIGIBILITY AND PARTICIPATION

3.1 For Plan Years 2009 and Later. Eligibility and participation shall be determined in accordance with this Paragraph 3.1 for Plan Years beginning on or after January 1, 2009. Each individual who, on the first day of an Open Enrollment Period relating to the 2009 Plan Year or a later Plan Year, is either a Key Employee or a Qualified Executive:

(a) may elect to defer Compensation for services performed during the ensuing Plan Year to which the Open Enrollment Period relates, in accordance with Article IV; and

(b) shall be eligible for matching allocations under Article V and profit sharing allocations under Article VI for the ensuing Plan Year to which such Open Enrollment Period relates.

An individual who is not a Key Employee or a Qualified Executive on the first day of an Open Enrollment Period but who later becomes a Key Employee shall not be eligible to defer Compensation until the first day of the next Open Enrollment Period with respect to which he is still a Key Employee (for the Plan Year to which such next Open Enrollment Period relates); and he shall not be eligible for matching or profit sharing allocations until the Plan Year following the next Open Enrollment Period as of the first day of which he is a Key Employee.

A Qualified Executive's eligibility for matching allocations under Article V and profit sharing allocations under Article VI may be limited to the amount his allocations under the Master Profit Sharing Plan are reduced by reason of his Compensation deferrals under this Plan.

3.2 Eligibility for Deferral of Performance Based Restricted Stock. If the Committee allows a Key Employee to make a deferral election during an Open Enrollment Period with respect to Performance Based Restricted Stock granted during the ensuing Plan Year, as provided in Paragraph 4.2(a)(i), a Key Employee would be eligible to make such a deferral election only if he is a Key Employee on the first day of the applicable Open Enrollment Period. If the Committee allows a Key Employee to make a deferral election during an election period it establishes during the year of the grant of Performance Based Restricted Stock, as provided in Paragraph 4.2(a)(ii), a Key Employee could be eligible to make such a deferral election only if he is a Key Employee on the first day of the applicable election period established by the Committee.

3.3 Changes in Eligibility Status. A new, separate Pre-2013 Account or Post-2012 Account shall be established for a Participant who (a) has an existing Pre-2013 Account balance or Post-2012 Account balance, as the case may be, (b) is not eligible for contributions under Paragraph 3.1 in at least one Plan Year after having been eligible previously, and (c) again meets the eligibility criteria in Paragraph 3.1 for a future Plan Year.

The payment provisions (including available elections and changes) in Article X shall be applied separately as to each of a Participant's separate Pre-2013 Accounts and Post-2012 Accounts. As an example, such a Participant, upon becoming eligible again after a period of ineligibility, may make an initial payment election under Paragraph 10.2(a) within the first Open Enrollment Period applicable to him after again meeting the eligibility requirements of Paragraph 3.1; and such election (or default payment under Paragraph 10.2(a)) shall apply solely to his new Post-2012 Account and shall not affect the payment provisions applicable to his prior Post-2012 Account or Pre-2013 Account.

In the event of multiple changes in eligibility, the above process shall be repeated such that a Participant may have multiple separate Pre-2013 Accounts and Post-2012 Accounts, each with payment provisions unaffected by the payment provisions applicable to the others.

Notwithstanding the above, Paragraph 2.1 (regarding the Participant's designation of a Beneficiary) and Article XI (regarding the payment upon death) shall not be applied separately as to each of a Participant's Pre-2013 Accounts and Post-2012 Accounts. Instead, a Participant's Beneficiary designation under Paragraph 2.1 shall apply to a Participant's entire benefit in the Plan.

In addition, for purposes of applying the $25,000 threshold in Paragraphs 10.1(a)(i) and (ii), all of a Participant's Pre-2013 Accounts and Post-2012 Accounts shall be aggregated.

ARTICLE IV - ELECTION TO DEFER COMPENSATION OR RESTRICTED STOCK

4.1 Compensation Deferral

(a) Compensation Deferral. Each Key Employee and Qualified Executive eligible under Article III may elect to have a portion of his Compensation for services performed during a Plan Year deferred and credited with earnings in accordance with the terms and conditions of the Plan. The amount of Compensation deferred for any Plan Year by a Participant may not reduce the amount of base pay such Participant receives in a Plan Year below $50,000.

(b) Implementation. The Compensation otherwise payable to the Participant during the Plan Year shall be reduced by the amount of the Participant's election under this Paragraph 4.1. Such amounts shall be credited to the Participant's Post-2012 Employee Contribution Account at the time his Compensation is so reduced (or his Pre-2013 Deferred Compensation Account for Plan Years beginning before 2013). For purposes of this Paragraph 4.1, base earnings payable after

December 31st solely for services performed during the final payroll period containing such December 31st, shall be treated as Compensation for services performed in the subsequent taxable year in which the payment is made.

4.2 Performance Based Restricted Stock Deferral.

(a) Deferral of Performance Based Restricted Stock.

(i) During Open Enrollment. The Committee may allow each Key Employee eligible under Article III to elect to have all (and not less than all) eligible Performance Based Restricted Stock granted to him during the ensuing Plan Year to which an Open Enrollment Period relates to be deferred and credited with earnings in accordance with the terms and conditions of the Plan.

(ii) During Year of Grant. With respect to Performance Based Restricted Stock meeting the requirements of Paragraph 4.2(b)(ii) below, the Committee may allow each Key Employee to elect to have all (and not less than all) eligible Performance Based Restricted Stock granted to him during the Plan Year of the grant to be deferred and credited with earnings in accordance with the terms and conditions of the Plan. The Committee shall determine, the period within the Plan Year of the grant, during which such a deferral election must be made subject to the following:

(A) the election must be made on or before the 30th day after the grant; and

(B) the election must be made at least twelve (12) months in advance of the earliest date at which the forfeiture restrictions could lapse. A condition will not be treated as failing this requirement merely because the Performance Based Restricted Stock becomes fully vested such that there is no further requirement of services upon the death or disability (as defined in applicable Treasury Regulations) of the Key Employee or upon a change in control event (as defined in applicable Treasury Regulations). However, if such death, disability or change in control event occurs before the end of twelve (12) months of service, the deferral election shall not be given effect.

(b) Eligible Performance Based Restricted Stock. Performance Based Restricted Stock is eligible for deferral under (a)(i) above pursuant to an election during the Open Enrollment Period if it meets one or both of the conditions in (i) and (ii) below. Performance Based Restricted Stock is eligible for deferral under (a)(ii) above pursuant to an election during the Plan Year of the grant only if it meets the conditions in (ii) below.

(i) The Performance Based Restricted Stock is granted solely for services performed during the Plan Year in which the grant occurs or future services (but not for any past services); or

(ii) The Performance Based Restricted Stock is granted subject to a requirement that the Key Employee continue to provide services for a period of at least twelve (12) months from the date of the grant in order to avoid forfeiture of such Performance Based Restricted Stock. A condition will not be treated as failing this requirement merely because the Performance Based Restricted Stock becomes fully vested such that there is no further requirement of services upon the death or disability (as defined in applicable Treasury Regulations) of the Key Employee or upon a change in control event (as defined in applicable Treasury Regulations). However, if such death, disability or change in control event occurs before the end of twelve (12) months of service, the deferral election shall not be given effect.

(c) Implementation. At such time as any eligible Performance Based Restricted Stock subject to a deferral election becomes both earned and vested according to the terms of the grant and plan under which it was granted, such Performance Based Restricted Stock shall be deemed to be credited to the Participant's Pre-2013 Deferred Compensation Account or Post-2012 Employee Contribution Account, as the case may be, rather than being released in a taxable event to the Key Employee. Performance Based Restricted Stock which is not earned or which is forfeited shall not be deemed credited under this Plan.

(d) Deemed Investment in Fifth Third Stock Fund. Amounts credited to a Participant's Pre-2013 Deferred Compensation Account or Post-2012 Employee Contribution Account pursuant to an election to defer Performance Based Restricted Stock shall be credited with earnings (or losses) under Article VIII as if invested in the Fifth Third Stock Fund. The other investment benchmarks generally available under Article VIII are not available for such amounts which must remain in the Fifth Third Stock Fund.

(e) Dividends on Unvested Performance Based Restricted Stock. Any dividends payable with respect to Performance Based Restricted Stock prior to such time as the Performance Based Restricted Stock is earned or vested, shall not be eligible for deferral hereunder.

4.3 Election Procedure. An eligible Key Employee or Qualified Executive desiring to exercise an available election under Paragraph 4.1 or 4.2 for a Plan Year shall notify the Committee each Plan Year of his deferral election during the Open Enrollment Period or other election period established by the Committee under Paragraph 4.2(a)(ii). Such notice must be binding and must be in accordance with the procedures established by the Committee during the applicable election period. A deferral election shall be effective for the entire Plan Year (but not for any future Plan Year) to which it relates and may not

be modified or terminated for that Plan Year. A deferral election with respect to Performance Based Restricted Stock shall be effective for the entire grant regardless of the future year(s) in which the forfeiture restrictions lapse; and an election with respect to such grant may not be modified or terminated.

4.4 2007 Election to Defer Non-Vested Performance Based Restricted Stock. The Committee was authorized to allow an individual who, on the first day of the Open Enrollment Period falling in 2007 (relating to the 2008 Plan Year), was a Key Employee, to elect to defer Performance Based Restricted Stock previously granted to him, in accordance with the following provisions and Internal Revenue Service Notice 2006-79, Section 3.02. Any such deferral election must have been completed by a date in 2007 determined by the Committee. Such a deferral election was authorized only with respect to Performance Based Restricted Stock which had always been subject to a substantial risk of forfeiture (as defined for purposes of section 409A of the Code) and which remained subject to a substantial risk of forfeiture throughout 2007 (i.e., the substantial risk of forfeiture had not lapsed in 2007 or earlier). Such an election shall be treated as a valid and timely election under Paragraph 4.2(a), and Paragraphs 4.2(c), (d) and (e) (but not Paragraph 4.2(b)) shall apply.

ARTICLE V- MATCHING ALLOCATIONS

5.1 Matching Allocations. An Employer, in its discretion, may credit a matching allocation to the Post-2012 Employer Contribution Account (Pre-2013 Matching Account for Plan Years before 2013) of any Key Employee or Qualified Executive eligible under Article III it selects provided:

(a) he remains in the employment of an Employer as a Key Employee or Qualified Executive (or is on an Employer-approved leave of absence) on the date the Committee determines to credit the allocation; and

(b) he either has a Compensation deferral election in effect under Paragraph 4.1 for the Plan Year, or has “Annual Compensation” (as defined in the Master Profit Sharing Plan) in the corresponding Plan Year of that plan in excess of the compensation limitation imposed by section 401(a)(17) of the Code.

The matching allocations for such selected Participants shall be determined by the Employer and may vary for each such Participant. The amount of the matching allocations as so determined under this paragraph shall be credited to the Participants’ Post-2012 Employer Contribution Accounts (Pre-2013 Matching Accounts for Plan Years before 2013) as of the last day of the Plan Year, or at such other time or times determined by the Committee.

ARTICLE VI- PROFIT SHARING ALLOCATIONS

6.1 Profit Sharing Allocations. An Employer, in its discretion, may credit a profit sharing allocation to the Post-2012 Employer Contribution Account (Pre-2013 Profit Sharing

Account for Plan Years before 2013) of any Key Employee or Qualified Executive eligible under Article III it selects for a Plan Year provided he remains in the employment of an Employer as a Key Employee or Qualified Executive (or is on an Employer-approved leave of absence) on the date the Committee determines to credit the allocation.

The profit sharing allocations for such selected Participants shall be determined by the Employer and may vary for each such Participant. The amount of the profit sharing allocations as so determined under this paragraph shall be credited to the Participants' Post-2012 Employer Contribution Accounts (Pre-2013 Profit Sharing Accounts before 2013) as of the last day of the Plan Year, or at such other time or times determined by the Committee.

ARTICLE VII- PARTICIPANT'S INTEREST

7.1 Unsecured Creditor. No Participant or his designated Beneficiary shall acquire any property interest in his Pre-2013 Account or Post-2012 Account or any other assets of the Employer or Fifth Third Bancorp, their rights being limited to receiving from the Employer or Fifth Third Bancorp deferred payments as set forth in this Plan and these rights are conditioned upon continued compliance with the terms and conditions of this Plan. To the extent that any Participant or Beneficiary acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer or Fifth Third Bancorp.

ARTICLE VIII - CREDITING OF EARNINGS

8.1 General. There shall be credited to the Pre-2013 Account and Post-2012 Account of each Participant an additional amount of earnings (or losses) determined under this Article VIII.

8.2 Investment Elections. As provided in Paragraph 4.2(d), that part of a Participant's Pre-2013 Account or Post-2012 Account credited with deferred Performance Based Restricted Stock shall be credited with earnings (or losses) as if invested in the Fifth Third Stock Fund. Each Participant shall elect to have earnings (or losses) credited to all other parts of his Pre-2013 Account and Post-2012 Account from among various investment benchmarks the Committee determines to establish for this purpose . One of such investment benchmarks shall be the Fifth Third Stock Fund.

Such an election shall be made in such manner as the Committee shall direct.

The Committee may prescribe rules including rules which limit the frequency of changes to elections, prescribe times for making elections, regulate the amount or increment a Participant may allocate to a particular investment benchmark, require or allow an election (or election change) to relate only to future allocations, require an election to apply consistently to all subaccounts and provide for the investment of a Pre-2013 Account or Post-2012 Account of a Participant who fails to make an election.

8.3 Rate of Return Benchmarks. The Committee shall determine the rate of return for the Fifth Third Stock Fund, as well as each of the other investment benchmarks selected by the Committee under Paragraph 8.2 above.

8.4 Crediting. The Participant's Pre-2013 Account and Post-2012 Account shall be increased or decreased as if they had earned the rate of return corresponding to the Participant's investment election. The time and method of such crediting and the recordkeeping methodologies used shall be determined in the sole and absolute discretion of the Committee.

ARTICLE IX – VESTING

9.1 Vesting Provisions. A Participant's rights to his Pre-2013 Account (including each of its subaccounts) and Post-2012 Account (including each of its subaccounts) shall be nonforfeitable at all times.

ARTICLE X- PLAN BENEFITS

10.1 Distributions.

(a) Time and Form of Payment.

(i) Pre-2013 Account. In accordance with the election procedures in Paragraph 10.2(a)(i), a Participant was permitted to elect to have the amounts represented by the Participant's vested Pre-2013 Account to be paid (or commence to be paid) as of the first business day of August of the Plan Year immediately following the Plan Year in which the Participant's Separation from Service with all Employers occurs, or the first business day of August of any subsequent year, but not later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs. In accordance with the election procedures in Paragraph 10.2, a Participant may have elected to have such amounts paid in one of the following forms:

(A) single lump distribution; or

(B) substantially equal annual installments, the last payment of which is no later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs.

If installment payments are in effect, the Participant's Pre-2013 Account shall continue to be credited with earnings (or losses) under Article VIII until fully paid.

Notwithstanding the foregoing or Paragraph 10.3(a), (b) or (c), in the event the aggregate of the Participant's vested Pre-2013 Account and vested Post-2012 Account does not exceed $25,000 as of any December 31st after the Participant has a Separation from Service, then any payment election by a Participant shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) and vested Post-2012 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if the aggregate of such vested Pre-2013 Account and vested Post-2012 Account exceeds $25,000 at that time).

(ii) Post-2012 Account. In accordance with the election procedures in Paragraph 10.2(a)(ii), a Participant may elect to have the amounts represented by the Participant's vested Post-2012 Account paid (or commence to be paid) as of the first business day of August of the Plan Year immediately following the Plan Year in which the Participant's Separation from Service with all Employers occurs, or the first business day of August of any subsequent year, but not later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs. In accordance with the election procedures in Paragraph 10.2, a Participant may elect to have such amounts paid in one of the following forms:

(A) single lump distribution; or

(B) substantially equal annual installments, the last payment of which is no later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs.

If installment payments are in effect, the Participant's Post-2012 Account shall continue to be credited with earnings (or losses) under Article VIII until fully paid.

Notwithstanding the foregoing or Paragraph 10.3(a), (b) or (c), in the event the aggregate of the Participant's vested Post-2012 Account and vested Pre-2013 Account does not exceed $25,000 as of any December 31st after the Participant has a Separation from Service, then any payment election by a Participant shall be disregarded. In such a case, the vested Post-2012 Account (or remaining balance thereof) and vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if the aggregate of such vested Post-2012 Account and vested Pre-2013 Account exceeds $25,000 at that time).

(b) Medium of Payment. The payment as a lump sum or installments under (a) above or 10.3 shall be in cash. Previously, the Plan provided for payment in common stock of Fifth Third Bancorp, and election forms used under the Plan referenced payment in such stock. References to payment in stock on such forms shall be disregarded, and payments shall be in cash.

10.2 Election Procedures.

(a) Initial Elections.

(i) Pre-2013 Account. A Participant who wished to make an initial election referred to in Paragraph 10.1(a)(i) with respect to his Pre-2013 Account was required to do so within the first Open Enrollment Period applicable to him under Article III, or, if earlier, within such other election period applicable to him established by the Committee under Paragraph 4.2(a)(ii).

Any such election became effective immediately.

As provided in Paragraph 1.2, a payment election before 2009 under Internal Revenue Service Notice 2005-1, 2006-79 or 2007-86 shall be considered a timely initial election.

If a Participant did not make a timely initial election concerning the commencement date and payment schedule of his Pre-2013 Account under Paragraph 10.2(a)(i), then, except as provided in (b) below, payment of his Pre-2013 Account shall be made as of the first business day of August of the Plan Year immediately following the Plan Year in which the Separation from Service occurs in a single lump sum cash distribution.

(ii) Post-2012 Account. A Participant who is eligible under Paragraph 3.1 during the Open Enrollment Period falling in 2012, applicable to the 2013 Plan Year, who wishes to make an initial election referred to in Paragraph 10.1(a)(ii) with respect to his Post-2012 Account must do so within such Open Enrollment Period. A Participant who is not eligible under Paragraph 3.1 during such Open Enrollment Period falling in 2012, who wishes to make an initial election referred to in Paragraph 10.1(a)(ii) must do so within the first Open Enrollment Period applicable to him under Article III, or, if earlier, within such other election period applicable to him established by the Committee under Paragraph 4.2(a)(ii).

Any such election shall be effective immediately.

If a Participant does not make a timely initial election concerning the commencement date and payment schedule of benefits under Paragraph 10.2(a)(ii), then, except as provided in (b) below, payment of this Post-2012 Account shall be made as of the first business day of August of the Plan Year immediately following the Plan Year in which the Separation from Service occurs in a single lump sum cash distribution.

(b) A Participant may make or change an election after the deadline established in (a) above at any time in order to defer payment of either (or both) his Pre-2013 Account or his Post-2012 Account, for a period of not less than five years from the date payment would otherwise begin (but not to accelerate any payment). Payment shall be made in accordance with any such election only if the Participant has a Separation from Service at least one year following the date of the election. Otherwise, the payment shall be made in accordance with the election (if any) in effect immediately prior to the changed election, or in accordance with the default payment provision in (a) above if no such election is in effect.

(c) Elections shall be made in accordance with the rules and procedures established by the Committee.

10.3 Transition Rules.

(a) Grandfathered Participants. A Grandfathered Participant shall be paid in cash in accordance with the payment provisions under the Plan or election (whichever is controlling) in effect immediately prior to September 1, 1999. In the event the Participant's vested Pre-2013 Account does not exceed $25,000 as of any December 31st, then any payment election by a Participant shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum cash distribution as of the first business day of August following such December 31st (even if such vested Pre-2013 Account exceeds $25,000 at that time).

(b) Participants in Pay Status in 2005. A Participant (who is not a Grandfathered Participant) who had commenced receiving installment payments in 2005 or earlier, shall continue to receive such payments in accordance with the payment provisions under the Plan or election (whichever is controlling) in effect prior to January 1, 2005, provided that the value of his vested Pre-2013 Account as of a date in 2005 determined by the Committee was greater than $10,000. If the value of such a Participant's vested Pre-2013 Account as of such date was not greater than $10,000, then he received a single lump sum distribution of his entire vested Pre-2013 Account in 2005 . Effective December 31, 2005, in the event the Participant's vested Pre-2013 Account does not exceed $25,000 as of any December 31st, then any payment election by a Participant shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if such vested Pre-2013 Account exceeds $25,000 at that time).

(c) Terminated Participants Not in Pay Status in 2005. A Participant (who is not a Grandfathered Participant) who has separated from service in 2005 or earlier, but who, as of a date in 2005 determined by the Committee, has not received or commenced receiving payments of his vested Pre-2013 Account, shall be subject to the payment provisions of Paragraph 10.1, and any prior payment elections shall be of no force or effect. As provided in Paragraph 1.2, such a Participant had the opportunity to complete a new election by a date in 2005 determined by the Committee. Such a Participant who did not properly complete and return such an election by such date received a single lump sum distribution of his entire vested Pre-2013 Account as of August 1, 2006. Notwithstanding the foregoing, if such a Participant's vested Pre-2013 Account as of a date in 2005 determined by the Committee was not greater than $10,000, then he received a single lump sum distribution of his entire vested Pre-2013 Account in 2005. Effective December 31, 2005, in the event the Participant's vested Pre-2013 Account does not exceed $25,000 as of any December 31st, then any payment election shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if such vested Pre-2013 Account exceeds $25,000 at that time).

(d) 2005 Payment Elections by Participants Actively Employed. A Participant who remained employed by an Employer as of a date in 2005 determined by the Committee shall be subject to the payment provisions of Paragraph 10.1 and any prior elections shall be of no force or effect. As provided in Paragraph 1.2, such a Participant had the opportunity to complete a new election by a date in 2005 determined by the Committee. Any such election shall be treated as an initial election under Paragraph 10.2(a) with respect to his Pre-2013 Account . Such a Participant who does not make a timely election shall be treated the same as provided for in Paragraph 10.2(a)(i) for Participants who do not make timely initial elections.

(e) Post-2012 Account. In the event a Participant who is subject to (a), (b) or (c) above also has a Post-2012 Account, the $25,000 cashout limit in each of (a), (b) and (c) above shall be determined by aggregating the Participant's vested Pre-2013 Account and vested Post-2012 Account.

10.4 Facility of Payment. A payment required to be made hereunder on or as of a specified date may be made in a reasonable period after such date for administrative convenience, provided the payment is made in the same taxable year as the specified date.

ARTICLE XI- DEATH

11.1 If a Participant dies before commencing payment of the amounts represented by the Participant's Pre-2013 Account or Post-2012 Account, then such Pre-2013 Account and Post-2012 Account shall be paid to the Participant's Beneficiary in a single lump sum cash distribution, as soon as reasonably possible after the Committee is notified of the

Participant's death and in all events not more than ninety (90) days following the Participant's death. Neither the Participant nor the Beneficiary shall have the right to designate the taxable year of the payment. If the Participant has already commenced receiving the amounts represented by the Participant's Pre-2013 Account or Post-2012 Account in the installment payment form, the installment payments shall continue to be paid to the Participant's Beneficiary in cash.

ARTICLE XII- NON-ASSIGNABLE/NON-ATTACHMENT

12.1 Except as required by law, no right of the Participant or designated Beneficiary to receive payments under this Plan shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law and any attempt, voluntary or involuntary, to effect any such action shall be null and void and of no effect.

ARTICLE XIII- ADMINISTRATION

13.1 Administration. In addition to the powers which are expressly provided in the Plan, the Committee shall have the power and authority in its sole, absolute and uncontrolled discretion to control and manage the operation and administration of the Plan and shall have all powers necessary to accomplish these purposes including, but not limited to the following:

(a) the power to determine who is a Participant;

(b) the power to determine allocations, balances, and nonforfeitable percentages with respect to Participants' Pre-2013 Accounts and Post-2012 Accounts;

(c) the power to determine when, to whom, in what amount, and in what form distributions are to be made; and

(d) such powers as are necessary, appropriate or desirable to enable it to perform its responsibilities, including the power to interpret the Plan, establish rules, regulations and forms with respect thereto.

Benefits under this Plan will be paid only if the Committee decides in its discretion that the applicant is entitled to them.

13.2 409A of the Code. This Plan is intended to satisfy the applicable requirements of section 409A of the Code and shall be interpreted accordingly.

ARTICLE XIV- CONSOLIDATION OR MERGER

14.1 In the event that Fifth Third Bancorp or any entity (resulting from any merger or consolidation or which shall be a purchaser or transferee so referred to), shall at any time be merged or consolidated into or with any other entity or entities, or in the event that

substantially all of the assets of Fifth Third Bancorp or any such entity shall be sold or otherwise transferred to another entity, the provisions of this Plan shall be binding upon and shall inure to the benefit of the continuing entity or the entity resulting from such merger or consolidation or the entity to which such assets shall be sold or transferred. Except as provided in the preceding sentence, this Plan shall not be assignable by Fifth Third Bancorp or by any entity referred to in such preceding sentence.

ARTICLE XV- AMENDMENT OR TERMINATION

15.1 Amendment. Fifth Third Bancorp reserves the right to amend the Plan. Any amendment of the Plan shall be by action of the Committee or by the Chairman of the Committee. If an amendment is being made by said Committee, it must be approved by a majority of the members of the Committee as constituted at the time of adoption of the amendment. Any amendment may be given retroactive effect as determined by said Committee or Chairman. Any amendment may, without limitation, (a) affect a Participant whether or not vested, employed or in pay status, and (b) affect or modify Participant elections and payment methods. An amendment may be evidenced in such manner as said Committee or Chairman shall determine. If the amendment is approved by said Committee, such evidence may include (but shall not be limited to) a written resolution signed by a majority of the members of the Committee or minutes of a meeting of the Committee reflecting approval by a majority of the members.

15.2 Termination. Fifth Third Bancorp reserves the right to terminate the Plan. Any termination of the Plan shall be by action of the Committee. Any termination must be approved by a majority of the members of said Committee as constituted at the time of adoption of the termination; and any such termination may be given retroactive effect as determined by said Committee. Any termination may, without limitation, (a) affect a Participant whether or not vested, employed or in pay status, and (b) affect or modify Participant elections and payment methods. A termination may be evidenced in such manner as said Committee shall determine, and such evidence may include (but shall not be limited to) a written resolution signed by a majority of the members of the Committee or minutes of a meeting of the Committee reflecting approval by a majority of the members.

ARTICLE XVI - CLAIMS

16.1 Initial Claims Procedure.

(a) Claim. In order to present a complaint regarding the nonpayment of a Plan benefit or a portion thereof (a "Claim"), a Participant or Beneficiary under the Plan (a "Claimant") or his duly authorized representative must file such Claim by mailing or delivering a writing stating such Claim to the department, officer, or Employee responsible for employee benefit matters of the Employer. Upon such receipt of a Claim, the Claims Review Committee shall furnish to the Claimant a written acknowledgment which shall inform such Claimant of the time limit set forth in (b)(i) below and of the effect, pursuant to (b)(iii) below, of failure to decide the Claim within such time limit.

(b) Initial Decision.

(i) Time Limit. The Claims Review Committee shall decide upon a Claim within a reasonable period of time after receipt of such Claim; provided, however, that such period shall in no event exceed 90 days, unless special circumstances require an extension of time for processing. If such an extension of time for processing is required, then the Claimant shall, prior to the termination of the initial 90-day period, be furnished a written notice indicating such special circumstances and the date by which the Claims Review Committee expects to render a decision. In no event shall an extension exceed a period of 90 days from the end of the initial period.

(ii) Notice of Denial. If the Claim is wholly or partially denied, then the Claims Review Committee shall furnish to the Claimant, within the time limit applicable under (i) above, a written notice setting forth in a manner calculated to be understood by the Claimant:

(A) the specific reason or reasons for such denial;

(B) specific reference to the pertinent Plan provisions on which such denial is based;

(C) a description of any additional material or information necessary for such Claimant to perfect his Claim and an explanation of why such material or information is necessary; and

(D) appropriate information as to the steps to be taken if such Claimant wishes to submit his Claim for review pursuant to Paragraph 16.2, including notice of the time limits set forth in subsection 16.2(b)(ii).

(iii) Deemed Denial for Purposes of Review. If a Claim is not granted and if, despite the provisions of (i) and (ii) above, notice of the denial of a Claim is not furnished within the time limit applicable under (i) above, then the Claimant may deem such Claim denied and may request a review of such deemed denial pursuant to the provisions of Paragraph 16.2.

16.2 Claim Review Procedure.

(a) Claimant's Rights. If a Claim is wholly or partially denied under Paragraph 16.1, then the Claimant or his duly authorized representative shall have the following rights:

(i) to obtain, subject to (b) below, a full and fair review by the Claims Review Committee;

(ii) to review pertinent documents; and

(iii) to submit issues and comments in writing.

(b) Request for Review.

(i) Filing. To obtain a review pursuant to (a) above, a Claimant entitled to such a review or his duly authorized representative shall, subject to (ii) below, mail or deliver a written request for such a review (a "Request for Review") to the department, officer, or Employee responsible for employee benefit matters of the Employer .

(ii) Time Limits for Requesting a Review. A Request for Review must be mailed or delivered within 60 days after receipt by the Claimant of written notice of the denial of the Claim.

(iii) Acknowledgment. Upon such receipt of a Request for Review, the Claims Review Committee shall furnish to the Claimant a written acknowledgment which shall inform such Claimant of the time limit set forth in (c)(i) below and of the effect, pursuant to (c)(iii) below, of failure to furnish a decision on review within such time limit.

(c) Decision on Review.

(i) Time Limit.

(A) General. If, pursuant to (b) above, a review is requested, then, except as otherwise provided in (B) below, the Claims Review Committee or its delegate (but only if such delegate has been given the authority to make a final decision on the Claim) shall make a decision promptly and no later than 60 days after receipt of the Request for Review; except that, if special circumstances require an extension of time for processing, then the decision shall be made as soon as possible but not later than 120 days after receipt of the Request for Review . The Claims Review Committee must furnish the Claimant written notice of any extension prior to its commencement .

(B) Regularly Scheduled Meetings. Anything to the contrary in (A) above notwithstanding, if the Claims Review Committee holds regularly scheduled meetings at least quarterly, then its decision on review shall be made no later than the date of the meeting which immediately follows the receipt of the Request for Review; provided, however, if such Request for Review is received within

30 days preceding the date of such meeting, then such decision on review shall be made no later than the date of the second meeting which follows such receipt; and provided further that, if special circumstances require a further extension of time for processing, and if the Claimant is furnished written notice of such extension prior to its commencement, then such decision on review shall be rendered no later than the third meeting which follows such receipt.

(ii) Notice of Decision. The Claims Review Committee or its delegate shall furnish to the Claimant, within the time limit applicable under (i) above, a written notice setting forth in a manner calculated to be understood by the Claimant:

(A) the specific reason or reasons for the decision on review;

(B) specific reference to the pertinent Plan provisions on which the decision on review is based;

(C) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and

(D) a statement of the Claimant's right to bring an action under section 502(a) of the Employee Retirement Income Security Act of 1974.

(iii) Deemed Denial. If, despite the provisions of (i) and (ii) above, the decision on review is not furnished within the time limit applicable under (i) above, then the Claimant shall be deemed to have exhausted his remedies under the Plan and he may deem the Claim to have been denied on review.

The Claims Review Committee shall have the sole, absolute and uncontrolled discretion to decide all claims under the initial claims procedure and under the claims review procedure, and its decisions shall be binding on all parties.

16.3 Required Exhaustion of Administrative Remedies. Before a Participant may file a lawsuit regarding the Plan or benefits under the Plan, the Participant must first use the Initial Claims Procedure and the Claim Review Procedure (including the requirement of a timely request for review) described above.

ARTICLE XVII- MISCELLANEOUS

17.1 No Enlargement of Employment Rights. Neither this Plan, nor any action of Fifth Third Bancorp, an Employer or the Committee, nor any election to defer Compensation hereunder shall be held or construed to confer on any person any legal right to be continued as an employee of Fifth Third Bancorp, or any Employer.

17.2 Withholdings. Fifth Third Bancorp and the Participant's Employer shall have the right to deduct from a Participant's Pre-2013 Account and Post-2012 Account and/or any payments due a Participant or Beneficiary under the Plan any and all taxes determined by the Committee to be applicable with respect to such benefits. In the discretion of the Committee, Fifth Third Bancorp and the Participant's Employer may accept payment by the Participant (or Beneficiary) of the amount of any applicable taxes in lieu of deducting such amount from the Participant's Pre-2013 Account and Post-2012 Account or payments due under the Plan.

17.3 Entire Agreement. This Plan document constitutes the entire agreement between the Employer and any Participant (or Beneficiary), and supersedes all other prior agreements, undertakings, both written and oral, with respect to the subject matter hereof. This Plan document may not be amended orally or by any course or purported course of dealing, but only by an amendment in accordance with Paragraph 15.1 specifically identified within its text as a Plan amendment. Written communications and descriptions not specifically identified within their text as amendments, shall not constitute amendments and shall have no interpretive or controlling effect on the interpretation of this Plan. Oral communications shall not constitute amendments and shall have no interpretation or controlling effect on the interpretation of this Plan.

17.4 No Guarantee of Tax Consequences. The Participant (or Beneficiary) shall be responsible for all taxes with respect to his benefit hereunder . Neither Fifth Third Bancorp nor any Employer guarantees any particular tax consequences. This includes, without limitation, any taxes, interest or penalties imposed by, or with respect to, section 409A of the Code.

IN WITNESS WHEREOF, Fifth Third Bancorp has caused this Plan to be executed this 19th day of December, 2012.

FIFTH THIRD BANCORP

By: ________________________________

Paul L. Reynolds, Chairman of The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee

4664012.4

Exhibit 10.37

A MARK OF [**] IN THE TEXT OF THIS EXHIBIT INDICATES THAT CONFIDENTIAL MATERIAL HAS BEEN OMITTED. THIS EXHIBIT, INCLUDING THE OMIITED PORTIONS, HAS BEEN FILED SEPERATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

Deutsche Bank AG, London Branch
Winchester house
1 Great Winchester St, London EC2N 2DB
Telephone: 44 20 7545 8000

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-250-2500

Opening Transaction

To: Fifth Third Bancorp
Fifth Third Center
Cincinnati, Ohio 45263

From: Deutsche Bank AG, London Branch

Re: Accelerated Stock Buyback

Ref. No: As provided in the Supplemental Confirmation

Date: May 21, 2013

This master confirmation (this "**Master Confirmation**"), dated as of May 21, 2013 is intended to set forth certain terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between Deutsche Bank AG, London Branch (" **Deutsche**"), with Deutsche Bank Securities Inc. acting as agent, and Fifth Third Bancorp (" **Counterparty**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a "Confirmation" as referred to in the Agreement specified below.

DEUTSCHE BANK AG, LONDON BRANCH IS NOT REGISTERED AS A BROKER DEALER UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934. DEUTSCHE BANK SECURITIES INC. ("DBSI") HAS ACTED SOLELY AS AGENT IN CONNECTION WITH THE TRANSACTION AND HAS NO OBLIGATION, BY WAY OF ISSUANCE, ENDORSEMENT, GUARANTEE OR OTHERWISE WITH RESPECT TO THE PERFORMANCE OF EITHER PARTY UNDER THE TRANSACTION, EXCEPT FOR ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING ITS DUTIES AS AGENT. AS SUCH, ALL DELIVERY OF FUNDS, ASSETS, NOTICES, DEMANDS AND COMMUNICATIONS OF ANY KIND RELATING TO THIS TRANSACTION BETWEEN DEUTSCHE BANK AG, LONDON BRANCH, AND COUNTERPARTY SHALL BE TRANSMITTED EXCLUSIVELY THROUGH DEUTSCHE BANK SECURITIES INC. DEUTSCHE BANK AG, LONDON BRANCH IS NOT A MEMBER OF THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the " **Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and Deutsche as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

Chairman of the Supervisory Board: Dr. Paul Achleitner.

Management Board: Jürgen Fitschen (Co-Chairman), Anshu Jain (Co-Chairman), Stefan Krause, Stephan Leithner, Stuart Lewis, Rainer Neske and Henry Ritchotte.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervising Authority) and regulated by the Financial Services Authority for the conduct of UK business; a member of the London Stock Exchange. Deutsche Bank AG is a joint stock corporation with limited liability incorporated in the Federal Republic of Germany HRB No. 30 000 District Court of Frankfurt am Main; Branch Registration in England and Wales BR000005; Registered address: Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank Group online: http://www.deutsche-bank.com

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Deutsche and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars (" **USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions and (iii) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Counterparty and Deutsche, with a "Threshold Amount" equal to 3% of such party's shareholders' equity as reported in their respective most recent audited financial statements; *provided* that the words ", or becoming capable at such time of being declared," shall be deleted from such Section 5(a)(vi)).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Deutsche and Counterparty or any confirmation or other agreement between Deutsche and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Deutsche and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Deutsche and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	Deutsche
Shares:	Common stock, without par value, of Counterparty (Ticker: FITB)
Exchange:	NASDAQ Global Select Market
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the NASDAQ 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof, provided the Exchange publicly announced such extension prior to the end of the regular trading session on the prior Exchange Business Day) of the Exchange on such

Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page "FITB.Q <Equity> AQR_SEC" (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable discretion, erroneous, such VWAP Price shall be as reasonably determined in good faith and in a commercially reasonable manner by the Calculation Agent. For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (such trades, "**Rule 10b-18 eligible transactions**").

Forward Price: The average of the VWAP Prices for the Exchange Business Days in the Calculation Period, subject to "Valuation Disruption" below.

Forward Price Adjustment Amount: For each Transaction, as set forth in the related Supplemental Confirmation.

Calculation Period: The period from and including the Calculation Period Start Date to and including the Termination Date.

Calculation Period Start Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Termination Date: The Scheduled Termination Date; *provided* that Deutsche shall have the right to designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date (the "**Accelerated Termination Date**") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Exchange Business Day immediately following the designated Accelerated Termination Date.

Scheduled Termination Date: For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.

First Acceleration Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation Disruption: The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be" and inserting the words "at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period" after the word "material," in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, extend the Settlement Valuation Period, in both cases by no more than one Exchange Business Day for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case

may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in good faith and in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such ninth Scheduled Trading Day using its good faith estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures:	If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that Deutsche does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by Deutsche to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.
Number of Shares to be Delivered:	A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount, *minus* (y) the number of Initial Shares.
Divisor Amount:	The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) $1.00.
Excess Dividend Amount:	For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.
Settlement Date:	If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.
Settlement Currency:	USD
Initial Share Delivery:	Deutsche shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a “Settlement Date” for purposes of such Section 9.4.
Initial Share Delivery Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Initial Shares:	For each Transaction, as set forth in the related Supplemental Confirmation; provided that Deutsche does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by

applicable securities laws with respect to any Shares delivered by Deutsche to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares.

Share Adjustments:

Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event. It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to “Valuation Disruption” above, in which case the Calculation Agent may, in good faith and in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as appropriate to account for the economic effect on such Transaction of such postponement.
Extraordinary Dividend:	For any calendar quarter, any dividend or distribution on the Shares with an ex- dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions) (a “**Dividend**”) the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount.
Ordinary Dividend Amount:	For each Transaction, as set forth in the related Supplemental Confirmation
Method of Adjustment:	Calculation Agent Adjustment

Extraordinary Events:

Consequences of Merger Events:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment
(c) Share-for-Combined:	Component Adjustment
Tender Offer:	Applicable; *provided* that (i) Section 12.1(l) of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing “that” in the fifth line thereof with “whether or not such announcement” and (z) by adding immediately after the words “Tender Offer” in the fifth line thereof “, and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)” and (ii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words “Tender Offer Date” by “Announcement Date.”
Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Deutsche
(b) Share-for-Other:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Deutsche
(c) Share-for-Combined:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Deutsche

Nationalization, Insolvency or Delisting:	Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re- listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.
Additional Disruption Events:	
(a) Change in Law:	Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase ", or public announcement of the interpretation", (ii) by replacing the word "Shares" where it appears in clause (X) thereof with the words "Hedge Position" and (iii) by immediately following the word "Transaction" in clause (X) thereof, adding the phrase "in the manner contemplated by the Hedging Party on the Trade Date"; provided further that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a "Change in Law" shall be made without regard to Section 739 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof the words "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".
(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	200 basis points per annum
Hedging Party:	Deutsche
(e) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	25 basis points per annum
Hedging Party:	Deutsche
Determining Party:	Deutsche; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Deutsche is the Defaulting Party, Counterparty shall have the right to

	designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Determining Party. Upon receipt of written request from Counterparty, the Determining Party shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing Deutsche's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Determining Party shall be made in good faith and in a commercially reasonable manner.
Additional Termination Event(s):	Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s). The (i) declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, or (ii) occurrence of an ex-dividend date for any Dividend that is not an Extraordinary Dividend during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.
Relevant Dividend Period:	The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.
Relevant Dividend Period End Date:	If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.
Scheduled Ex-Dividend Dates:	For each Transaction for each calendar quarter, as set forth in the related Supplemental Confirmation.
Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:	Applicable
Transfer:	Notwithstanding anything to the contrary in the Agreement, Deutsche may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of Deutsche under any Transaction, in whole or in part, to an affiliate of Deutsche whose obligations are guaranteed by Deutsche, without the consent of Counterparty.
Deutsche Payment Instructions:	To be advised under separate cover

Counterparty's Contact Details for Purpose of Giving Notice:	To be provided by Counterparty
Deutsche's Contact Details for Purpose of Giving Notice:	Deutsche Bank AG, London Branch c/o Deutsche Bank Securities Inc. 60 Wall Street New York, NY 10005 Attention: Paul Stowell Andrew Yaeger Lars Kestner Telephone: 212-250-2717 212-250-4580 212-250-6043 Email: paul.stowell@db.com andrew.yaeger@db.com lars.kestner@db.com
Role of DBSI:	DBSI in its capacity as Agent will be responsible for (A) effecting any Transaction, (B) issuing all required confirmations and statements to Deutsche and Counterparty, (C) maintaining books and records relating to any Transaction in accordance with its standard practices and procedures and in accordance with applicable law and (D) unless otherwise requested by Counterparty, receiving, delivering, and safeguarding Counterparty's funds and any securities in connection with any Transaction, in accordance with its standard practices and procedures and in accordance with applicable law. The date and time of any Transaction evidenced by this Master Confirmation and the related Supplemental Confirmation will be furnished by the Agent to Deutsche and Counterparty upon written request. The Agent will furnish to Counterparty upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with any Transaction evidenced by this Master Confirmation and the related Supplemental Confirmation.

2. Calculation Agent. Deutsche; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Deutsche is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Calculation Agent. Upon receipt of written request from Counterparty, the Calculation Agent shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing Deutsche's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

3. Additional Mutual Representations, Warranties and Covenants of Each Party. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. It is an "eligible contract participant", as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by

virtue of Section 4(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Deutsche that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares, (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither Deutsche nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to Deutsche of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; "**Regulation M Period**" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "**Relevant Period**" means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by Deutsche and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not and will not enter into agreements similar to the Transactions described herein where any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction overlaps with any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

5. Regulatory Disruption. In the event that Deutsche concludes, in good faith and based on the advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures generally applicable to the relevant line of business (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Deutsche), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, Deutsche may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to Deutsche that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act ("**Rule 10b-5**") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 under the Exchange Act (" **Rule 10b5-1**") and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence Deutsche's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, Deutsche's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 under the Exchange Act (" **Rule 10b-18**")) shall not, without the prior written consent of Deutsche, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period or, if applicable, Settlement Valuation Period, except through Deutsche. However, the foregoing shall not limit Counterparty's ability (or the ability of any "agent independent of the issuer" (as defined in Rule 10b-18)), pursuant to any plan (as defined in Rule 10b-18) of Counterparty, to re-acquire Shares in connection with any equity transaction related to such plan or to limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such equity transactions or otherwise restrict Counterparty's ability to repurchase Shares under privately negotiated or off-market transactions (including, without limitation, an agreement relating to Counterparty's 401(k) Plan or transactions with any of Counterparty's employees, officers, directors or affiliates), so long as any re-acquisition, withholding or repurchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Public Announcement**") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify Deutsche following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Deutsche with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date that were not effected through Deutsche or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to Deutsche that such information is true and correct. In addition, Counterparty shall promptly notify Deutsche of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party), Deutsche may in its sole discretion (i) make adjustments in good faith and in a commercially reasonable manner to the terms of any Transaction, including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"**Merger Transaction**" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. Special Provisions for Acquisition Transaction Announcements . (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Number of Shares to be Delivered for such Transaction shall be determined as if the Divisor Amount were equal to "The greater of (i) the Forward Price and (ii) $1.00." If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) "**Acquisition Transaction Announcement**" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent could reasonably be expected to result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) "**Acquisition Transaction**" means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "15%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the

merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. Acknowledgments. (a) The parties hereto intend for:

(i) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, Deutsche and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) Deutsche and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) Deutsche shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of Deutsche and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and the VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted Deutsche an option; Deutsche may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, Deutsche agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from Deutsche to Counterparty with respect to contracts or instruments that are not Equity Contracts. "**Equity Contract**" means any transaction or instrument that does not convey to Deutsche rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. Delivery of Shares. Notwithstanding anything to the contrary herein, Deutsche may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a "**Payment Amount**"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for Deutsche to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "**Alternative Delivery Unit**" and, the securities or property comprising such unit, "**Alternative Delivery Property**")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by Deutsche, the prices at which Deutsche purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to Deutsche in writing on the date it notifies Deutsche of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Close-out Amount pursuant to Section 6 of the Agreement Deutsche may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or sooner following the designation of an Early Termination Date. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by Deutsche as promptly as practicable.

16. [Reserved.]

17. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by Deutsche or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, and the Exchange Business Day that the price of the Shares on the Exchange at any time falls below the Termination Price will be the "Early Termination Date" for purposes of the Agreement.

18. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

19. Claim in Bankruptcy. Deutsche acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

20. [Reserved.]

21. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

22. Offices.

The Office of Counterparty for each Transaction is: Fifth Third Bancorp, Fifth Third Center Cincinnati, Ohio 45263.

The Office of Deutsche for each Transaction is: Deutsche Bank AG, London Branch, c/o Deutsche Bank Securities Inc., 60 Wall Street, New York, NY 10005, USA.

23. Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to any Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into any Transaction hereunder by, among other things, the mutual waivers and certifications provided herein.

24. Submission to Jurisdiction. Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

"Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, " **Proceedings**") to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party's property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court's decision or judgment to any higher court with competent appellate jurisdiction over that court's decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate

and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction."

25. Method of Delivery. Whenever delivery of funds or other assets is required hereunder by or to Deutsche, such delivery shall be effected through DBSI. In addition, all notices, demands and communications of any kind relating to any Transaction between Deutsche and Counterparty shall be transmitted exclusively through DBSI.

26. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

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Counterparty hereby agrees (a) to check this Master Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Deutsche) correctly sets forth the terms of the agreement between Deutsche and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Deutsche Bank Securities Inc., Facsimile No. 646-736-7122.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with any Transaction

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ Kevin Kabat
Name: Kevin Kabat
Title: CEO

[*Signature Page to Master Confirmation*]

SCHEDULE A

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	Deutsche Bank AG, London Branch
Subject:	Accelerated Stock Buyback
Ref. No.:	[Insert Ref. No.]
Date:	[Insert Date]

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Deutsche Bank AG, London Branch ("**Deutsche**"), with Deutsche Bank Securities Inc. acting as agent, and Fifth Third Bancorp (" **Counterparty**") (together, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Deutsche and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of May 21, 2013 (the " **Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	[ ]
Forward Price Adjustment Amount:	USD [ ]
Calculation Period Start Date:	[ ]
Scheduled Termination Date:	[ ]
First Acceleration Date:	[ ]
Prepayment Amount:	USD [ ]
Prepayment Date:	[ ]
Initial Shares:	[ ] Shares; *provided* that if, in connection with the Transaction, Deutsche is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Deutsche is able to so borrow or otherwise acquire, and Deutsche shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.
Initial Share Delivery Date:	[ ]
Ordinary Dividend Amount:	USD [ ]
Scheduled Ex-Dividend Dates:	[ ]
Termination Price:	USD [ ]
Additional Relevant Days:	The [ ] Exchange Business Days immediately following the Calculation Period.

3. Counterparty represents and warrants to Deutsche that neither it nor any “affiliated purchaser” (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

[*Remainder of Page Intentionally Blank*]

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Deutsche) correctly sets forth the terms of the agreement between Deutsche and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Deutsche Bank Securities Inc., Facsimile No. 646-736-7122.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with the Transaction

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: ______________________________
Name:
Title:

[*Signature Page to Supplemental Confirmation*]

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; *provided* that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word "Physical" in the sixth line thereof and replacing it with the words "Net Share" and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to Deutsche in writing on the date it notifies Deutsche of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered multiplied by the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Scheduled Trading Days selected by Deutsche in good faith and in a commercially reasonable manner, such number to be approximately equal to the Number of Shares to be Delivered divided by 10% of the ADTV (as defined in Rule 10b-18, and expressed as a number of Shares) for the Shares at the time of determination, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.
Net Share Settlement Procedures:	If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the "**Registered Settlement Shares**"), or a number of Shares not satisfying such conditions (the " **Unregistered Settlement Shares**"), in

[*Signature Page to Master Confirmation*]

either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to Deutsche (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by Deutsche (the " **Registration Statement**") shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the "**Prospectus**") shall have been delivered to Deutsche, in such quantities as Deutsche shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to Deutsche;

(c) as of or prior to the date of delivery, Deutsche and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to Deutsche, in its discretion; and

(d) as of the date of delivery, an agreement (the "**Underwriting Agreement**") shall have been entered into with Deutsche in connection with the public resale of the Registered Settlement Shares by Deutsche substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance satisfactory to Deutsche, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Deutsche and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to Deutsche (or any affiliate of Deutsche designated by Deutsche) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(b) as of or prior to the date of delivery, Deutsche and any potential purchaser of any such shares from Deutsche (or any affiliate of Deutsche designated by Deutsche) identified by Deutsche shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a " **Private Placement Agreement**") with Deutsche (or any affiliate of Deutsche designated by Deutsche) in connection with the private placement of such shares by Counterparty to Deutsche (or any such affiliate) and the private resale of such shares by Deutsche (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to Deutsche, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Deutsche and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all fees and expenses in connection with such resale, including all fees and expenses of counsel for Deutsche, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to Deutsche (or any such affiliate) and the private resale of such shares by Deutsche (or any such affiliate), Counterparty shall, if so requested by Deutsche, prepare, in cooperation with Deutsche, a private placement memorandum in form and substance reasonably satisfactory to Deutsche

5. Deutsche, itself or through an affiliate (the "**Selling Agent**") or any underwriter(s), will sell all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the " **Settlement Shares**") delivered by Counterparty to Deutsche pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by Deutsche, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "**Final Resale Date**"). If the proceeds of any sale(s) made by Deutsche, the Selling Agent or any underwriter(s), net of any fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the " **Net Proceeds**") exceed the absolute value of the Forward Cash Settlement Amount, Deutsche will refund, in USD, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, Deutsche shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the " **Shortfall**" and the date on which such determination is made, the "**Deficiency Determination Date**"), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the "**Makewhole Notice Date**") deliver to Deutsche, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to Deutsche additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the " **Makewhole Shares**"), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by Deutsche in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to Deutsche further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "**Capped Number**"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

A – B

Where: A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"**Reserved Shares**" means initially, 58,907,104 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

Deutsche Bank

Deutsche Bank AG, London Branch
Winchester house
1 Great Winchester St, London EC2N 2DB
Telephone: 44 20 7545 8000

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-250-2500

SUPPLEMENTAL CONFIRMATION

To: Fifth Third Bancorp
Fifth Third Center
Cincinnati, Ohio 45263

From: Deutsche Bank AG, London Branch

Subject: Accelerated Stock Buyback

Ref. No.: 556931

Date: November 13, 2013

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Deutsche Bank AG, London Branch ("**Deutsche**"), with Deutsche Bank Securities Inc. acting as agent, and Fifth Third Bancorp (" **Counterparty**") (together, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Deutsche and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of May 21, 2013 (the " **Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	November 13, 2013
Forward Price Adjustment Amount:	[**]*
Calculation Period Start Date:	November 14, 2013
Scheduled Termination Date:	February 28, 2014
First Acceleration Date:	[**]*
Prepayment Amount:	USD 200,000,000.00
Prepayment Date:	November 18, 2013
Initial Shares:	8,538,423 Shares; *provided* that if, in connection with the Transaction, Deutsche is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial

Chairman of the Supervisory Board: Dr. Paul Achleitner.

Management Board: Jürgen Fitschen (Co-Chairman), Anshu Jain (Co-Chairman), Stefan Krause, Stephan Leithner, Stuart Lewis, Rainer Neske and Henry Ritchotte.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervising Authority) and regulated by the Financial Services Authority for the conduct of UK business; a member of the London Stock Exchange. Deutsche Bank AG is a joint stock corporation with limited liability incorporated in the Federal Republic of Germany HRB No. 30 000 District Court of Frankfurt am Main; Branch Registration in England and Wales BR000005; Registered address: Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank Group online: http://www.deutsche-bank.com

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

	Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Deutsche is able to so borrow or otherwise acquire, and Deutsche shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.
Initial Share Delivery Date:	November 18, 2013
Ordinary Dividend Amount:	[**]*
Scheduled Ex-Dividend Dates:	December 27, 2013
Termination Price:	[**]*
Additional Relevant Days:	The 5 Exchange Business Days immediately following the Calculation Period.
Reserved Shares:	The number of Reserved Shares set forth in Annex A to the Master Confirmation shall be decreased to 20,090,407 Shares.

3. Counterparty represents and warrants to Deutsche that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

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* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Deutsche) correctly sets forth the terms of the agreement between Deutsche and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Deutsche Bank Securities Inc., Facsimile No. 646-736-7122.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with the Transaction

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ James C. Leonard
Name: James C. Leonard
Title: Treasurer

[*Signature Page to Supplemental Confirmation*]

Exhibit 10.38

A MARK OF [**] IN THE TEXT OF THIS EXHIBIT INDICATES THAT CONFIDENTIAL MATERIAL HAS BEEN OMITTED. THIS EXHIBIT, INCLUDING THE OMIITED PORTIONS, HAS BEEN FILED SEPERATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

Deutsche Bank AG, London Branch
Winchester house
1 Great Winchester St, London EC2N 2DB
Telephone: 44 20 7545 8000

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-250-2500

Opening Transaction

To: Fifth Third Bancorp
Fifth Third Center
Cincinnati, Ohio 45263

From: Deutsche Bank AG, London Branch

Re: Accelerated Stock Buyback

Ref. No: As provided in the Supplemental Confirmation

Date: May 21, 2013

This master confirmation (this "**Master Confirmation**"), dated as of May 21, 2013 is intended to set forth certain terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between Deutsche Bank AG, London Branch (" **Deutsche**"), with Deutsche Bank Securities Inc. acting as agent, and Fifth Third Bancorp ("**Counterparty**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a "Confirmation" as referred to in the Agreement specified below.

DEUTSCHE BANK AG, LONDON BRANCH IS NOT REGISTERED AS A BROKER DEALER UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934. DEUTSCHE BANK SECURITIES INC. ("DBSI") HAS ACTED SOLELY AS AGENT IN CONNECTION WITH THE TRANSACTION AND HAS NO OBLIGATION, BY WAY OF ISSUANCE, ENDORSEMENT, GUARANTEE OR OTHERWISE WITH RESPECT TO THE PERFORMANCE OF EITHER PARTY UNDER THE TRANSACTION, EXCEPT FOR ITS GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN PERFORMING ITS DUTIES AS AGENT. AS SUCH, ALL DELIVERY OF FUNDS, ASSETS, NOTICES, DEMANDS AND COMMUNICATIONS OF ANY KIND RELATING TO THIS TRANSACTION BETWEEN DEUTSCHE BANK AG, LONDON BRANCH, AND COUNTERPARTY SHALL BE TRANSMITTED EXCLUSIVELY THROUGH DEUTSCHE BANK SECURITIES INC. DEUTSCHE BANK AG, LONDON BRANCH IS NOT A MEMBER OF THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the " **Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and Deutsche as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

Chairman of the Supervisory Board: Dr. Paul Achleitner.

Management Board: Jürgen Fitschen (Co-Chairman), Anshu Jain (Co-Chairman), Stefan Krause, Stephan Leithner, Stuart Lewis, Rainer Neske and Henry Ritchotte.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervising Authority) and regulated by the Financial Services Authority for the conduct of UK business; a member of the London Stock Exchange. Deutsche Bank AG is a joint stock corporation with limited liability incorporated in the Federal Republic of Germany HRB No. 30 000 District Court of Frankfurt am Main; Branch Registration in England and Wales BR000005; Registered address: Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank Group online: http://www.deutsche-bank.com

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Deutsche and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars (" **USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions and (iii) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Counterparty and Deutsche, with a "Threshold Amount" equal to 3% of such party's shareholders' equity as reported in their respective most recent audited financial statements; *provided* that the words ", or becoming capable at such time of being declared," shall be deleted from such Section 5(a)(vi)).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Deutsche and Counterparty or any confirmation or other agreement between Deutsche and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Deutsche and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Deutsche and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	Deutsche
Shares:	Common stock, without par value, of Counterparty (Ticker: FITB)
Exchange:	NASDAQ Global Select Market
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the NASDAQ 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof, provided the Exchange publicly announced such extension prior to the end of the regular trading session on the prior Exchange Business Day) of the Exchange on such

	Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page "FITB.Q <Equity> AQR_SEC" (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable discretion, erroneous, such VWAP Price shall be as reasonably determined in good faith and in a commercially reasonable manner by the Calculation Agent. For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**) (such trades, "**Rule 10b-18 eligible transactions**").
Forward Price:	The average of the VWAP Prices for the Exchange Business Days in the Calculation Period, subject to "Valuation Disruption" below.
Forward Price Adjustment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Calculation Period:	The period from and including the Calculation Period Start Date to and including the Termination Date.
Calculation Period Start Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Termination Date:	The Scheduled Termination Date; *provided* that Deutsche shall have the right to designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date (the "**Accelerated Termination Date**") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Exchange Business Day immediately following the designated Accelerated Termination Date.
Scheduled Termination Date:	For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.
First Acceleration Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Valuation Disruption:	The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be" and inserting the words "at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period" after the word "material," in the third line thereof. Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof. Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, extend the Settlement Valuation Period, in both cases by no more than one Exchange Business Day for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case

may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in good faith and in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such ninth Scheduled Trading Day using its good faith estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures: If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that Deutsche does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by Deutsche to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.

Number of Shares to be Delivered: A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount, *minus* (y) the number of Initial Shares.

Divisor Amount: The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) $1.00.

Excess Dividend Amount: For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.

Settlement Date: If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.

Settlement Currency: USD

Initial Share Delivery: Deutsche shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.

Initial Share Delivery Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Initial Shares: For each Transaction, as set forth in the related Supplemental Confirmation; provided that Deutsche does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by

	applicable securities laws with respect to any Shares delivered by Deutsche to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares.
Share Adjustments:	
Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event. It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to "Valuation Disruption" above, in which case the Calculation Agent may, in good faith and in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as appropriate to account for the economic effect on such Transaction of such postponement.
Extraordinary Dividend:	For any calendar quarter, any dividend or distribution on the Shares with an ex- dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions) (a " **Dividend**") the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount.
Ordinary Dividend Amount:	For each Transaction, as set forth in the related Supplemental Confirmation
Method of Adjustment:	Calculation Agent Adjustment
Extraordinary Events:	
Consequences of Merger Events:	
(a) Share-for-Share:	ModifiedCalculationAgentAdjustment
(b) Share-for-Other:	CancellationandPayment
(c) Share-for-Combined:	ComponentAdjustment
Tender Offer:	Applicable; *provided* that (i) Section 12.1(l) of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing "that" in the fifth line thereof with "whether or not such announcement" and (z) by adding immediately after the words "Tender Offer" in the fifth line thereof ", and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)" and (ii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words "Tender Offer Date" by "Announcement Date."
Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Deutsche
(b) Share-for-Other:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Deutsche
(c) Share-for-Combined:	Modified Calculation Agent Adjustment or Cancellation and Payment,at the election of Deutsche

Nationalization, Insolvency or Delisting:	Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re- listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.
Additional Disruption Events:	
(a) Change in Law:	Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase “the interpretation” in the third line thereof with the phrase “, or public announcement of the interpretation”, (ii) by replacing the word “Shares” where it appears in clause (X) thereof with the words “Hedge Position” and (iii) by immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”; provided further that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a “Change in Law” shall be made without regard to Section 739 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word “regulation” in the second line thereof the words “(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)”.
(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	200 basis points per annum
Hedging Party:	Deutsche
(e) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	25 basis points per annum
Hedging Party:	Deutsche
Determining Party:	Deutsche; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Deutsche is the Defaulting Party, Counterparty shall have the right to

	designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Determining Party. Upon receipt of written request from Counterparty, the Determining Party shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing Deutsche's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Determining Party shall be made in good faith and in a commercially reasonable manner.
Additional Termination Event(s):	Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s).
	The (i) declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, or (ii) occurrence of an ex-dividend date for any Dividend that is not an Extraordinary Dividend during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.
Relevant Dividend Period:	The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.
Relevant Dividend Period End Date:	If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.
Scheduled Ex-Dividend Dates:	For each Transaction for each calendar quarter, as set forthin the related Supplemental Confirmation.
Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:	Applicable
Transfer:	Notwithstanding anything to the contrary in the Agreement, Deutsche may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of Deutsche under any Transaction, in whole or in part, to an affiliate of Deutsche whose obligations are guaranteed by Deutsche, without the consent of Counterparty.
Deutsche Payment Instructions:	To be advised under separate cover

Counterparty's Contact Details for Purpose of Giving Notice:	To be provided by Counterparty
Deutsche's Contact Details for Purpose of Giving Notice:	Deutsche Bank AG, London Branch c/o Deutsche Bank Securities Inc. 60 Wall Street New York, NY 10005 Attention: Paul Stowell Andrew Yaeger Lars Kestner Telephone: 212-250-2717 212-250-4580 212-250-6043 Email: paul.stowell@db.com andrew.yaeger@db.com lars.kestner@db.com
Role of DBSI:	DBSI in its capacity as Agent will be responsible for (A) effecting any Transaction, (B) issuing all required confirmations and statements to Deutsche and Counterparty, (C) maintaining books and records relating to any Transaction in accordance with its standard practices and procedures and in accordance with applicable law and (D) unless otherwise requested by Counterparty, receiving, delivering, and safeguarding Counterparty's funds and any securities in connection with any Transaction, in accordance with its standard practices and procedures and in accordance with applicable law. The date and time of any Transaction evidenced by this Master Confirmation and the related Supplemental Confirmation will be furnished by the Agent to Deutsche and Counterparty upon written request. The Agent will furnish to Counterparty upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with any Transaction evidenced by this Master Confirmation and the related Supplemental Confirmation.

2. Calculation Agent. Deutsche; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Deutsche is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Calculation Agent. Upon receipt of written request from Counterparty, the Calculation Agent shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing Deutsche's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

3. Additional Mutual Representations, Warranties and Covenants of Each Party. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. It is an "eligible contract participant", as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by

virtue of Section 4(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Deutsche that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares, (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither Deutsche nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to Deutsche of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; "**Regulation M Period**" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "**Relevant Period**" means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by Deutsche and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not and will not enter into agreements similar to the Transactions described herein where any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction overlaps with any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

5. Regulatory Disruption. In the event that Deutsche concludes, in good faith and based on the advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures generally applicable to the relevant line of business (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Deutsche), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, Deutsche may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to Deutsche that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act ("**Rule 10b-5**") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 under the Exchange Act (" **Rule 10b5-1**") and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence Deutsche's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, Deutsche's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 under the Exchange Act (" **Rule 10b-18**")) shall not, without the prior written consent of Deutsche, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period or, if applicable, Settlement Valuation Period, except through Deutsche. However, the foregoing shall not limit Counterparty's ability (or the ability of any "agent independent of the issuer" (as defined in Rule 10b-18)), pursuant to any plan (as defined in Rule 10b-18) of Counterparty, to re-acquire Shares in connection with any equity transaction related to such plan or to limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such equity transactions or otherwise restrict Counterparty's ability to repurchase Shares under privately negotiated or off-market transactions (including, without limitation, an agreement relating to Counterparty's 401(k) Plan or transactions with any of Counterparty's employees, officers, directors or affiliates), so long as any re-acquisition, withholding or repurchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Public Announcement**") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify Deutsche following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Deutsche with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date that were not effected through Deutsche or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to Deutsche that such information is true and correct. In addition, Counterparty shall promptly notify Deutsche of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party), Deutsche may in its sole discretion (i) make adjustments in good faith and in a commercially reasonable manner to the terms of any Transaction, including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"**Merger Transaction**" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. Special Provisions for Acquisition Transaction Announcements . (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Number of Shares to be Delivered for such Transaction shall be determined as if the Divisor Amount were equal to "The greater of (i) the Forward Price and (ii) $1.00." If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) "**Acquisition Transaction Announcement**" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent could reasonably be expected to result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) "**Acquisition Transaction**" means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "15%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the

merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. Acknowledgments. (a) The parties hereto intend for:

(i) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, Deutsche and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) Deutsche and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) Deutsche shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of Deutsche and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and the VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted Deutsche an option; Deutsche may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

> "(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, Deutsche agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from Deutsche to Counterparty with respect to contracts or instruments that are not Equity Contracts. " **Equity Contract**" means any transaction or instrument that does not convey to Deutsche rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. Delivery of Shares. Notwithstanding anything to the contrary herein, Deutsche may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a " **Payment Amount**"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for Deutsche to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "**Alternative Delivery Unit**" and, the securities or property comprising such unit, "**Alternative Delivery Property**")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by Deutsche, the prices at which Deutsche purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to Deutsche in writing on the date it notifies Deutsche of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Close-out Amount pursuant to Section 6 of the Agreement Deutsche may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or sooner following the designation of an Early Termination Date. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by Deutsche as promptly as practicable.

16. [Reserved.]

17. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by Deutsche or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, and the Exchange Business Day that the price of the Shares on the Exchange at any time falls below the Termination Price will be the "Early Termination Date" for purposes of the Agreement.

18. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

19. Claim in Bankruptcy. Deutsche acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

20. [Reserved.]

21. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

22. Offices.

The Office of Counterparty for each Transaction is: Fifth Third Bancorp, Fifth Third Center Cincinnati, Ohio 45263.

The Office of Deutsche for each Transaction is: Deutsche Bank AG, London Branch, c/o Deutsche Bank Securities Inc., 60 Wall Street, New York, NY 10005, USA.

23. Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to any Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into any Transaction hereunder by, among other things, the mutual waivers and certifications provided herein.

24. Submission to Jurisdiction. Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

"Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, " **Proceedings**") to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party's property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court's decision or judgment to any higher court with competent appellate jurisdiction over that court's decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate

and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction."

25. Method of Delivery. Whenever delivery of funds or other assets is required hereunder by or to Deutsche, such delivery shall be effected through DBSI. In addition, all notices, demands and communications of any kind relating to any Transaction between Deutsche and Counterparty shall be transmitted exclusively through DBSI.

26. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

[*Remainder of Page Intentionally Blank*]

Counterparty hereby agrees (a) to check this Master Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Deutsche) correctly sets forth the terms of the agreement between Deutsche and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Deutsche Bank Securities Inc., Facsimile No. 646-736-7122.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with any Transaction

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ Kevin Kabat
Name: Kevin Kabat
Title: CEO

[*Signature Page to Master Confirmation*]

SCHEDULE A

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	Deutsche Bank AG, London Branch
Subject:	Accelerated Stock Buyback
Ref. No.:	[Insert Ref. No.]
Date:	[Insert Date]

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Deutsche Bank AG, London Branch ("**Deutsche**"), with Deutsche Bank Securities Inc. acting as agent, and Fifth Third Bancorp (" **Counterparty**") (together, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Deutsche and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of May 21, 2013 (the " **Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	[ ]
Forward Price Adjustment Amount:	USD [ ]
Calculation Period Start Date:	[ ]
Scheduled Termination Date:	[ ]
First Acceleration Date:	[ ]
Prepayment Amount:	USD [ ]
Prepayment Date:	[ ]
Initial Shares:	[ ] Shares; *provided* that if, in connection with the Transaction, Deutsche is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Deutsche is able to so borrow or otherwise acquire, and Deutsche shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.
Initial Share Delivery Date:	[ ]
Ordinary Dividend Amount:	USD [ ]
Scheduled Ex-Dividend Dates:	[ ]
Termination Price:	USD [ ]
Additional Relevant Days:	The [ ] Exchange Business Days immediately following the Calculation Period.

3. Counterparty represents and warrants to Deutsche that neither it nor any “affiliated purchaser” (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

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Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Deutsche) correctly sets forth the terms of the agreement between Deutsche and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Deutsche Bank Securities Inc., Facsimile No. 646-736-7122.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with the Transaction

By: ____________________________
Name:
Title:

By: ____________________________
Name:
Title:

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: ____________________________
Name:
Title:

[*Signature Page to Supplemental Confirmation*]

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; *provided* that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word "Physical" in the sixth line thereof and replacing it with the words "Net Share" and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to Deutsche in writing on the date it notifies Deutsche of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered multiplied by the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Scheduled Trading Days selected by Deutsche in good faith and in a commercially reasonable manner, such number to be approximately equal to the Number of Shares to be Delivered divided by 10% of the ADTV (as defined in Rule 10b-18, and expressed as a number of Shares) for the Shares at the time of determination, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.
Net Share Settlement Procedures:	If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the "**Registered Settlement Shares**"), or a number of Shares not satisfying such conditions (the " **Unregistered Settlement Shares**"), in

[*Signature Page to Master Confirmation*]

either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to Deutsche (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by Deutsche (the " **Registration Statement**") shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the "**Prospectus**") shall have been delivered to Deutsche, in such quantities as Deutsche shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to Deutsche;

(c) as of or prior to the date of delivery, Deutsche and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to Deutsche, in its discretion; and

(d) as of the date of delivery, an agreement (the "**Underwriting Agreement**") shall have been entered into with Deutsche in connection with the public resale of the Registered Settlement Shares by Deutsche substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance satisfactory to Deutsche, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Deutsche and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to Deutsche (or any affiliate of Deutsche designated by Deutsche) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(b) as of or prior to the date of delivery, Deutsche and any potential purchaser of any such shares from Deutsche (or any affiliate of Deutsche designated by Deutsche) identified by Deutsche shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a " **Private Placement Agreement**") with Deutsche (or any affiliate of Deutsche designated by Deutsche) in connection with the private placement of such shares by Counterparty to Deutsche (or any such affiliate) and the private resale of such shares by Deutsche (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to Deutsche, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Deutsche and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all fees and expenses in connection with such resale, including all fees and expenses of counsel for Deutsche, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to Deutsche (or any such affiliate) and the private resale of such shares by Deutsche (or any such affiliate), Counterparty shall, if so requested by Deutsche, prepare, in cooperation with Deutsche, a private placement memorandum in form and substance reasonably satisfactory to Deutsche

5. Deutsche, itself or through an affiliate (the "**Selling Agent**") or any underwriter(s), will sell all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the " **Settlement Shares**") delivered by Counterparty to Deutsche pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by Deutsche, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "**Final Resale Date**"). If the proceeds of any sale(s) made by Deutsche, the Selling Agent or any underwriter(s), net of any fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the " **Net Proceeds**") exceed the absolute value of the Forward Cash Settlement Amount, Deutsche will refund, in USD, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, Deutsche shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the " **Shortfall**" and the date on which such determination is made, the "**Deficiency Determination Date**"), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the "**Makewhole Notice Date**") deliver to Deutsche, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to Deutsche additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the " **Makewhole Shares**"), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by Deutsche in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to Deutsche further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "**Capped Number**"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

$$A – B$$

Where: A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"**Reserved Shares**" means initially, 58,907,104 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

Deutsche Bank

Deutsche Bank AG, London Branch
Winchester house
1 Great Winchester St, London EC2N 2DB
Telephone: 44 20 7545 8000

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005
Telephone: 212-250-2500

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	Deutsche Bank AG, London Branch
Subject:	Accelerated Stock Buyback
Ref. No.:	560177
Date:	December 10, 2013

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Deutsche Bank AG, London Branch ("**Deutsche**"), with Deutsche Bank Securities Inc. acting as agent, and Fifth Third Bancorp (" **Counterparty**") (together, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Deutsche and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of May 21, 2013 (the " **Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	December 10, 2013
Forward Price Adjustment Amount:	[**]
Calculation Period Start Date:	December 11, 2013
Scheduled Termination Date:	March 26, 2014
First Acceleration Date:	[**]*
Prepayment Amount:	USD 456,000,000.00
Prepayment Date:	December 13, 2013
Initial Shares:	19,084,195 Shares; *provided* that if, in connection with the Transaction, Deutsche is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial

Chairman of the Supervisory Board: Dr. Paul Achleitner.

Management Board: Jürgen Fitschen (Co-Chairman), Anshu Jain (Co-Chairman), Stefan Krause, Stephan Leithner, Stuart Lewis, Rainer Neske and Henry Ritchotte.

Deutsche Bank AG is authorised under German Banking Law (competent authority: BaFin – Federal Financial Supervising Authority) and regulated by the Financial Services Authority for the conduct of UK business; a member of the London Stock Exchange. Deutsche Bank AG is a joint stock corporation with limited liability incorporated in the Federal Republic of Germany HRB No. 30 000 District Court of Frankfurt am Main; Branch Registration in England and Wales BR000005; Registered address: Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank Group online: http://www.deutsche-bank.com

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

	Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Deutsche is able to so borrow or otherwise acquire, and Deutsche shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.
Initial Share Delivery Date:	December 13, 2013
Ordinary Dividend Amount:	[**]*
Scheduled Ex-Dividend Date:	December 27, 2013
Termination Price:	[**]*
Additional Relevant Days:	The 5 Exchange Business Days immediately following the Calculation Period.
Reserved Shares:	The number of Reserved Shares set forth in Annex A to the Master Confirmation shall be increased to 44,903,988 Shares.

3. Counterparty represents and warrants to Deutsche that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

[*Remainder of Page Intentionally Blank*]

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Deutsche) correctly sets forth the terms of the agreement between Deutsche and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Deutsche Bank Securities Inc., Facsimile No. 646-736-7122.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: /s/ Lars Kestner
Name: Lars Kestner
Title: Managing Director

By: /s/ Michael Sanderson
Name: Michael Sanderson
Title: Managing Director

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with the Transaction

By: /s/ Lars Kestner
Name: Name: Lars Kestner
Title: Title: Managing Director

By: /s/ Michael Sanderson
Name: Name: Michael Sanderson
Title: Title: Managing Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ James C. Leonard
Name: James C. Leonard
Title: Treasurer

[*Signature Page to Supplemental Confirmation*]

Exhibit 12.1

Fifth Third Bancorp
Computations of Consolidated Ratios of Earnings to Fixed Charges
($ In Millions)

		Year Ended December 31,				
		2013	2012	2011	2010	2009
Excluding Interest on Deposits:						
Fixed Charges:						
Interest Expense (excluding interest on deposits)	$	210	296	309	293	361
One-Third of Rents, Net of Income from Subleases		28	28	27	26	29
Total Fixed Charges	$	238	324	336	319	390
Earnings:						
Income Before Income Taxes	$	2,598	2,210	1,831	940	767
Fixed Charges		238	324	336	319	390
Total Earnings	$	2,836	2,534	2,167	1,259	1,157
Ratio of Earnings to Fixed Charges, Excluding Interest On Deposits		11.92x	7.82x	6.45x	3.94x	2.97x
Including Interest on Deposits:						
Fixed Charges:						
Interest Expense	$	412	512	661	885	1,314
One-Third of Rents, Net of Income from Subleases		28	28	27	26	29
Total Fixed Charges	$	440	540	688	911	1,343
Earnings:						
Income Before Income Taxes	$	2,598	2,210	1,831	940	767
Fixed Charges		440	540	688	911	1,343
Total Earnings	$	3,038	2,750	2,519	1,851	2,110
Ratio of Earnings to Fixed Charges, Including Interest On Deposits		6.90x	5.09x	3.66x	2.03x	1.57x

Exhibit 12.2

Fifth Third Bancorp
Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements
($ In Millions)

		Year Ended December 31,				
		2013	2012	2011	2010	2009
Excluding Interest on Deposits:						
Fixed Charges:						
Interest Expense (excluding interest on deposits)	$	210	296	309	293	361
One-Third of Rents, Net of Income from Subleases		28	28	27	26	29
Preferred Stock Dividends		37	35	203	250	226
Total Fixed Charges	$	275	359	539	569	616
Earnings:						
Income Before Income Taxes	$	2,598	2,210	1,831	940	767
Fixed Charges - Excluding Preferred Stock Dividends		238	324	336	319	390
Total Earnings	$	2,836	2,534	2,167	1,259	1,157
Ratio of Earnings to Fixed Charges, Excluding Interest On Deposits		10.31x	7.06x	4.02x	2.21x	1.88x
Including Interest on Deposits:						
Fixed Charges:						
Interest Expense	$	412	512	661	885	1,314
One-Third of Rents, Net of Income from Subleases		28	28	27	26	29
Preferred Stock Dividends		37	35	203	250	226
Total Fixed Charges	$	477	575	891	1,161	1,569
Earnings:						
Income Before Income Taxes	$	2,598	2,210	1,831	940	767
Fixed Charges - Excluding Preferred Stock Dividends		440	540	688	911	1,343
Total Earnings	$	3,038	2,750	2,519	1,851	2,110
Ratio of Earnings to Fixed Charges, Including Interest On Deposits		6.37x	4.78x	2.83x	1.59x	1.34x

Exhibit 21

FIFTH THIRD BANCORP SUBSIDIARIES
As of December 31, 2013

Name	Jurisdiction of Incorporation
Fifth Third Financial Corporation	Ohio
Fifth Third Bank	Ohio
Fifth Third Equipment Finance Company	Ohio
The Fifth Third Auto Leasing Trust	Delaware
Fifth Third International Company	Kentucky
Fifth Third Trade Services Limited	Hong Kong
Fifth Third Holdings, LLC	Delaware
Fifth Third Holdings Funding, LLC	Delaware
Fifth Third Conduit Holdings, LLC	Delaware
Fifth Third Mortgage Insurance Reinsurance Company	Vermont
Fifth Third Mortgage Company	Ohio
Fifth Third Real Estate Investment Trust, Inc.	Maryland
Fifth Third Securities, Inc.	Ohio
ClearArc Capital, Inc.	Ohio
Fifth Third Insurance Agency, Inc.	Ohio
Old Kent Investment Corporation	Nevada
GNB Management, LLC	Delaware
GNB Realty, LLC	Delaware
Old Kent Mortgage Services, Inc.	Michigan
Fifth Third Mortgage – Michigan, LLC	Delaware
Walnut & Vine Holdings, LLC	Delaware
Walnut & Vine Properties I, LLC	Delaware
Walnut & Vine Properties II, LLC	Delaware
Fifth Third Community Development Corporation	Indiana
Bicycle Factory Investment Fund, LLC	Michigan
Capital-CDC Associates, LLC	Indiana
Cumberland Wellness Investment Fund, LLC	Ohio
Fifth Third New Markets Development Co., LLC	Ohio
Fifth Third West Louisville Emerging, LLC	Ohio
SCD VII Investment Company, LLC	Delaware
5/3 Better Family Life Investment Fund, LLC	Ohio
5/3 GCM NMTC Investment Fund, LLC	Ohio
5/3 Georgia Aquarium Investment Fund, LLC	Ohio
5/3 LWC NMTC Investment Fund, LLC	Ohio
5/3 Middough NMTC Investment Fund, LLC	Ohio
5/3Middough NMTC Investment Fund, II	Ohio
5/3 Shoreway NMTC Investment Fund, LLC	Ohio
5/3 SIP NMTC Investment Fund, LLC	Ohio
5/3 The Views NMTC Investment Fund, LLC	Ohio
5/3 120 East Sixth Investment Fund, LLC	Ohio
5/3 1400 Race Street Investment Fund, LLC	Ohio
5/3 200 Peachtree Investment Fund, LLC	Ohio
5/3 7000 Euclid Investment Fund, LLC	Ohio
5/3 CNMF NMTC Investment Fund, LLC	Ohio
600 Fifth Street Properties Master Tenant, LLC	Michigan

Fifth Third Capital Holdings, LLC	Delaware
Fountain Square Life Reinsurance Company, Ltd.	Turks and Caicos Islands
Vista Settlement Services, LLC	Delaware
Fifth Third Investment Company	Ohio
Fifth Third Mauritius Holdings Limited	Mauritius
First Charter Capital Trust I	Delaware
First Charter Capital Trust II	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of Fifth Third Bancorp and subsidiaries (the "Bancorp") of our reports dated February 24, 2014, relating to the consolidated financial statements of the Bancorp, and the effectiveness of the Bancorp's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Bancorp for the year ended December 31, 2013:

Form S-8

No. 33-34075
No. 33-55553
No. 333-52182
No. 333-52188
No. 333-58249
No. 333-58618
No. 333-63518
No. 333-72910
No. 333-108996
No. 333-114001
No. 333-116535
No. 333-119280
No. 333-123493
No. 333-147533
No. 333-157687
No. 333-158742
No. 333-175258

Form S-3

No. 33-54134
No. 333-165689
No. 333-187546

Cincinnati, Ohio
February 24, 2014

Exhibit 31(i)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Kevin T. Kabat, certify that:

1. I have reviewed this report on Form 10-K of Fifth Third Bancorp (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Kevin T. Kabat

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 24, 2014

Exhibit 31(ii)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Tayfun Tuzun, certify that:

1. I have reviewed this report on Form 10-K of Fifth Third Bancorp (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Tayfun Tuzun
Tayfun Tuzun
Executive Vice President and
Chief Financial Officer
February 24, 2014

Exhibit 32(i)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Fifth Third Bancorp (the “Registrant”) on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kevin T. Kabat, Vice Chairman and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Kevin T. Kabat

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 24, 2014

Exhibit 32(ii)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Fifth Third Bancorp (the "Registrant") on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tayfun Tuzun, Executive Vice President and Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Tayfun Tuzun

Tayfun Tuzun
Executive Vice President and
Chief Financial Officer
February 24, 2014

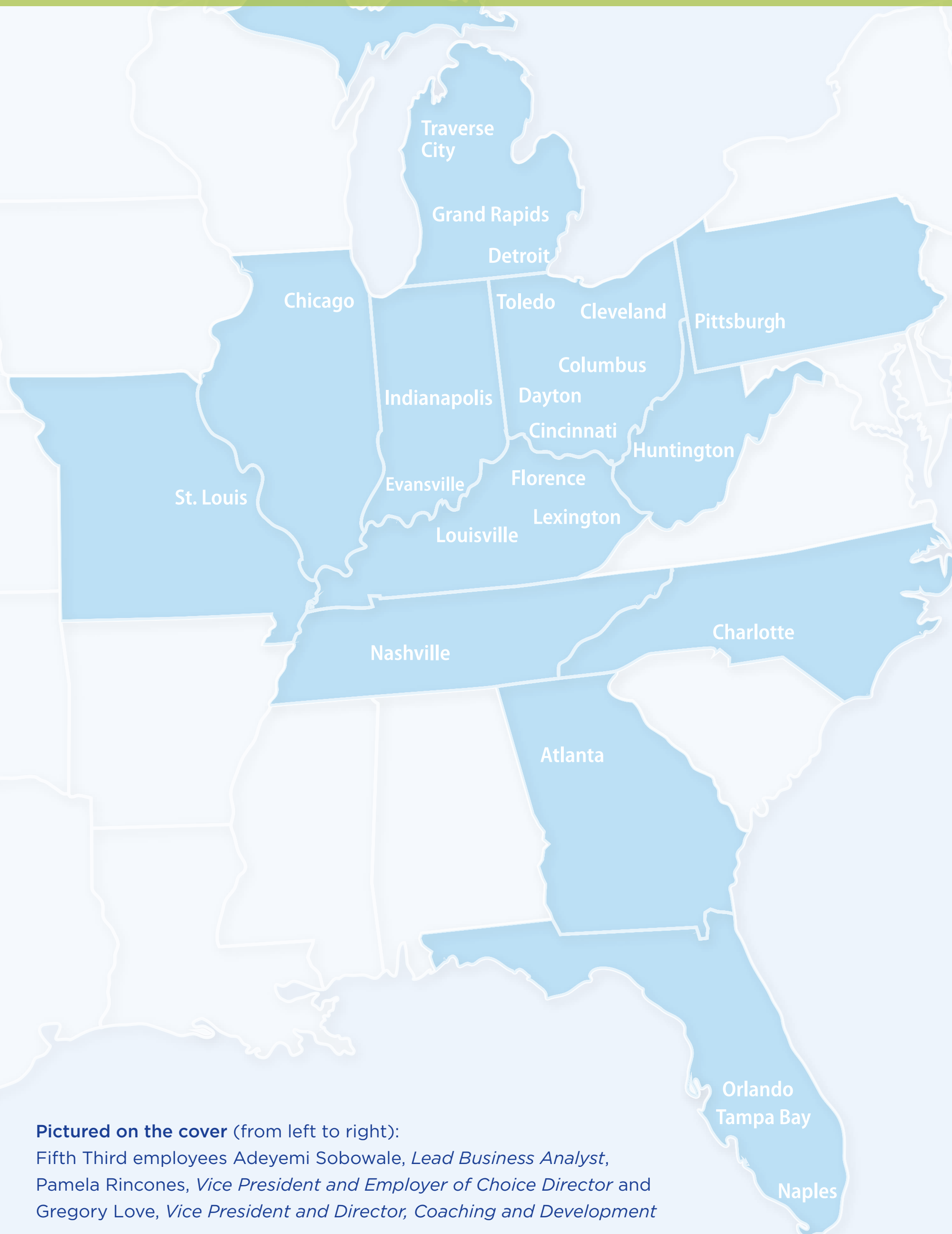
WHERE VALUE **MEETS TRUST**

FIFTH THIRD BANCORP
2013 ANNUAL REPORT

FIFTH THIRD BANCORP

Corporate Profile

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. As of December 31, 2013, the Company had $130 billion in assets and operated 17 affiliates with 1,320 full-service Banking Centers, including 104 Bank Mart® locations, most open seven days a week, inside select grocery stores and 2,586 ATMs in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Pennsylvania, Missouri, Georgia and North Carolina. Fifth Third operates four main businesses: Commercial Banking, Branch Banking, Consumer Lending, and Investment Advisors. Fifth Third also has a 25% interest in Vantiv Holding, LLC. Fifth Third is among the largest money managers in the Midwest and, as of December 31, 2013, had $302 billion in assets under care, of which it managed $27 billion for individuals, corporations and not-for-profit organizations. Investor information and press releases can be viewed at www.53.com. Fifth Third's common stock is traded on the NASDAQ® Global Select Market under the symbol "FITB."



Pictured on the cover (from left to right):
Fifth Third employees Adeyemi Sobowale, *Lead Business Analyst*, Pamela Rincones, *Vice President and Employer of Choice Director* and Gregory Love, *Vice President and Director, Coaching and Development*

A Message To Our Shareholders

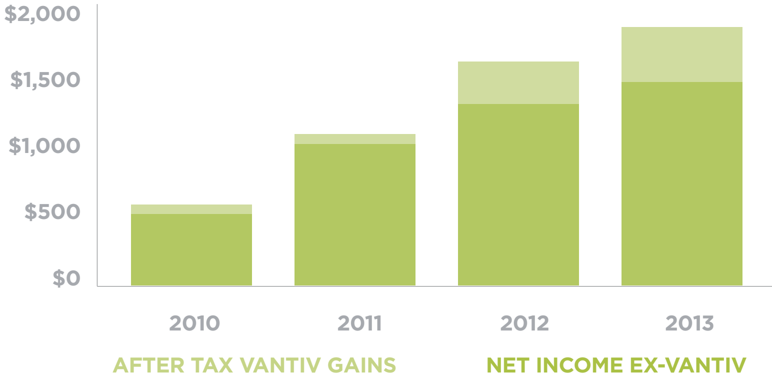
DEAR FIFTH THIRD SHAREHOLDERS,

2013 marked our 155th anniversary and we capped it with the strongest results Fifth Third has ever reported. Net income available to common shareholders of $1.8 billion marks the highest earnings in our history, up 17 percent from 2012, driven by solid revenue growth and well-controlled expenses. Earnings per diluted share of $2.02 increased 22 percent from the prior year and return on average assets increased 14 basis points to 1.5 percent. Our record performance exemplifies our focus on delivering steady, reliable growth and creating long-term value for our shareholders. Additionally, Fifth Third's stock price exceeded a five-year high and, on a full-year basis, outperformed both the S&P Banks index and the broader S&P 500 index. Our one-year total shareholder return (stock price plus dividends) was 42 percent in 2013, versus 23 percent in 2012. As we demonstrated in 2013, consistency and improvement in our results depend on proactive leadership, strategic agility, and distinctive execution.

It indeed was a strong and profitable year for the Bank — one which clearly showed our continued growth and achievement as well as the solid foundation upon which that's built. Our success is due to the guidance of our Board of Directors and the hard work of our employees to execute every day on our Vision to become the one bank that people most value and trust. Our focus has paid off with new products, partnerships, and achievements. Along the way, we've grown our talent, our business, our good reputation, and our positive impact — all while working to achieve the appropriate balance between risk and reward.

A strong, ongoing commitment to risk management is central to our culture, and in 2013 we took important steps to strengthen the infrastructure of our Company. We have never stopped investing in our revenue-generating capabilities and

NET INCOME AVAILABLE TO COMMON SHAREHOLDERS
$ IN MILLIONS



have made significant investments to protect our Company through tighter or additional controls and oversight functions. Asset quality performance is at the best levels in more than five years and our reserve coverage levels are among the strongest in the industry. At the same time, we've remained focused on disciplined expense management, as our efficiency ratio improved from 62 percent in 2012 to 58 percent in 2013. Ultimately, the combination of making sound investments while controlling costs and managing risk has equipped us to remain a strong competitor in today's low-growth, low-interest rate, and tough regulatory environment. Our commitment to continually reinvest in the business is reflected in total revenue of $6.8 billion, which is among the highest levels we ever reported. We enter 2014 with strong local market positions; great businesses where local leadership matters; and national businesses that have contributed to our growth.

We take pride in our ability to recognize change in the industry and to adapt quickly and judiciously. In 2013, we showed the strategic agility of the model in our mortgage business, adjusting from record-levels of originations in the second quarter through the sharp drop-off in the months that followed. Over a number of years, we've invested to become bigger, better, and smarter in this space. We've seen the results of those investments — increasing our national mortgage origination market share from 16th in 2009 to 13th in 2013 while developing a flexible business model that could be adjusted quickly in response to a change in the environment. We know mortgage is a cyclical business and we've managed well through this cycle. We're committed to the purchase origination market and the servicing business, and we have strong relationships with builders and real estate agents. This business remains extremely important to us, as home mortgages are a core consumer product, which provides the opportunity to develop deeper relationships over the life of the loan.

Our ability to cross sell is enhanced as we find ways to improve the capabilities and experiences that our customers desire and are willing to pay for. We deliver products, services, and experiences to efficiently address the challenges that our customers face such as cash handling for large retail chains, new ways to make working capital available to small businesses, and simple and clear ways for consumers to make and manage deposits.

Our commitment to offering a holistic customer experience has led us to create important alliances with organizations like Stand Up To Cancer (SU2C) and NextJob. In 2013, we introduced Fifth Third SU2C credit and debit cards directing donations toward cancer research with every qualifying purchase made using these cards. And our relationship with NextJob provides an industry-first program that gives unemployed mortgage borrowers job search assistance. This partnership has been so successful that we voluntarily waived our exclusivity provision so that

2013 PERFORMANCE

Full year 2013 net income and net income available to common shareholders of $1.8 billion increased 16% and 17%, respectively from 2012. Earnings per diluted common share of $2.02 increased 22%. Return on assets was 1.5%, up from 1.3% in 2012.

Average loans and leases increased to $89.1 billion, with 15% growth in commercial and industrial loans and 8% growth in both residential mortgage loans and credit card balances. We also continued to grow high-value, low-cost transaction deposits in 2013, with average balances increasing 6% over the prior year.

Despite a 23 basis point decline in the net interest margin, we closed the year with two consecutive quarters of growth in net interest income, which declined 1% in 2013 compared with 2012. We took advantage of higher rate opportunities in the second half of the year to add to and change the composition of our securities portfolio in order to improve our liquidity position.

other banks could adopt the program. Efforts like these make a real difference to our customers, providing tangible value to them, and helping to create a lasting relationship with Fifth Third. Our ability to be responsive to key customer segments while also creating shared value is one of our greatest strengths. We have several initiatives underway to further improve the customer experience and simultaneously increase the profitability of the Bank.

We start by listening to our customers and having in-depth, consultative discussions with them. We work to really understand what they value most in their banking relationships, and what they value most in their lives and financial futures. Customer feedback and the information we gather through our consultative sales process has been an important component of our strategy. It's a practice that spans our entire franchise — from the Investment Advisors business, to our Commercial Bank, and across the Retail Banking and Consumer Lending divisions. Consequently, we are better equipped to provide complete solutions for our customers, no matter the point of entry at the Bank. In short, we put the customer at the center of all that we do. This simple practice has had a significant impact for us. It has given us insights needed to develop better products and streamline existing processes to serve our customers better. It led to a shift in the customer value proposition, away from fees perceived as punitive toward a more value-oriented model that rewards the depth of the relationship. It has allowed us to focus on key customer segments that understand the value exchange we offer and are willing to engage with us to gain access to our quality products. We're targeting the opportunities that are most available to us, given our position and business model. Customers who recognize the value we offer do so in exchange, most often, by bringing more and deeper relationships to the Bank, which enables us to optimally serve them going forward.

This is certainly apparent in our Investment Advisors segment, where our business has developed in large part from helping clients over their lifetimes and from becoming their trusted partner. We know that our clients value integrated wealth planning, not just stock picking or total investment returns. After experiencing significant declines in market value during the Great Recession, they are facing a new era of financial complexity and behaving differently — taking fewer risks and focusing on having greater liquidity. They have a strong appetite and need for holistic advice, which we offer through our regional wealth management business. Our balanced and focused approach considers the cyclicality and nuances of markets as well as major life events or business needs to create the best wealth plans for our clients. We provide not only premium advice and guidance, but also clear action steps to help clients follow through and achieve their goals. Our highly experienced wealth managers provide quality service throughout the course of the

Credit trends were favorable with full year net charge-offs down 29% and nonperforming assets down 25% from the prior year. We reduced our loan loss reserves by $272 million; although our reserves remain among the highest coverage levels in the industry, at 1.79% of loans and 211% of nonperforming loans.

Noninterest income increased 8% from 2012, despite a significant decline in mortgage revenue, and benefited from our investment in Vantiv as well as strong card and processing revenue, service charges on deposits, and investment advisory revenue. Total noninterest expense declined 3% from the prior year despite a 4% increase in technology and communications expense as we continue to invest in our businesses.

Overall, it was a strong year in which we posted solid results and executed on our plans. We have good momentum in many of our core businesses and believe we are well-positioned for success in 2014.

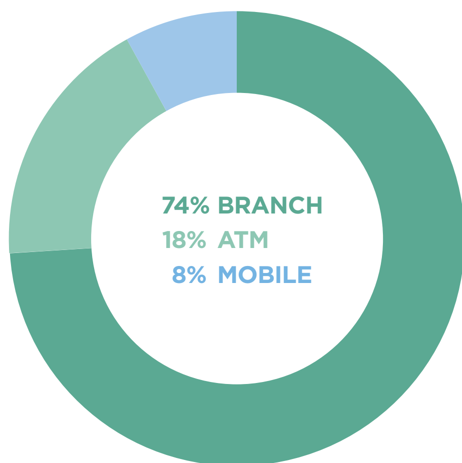
relationship and we've differentiated ourselves with a collaborative approach that connects our internal specialists as well as our clients' external advisors. We work together to ensure that we fully understand their needs and deliver a comprehensive solution. Our focus on recruiting and retaining top talent, serving the right clients in the right channel, and providing best-in-class service has resonated, as segment revenue grew 9 percent and net asset flows increased 67 percent from 2012.

Consultative discussions in our Commercial Bank, too, have supported our efforts to build a high-performing business banking segment as well as to establish new primary bank relationships and inspired product innovations, such as our Currency Processing Solutions, that simplify cash handling for our clients. This has resulted in overall Commercial Banking segment net revenue of $2.3 billion, and an increase in treasury management fees of 6 percent from 2012. We've further differentiated these solutions to support key industry focus areas, such as mid-corporate clients with $500 million to $2 billion in revenue and select industry verticals. The healthcare vertical has grown consistently since its launch in 2008, and in 2013 we had approximately $700 million of originations to this industry. In a similar fashion, we established a specialized energy industry lending group in 2012, which contributed approximately $400 million of originations in 2013. We have always had a strong presence in commercial and industrial (C&I) lending, and these industry verticals as well as our investments in talent and infrastructure led to 15 percent growth in average C&I loans compared with 2012. Additionally, we have a centralized group for growing commercial real estate loans primarily within the multi-family and industrial sectors. We believe these opportunities and focus areas will continue to drive success for Fifth Third.

We've also seen the benefit of the relationship value orientation in our Consumer Bank following changes we made to streamline our account offerings and simplify choices for our customers. By the middle of 2013, we had already completely converted our 2.1 million primary consumer households to a new account set, which includes five core checking and three core savings products. The process was transformational and, we believe, industry-leading. Our new offerings encourage customers to hold higher average balances in their accounts and to have multiple products with us. We are already seeing positive outcomes. Today, the average Fifth Third Bank checking customer uses just over five of our products and, as we anticipated, we are seeing lower customer attrition rates and growth in revenue per household.

CONSUMER DEPOSITS BY CHANNEL

TRANSACTION VOLUME



Fifth Third is also proactively addressing changing consumer preferences for banking interactions while increasing the efficiency of our distribution network. New technology — Internet banking, mobile apps, and image ATMs — has been adopted at an astounding pace. Already, 26 percent of our consumer deposit volume comes through self-service channels, a portion of that through the remote deposit capture feature on the mobile app, which we launched late in 2012. This shift has led to a decline in teller transactions. That's no surprise, since the vast majority of transactions that do take place with a customer service representative today — primarily deposits, withdrawals, and balance transfers — can be completed through a self-service format. In line with our efforts to pair extraordinary self-service capabilities with new ways of thinking about the distribution model and the strategic value we can, and should, provide

in the branch, we're accelerating the self-service transition where it makes sense. We're working to educate customers by using in-branch ATMs and a smaller, more cost-effective branch format with about half the staffing of a traditional branch. Our banking centers remain the most visible brand identifier in our communities and they also will remain a key source of deposits and cross-selling. Our customers have indicated that branch proximity and convenience are still top factors in selecting a bank, and a vast majority of our consumer checking households, as well as Private Bank, small business, and business banking customers have visited a banking center in the past six months. Prudently balancing the lower branch traffic with branch presence and the consultative expertise we can offer there will be a key priority for Fifth Third and the industry in coming years.

Fifth Third's strong earnings generation provides the ability to distribute excess capital to shareholders while maintaining already strong capital levels.

Our customers have told us how much they appreciate our employees and the way they listen to them, get to know them, and respond to their needs. The friendly Fifth Third face, the spirit behind our pin, and the commitment to improving lives are among the hallmarks of our brand. They're at the foundation of our relationships with customers, businesses, and communities, and the strength of those relationships is paramount to our success. That's why I believe that the people who represent our Company are Fifth Third Bank's most valuable asset. In 2013, for the second time, we were recognized by the Gallup organization with a Gallup Great Workplace Award for our engaged and productive workforce. It takes a team effort to differentiate our Company through strong results. We can all be proud of what we accomplished in 2013, both in terms of engagement and financial performance.

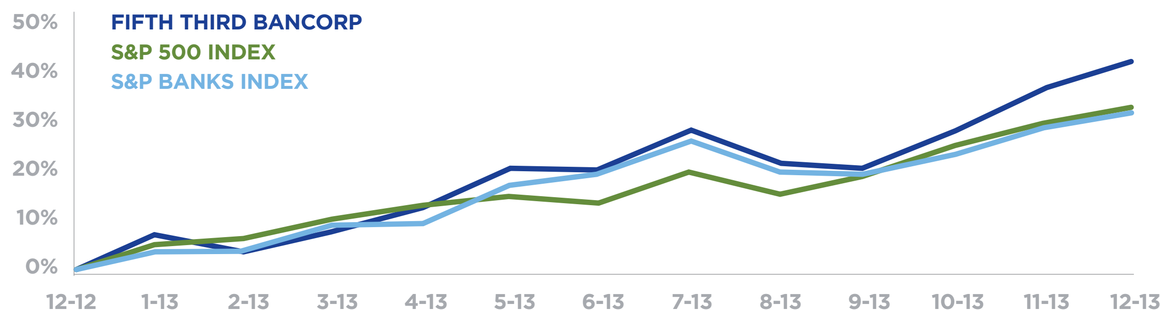
Our solid financial performance has produced high rates of internal capital generation, which have been supplemented by gains on our position in the payment processing company, Vantiv, Inc. This has proven to be a strategic advantage for Fifth Third and we've recognized about $2.9 billion in total pre-tax gains from the sale of the processing business in 2009 to today, including gains in 2013 of $327 million on the sale of a portion of our Class A shares of Vantiv common stock and $206 million on the valuation of the warrant we hold in Vantiv. We continue to own a 25 percent interest in Vantiv, whose market capitalization was $5.4 billion at year-end. Fifth Third has benefited tremendously from its investment in Vantiv, and while we would expect to manage our position downward over time in a disciplined way, it continues to give us significant capital flexibility.

Fifth Third's strong earnings generation provides the ability to distribute excess capital to shareholders while maintaining already strong capital levels. In 2013, we increased our annual dividend 31 percent from the prior year, to a level consistent with the Federal Reserve's near-term dividend payout ratio guidance of 30 percent. Including common stock repurchases, we returned a net $1.3 billion to shareholders. We've reduced our share count by 7 percent from the peak in 2012 while growing tangible book value per share by 12 percent over that same period. Despite these returns, our capital levels remain very strong overall, with a Tier 1 common ratio* of 9.4 percent as well as a Tier 1 risk-based capital ratio of 10.4 percent at year-end compared with the 6 percent regulatory well-capitalized minimum.

Our capital position also is well-aligned with new capital rules that were approved by U.S. banking regulators in July, with a Basel III pro form Tier 1 common ratio estimate of 9.0 percent at year-end. In light of the new rules, we took a number of important steps in 2013 to make the composition

* Non-GAAP measure. For further information, see the Non-GAAP Financial Measures section of MD&A.

TOTAL SHAREHOLDER RETURN*



* For comparison purposes, see Total Return Analysis section in the Annual Report on Form 10-K for Fifth Third Bancorp's 5-year and 10-year total return analysis on page 182.

of our capital as efficient as possible. We converted $398 million of 8.50% Series G Preferred Stock into shares of our common stock and issued $1.05 billion of new preferred stock, Series H and Series I, with lower coupons. We also issued $2.5 billion of long-term debt and redeemed $750 million of outstanding trust preferred securities. Our focus on efficient capital management is consistent with our ongoing goal to maintain a strong balance sheet for a variety of economic environments, while prudently managing capital.

As we turn to 2014, we continue to aim for excellence and outperformance. We are ready to build on our legacy and to do that, we must execute on four key strategies:

- Focused segmentation — Identifying customer segments, understanding their unmet needs and delivering a more targeted value proposition more efficiently.
- Distinctive execution — Providing a differentiated customer experience with clear value propositions and delivering it with outstanding, consistent execution.
- Innovation — Listening to customers and creating solutions that drive differentiated value is what we mean by innovation. Whether we're optimizing products and services, improving the technology used to deliver them, or shifting the way we sell them, we're moving forward to create value in the industry. In 2013, we were awarded two patents for a business that didn't exist two years ago.
- Growth accelerators — Long-term investments to build our presence, our customer base, and our business.

These are strategies we've been working on, and they are the building blocks for our future. Over the next several years, we'll focus on leveraging this work and expanding on it in new and exciting ways, just as we continue to evolve and strengthen the risk culture that ensures our ongoing success. I have confidence in the leadership and talent of our Company to make the years ahead our best yet.

Sincerely,

Kevin T. Kabat

Vice Chairman and Chief Executive Officer

February 2014

Corporate Governance

FIFTH THIRD BANCORP BOARD OF DIRECTORS

FROM LEFT TO RIGHT:

Front Row
Darryl F. Allen
Nicholas K. Akins
William M. Isaac
Kevin T. Kabat
Marsha C. Williams
James P. Hackett
Mitchel D. Livingston, Ph.D.

Second Row
Gary R. Heminger
John J. Schiff, Jr.

Third Row
Michael B. McCallister
Jewell D. Hoover

Fourth Row
B. Evan Bayh III

Fifth Row
Hendrik G. Meijer

Sixth Row
Ulysses L. Bridgeman, Jr.

Seventh Row
Emerson L. Brumback

Fifth Third Bancorp has many important assets, but the most valuable is our reputation for integrity. We are judged by our conduct, and we must act in a manner that merits public trust and confidence.

Fifth Third Bancorp's Corporate Governance Guidelines, along with Fifth Third's Articles of Incorporation, Code of Regulations, Code of Business Conduct and Ethics, charters of the various committees of the Board, and our other governance policies and procedures provide the foundation for our governance and help ensure that we retain our integrity and merit public trust and confidence.

For more on Fifth Third's corporate governance policies and practices, visit **www.53.com**.

Consumer Bank

2013 **BRANCH BANKING** HIGHLIGHTS

- **$2.3 BILLION** TOTAL REVENUE
- **$19.8 BILLION** AVERAGE LOANS
- **$48.2 BILLION** AVERAGE CORE DEPOSITS
- **1,320** FULL-SERVICE BANKING CENTERS
- **2,586** ATMs
- **1.6 MILLION** ONLINE BANKING CUSTOMERS
- **MORE THAN 700 THOUSAND** MOBILE BANKING CUSTOMERS

BUSINESS DESCRIPTION

The Consumer Bank comprises our branch banking and consumer lending businesses, which introduce Fifth Third to customers and often provide the first step in making a valued and lasting connection with us. With a focus on relationship building and having strong ties in the community, our local teams have found innovative ways to create real and differentiated value for our customers. Our affiliate model brings the power of the entire network to a local level, and that is especially apparent in our Consumer Bank.

CUSTOMER FOCUS

We put the customer at the center of all that we do so that we are in the best position to address their challenges, goals, and aspirations. The more we understand our customers, the better we can serve them. We know that each person's financial situation is unique and we are committed to working with them to create beneficial outcomes. We provide expert advice from an integrated team, dedicated service from resourceful employees, and smart solutions that are tailored to the customer.

Our goal is to make comprehensive offerings available along a value continuum that customers want, and we expect that to create deeper relationships as a result. Customers have indicated that convenience and branch proximity are still top factors in selecting a bank, and a vast majority of our checking account customers have utilized our banking centers in the past six months. However, with our integrated channel strategy, our services extend beyond the walls of our banking centers through mobile and online banking capabilities.

We believe that becoming a trusted financial partner is something that's earned over time, by being clear, transparent and direct with customers. We've worked diligently over the past few years to improve our delivery on these aspects of trust. As a result, personal finance website WalletHub recognized Fifth Third as one of only two banks in the top 25 with a perfect score for transparency in an industry study of checking-fee disclosures. We're very proud of this recognition and feel it's validation of our efforts.

STRATEGY

Over the past several years we've executed a multi-step effort to standardize and improve our sales process, focus on key customer segments, invest in a new deposit product set, and optimize our service capabilities. Work in many of these areas can never truly be considered finished. We continue to look for ways to be better and we're squarely focused on our service capabilities, and providing a consistent, one bank experience across all business lines.

We will continue to re-shape our physical distribution network using a combination of traditional branches, smaller branches, and next generation ATMs. Customer behavior

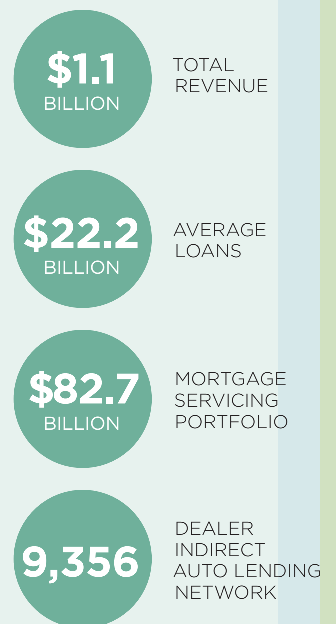
patterns are changing rapidly and at the end of 2013, more than a quarter of our retail deposits were completed using ATMs or on our mobile app. Clearly customers are becoming more comfortable with the use of self-service technologies, and frankly expect the availability to become even more ubiquitous. To that end, we recently partnered with RaceTrac, a convenience store operator in Florida and Georgia, where we installed Fifth Third ATMs at 234 locations. ATMs provide a low-cost, convenient way to serve our existing clients, and a marketing channel to build brand awareness with potential new customers. It pairs the convenience of a network that customers desire with a lower cost to serve. It's a win-win scenario that ultimately flows to the bottom line.

We are also focused on executing a consistent sales process and making the full scope of Fifth Third products and services available to our customers in order to acquire and deepen primary banking relationships. In 2013, we maintained our mortgage origination market share within the top 20, with originations of $22.3 billion. Over the years, we've invested in the mortgage business to strengthen our position and more important, we've built a highly adaptable business model. Additionally, we believe this product provides significant cross-sell opportunity for us, which complements our overall consumer banking strategy.

Our auto business has also been a source of strength as it tends to be a high-quality, attractive asset class given the shorter duration. Our indirect auto lending footprint covers 45 states and we partner with a wide network of auto dealers. We are the sixth-largest bank originator of indirect auto loans in the country, with $12 billion of auto loan balances at year-end, up 33 percent from 2009. This business requires a steady approach, but the expertise that we've developed through many full cycles helps us to maintain the discipline to achieve stable and profitable results. Our long-standing presence in this market has allowed us to develop strong relationships with dealers. While we've seen increased competition in this space, we remain committed to carefully managing pricing and loan volumes to ensure that returns remain appropriate.

Our businesses and geographies give us scale without significant complexity, and we believe that will continue to benefit us in the future. We're committed to listening carefully to our customers' needs and working with them to deliver the optimal solutions. Overall, our focus on the customer creates a differentiated experience, offering a unique value proposition that takes a holistic approach to each relationship. We believe this approach allows us to build deeper and more meaningful relationships with our customers that should continue to drive outperformance in our results.

2013 **CONSUMER LENDING** HIGHLIGHTS



Commercial Banking

2013 COMMERCIAL BANKING HIGHLIGHTS

$2.3 BILLION — TOTAL REVENUE

$45.1 BILLION — AVERAGE LOANS

$27.9 BILLION — AVERAGE CORE DEPOSITS

963 — LARGE CORPORATE CLIENT RELATIONSHIPS

2,128 — LEAD MIDDLE MARKET CLIENT RELATIONSHIPS

11,900 — TREASURY MANAGEMENT LEAD ACCOUNTS

BUSINESS DESCRIPTION

Fifth Third's Commercial line of business builds relationships with business, government, and professional customers with customized financial solutions. We provide banking, working capital, and financial services to middle-market, mid-corporate, and large organizations. With customers ranging in size from those with $20 million in annual revenue to some of the world's largest companies, our bankers are valued partners in our customers' financial success. We offer traditional lending and depository products as well as global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing, and syndicated finance.

CUSTOMER FOCUS

Serving customers well requires understanding them. We know, for example, that customers want more than products from their bank. They want ideas that contribute to their success. They want results. Our Commercial team delivers with innovations, such as our Currency Processing Solutions, which is a cash management solution that simplifies cash handling for our customers and currently has 8,043 devices installed across the country

Our Commercial team also serves customers through specialized industry segments, such as healthcare — where we have industry experts across the country and specialized products like the RevLink Solutions platform — and energy — which is made up of an experienced team offering customized services for companies in petroleum and natural gas production, processing, and distribution industries.

STRATEGY

We have demonstrated commitment to our customers by investing in the mid-corporate segment, which targets clients with $500 million to $2 billion in revenue, and we have the ability to deliver corporate banking, capital markets, and treasury management products and services to these customers. We continue to work closely with our customer executives and have more in-depth, strategic conversations. As a result, we are better able to offer broader solutions to fit their individual needs. We are focused on offering solutions only after we understand our customers' needs overall and that takes dedication across the entire Commercial team.

Expertise, experience, innovation and trust are valued in the marketplace. They are assets customers value as they work to build their business. We will continue to leverage these assets for the good of the Bank and the communities we serve.

Investment Advisors

BUSINESS DESCRIPTION

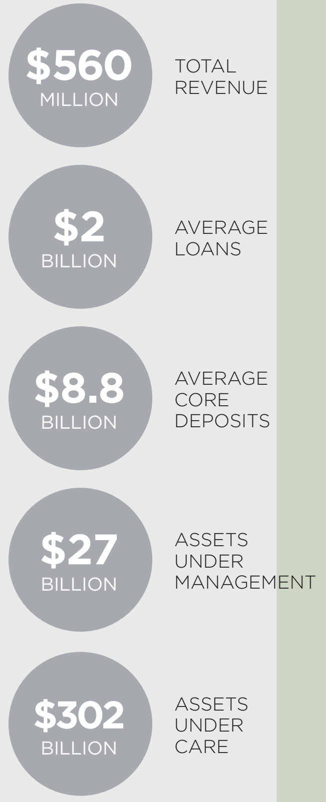
Our Investment Advisors segment comprises five distinct businesses, each tailored to the unique needs of its customers. Fifth Third Private Bank, Fifth Third Securities, ClearArc Capital, Inc., Fifth Third Institutional Services and Fifth Third Insurance put more than 100 years of experience to work to help individual, business, and institutional clients build and manage their wealth.

CLIENT FOCUS

Better ideas — and better solutions — begin with better listening. We take the time to listen, understand and collaborate. We are trusted advisors whose specialized approach acknowledges the needs, goals, and expectations of our clients:

- Fifth Third Private Bank serves the complex financial needs of the Bank's most affluent clients, with teams of professionals dedicated to helping clients achieve their financial goals. In September 2013, *Barron's* listed Fifth Third Private Bank as one of the Top 40 Wealth-Management Firms in the United States.
- Fifth Third Securities helps individuals and families at every stage of their lives, offering retirement, investment and education planning, managed money, annuities, and transactional brokerage services.
- Fifth Third Insurance helps clients minimize risk and protect wealth through insurance products and services such as life insurance, long-term care insurance, disability income protection, and annuities.
- ClearArc Capital, Inc., formerly Fifth Third Asset Management, Inc., provides asset management services to institutional clients.
- Fifth Third Institutional Services provides consulting, investment, and record-keeping services for corporations, financial institutions, foundations, endowments, and not-for-profit organizations. Products include retirement plans, endowment management, planned giving and global and domestic custody services.

2013 **INVESTMENT ADVISORS** HIGHLIGHTS



STRATEGY

Listening to our clients is at the heart of our strategy. This helps us build deeper relationships and fully understand their unique needs. These insights give us the information we need to offer the best ideas, education and solutions to help our clients achieve their financial goals.

Collaboration with our Retail, Commercial and Business Banking partners adds even more value, providing comprehensive financial advice for our clients and serving their wealth management needs. By leveraging our internal company partnerships, Investment Advisors provides our clients with complete, powerful financial solutions from one trusted advisor.

Community Outreach

In all we do, we strive to be a good corporate citizen and to operate in a socially responsible manner. Our efforts in 2013 were highlighted by an innovative new program to help people find jobs.

As the economic crisis left many Americans unemployed and upside down on their mortgages, helping customers find jobs was a logical thing to do. We began working with NextJob, a reemployment solutions company, to put our customers who were in danger of losing their homes through NextJob's job search and training program.

Featuring one-on-one job coaching, 39-week access to online job search and training modules and a weekly coach-led webinar, the program helped our customers identify their transferable skills, develop a marketable resume, conduct a job search and land their next job. It also enabled them to stay in their homes and avoid foreclosure, which had a profound impact on their lives.

The homeowner program's success spurred the additional roll-out of the online component, the Job Seeker's Toolkit, to all Fifth Third online customers. It also prompted another major financial institution to adopt the program, helping to make a real difference in people's lives throughout the country.

Improving lives through financial empowerment is a key initiative for us. We sponsor Dave Ramsey's financial education course for high school students. In 2013, we saw our goal of educating 500,000 students near realization. We also offered our Young Banker's Club for elementary students and deployed our Financial Empowerment Mobiles in under-served neighborhoods, programs which began nearly 10 years ago.

In 2013 we began an innovative new collaboration with Stand Up to Cancer (SU2C) by which a donation is made to the organization every time a customer swipes a new Fifth Third SU2C debit or credit card. SU2C is committed to eradicating cancer by accelerating innovative cancer research that will get new therapies to patients quickly.

The Bank also rebuilt the homes of six veterans in 2013 and hosted volunteer, fundraising and commemorative events throughout our Company in November, resulting in donations to the Folds of Honor Foundation in excess of $100,000. Our employees also provided 550,000 meals for the hungry during our Fifth Third Day volunteer outreach on May 3. Finally, we made a company-wide donation to United Way of more than $8 million in 2013.

More information will be published in the 2013 Corporate Social Responsibility Report in April 2014.

Pictured above: Dayton-area employees revitalize a veteran's home, one of six rebuild projects across the Bank's footprint that saw nearly 400 employee volunteers making critical repairs, accessibility modifications and energy-efficient upgrades at no cost to veterans.

As the economic crisis left many Americans unemployed and upside down on their mortgages, helping customers find jobs was a logical thing to do.

2013 ANNUAL REPORT
FINANCIAL CONTENTS

Glossary of Abbreviations and Acronyms 14

Management's Discussion and Analysis of Financial Condition and Results of Operations

Selected Financial Data 15
Overview 16
Non-GAAP Financial Measures 21
Recent Accounting Standards 23
Critical Accounting Policies 23
Risk Factors 27
Statements of Income Analysis 36
Business Segment Review 43
Fourth Quarter Review 50
Balance Sheet Analysis 53
Risk Management 58
Off-Balance Sheet Arrangements 84
Contractual Obligations and Other Commitments 85

Management's Assessment as to the Effectiveness of Internal Control over Financial Reporting 86

Reports of Independent Registered Public Accounting Firm 87

Financial Statements

Consolidated Balance Sheets 88
Consolidated Statements of Income 89
Consolidated Statements of Comprehensive Income 90
Consolidated Statements of Changes in Equity 91
Consolidated Statements of Cash Flows 92

Notes to Consolidated Financial Statements

Summary of Significant Accounting and Reporting Policies 93
Supplemental Cash Flow Information 101
Restrictions on Cash and Dividends 101
Securities 102
Loans and Leases 104
Credit Quality and the Allowance for Loan and Lease Losses 105
Bank Premises and Equipment 115
Goodwill 115
Intangible Assets 116
Variable Interest Entities 117
Sales of Receivables and Servicing Rights 120
Derivative Financial Instruments 122
Offsetting Derivative Financial Instruments 127
Other Assets 127
Short-Term Borrowings 128
Long-Term Debt 129
Commitments, Contingent Liabilities and Guarantees 131
Legal and Regulatory Proceedings 135
Related Party Transactions 137
Income Taxes 138
Retirement and Benefit Plans 139
Accumulated Other Comprehensive Income 145
Common, Preferred and Treasury Stock 147
Stock-Based Compensation 149
Other Noninterest Income and Other Noninterest Expense 153
Earnings Per Share 154
Fair Value Measurements 155
Certain Regulatory Requirements and Capital Ratios 165
Parent Company Financial Statements 166
Business Segments 168
Subsequent Events 171

Annual Report on Form 10-K 172
Consolidated Ten Year Comparison 187
Directors and Officers 188
Corporate Information

FORWARD-LOOKING STATEMENTS

This report contains statements that we believe are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as "will likely result," "may," "are expected to," "is anticipated," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar verbs. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements we may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy, specifically the real estate market, either nationally or in the states in which Fifth Third, one or more acquired entities and/or the combined company do business, are less favorable than expected; (2) deteriorating credit quality; (3) political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment reduce interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions; (6) Fifth Third's ability to maintain required capital levels and adequate sources of funding and liquidity; (7) maintaining capital requirements may limit Fifth Third's operations and potential growth; (8) changes and trends in capital markets; (9) problems encountered by larger or similar financial institutions may adversely affect the banking industry and/or Fifth Third; (10) competitive pressures among depository institutions increase significantly; (11) effects of critical accounting policies and judgments; (12) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board (FASB) or other regulatory agencies; (13) legislative or regulatory changes or actions, or significant litigation, adversely affect Fifth Third, one or more acquired entities and/or the combined company or the businesses in which Fifth Third, one or more acquired entities and/or the combined company are engaged, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; (14) ability to maintain favorable ratings from rating agencies; (15) fluctuation of Fifth Third's stock price; (16) ability to attract and retain key personnel; (17) ability to receive dividends from its subsidiaries; (18) potentially dilutive effect of future acquisitions on current shareholders' ownership of Fifth Third; (19) effects of accounting or financial results of one or more acquired entities; (20) difficulties from Fifth Third's investment in or the results of operations of Vantiv, LLC; (21) loss of income from any sale or potential sale of businesses that could have an adverse effect on Fifth Third's earnings and future growth; (22) ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; and (23) the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity.

GLOSSARY OF ABBREVIATIONS AND ACRONYMS

Fifth Third Bancorp provides the following list of abbreviations and acronyms as a tool for the reader that are used in Management's Discussion and Analysis of Financial Condition and Results of Operations, the Consolidated Financial Statements and the Notes to Consolidated Financial Statements.

ALCO: Asset Liability Management Committee
ALLL: Allowance for Loan and Lease Losses
AOCI: Accumulated Other Comprehensive Income
ARM: Adjustable Rate Mortgage
ATM: Automated Teller Machine
BBA: British Bankers' Association
BCBS: Basel Committee on Banking Supervision
BHC: Bank Holding Company
BOLI: Bank Owned Life Insurance
bps: Basis points
BPO: Broker Price Opinion
CapPR: Capital Plan Review
CCAR: Comprehensive Capital Analysis and Review
CD: Certificate of Deposit
CDC: Fifth Third Community Development Corporation
CFPB: United States Consumer Financial Protection Bureau
C&I: Commercial and Industrial
CPP: Capital Purchase Program
CRA: Community Reinvestment Act
DCF: Discounted Cash Flow
DIF: Deposit Insurance Fund
ERISA: Employee Retirement Income Security Act
ERM: Enterprise Risk Management
ERMC: Enterprise Risk Management Committee
EVE: Economic Value of Equity
FASB: Financial Accounting Standards Board
FDIC: Federal Deposit Insurance Corporation
FHLB: Federal Home Loan Bank
FHLMC: Federal Home Loan Mortgage Corporation
FICO: Fair Isaac Corporation (credit rating)
FNMA: Federal National Mortgage Association
FRB: Federal Reserve Bank
FSOC: Financial Stability Oversight Council
FTAM: Fifth Third Asset Management, Inc.
FTE: Fully Taxable Equivalent
FTP: Funds Transfer Pricing
FTS: Fifth Third Securities
GNMA: Government National Mortgage Association
GSE: Government Sponsored Enterprise
HAMP: Home Affordable Modification Program
HARP: Home Affordable Refinance Program
HFS: Held for Sale
IPO: Initial Public Offering
IRC: Internal Revenue Code
IRLC: Interest Rate Lock Commitment
IRS: Internal Revenue Service
ISDA: International Swaps and Derivatives Association, Inc.
LCR: Liquidity Coverage Ratio
LIBOR: London InterBank Offered Rate
LLC: Limited Liability Company
LTV: Loan-to-Value
MD&A: Management's Discussion and Analysis of Financial Condition and Results of Operations
MSR: Mortgage Servicing Right
N/A: Not Applicable
NASDAQ: National Association of Securities Dealers Automated Quotations
NII: Net Interest Income
NM: Not Meaningful
NPR: Notice of Proposed Rulemaking
NSFR: Net Stable Funding Ratio
OCC: Office of the Comptroller of the Currency
OCI: Other Comprehensive Income
OIS: Overnight Index Swap Rate
OREO: Other Real Estate Owned
OTTI: Other-Than-Temporary Impairment
PMI: Private Mortgage Insurance
RSAs: Restricted Stock Awards
SARs: Stock Appreciation Rights
SBA: Small Business Administration
SCAP: Supervisory Capital Assessment Program
SEC: United States Securities and Exchange Commission
TARP: Troubled Asset Relief Program
TBA: To Be Announced
TDR: Troubled Debt Restructuring
TruPS: Trust Preferred Securities
TSA: Transition Service Agreement
U.S.: United States of America
U.S. GAAP: United States Generally Accepted Accounting Principles
UST: United States Treasury
VaR: Value-at-Risk
VIE: Variable Interest Entity
VRDN: Variable Rate Demand Note

The following is MD&A of certain significant factors that have affected Fifth Third Bancorp's (the "Bancorp" or "Fifth Third") financial condition and results of operations during the periods included in the Consolidated Financial Statements, which are a part of this filing. Reference to the Bancorp incorporates the parent holding company and all consolidated subsidiaries.

TABLE 1: SELECTED FINANCIAL DATA

For the years ended December 31 ($ in millions, except for per share data)	**2013**	2012	2011	2010	2009
Income Statement Data					
Net interest income[(a)]	$ **3,581**	3,613	3,575	3,622	3,373
Noninterest income	**3,227**	2,999	2,455	2,729	4,782
Total revenue[(a)]	**6,808**	6,612	6,030	6,351	8,155
Provision for loan and lease losses	**229**	303	423	1,538	3,543
Noninterest expense	**3,961**	4,081	3,758	3,855	3,826
Net income attributable to Bancorp	**1,836**	1,576	1,297	753	737
Net income available to common shareholders	**1,799**	1,541	1,094	503	511
Common Share Data					
Earnings per share, basic	$ **2.05**	1.69	1.20	0.63	0.73
Earnings per share, diluted	**2.02**	1.66	1.18	0.63	0.67
Cash dividends per common share	**0.47**	0.36	0.28	0.04	0.04
Book value per share	**15.85**	15.10	13.92	13.06	12.44
Market value per share	**21.03**	15.20	12.72	14.68	9.75
Financial Ratios (%)					
Return on average assets	**1.48** %	1.34	1.15	0.67	0.64
Return on average common equity	**13.1**	11.6	9.0	5.0	5.6
Dividend payout ratio	**22.9**	21.3	23.3	6.3	5.5
Average Bancorp shareholders' equity as a percent of average assets	**11.56**	11.65	11.41	12.22	11.36
Tangible common equity[(b)]	**8.63**	8.83	8.68	7.04	6.45
Net interest margin[(a)]	**3.32**	3.55	3.66	3.66	3.32
Efficiency[(a)]	**58.2**	61.7	62.3	60.7	46.9
Credit Quality					
Net losses charged off	$ **501**	704	1,172	2,328	2,581
Net losses charged off as a percent of average loans and leases[(d)]	**0.58** %	0.85	1.49	3.02	3.20
ALLL as a percent of portfolio loans and leases	**1.79**	2.16	2.78	3.88	4.88
Allowance for credit losses as a percent of portfolio loans and leases[(c)]	**1.97**	2.37	3.01	4.17	5.27
Nonperforming assets as a percent of portfolio loans, leases and other assets, including other real estate owned[(d)]	**1.10**	1.49	2.23	2.79	4.22
Average Balances					
Loans and leases, including held for sale	$ **89,093**	84,822	80,214	79,232	83,391
Total securities and other short-term investments	**18,861**	16,814	17,468	19,699	18,135
Total assets	**123,732**	117,614	112,666	112,434	114,856
Transaction deposits[(e)]	**82,915**	78,116	72,392	65,662	55,235
Core deposits[(f)]	**86,675**	82,422	78,652	76,188	69,338
Wholesale funding[(g)]	**17,797**	16,978	16,939	18,917	28,539
Bancorp shareholders' equity	**14,302**	13,701	12,851	13,737	13,053
Regulatory Capital Ratios (%)					
Tier I risk-based capital	**10.36** %	10.65	11.91	13.89	13.30
Total risk-based capital	**14.08**	14.42	16.09	18.08	17.48
Tier I leverage	**9.64**	10.05	11.10	12.79	12.34
Tier I common equity[(b)]	**9.39**	9.51	9.35	7.48	6.99

(a) *Amounts presented on an FTE basis. The FTE adjustment for years ended **December 31, 2013**, 2012, 2011, 2010, and 2009 were **$20,** $18, $18, $18 and $19, respectively.*
(b) *The tangible common equity and Tier I common equity ratios are non-GAAP measures. For further information, see the Non-GAAP Financial Measures section of the MD&A.*
(c) *The allowance for credit losses is the sum of the ALLL and the reserve for unfunded commitments.*
(d) *Excludes nonaccrual loans held for sale.*
(e) *Includes demand, interest checking, savings, money market and foreign office deposits.*
(f) *Includes transaction deposits plus other time deposits.*
(g) *Includes certificates $100,000 and over, other deposits, federal funds purchased, other short-term borrowings and long-term debt.*

OVERVIEW

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. At December 31, 2013, the Bancorp had $130.4 billion in assets, operated 17 affiliates with 1,320 full-service Banking Centers, including 104 Bank Mart® locations open seven days a week inside select grocery stores, and 2,586 ATMs in 12 states throughout the Midwestern and Southeastern regions of the U.S. The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. The Bancorp also has a 25% interest in Vantiv Holding, LLC. The carrying value of the Bancorp's investment in Vantiv Holding, LLC was $423 million as of December 31, 2013.

This overview of MD&A highlights selected information in the financial results of the Bancorp and may not contain all of the information that is important to you. For a more complete understanding of trends, events, commitments, uncertainties, liquidity, capital resources and critical accounting policies and estimates, you should carefully read this entire document. Each of these items could have an impact on the Bancorp's financial condition, results of operations and cash flows. In addition, see the Glossary of Abbreviations and Acronyms in this report for a list of terms included as a tool for the reader of this annual report on Form 10-K. The abbreviations and acronyms identified therein are used throughout this MD&A, as well as the Consolidated Financial Statements and Notes to Consolidated Financial Statements.

The Bancorp believes that banking is first and foremost a relationship business where the strength of the competition and challenges for growth can vary in every market. The Bancorp believes its affiliate operating model provides a competitive advantage by emphasizing individual relationships. Through its affiliate operating model, individual managers at all levels within the affiliates are given the opportunity to tailor financial solutions for their customers.

Net interest income, net interest margin and the efficiency ratio are presented in MD&A on an FTE basis. The FTE basis adjusts for the tax-favored status of income from certain loans and securities held by the Bancorp that are not taxable for federal income tax purposes. The Bancorp believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison between taxable and non-taxable amounts.

The Bancorp's revenues are dependent on both net interest income and noninterest income. For the year ended December 31, 2013, net interest income, on a FTE basis, and noninterest income provided 53% and 47% of total revenue, respectively. The Bancorp derives the majority of its revenues within the U.S. from customers domiciled in the United States. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Consolidated Financial Statements. Changes in interest rates, credit quality, economic trends and the capital markets are primary factors that drive the performance of the Bancorp. As discussed later in the Risk Management section, risk identification, measurement, monitoring, control and reporting are important to the management of risk and to the financial performance and capital strength of the Bancorp.

Net interest income is the difference between interest income earned on assets such as loans, leases and securities, and interest expense incurred on liabilities such as deposits, short-term borrowings and long-term debt. Net interest income is affected by the general level of interest rates, the relative level of short-term and long-term interest rates, changes in interest rates and changes in the amount and composition of interest-earning assets and interest-bearing liabilities. Generally, the rates of interest the Bancorp earns on its assets and pays on its liabilities are established for a period of time. The change in market interest rates over time exposes the Bancorp to interest rate risk through potential adverse changes to net interest income and financial position. The Bancorp manages this risk by continually analyzing and adjusting the composition of its assets and liabilities based on their payment streams and interest rates, the timing of their maturities and their sensitivity to changes in market interest rates. Additionally, in the ordinary course of business, the Bancorp enters into certain derivative transactions as part of its overall strategy to manage its interest rate and prepayment risks. The Bancorp is also exposed to the risk of losses on its loan and lease portfolio as a result of changing expected cash flows caused by borrower credit events, such as loan defaults and inadequate collateral due to a weakened economy within the Bancorp's footprint.

Noninterest income is derived primarily from mortgage banking net revenue, service charges on deposits, corporate banking revenue, investment advisory revenue, card and processing revenue and other noninterest income. Noninterest expense is primarily driven by personnel costs, net occupancy expenses, and technology and communication costs.

Vantiv, Inc. Share Sales

The Bancorp's ownership position in Vantiv Holding, LLC was reduced in the second quarter of 2013 when the Bancorp sold an approximate five percent interest and recognized a $242 million gain. The Bancorp's ownership position was further reduced in the third quarter of 2013 when the Bancorp sold an approximate three percent interest and recognized an $85 million gain. The Bancorp's remaining approximate 25% ownership in Vantiv Holding, LLC continues to be accounted for as an equity method investment in the Bancorp's Consolidated Financial Statements and had a carrying value of $423 million as of December, 31, 2013.

As of December 31, 2013, the Bancorp continued to hold approximately 48.8 million Class B units of Vantiv Holding, LLC and a warrant to purchase approximately 20.4 million Class C non-voting units of Vantiv Holding, LLC, both of which may be exchanged for Class A Common Stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 48.8 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

Redemption of TruPS

The Bancorp redeemed all $750 million of the outstanding TruPS issued by Fifth Third Capital Trust IV on December 30, 2013. For more information on the redemption of these instruments, see the Capital Management section of MD&A.

Accelerated Share Repurchase Transactions

During 2013 and 2012, the Bancorp entered into a number of accelerated share repurchase transactions. As part of these transactions, the Bancorp entered into forward contracts in which the final number of shares to be delivered at settlement was or will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. For more information on the accounting for these instruments, see the Capital Management section of MD&A. For a summary of all accelerated share repurchase transactions during 2013 and 2012 refer to Table 2.

TABLE 2: SUMMARY OF ACCELERATED SHARE REPURCHASE TRANSACTIONS

Repurchase Date	Amount ($ in millions)	Shares Repurchased	Shares Received from Forward Contract Settlement	Settlement Date
April 26, 2012	$ 75	4,838,710	631,986	June 1, 2012
August 28, 2012	350	21,531,100	1,444,047	October 24, 2012
November 9, 2012	125	7,710,761	657,914	February 12, 2013
December 19, 2012	100	6,267,410	127,760	February 27, 2013
January 31, 2013	125	6,953,028	849,037	April 5, 2013
May 24, 2013	539	25,035,519	4,270,250	October 1, 2013
November 18, 2013	200	8,538,423	*(a)*	*(a)*
December 13, 2013	456	19,084,195	*(b)*	*(b)*
January 31, 2014	99	3,950,705	*(b)*	*(b)*

(a) The Bancorp expects the settlement of this transaction to occur on or before February 28, 2014.
(b) The Bancorp expects the settlement of these transactions to occur on or before March 26, 2014.

Preferred Stock Offerings and Conversion

During 2013, the Bancorp had two preferred stock offerings and converted the outstanding Series G preferred stock into Fifth Third common stock. A description of the preferred stock offerings and conversion is below. For more information, see Note 23 in the Notes to Consolidated Financial Statements.

As contemplated by the 2013 CCAR, on May 16, 2013 the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. The Series H preferred shares are not convertible into Bancorp common shares or any other securities. On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G. On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. On December 9, 2013, the Bancorp issued, in a registered public offering, 18,000,000 depositary shares, representing 18,000 shares of 6.625% fixed-to-floating rate non-cumulative Series I perpetual preferred stock, for net proceeds of $441 million. The Series I preferred shares are not convertible into Bancorp common shares or any other securities.

Senior Notes and Subordinated Notes Offering

On February 25, 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program. The amended global bank note program increased the Bank's capacity to issue its senior and subordinated unsecured bank notes from $20 billion to $25 billion. Additionally, on February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes due on February 28, 2018; $400 million of 0.90% senior fixed rate notes due on February 26, 2016; and $300 million of senior floating rate notes. Interest on the floating rate notes is 3-month LIBOR plus 41 bps due on February 26, 2016. The bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date.

On November 20, 2013, the Bancorp issued and sold $750 million of 4.30% unsecured subordinated fixed rate notes with a maturity date of January 16, 2024. These fixed rate notes will be redeemable by the Bancorp, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest up to, but excluding, the redemption date.

Additionally, on November 20, 2013, the Bank issued and sold, under its amended bank notes program, $1.8 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $1 billion of 1.15% senior fixed rate notes due on November 18, 2016 and $750 million of senior floating rate notes due on November 18, 2016. Interest on the floating rate notes is 3-month LIBOR plus 51 bps. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date.

Automobile Loan Securitizations

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million.

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. For additional information on the automobile loan securitizations, refer to the Liquidity Risk Management section of MD&A.

Legislative Developments

On July 21, 2010, the Dodd-Frank Act was signed into federal law. This act implements changes to the financial services industry and affects the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies. The legislation establishes a CFPB responsible for implementing and enforcing compliance with consumer financial laws, changes the methodology for determining deposit insurance assessments, gives the FRB the ability to regulate and limit interchange rates charged to merchants for the use of debit cards, enacts new limitations on proprietary trading, broadens the scope of derivative instruments subject to regulation, requires on-going stress tests and the submission of annual capital plans for certain organizations and requires changes to regulatory capital ratios. This act also calls for federal regulatory agencies to conduct multiple studies over the next several years in order to implement its provisions. While the total impact of the fully implemented Dodd-Frank Act on the Bancorp is not currently known, the impact is expected to be substantial and may have an adverse impact on the Bancorp's financial performance and growth opportunities.

The Bancorp was impacted by a number of components of the Dodd-Frank Act which were implemented in 2012 and 2013. On October 9, 2012, the FRB published final stress testing rules that implement section 165(i)(1) and (i)(2) of the Dodd-Frank Act. The BHC's that participated in the 2009 SCAP and subsequent CCAR, which includes the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

The FRB launched the 2013 capital planning and stress testing program on November 9, 2012. The program includes the CCAR, which included the 19 BHCs that participated in the 2009 SCAP, as well as the CapPR which includes an additional 11 BHCs with $50 billion or more of total consolidated assets. The mandatory elements of the capital plan were an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013. In March of 2013, the FRB disclosed its estimates of participating institutions' results under the FRB supervisory stress scenario, including capital results, which assume all banks take certain consistently applied future capital actions. In addition, the FRB disclosed its estimates of participating institutions' results under the FRB supervisory severe stress scenarios including capital results based on each company's own base scenario capital actions.

The FRB's review of the capital plan assessed the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviewed the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier I common ratio of five percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB assessed the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the BCBS and requirements arising from the Dodd-Frank Act.

In March 2013, the FRB announced it had completed the 2013 CCAR. For BHCs that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non-objection whereby the FRB concurred with the proposed 2013 capital distributions. The FRB indicated to the Bancorp that it did not object to the following proposed capital actions for the period beginning April 1, 2013 and ending March 31, 2014:

- Increase in the quarterly common stock dividend to $0.12 per share;
- Repurchase of up to $750 million in TruPS subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt;
- Conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders. The Bancorp would intend to repurchase common shares equivalent to those issued in the conversion up to $550 million in market value, and issue $550 million in preferred stock;
- Repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion;
- Incremental repurchase of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc. stock; and
- Issuance of an additional $500 million in preferred stock.

Beginning in 2013, the Bancorp and other large bank holding companies were required to conduct a separate mid-year stress test using financial data as of March 31st under three company-derived macro-economic scenarios (base, adverse and severely adverse). The Bancorp submitted the results of its mid-year stress test to the FRB in July of 2013 and the Bancorp published a summary of the results under the severely adverse scenario in September of 2013 which is available on Fifth Third's website at https://www.53.com. The FRB launched the 2014 stress testing program and CCAR on November 1, 2013. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 6, 2014. For further discussion on the 2013 and 2014 Stress Tests and CCAR, see the Capital Management section in MD&A.

Fifth Third offers qualified deposit customers a deposit advance product if they choose to avail themselves of this service to meet short term, small-dollar financial needs. In April of 2013, the CFPB issued a "White Paper" which studied financial services industry offerings and customer use of deposit advance products as well as payday loans and is considering whether rules governing these products are warranted. At the same time, the OCC and FDIC each issued proposed supervisory guidance for public comment to institutions they supervise which supplements existing OCC and FDIC guidance, detailing the principles they expect financial institutions to follow in connection with deposit advance products and supervisory expectations for the use of deposit advance products. The Federal Reserve also issued a statement in April to state member banks like Fifth Third for whom the Federal Reserve is the primary regulator. This statement encouraged state member banks to respond to customers' small-dollar credit needs in a responsible manner; emphasized that they should take into consideration the risks associated with deposit advance products, including potential consumer harm and potential elevated compliance risk; and reminded them that these product offerings must comply with applicable laws and regulations. Fifth Third's deposit advance product is designed to fully comply with the applicable federal and state laws and use of this product is subject to strict eligibility requirements and advance restriction guidelines to limit dependency on this product as a borrowing source. Fifth Third believes this product provides customers with a relatively low-cost alternative for such needs. On January 17, 2014, given developments in industry practice, Fifth Third announced that it will no longer enroll new customers in its deposit advance product and will phase out the service to existing customers by the end of 2014. These advance balances are included in other consumer loans and leases in the Bancorp's Consolidated Balance Sheets and represent substantially all of the revenue reported in interest and fees on other consumer loans and leases in the Bancorp's Consolidated Statements of Income and in Table 5 in the Statements of Income Analysis section of the MD&A. Fifth Third has been monitoring industry developments and is working to develop and implement alternative products and services in order to address the needs of its customers. The Bancorp is currently in the process of evaluating the impact to the Bancorp's Consolidated Financial Statements of both the phase out of our deposit advance product and our development of alternative products and services.

In December of 2010 and revised in June of 2011, the BCBS issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III,

such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved the final enhanced regulatory capital rules (Basel III Final Rule), which included modifications to the proposed rules. The Bancorp continues to evaluate the Basel III Final Rule and its potential impact. For more information on the impact of the regulatory capital enhancements, refer to the Capital Management section of MD&A.

On December 10, 2013, the banking agencies finalized section 619 of the DFA known as the Volcker Rule, which becomes effective April 1, 2014. Though the final rule is effective April 1, 2014, the Federal Reserve has granted the industry an extension of time until July 21, 2015 to conform activities to be in compliance with the Volcker Rule. It is possible that additional conformance period extensions could be granted either to the entire industry, or, upon request, to requesting banking organizations on a case-by-case basis. The final rule prohibits banks and bank holding companies from engaging in short-term proprietary trading of certain securities, derivatives, commodity futures and options on these instruments for their own account. The Volcker Rule also restricts banks and their affiliated entities from owning, sponsoring or having certain relationships with private equity and hedge funds. Exemptions are provided for certain activities such as underwriting, market making, hedging, trading in certain government obligations and organizing and offering a hedge fund or private equity fund. Fifth Third does not sponsor any private equity or hedge funds that, under the final rule, it is prohibited from sponsoring. As of December 31, 2013, the Bancorp had approximately $181 million in interests and approximately $80 million in binding commitments to invest in private equity funds that are affected by the Volcker Rule. It is expected that over time the Bancorp may need to sell or redeem these investments although it is likely that these investments will be reduced over time in the ordinary course before compliance is required.

In November 2010, the FDIC implemented a final rule amending its deposit insurance regulations to implement section 343 of the Dodd-Frank Act providing for unlimited deposit insurance for noninterest-bearing transaction accounts for two years starting December 31, 2010. The FDIC did not charge a separate assessment for the insurance unlike the previous Transaction Account Guarantee Program. Beginning January 1, 2013, noninterest-bearing transaction accounts are no longer insured separately from depositors' other accounts at the same insured depository institution.

On January 7, 2013, the BCBS issued a final international standard for the LCR for large, internationally active banks, which would phase in the LCR beginning in 2015 with full implementation in 2019. In addition, the BCBS plans on introducing the NSFR final standard in the next two years. On October 24, 2013, the U.S. banking agencies issued an NPR that would implement a LCR requirement for U.S. banks that is generally consistent with the international LCR standards for large, internationally active banking organizations, generally those with $250 billion or more in total consolidated assets or $10 billion or more in on-balance sheet foreign exposure, and a Modified LCR for BHCs with at least $50 billion in total consolidated assets that are not internationally active, like Fifth Third. The NPR was open for public comment until January 31, 2014. Refer to the Liquidity Risk Management section in MD&A for further discussion on these ratios.

On July 31, 2013, the U.S. District Court for the District of Columbia issued an order granting summary judgment to the plaintiffs in a case challenging certain provisions of the FRB's rule concerning electronic debit card transaction fees and network exclusivity arrangements (the "Current Rule") that were adopted to implement Section 1075 of the Dodd-Frank Act, known as the Durbin Amendment. The Court held that, in adopting the Current Rule, the FRB violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore the Current Rule's maximum permissible fees were too high. In addition, the Court held that the Current Rule's network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the Current Rule, but stayed its ruling to provide the FRB an opportunity to replace the invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge likely would be reduced. Refer to the Noninterest Income subsection of the Statements of Income Analysis section of MD&A for further information regarding the Bancorp's debit card interchange revenue.

TABLE 3: CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31 ($ in millions, except per share data)	2013	2012	2011	2010	2009
Interest income (FTE)	$ **3,993**	4,125	4,236	4,507	4,687
Interest expense	**412**	512	661	885	1,314
Net interest income (FTE)	**3,581**	3,613	3,575	3,622	3,373
Provision for loan and lease losses	**229**	303	423	1,538	3,543
Net interest income (loss) after provision for loan and lease losses (FTE)	**3,352**	3,310	3,152	2,084	(170)
Noninterest income	**3,227**	2,999	2,455	2,729	4,782
Noninterest expense	**3,961**	4,081	3,758	3,855	3,826
Income before income taxes (FTE)	**2,618**	2,228	1,849	958	786
Fully taxable equivalent adjustment	**20**	18	18	18	19
Applicable income tax expense	**772**	636	533	187	30
Net income	**1,826**	1,574	1,298	753	737
Less: Net income attributable to noncontrolling interests	**(10)**	(2)	1	-	-
Net income attributable to Bancorp	**1,836**	1,576	1,297	753	737
Dividends on preferred stock	**37**	35	203	250	226
Net income available to common shareholders	$ **1,799**	1,541	1,094	503	511
Earnings per share	$ **2.05**	1.69	1.20	0.63	0.73
Earnings per diluted share	**2.02**	1.66	1.18	0.63	0.67
Cash dividends declared per common share	$ **0.47**	0.36	0.28	0.04	0.04

Earnings Summary

The Bancorp's net income available to common shareholders for the year ended December 31, 2013 was $1.8 billion, or $2.02 per diluted share, which was net of $37 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the year ended December 31, 2012 was $1.5 billion, or $1.66 per diluted share, which was net of $35 million in preferred stock dividends. Pre-provision net revenue was $2.8 billion and $2.5 billion for the years ended 2013 and 2012, respectively. Pre-provision net revenue is a non-GAAP measure. For further information, see the Non-GAAP Financial Measures section in the MD&A.

Net interest income was $3.6 billion for the years ended December 31, 2013 and 2012. Net interest income was negatively impacted by a decline of 36 bps in yields on the Bancorp's interest-earning assets, partially offset by a $4.3 billion increase in average loans and leases due primarily to increases in average commercial and industrial loans and average residential mortgage loans. In addition, interest expense decreased primarily due to a decrease in rates paid on average long-term debt and a reduction in higher cost average long-term debt. Net interest margin was 3.32% and 3.55% for the years ended December 31, 2013 and 2012, respectively.

Noninterest income increased $228 million, or eight percent, in 2013 compared to 2012. The increase from the prior year was primarily due to increases in other noninterest income partially offset by decreases in mortgage banking net revenue. Other noninterest income increased $305 million compared to the prior year, primarily due to positive valuation adjustments on the stock warrant associated with Vantiv Holding, LLC. In addition, the Bancorp recognized gains of $242 million and $85 million, on the sale of Vantiv, Inc. shares in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO recorded in the first quarter of 2012 and a $157 million gain on the sale of Vantiv shares during the fourth quarter of 2012. Mortgage banking net revenue decreased $145 million for the year ended December 31, 2013 compared to the prior year primarily due to a decrease in origination fees and gains on loan sales partially offset by an increase in positive net valuation adjustments on mortgage servicing rights and free-standing derivatives entered into to economically hedge the MSR portfolio.

Noninterest expense decreased $120 million, or three percent, in 2013 compared to 2012 primarily due to a decrease in other noninterest expense driven by a decrease in debt extinguishment costs and a decrease in the provision for representation and warranty claims partially offset by an increase in litigation expense.

Credit Summary

The Bancorp does not originate subprime mortgage loans and does not hold asset-backed securities backed by subprime mortgage loans in its securities portfolio. However, the Bancorp has exposure to disruptions in the capital markets and weakened economic conditions. During 2013, credit trends have improved, and as a result, the provision for loan and lease losses decreased to $229 million in 2013 compared to $303 million in 2012. In addition, net charge-offs as a percent of average portfolio loans and leases decreased to 0.58% during 2013 compared to 0.85% during 2012. At December 31, 2013, nonperforming assets as a percent of loans, leases and other assets, including OREO (excluding nonaccrual loans held for sale) decreased to 1.10%, compared to 1.49% at December 31, 2012. For further discussion on credit quality, see the Credit Risk Management section in MD&A.

Capital Summary

The Bancorp's capital ratios exceed the "well-capitalized" guidelines as defined by the Board of Governors of the Federal Reserve System. As of December 31, 2013, the Tier I risk-based capital ratio was 10.36%, the Tier I leverage ratio was 9.64% and the total risk-based capital ratio was 14.08%.

NON-GAAP FINANCIAL MEASURES

The Bancorp considers various measures when evaluating capital utilization and adequacy, including the tangible equity ratio, tangible common equity ratio and Tier I common equity ratio, in addition to capital ratios defined by banking regulators. These calculations are intended to complement the capital ratios defined by banking regulators for both absolute and comparative purposes. Because U.S. GAAP does not include capital ratio measures, the Bancorp believes there are no comparable U.S. GAAP financial measures to these ratios. These ratios are not formally defined by U.S. GAAP or codified in the federal banking regulations and, therefore, are considered to be non-GAAP financial measures. Since analysts and banking regulators may assess the Bancorp's capital adequacy using these ratios, the Bancorp believes they are useful to provide investors the ability to assess its capital adequacy on the same basis.

The Bancorp believes these non-GAAP measures are important because they reflect the level of capital available to withstand unexpected market conditions. Additionally, presentation of these measures allows readers to compare certain aspects of the Bancorp's capitalization to other organizations. However, because there are no standardized definitions for these ratios, the Bancorp's calculations may not be comparable with other organizations, and the usefulness of these measures to investors may be limited. As a result, the Bancorp encourages readers to consider its Consolidated Financial Statements in their entirety and not to rely on any single financial measure.

U.S. banking regulators approved final capital rules (Basel III Final Rule) in July of 2013 that substantially amend the existing risk-based capital rules (Basel I) for banks. The Bancorp believes providing an estimate of its capital position based upon the final rules is important to complement the existing capital ratios and for comparability to other financial institutions. Since these rules are not effective for the Bancorp until January 1, 2015, they are considered non-GAAP measures and therefore are included in the following non-GAAP financial measures table.

Pre-provision net revenue is net interest income plus noninterest income minus noninterest expense. The Bancorp believes this measure is important because it provides a ready view of the Bancorp's earnings before the impact of provision expense.

The following table reconciles non-GAAP financial measures to U.S. GAAP as of and for the years ended December 31:

TABLE 4: NON-GAAP FINANCIAL MEASURES

($ in millions)		2013	2012
Income before income taxes (U.S. GAAP)	$	**2,598**	2,210
Add: Provision expense (U.S. GAAP)		**229**	303
Pre-provision net revenue		**2,827**	2,513
Net income available to common shareholders (U.S. GAAP)	$	**1,799**	1,541
Add: Intangible amortization, net of tax		**5**	9
Tangible net income available to common shareholders		**1,804**	1,550
Total Bancorp shareholders' equity (U.S. GAAP)	$	**14,589**	13,716
Less: Preferred stock		**(1,034)**	(398)
Goodwill		**(2,416)**	(2,416)
Intangible assets		**(19)**	(27)
Tangible common equity, including unrealized gains / losses		**11,120**	10,875
Less: Accumulated other comprehensive income		**(82)**	(375)
Tangible common equity, excluding unrealized gains / losses (1)		**11,038**	10,500
Add: Preferred stock		**1,034**	398
Tangible equity (2)		**12,072**	10,898
Total assets (U.S. GAAP)	$	**130,443**	121,894
Less: Goodwill		**(2,416)**	(2,416)
Intangible assets		**(19)**	(27)
Accumulated other comprehensive income, before tax		**(126)**	(577)
Tangible assets, excluding unrealized gains / losses (3)	$	**127,882**	118,874
Total Bancorp shareholders' equity (U.S. GAAP)	$	**14,589**	13,716
Less: Goodwill and certain other intangibles		**(2,492)**	(2,499)
Accumulated other comprehensive income		**(82)**	(375)
Add: Qualifying TruPS		**60**	810
Other		**19**	33
Tier I risk-based capital		**12,094**	11,685
Less: Preferred stock		**(1,034)**	(398)
Qualifying TruPS		**(60)**	(810)
Qualified noncontrolling interests in consolidated subsidiaries		**(37)**	(48)
Tier I common equity (4)	$	**10,963**	10,429
Risk-weighted assets (5)[(a)]	$	**116,736**	109,699
Ratios:			
Tangible equity (2) / (3)		**9.44 %**	9.17
Tangible common equity (1) / (3)		**8.63 %**	8.83
Tier I common equity (4) / (5)		**9.39 %**	9.51

Basel III Final Rule - Estimated Tier I common equity ratio		
Tier I common equity (Basel I)	**$**	**10,963**
Add: Adjustment related to capital components[(b)]		**82**
Estimated Tier I common equity under Basel III Final Rule without AOCI (opt out) (6)		**11,045**
Add: Adjustment related to AOCI[(c)]		**82**
Estimated Tier I common equity under Basel III Final Rule with AOCI (non opt out) (7)		**11,127**
Estimated risk-weighted assets under Basel III Final Rule (8)[(d)]		**122,851**
Estimated Tier I common equity ratio under Basel III Final Rule (opt out) (6) / (8)		**8.99 %**
Estimated Tier I common equity ratio under Basel III Final Rule (non opt out) (7) / (8)		**9.06 %**

(a) *Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together, along with the measure for market risk, resulting in the Bancorp's total risk-weighted assets.*

(b) *Adjustments related to capital components include MSRs and deferred tax assets subject to threshold limitations and deferred tax liabilities related to intangible assets, which were deductions to capital under Basel I capital rules.*

(c) *Under final Basel III rules, non-advanced approach banks are permitted to make a one-time election to opt out of the requirement to include AOCI in Tier I common equity.*

(d) *Key differences under Basel III in the calculation of risk-weighted assets compared to Basel I include: (1) Risk weighting for commitments under 1 year; (2) Higher risk weighting for exposures to securitizations, past due loans, foreign banks and certain commercial real estate; (3) Higher risk weighting for MSRs and deferred tax assets that are under certain thresholds as a percent of Tier I capital; and (4) Derivatives are differentiated between exchange clearing and over-the-counter and the 50% risk-weight cap is removed.*

RECENT ACCOUNTING STANDARDS

Note 1 of the Notes to Consolidated Financial Statements provides a discussion of the significant new accounting standards adopted by the Bancorp during 2013 and the expected impact of significant accounting standards issued, but not yet required to be adopted.

CRITICAL ACCOUNTING POLICIES

The Bancorp's Consolidated Financial Statements are prepared in accordance with U.S. GAAP. Certain accounting policies require management to exercise judgment in determining methodologies, economic assumptions and estimates that may materially affect the Bancorp's financial position, results of operations and cash flows. The Bancorp's critical accounting policies include the accounting for the ALLL, reserve for unfunded commitments, income taxes, valuation of servicing rights, fair value measurements and goodwill. No material changes were made to the valuation techniques or models described below during the year ended December 31, 2013.

ALLL

The Bancorp disaggregates its portfolio loans and leases into portfolio segments for purposes of determining the ALLL. The Bancorp's portfolio segments include commercial, residential mortgage, and consumer. The Bancorp further disaggregates its portfolio segments into classes for purposes of monitoring and assessing credit quality based on certain risk characteristics. Classes within the commercial portfolio segment include commercial and industrial, commercial mortgage owner occupied, commercial mortgage non-owner occupied, commercial construction, and commercial leasing. The residential mortgage portfolio segment is also considered a class. Classes within the consumer portfolio segment include home equity, automobile, credit card, and other consumer loans and leases. For an analysis of the Bancorp's ALLL by portfolio segment and credit quality information by class, see Note 6 of the Notes to Consolidated Financial Statements.

The Bancorp maintains the ALLL to absorb probable loan and lease losses inherent in its portfolio segments. The ALLL is maintained at a level the Bancorp considers to be adequate and is based on ongoing quarterly assessments and evaluations of the collectability and historical loss experience of loans and leases. Credit losses are charged and recoveries are credited to the ALLL. Provisions for loan and lease losses are based on the Bancorp's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating probable credit losses. The Bancorp's strategy for credit risk management includes a combination of conservative exposure limits significantly below legal lending limits and conservative underwriting, documentation and collections standards. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

The Bancorp's methodology for determining the ALLL is based on historical loss rates, current credit grades, specific allocation on loans modified in a TDR and impaired commercial credits above specified thresholds and other qualitative adjustments. Allowances on individual commercial loans, TDRs and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience. An unallocated allowance is maintained to recognize the imprecision in estimating and measuring losses when evaluating allowances for individual loans or pools of loans.

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses, as well as loans that have been modified in a TDR, are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include the industry and geographic region of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. When individual loans are impaired, allowances are determined based on management's estimate of the borrower's ability to repay the loan given the availability of collateral and other sources of cash flow, as well as an evaluation of legal options available to the Bancorp. Allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, fair value of the underlying collateral or readily observable secondary market values. The Bancorp evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Historical credit loss rates are applied to commercial loans that are not impaired or are impaired, but smaller than the established threshold of $1 million and thus not subject to specific allowance allocations. The loss rates are derived from a migration analysis, which tracks the historical net charge-off experience sustained on loans according to their internal risk grade. The risk grading system utilized for allowance analysis purposes encompasses ten categories.

Homogenous loans and leases in the residential mortgage and consumer portfolio segments are not individually risk graded. Rather, standard credit scoring systems and delinquency monitoring are used to assess credit risks, and allowances are established based on the expected net charge-offs. Loss rates are based on the trailing twelve month net charge-off history by loan category. Historical loss rates may be adjusted for certain prescriptive and qualitative factors that, in management's judgment, are necessary to reflect losses inherent in the portfolio. Factors that management considers in the analysis include the effects of the national and local economies; trends in the nature and volume of delinquencies, charge-offs and nonaccrual loans; changes in loan mix; credit score migration comparisons; asset quality trends; risk management and loan administration; changes in the internal lending policies and credit standards; collection practices; and examination results from bank regulatory agencies and the Bancorp's internal credit reviewers.

The Bancorp's primary market areas for lending are the Midwestern and Southeastern regions of the United States. When evaluating the adequacy of allowances, consideration is given to these regional geographic concentrations and the closely associated effect changing economic conditions have on the Bancorp's customers.

Reserve for Unfunded Commitments

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities and is included in other liabilities in the Consolidated Balance Sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates based on credit grade migration. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the Bancorp's

ALLL, as discussed above. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the Consolidated Statements of Income.

Income Taxes

The Bancorp estimates income tax expense based on amounts expected to be owed to the various tax jurisdictions in which the Bancorp conducts business. On a quarterly basis, management assesses the reasonableness of its effective tax rate based upon its current estimate of the amount and components of net income, tax credits and the applicable statutory tax rates expected for the full year. The estimated income tax expense is recorded in the Consolidated Statements of Income.

Deferred income tax assets and liabilities are determined using the balance sheet method and are reported in other assets and accrued taxes, interest and expenses, respectively, in the Consolidated Balance Sheets. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and reflects enacted changes in tax rates and laws. Deferred tax assets are recognized to the extent they exist and are subject to a valuation allowance based on management's judgment that realization is more likely than not. This analysis is performed on a quarterly basis and includes an evaluation of all positive and negative evidence, such as the limitation on the use of any net operating losses, to determine whether realization is more likely than not.

Accrued taxes represent the net estimated amount due to taxing jurisdictions and are reported in accrued taxes, interest and expenses in the Consolidated Balance Sheets. The Bancorp evaluates and assesses the relative risks and appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent and other information and maintains tax accruals consistent with its evaluation of these relative risks and merits. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred taxes and accrued taxes as well as the current period's income tax expense and can be significant to the operating results of the Bancorp. For additional information on income taxes, see Note 20 of the Notes to Consolidated Financial Statements.

Valuation of Servicing Rights

When the Bancorp sells loans through either securitizations or individual loan sales in accordance with its investment policies, it often obtains servicing rights. Servicing rights resulting from loan sales are initially recorded at fair value and subsequently amortized in proportion to, and over the period of, estimated net servicing revenue. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance. Key economic assumptions used in measuring any potential impairment of the servicing rights include the prepayment speeds of the underlying loans, the weighted-average life, the discount rate and the weighted-average coupon rate, as applicable. The primary risk of material changes to the value of the servicing rights resides in the potential volatility in the economic assumptions used, particularly the prepayment speeds. The Bancorp monitors risk and adjusts its valuation allowance as necessary to adequately reserve for impairment in the servicing portfolio. For purposes of measuring impairment, the mortgage servicing rights are stratified into classes based on the financial asset type (fixed rate vs. adjustable rate) and interest rates. For additional information on servicing rights, see Note 11 of the Notes to Consolidated Financial Statements.

Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques the Bancorp uses to measure fair value include the market approach, income approach and cost approach. The market approach uses prices or relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach involves discounting future amounts to a single present amount and is based on current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of the asset.

U.S. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

> *Level 1* – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bancorp has the ability to access at the measurement date.
>
> *Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
>
> *Level 3* – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Bancorp's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Bancorp's own financial data such as internally developed pricing models and discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The Bancorp's fair value measurements involve various valuation techniques and models, which involve inputs that are observable, when available. Valuation techniques and parameters used for measuring assets and liabilities are reviewed and validated by the Bancorp on a quarterly basis. Additionally, the Bancorp monitors the fair values of significant assets and liabilities using a variety of methods including the evaluation of pricing runs and exception reports based on certain analytical criteria, comparison to previous trades and overall review and assessments for reasonableness. The following is a summary of valuation techniques utilized by the Bancorp for its significant assets and liabilities measured at fair value on a recurring basis.

Available-for-sale and trading securities
Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics. Non-agency mortgage-backed securities and other asset-backed securities are generally valued using an income approach based on discounted cash flows, incorporating prepayment speeds, performance of underlying collateral and specific tranche-level attributes. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Residential mortgage loans held for sale and held for investment
For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, discounted cash flow models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral, and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage-backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the discounted cash flow model. These observable inputs include interest rate spreads from agency mortgage-backed securities market rates and observable discount rates. For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy.

Derivatives
Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties, and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At December 31, 2013, derivatives classified as Level 3, which are valued using an option-pricing model containing unobservable inputs, consisted primarily of the warrant associated with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC to Advent International and a total return swap associated with the Bancorp's sale of its Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

In addition to the assets and liabilities measured at fair value on a recurring basis, the Bancorp measures servicing rights, certain loans and long-lived assets at fair value on a nonrecurring basis. Refer to Note 27 of the Notes to Consolidated Financial Statements for further information on fair value measurements.

Goodwill
Business combinations entered into by the Bancorp typically include the acquisition of goodwill. U.S. GAAP requires goodwill to be tested for impairment at the Bancorp's reporting unit level on an annual basis, which for the Bancorp is September 30, and more frequently if events or circumstances indicate that there may be impairment. The Bancorp has determined that its segments qualify as reporting units under U.S. GAAP.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its implied fair value. In testing goodwill for impairment, U.S. GAAP permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. In this qualitative assessment, the Bancorp evaluates events and circumstances which may include, but are not limited to, the general economic environment, banking industry and market conditions, the overall financial performance of the Bancorp, the performance of the Bancorp's stock, the key financial performance metrics of the reporting units, and events affecting the reporting units. If, after assessing the totality of events and circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform the first step (Step 1) of the goodwill impairment test, and continue to the second step (Step 2), if necessary. Step 1 compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, Step 2 of the goodwill impairment test is performed to measure the amount of impairment loss, if any.

The fair value of a reporting unit is the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Since none of the Bancorp's reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to the Bancorp's stock price. To determine the fair value of a reporting unit, the Bancorp employs an income-based approach, utilizing the reporting unit's forecasted cash flows (including a terminal value approach to estimate cash flows beyond the final year of the forecast) and the reporting unit's estimated cost of equity as the discount rate. Additionally, the Bancorp determines its market capitalization based on the average of the closing price of the Bancorp's stock during the month including the measurement date, incorporating an additional control premium, and compares this

market-based fair value measurement to the aggregate fair value of the Bancorp's reporting units in order to corroborate the results of the income approach.

When required to perform Step 2, the Bancorp compares the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount exceeds the implied fair value, an impairment loss equal to that excess amount is recognized. A recognized impairment loss cannot exceed the carrying amount of that goodwill and cannot be reversed in future periods even if the fair value of the reporting unit recovers.

During Step 2, the Bancorp determines the implied fair value of goodwill for a reporting unit by assigning the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. This assignment process is only performed for purposes of testing goodwill for impairment. The Bancorp does not adjust the carrying values of recognized assets or liabilities (other than goodwill, if appropriate), nor recognize previously unrecognized intangible assets in the Consolidated Financial Statements as a result of this assignment process. Refer to Note 8 of the Notes to Consolidated Financial Statements for further information regarding the Bancorp's goodwill.

RISK FACTORS

The risks listed below present risks that could have a material impact on the Bancorp's financial condition, the results of its operations, or its business.

RISKS RELATING TO ECONOMIC AND MARKET CONDITIONS

Weakness in the U.S. economy and in the real estate market, including specific weakness within Fifth Third's geographic footprint, has adversely affected Fifth Third and may continue to adversely affect Fifth Third.

If the strength of the U.S. economy in general or the strength of the local economies in which Fifth Third conducts operations declines this could result in, among other things, a deterioration in credit quality or a reduced demand for credit, including a resultant effect on Fifth Third's loan portfolio and ALLL and in the receipt of lower proceeds from the sale of loans and foreclosed properties. A portion of Fifth Third's residential mortgage and commercial real estate loan portfolios are comprised of borrowers in Florida, whose markets have been particularly adversely affected by job losses, declines in real estate value, declines in home sale volumes, and declines in new home building. These factors could result in higher delinquencies, greater charge-offs and increased losses on foreclosed real estate in future periods, which could materially adversely affect Fifth Third's financial condition and results of operations.

The global financial markets continue to be strained as a result of economic slowdowns and concerns, especially about the creditworthiness of the European Union member states and financial institutions in the European Union. These factors could have international implications, which could hinder the U.S. economic recovery and affect the stability of global financial markets.

Certain European Union member states have fiscal obligations greater than their fiscal revenue, which has caused investor concern over such countries' ability to continue to service their debt and foster economic growth in their economies. The European debt crisis and measures adopted to address it have significantly weakened European economies. A weaker European economy may cause investors to lose confidence in the safety and soundness of European financial institutions and the stability of European member economies. A failure to adequately address sovereign debt concerns in Europe could hamper economic recovery or contribute to recessionary economic conditions and severe stress in the financial markets, including in the United States. Should the U.S. economic recovery be adversely impacted by these factors, the likelihood for loan and asset growth at U.S. financial institutions, like Fifth Third, may deteriorate.

Changes in interest rates could affect Fifth Third's income and cash flows.

Fifth Third's income and cash flows depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and investment securities, and the interest rates paid on interest-bearing liabilities such as deposits and borrowings. These rates are highly sensitive to many factors that are beyond Fifth Third's control, including general economic conditions and the policies of various governmental and regulatory agencies (in particular, the FRB). Changes in monetary policy, including changes in interest rates, will influence the origination of loans, the prepayment speed of loans, the purchase of investments, the generation of deposits and the rates received on loans and investment securities and paid on deposits or other sources of funding. The impact of these changes may be magnified if Fifth Third does not effectively manage the relative sensitivity of its assets and liabilities to changes in market interest rates. Fluctuations in these areas may adversely affect Fifth Third and its shareholders.

Changes and trends in the capital markets may affect Fifth Third's income and cash flows.

Fifth Third enters into and maintains trading and investment positions in the capital markets on its own behalf and manages investment positions on behalf of its customers. These investment positions include derivative financial instruments. The revenues and profits Fifth Third derives from managing proprietary and customer trading and investment positions are dependent on market prices. Market changes and trends may result in a decline in investment advisory revenue or investment or trading losses that may materially affect Fifth Third. Losses on behalf of its customers could expose Fifth Third to litigation, credit risks or loss of revenue from those customers. Additionally, substantial losses in Fifth Third's trading and investment positions could lead to a loss with respect to those investments and may adversely affect cash flows and funding costs.

The removal or reduction in stimulus activities sponsored by the Federal Government and its agents may have a negative impact on Fifth Third's results and operations.

The Federal Government has intervened in an unprecedented manner to stimulate economic growth. The expiration or rescission of any of these programs and actions may have an adverse impact on Fifth Third's operating results by increasing interest rates, increasing the cost of funding, and reducing the demand for loan products, including mortgage loans.

Problems encountered by financial institutions larger than or similar to Fifth Third could adversely affect financial markets generally and have indirect adverse effects on Fifth Third.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Bancorp interacts on a daily basis, and therefore could adversely affect Fifth Third.

Fifth Third's stock price is volatile.

Fifth Third's stock price has been volatile in the past and several factors could cause the price to fluctuate substantially in the future. These factors include:

- Actual or anticipated variations in earnings;
- Changes in analysts' recommendations or projections;
- Fifth Third's announcements of developments related to its businesses;
- Operating and stock performance of other companies deemed to be peers;
- Actions by government regulators;
- New technology used or services offered by traditional and non-traditional competitors;
- News reports of trends, concerns and other issues related to the financial services industry;
- Natural disasters;

- Geopolitical conditions such as acts or threats of terrorism or military conflicts.

The price for shares of Fifth Third's common stock may fluctuate significantly in the future, and these fluctuations may be unrelated to Fifth Third's performance. General market price declines or market volatility in the future could adversely affect the price for shares of Fifth Third's common stock, and the current market price of such shares may not be indicative of future market prices.

RISKS RELATING TO FIFTH THIRD'S GENERAL BUSINESS

Deteriorating credit quality, particularly in real estate loans, has adversely impacted Fifth Third and may continue to adversely impact Fifth Third.

When Fifth Third lends money or commits to lend money the Bancorp incurs credit risk or the risk of losses if borrowers do not repay their loans. The credit performance of the loan portfolios significantly affects the Bancorp's financial results and condition. If the current economic environment were to deteriorate, more customers may have difficulty in repaying their loans or other obligations which could result in a higher level of credit losses and reserves for credit losses. Fifth Third reserves for credit losses by establishing reserves through a charge to earnings. The amount of these reserves is based on Fifth Third's assessment of credit losses inherent in the loan portfolio (including unfunded credit commitments). The process for determining the amount of the allowance for loan and lease losses and the reserve for unfunded commitments is critical to Fifth Third's financial results and condition. It requires difficult, subjective and complex judgments about the environment, including analysis of economic or market conditions that might impair the ability of borrowers to repay their loans.

Fifth Third might underestimate the credit losses inherent in its loan portfolio and have credit losses in excess of the amount reserved. Fifth Third might increase the reserve because of changing economic conditions, including falling home prices or higher unemployment, or other factors such as changes in borrower's behavior. As an example, borrowers may "strategically default," or discontinue making payments on their real estate-secured loans if the value of the real estate is less than what they owe, even if they are still financially able to make the payments.

Fifth Third believes that both the allowance for loan and lease losses and reserve for unfunded commitments are adequate to cover inherent losses at December 31, 2013; however, there is no assurance that they will be sufficient to cover future credit losses, especially if housing and employment conditions worsen. In the event of significant deterioration in economic conditions, Fifth Third may be required to increase reserves in future periods, which would reduce earnings.

For more information, refer to the "Risk Management - Credit Risk Management," "Critical Accounting Policies - Allowance for Loan and Leases," and "Reserve for Unfunded Commitments" of the MD&A.

Fifth Third must maintain adequate sources of funding and liquidity.

Fifth Third must maintain adequate funding sources in the normal course of business to support its operations and fund outstanding liabilities, as well as meet regulatory expectations. Fifth Third primarily relies on bank deposits to be a low cost and stable source of funding for the loans Fifth Third makes and the operations of Fifth Third's business. Core customer deposits, which include transaction deposits and other time deposits, have historically provided Fifth Third with a sizeable source of relatively stable and low-cost funds (average core deposits funded 70% of average total assets at December 31, 2013). In addition to customer deposits, sources of liquidity include investments in the securities portfolio, Fifth Third's ability to sell or securitize loans in secondary markets and to pledge loans to access secured borrowing facilities through the FHLB and the FRB, and Fifth Third's ability to raise funds in domestic and international money and capital markets.

Fifth Third's liquidity and ability to fund and run the business could be materially adversely affected by a variety of conditions and factors, including financial and credit market disruptions and volatility or a lack of market or customer confidence in financial markets in general similar to what occurred during the financial crisis in 2008 and early 2009, which may result in a loss of customer deposits or outflows of cash or collateral and/or ability to access capital markets on favorable terms.

Other conditions and factors that could materially adversely affect Fifth Third's liquidity and funding include a lack of market or customer confidence in Fifth Third or negative news about Fifth Third or the financial services industry generally which also may result in a loss of deposits and/or negatively affect the ability to access the capital markets; the loss of customer deposits to alternative investments; inability to sell or securitize loans or other assets, increased regulatory requirements, and reductions in one or more of Fifth Third's credit ratings. A reduced credit rating could adversely affect Fifth Third's ability to borrow funds and raise the cost of borrowings substantially and could cause creditors and business counterparties to raise collateral requirements or take other actions that could adversely affect Fifth Third's ability to raise capital. Many of the above conditions and factors may be caused by events over which Fifth Third has little or no control such as what occurred during the financial crisis. While market conditions have stabilized and, in many cases, improved, there can be no assurance that significant disruption and volatility in the financial markets will not occur in the future.

If Fifth Third is unable to continue to fund assets through customer bank deposits or access capital markets on favorable terms or if Fifth Third suffers an increase in borrowing costs or otherwise fails to manage liquidity effectively; liquidity, operating margins, financial results and condition may be materially adversely affected. As Fifth Third did during the financial crisis, it may also need to raise additional capital through the issuance of stock, which could dilute the ownership of existing stockholders, or reduce or even eliminate common stock dividends to preserve capital.

Fifth Third may have more credit risk and higher credit losses to the extent loans are concentrated by location of the borrowers or collateral.

Fifth Third's credit risk and credit losses can increase if its loans are concentrated to borrowers engaged in the same or similar activities or to borrowers who as a group may be uniquely or disproportionately affected by economic or market conditions. Deterioration in economic conditions, housing conditions and real estate values in these states and generally across the country could result in materially higher credit losses.

Fifth Third may be required to repurchase residential mortgage loans or reimburse investors and others as a result of breaches in contractual representations and warranties.

Fifth Third sells residential mortgage loans to various parties, including GSEs and other financial institutions that purchase residential mortgage loans for investment or private label securitization. Fifth Third may be required to repurchase residential mortgage loans, indemnify the securitization trust, investor or insurer, or reimburse the securitization trust, investor or insurer for

credit losses incurred on loans in the event of a breach of contractual representations or warranties that is not remedied within a period (usually 60 days or less) after Fifth Third receives notice of the breach. Contracts for residential mortgage loan sales to the GSEs include various types of specific remedies and penalties that could be applied to inadequate responses to repurchase requests. If economic conditions and the housing market deteriorate or future investor repurchase demand and success at appealing repurchase requests differ from past experience, Fifth Third could have increased repurchase obligations and increased loss severity on repurchases, requiring material additions to the repurchase reserve.

If Fifth Third does not adjust to rapid changes in the financial services industry, its financial performance may suffer.

Fifth Third's ability to deliver strong financial performance and returns on investment to shareholders will depend in part on its ability to expand the scope of available financial services to meet the needs and demands of its customers. In addition to the challenge of competing against other banks in attracting and retaining customers for traditional banking services, Fifth Third's competitors also include securities dealers, brokers, mortgage bankers, investment advisors, specialty finance and insurance companies who seek to offer one-stop financial services that may include services that banks have not been able or allowed to offer to their customers in the past or may not be currently able or allowed to offer. This increasingly competitive environment is primarily a result of changes in regulation, changes in technology and product delivery systems, as well as the accelerating pace of consolidation among financial service providers.

If Fifth Third is unable to grow its deposits, it may be subject to paying higher funding costs.

The total amount that Fifth Third pays for funding costs is dependent, in part, on Fifth Third's ability to grow its deposits. If Fifth Third is unable to sufficiently grow its deposits to meet liquidity objectives, it may be subject to paying higher funding costs. Fifth Third competes with banks and other financial services companies for deposits. If competitors raise the rates they pay on deposits, Fifth Third's funding costs may increase, either because Fifth Third raises rates to avoid losing deposits or because Fifth Third loses deposits and must rely on more expensive sources of funding. Higher funding costs reduce our net interest margin and net interest income. Fifth Third's bank customers could take their money out of the bank and put it in alternative investments, causing Fifth Third to lose a lower cost source of funding. Checking and savings account balances and other forms of customer deposits may decrease when customers perceive alternative investments, such as the stock market, as providing a better risk/return tradeoff.

The Bancorp's ability to receive dividends from its subsidiaries accounts for most of its revenue and could affect its liquidity and ability to pay dividends.

Fifth Third Bancorp is a separate and distinct legal entity from its subsidiaries. Fifth Third Bancorp typically receives substantially all of its revenue from dividends from its subsidiaries. These dividends are the principal source of funds to pay dividends on Fifth Third Bancorp's stock and interest and principal on its debt. Various federal and/or state laws and regulations, as well as regulatory expectations, limit the amount of dividends that the Bancorp's banking subsidiary and certain nonbank subsidiaries may pay. Regulatory scrutiny of capital levels at bank holding companies and insured depository institution subsidiaries has increased since the financial crisis and has resulted in increased regulatory focus on all aspects of capital planning, including dividends and other distributions to shareholders of banks such as the parent bank holding companies. Also, Fifth Third Bancorp's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of that subsidiary's creditors. Limitations on the Bancorp's ability to receive dividends from its subsidiaries could have a material adverse effect on its liquidity and ability to pay dividends on stock or interest and principal on its debt.

The financial services industry is highly competitive and creates competitive pressures that could adversely affect Fifth Third's revenue and profitability.

The financial services industry in which Fifth Third operates is highly competitive. Fifth Third competes not only with commercial banks, but also with insurance companies, mutual funds, hedge funds, and other companies offering financial services in the U.S., globally and over the internet. Fifth Third competes on the basis of several factors, including capital, access to capital, revenue generation, products, services, transaction execution, innovation, reputation and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms. These developments could result in Fifth Third's competitors gaining greater capital and other resources, such as a broader range of products and services and geographic diversity. Fifth Third may experience pricing pressures as a result of these factors and as some of its competitors seek to increase market share by reducing prices.

Fifth Third and/or the holders of its securities could be adversely affected by unfavorable ratings from rating agencies.

Fifth Third's ability to access the capital markets is important to its overall funding profile. This access is affected by the ratings assigned by rating agencies to Fifth Third, certain of its subsidiaries and particular classes of securities they issue. The interest rates that Fifth Third pays on its securities are also influenced by, among other things, the credit ratings that it, its subsidiaries and/or its securities receive from recognized rating agencies. A downgrade to Fifth Third or its subsidiaries' credit rating could affect its ability to access the capital markets, increase its borrowing costs and negatively impact its profitability. A ratings downgrade to Fifth Third, its subsidiaries or their securities could also create obligations or liabilities to Fifth Third under the terms of its outstanding securities that could increase Fifth Third's costs or otherwise have a negative effect on its results of operations or financial condition. Additionally, a downgrade of the credit rating of any particular security issued by Fifth Third or its subsidiaries could negatively affect the ability of the holders of that security to sell the securities and the prices at which any such securities may be sold.

Fifth Third could suffer if it fails to attract and retain skilled personnel.

Fifth Third's success depends, in large part, on its ability to attract and retain key individuals. Competition for qualified candidates in the activities and markets that Fifth Third serves is great and Fifth Third may not be able to hire these candidates and retain them. If Fifth Third is not able to hire or retain these key individuals, Fifth Third may be unable to execute its business strategies and may suffer adverse consequences to its business, operations and financial condition.

In June 2010, the federal banking agencies issued joint guidance on executive compensation designed to help ensure that a banking organization's incentive compensation policies do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. In addition, the Dodd-Frank Act requires those agencies, along with the SEC, to adopt rules to

require reporting of incentive compensation and to prohibit certain compensation arrangements. The federal banking agencies and the SEC proposed such rules in April 2011. In addition, in June 2012, the SEC issued final rules to implement Dodd-Frank's requirement that the SEC direct the national securities exchanges to adopt certain listing standards related to the compensation committee of a company's board of directors as well as its compensation advisers. If Fifth Third is unable to attract and retain qualified employees, or do so at rates necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, Fifth Third's performance, including its competitive position, could be materially adversely affected.

Fifth Third's mortgage banking revenue can be volatile from quarter to quarter.

Fifth Third earns revenue from the fees it receives for originating mortgage loans and for servicing mortgage loans. When rates rise, the demand for mortgage loans tends to fall, reducing the revenue Fifth Third receives from loan originations. At the same time, revenue from MSRs can increase through increases in fair value. When rates fall, mortgage originations tend to increase and the value of MSRs tends to decline, also with some offsetting revenue effect. Even though the origination of mortgage loans can act as a "natural hedge," the hedge is not perfect, either in amount or timing. For example, the negative effect on revenue from a decrease in the fair value of residential MSRs is immediate, but any offsetting revenue benefit from more originations and the MSRs relating to the new loans would accrue over time. It is also possible that, because of the recession and deteriorating housing market, even if interest rates were to fall, mortgage originations may also fall or any increase in mortgage originations may not be enough to offset the decrease in the MSRs value caused by the lower rates.

Fifth Third typically uses derivatives and other instruments to hedge its mortgage banking interest rate risk. Fifth Third generally does not hedge all of its risks, and the fact that Fifth Third attempts to hedge any of the risks does not mean Fifth Third will be successful. Hedging is a complex process, requiring sophisticated models and constant monitoring. Fifth Third may use hedging instruments tied to U.S. Treasury rates, LIBOR or Eurodollars that may not perfectly correlate with the value or income being hedged. Fifth Third could incur significant losses from its hedging activities. There may be periods where Fifth Third elects not to use derivatives and other instruments to hedge mortgage banking interest rate risk.

Fifth Third uses financial models for business planning purposes that may not adequately predict future results.

Fifth Third uses financial models to aid in its planning for various purposes including its capital and liquidity needs, potential charge-offs, reserves, and other purposes. The models used may not accurately account for all variables that could affect future results, may fail to predict outcomes accurately and/or may overstate or understate certain effects. As a result of these potential failures, Fifth Third may not adequately prepare for future events and may suffer losses or other setbacks due to these failures.

Changes in interest rates could also reduce the value of MSRs.

Fifth Third acquires MSRs when it keeps the servicing rights after the sale or securitization of the loans that have been originated or when it purchases the servicing rights to mortgage loans originated by other lenders. Fifth Third initially measures all residential MSRs at fair value and subsequently amortizes the MSRs in proportion to, and over the period of, estimated net servicing income. Fair value is the present value of estimated future net servicing income, calculated based on a number of variables, including assumptions about the likelihood of prepayment by borrowers. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance.

Changes in interest rates can affect prepayment assumptions and thus fair value. When interest rates fall, borrowers are usually more likely to prepay their mortgage loans by refinancing them at a lower rate. As the likelihood of prepayment increases, the fair value of MSRs can decrease. Each quarter Fifth Third evaluates the fair value of MSRs, and decreases in fair value below amortized cost reduce earnings in the period in which the decrease occurs.

The preparation of Fifth Third's financial statements requires the use of estimates that may vary from actual results.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make significant estimates that affect the financial statements. See the "Critical Accounting Policies" section of the MD&A for more information regarding management's significant estimates. Additionally, Fifth Third's litigation reserve is a management estimate which is regularly reviewed for accuracy.

Fifth Third regularly reviews its litigation reserve for adequacy considering its litigation and regulatory investigation risks and probability of incurring losses related to litigation and regulatory investigations. However, Fifth Third cannot be certain that its current litigation reserves will be adequate over time to cover its losses in litigation or regulatory proceedings due to higher than anticipated settlement costs, prolonged litigation, adverse judgments, or other factors that are largely outside of Fifth Third's control. If Fifth Third's litigation reserves are not adequate, Fifth Third's business, financial condition, including its liquidity and capital, and results of operations could be materially adversely affected. Additionally, in the future, Fifth Third may increase its litigation reserves, which could have a material adverse effect on its capital and results of operations. In addition, if a material change to a reserve amount is made to reflect new information, such a change could result in a change to previously announced financial results.

Changes in accounting standards or interpretations could impact Fifth Third's reported earnings and financial condition.

The accounting standard setters, including the FASB, the SEC and other regulatory agencies, periodically change the financial accounting and reporting standards that govern the preparation of Fifth Third's consolidated financial statements. These changes can be hard to predict and can materially impact how Fifth Third records and reports its financial condition and results of operations. In some cases, Fifth Third could be required to apply a new or revised standard retroactively, which would result in the recasting of Fifth Third's prior period financial statements.

Future acquisitions may dilute current shareholders' ownership of Fifth Third and may cause Fifth Third to become more susceptible to adverse economic events.

Future business acquisitions could be material to Fifth Third and it may issue additional shares of stock to pay for those acquisitions, which would dilute current shareholders' ownership interests. Acquisitions also could require Fifth Third to use substantial cash or other liquid assets or to incur debt. In those events, Fifth Third could become more susceptible to economic downturns and competitive pressures.

Difficulties in combining the operations of acquired entities with Fifth Third's own operations may prevent Fifth Third from achieving the expected benefits from its acquisitions.

Inherent uncertainties exist when integrating the operations of an acquired entity. Fifth Third may not be able to fully achieve its strategic objectives and planned operating efficiencies in an acquisition. In addition, the markets and industries in which Fifth Third and its potential acquisition targets operate are highly competitive. Fifth Third may lose customers or the customers of acquired entities as a result of an acquisition. Future acquisition and integration activities may require Fifth Third to devote substantial time and resources and as a result Fifth Third may not be able to pursue other business opportunities.

After completing an acquisition, Fifth Third may find certain items are not accounted for properly in accordance with financial accounting and reporting standards. Fifth Third may also not realize the expected benefits of the acquisition due to lower financial results pertaining to the acquired entity. For example, Fifth Third could experience higher charge-offs than originally anticipated related to the acquired loan portfolio.

Fifth Third may sell or consider selling one or more of its businesses. Should it determine to sell such a business, it may not be able to generate gains on sale or related increase in shareholders' equity commensurate with desirable levels. Moreover, if Fifth Third sold such businesses, the loss of income could have an adverse effect on its earnings and future growth.

Fifth Third owns several non-strategic businesses that are not significantly synergistic with its core financial services businesses. Fifth Third has, from time to time, considered the sale of such businesses. If it were to determine to sell such businesses, Fifth Third would be subject to market forces that may make completion of a sale unsuccessful or may not be able to do so within a desirable time frame. If Fifth Third were to complete the sale of non-core businesses, it would suffer the loss of income from the sold businesses, and such loss of income could have an adverse effect on its future earnings and growth.

Fifth Third relies on its systems and certain service providers, and certain failures could materially adversely affect operations.

Fifth Third collects, processes and stores sensitive consumer data by utilizing computer systems and telecommunications networks operated by both Fifth Third and third party service providers. Fifth Third has security, backup and recovery systems in place, as well as a business continuity plan to ensure the system will not be inoperable. Fifth Third also has security to prevent unauthorized access to the system. In addition, Fifth Third requires its third party service providers to maintain similar controls. However, Fifth Third cannot be certain that the measures will be successful. A security breach in the system and loss of confidential information such as credit card numbers and related information could result in losing the customers' confidence and thus the loss of their business as well as additional significant costs for privacy monitoring activities.

Fifth Third's necessary dependence upon automated systems to record and process its transaction volume poses the risk that technical system flaws or employee errors, tampering or manipulation of those systems will result in losses and may be difficult to detect. Fifth Third may also be subject to disruptions of its operating systems arising from events that are beyond its control (for example, computer viruses or electrical or telecommunications outages). Fifth Third is further exposed to the risk that its third party service providers may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors as Fifth Third). These disruptions may interfere with service to Fifth Third's customers and result in a financial loss or liability.

Fifth Third is exposed to cyber-security risks, including denial of service, hacking, and identity theft.

There has been a well-publicized series of apparently related distributed denial of service attacks on large financial services companies, including Fifth Third Bank. Distributed denial of service attacks are designed to saturate the targeted online network with excessive amounts of network traffic, resulting in slow response times, or in some cases, causing the site to be temporarily unavailable. To date these attacks have not been intended to steal financial data, but meant to interrupt or suspend a company's Internet service. These events did not result in a breach of Fifth Third's client data and account information remained secure; however, the attacks did adversely affect the performance of Fifth Third's website and in some instances prevented customers from accessing Fifth Third's website. While the event was resolved in a timely fashion and primarily resulted in inconvenience to our customers, future cyber-attacks could be more disruptive and damaging. Hacking and identity theft risks, in particular, could cause serious reputational harm. Cyber threats are rapidly evolving and Fifth Third may not be able to anticipate or prevent all such attacks. Fifth Third may incur increasing costs in an effort to minimize these risks and could be held liable for any security breach or loss.

Fifth Third is exposed to operational and reputational risk.

Fifth Third is exposed to many types of operational risk, including reputational risk, legal and compliance risk, environmental risks from its properties, the risk of fraud or theft by employees, customers or outsiders, unauthorized transactions by employees, operating system disruptions or operational errors.

Negative public opinion can result from Fifth Third's actual or alleged conduct in activities, such as lending practices, data security, corporate governance and acquisitions, and may damage Fifth Third's reputation. Additionally, actions taken by government regulators and community organizations may also damage Fifth Third's reputation. This negative public opinion can adversely affect Fifth Third's ability to attract and keep customers and can expose it to litigation and regulatory action.

The results of Vantiv Holding, LLC could have a negative impact on Fifth Third's operating results and financial condition.

In 2009, Fifth Third sold an approximate 51% interest in its processing business, Vantiv Holding, LLC (formerly Fifth Third Processing Solutions). As a result of additional share sales completed by Fifth Third in 2012 and 2013, the Bancorp's current ownership share in Vantiv Holding, LLC is approximately 25%. Vantiv Holding, LLC is accounted for under the equity method and is not consolidated based on Fifth Third's remaining ownership share in Vantiv Holding, LLC. Vantiv Holding, LLC's operating results could be poor or favorable and could disproportionately affect the operating results of Fifth Third. In addition, Fifth Third participates in a multi-lender credit facility to Vantiv Holding, LLC and repayment of these loans is contingent on future cash flows from Vantiv Holding, LLC.

Weather related events or other natural disasters may have an effect on the performance of Fifth Third's loan portfolios, especially in its coastal markets, thereby adversely impacting its results of operations.

Fifth Third's footprint stretches from the upper Midwestern to lower Southeastern regions of the United States. This area has

experienced weather events including hurricanes and other natural disasters. The nature and level of these events and the impact of global climate change upon their frequency and severity cannot be predicted. If large scale events occur, they may significantly impact its loan portfolios by damaging properties pledged as collateral as well as impairing its borrowers' ability to repay their loans.

RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT

As a regulated entity, the Bancorp is subject to certain capital requirements that may limit its operations and potential growth.

The Bancorp is a bank holding company and a financial holding company. As such, it is subject to the comprehensive, consolidated supervision and regulation of the FRB, including risk-based and leverage capital requirements. The Bancorp must maintain certain risk-based and leverage capital ratios as required by the FRB which can change depending upon general economic conditions and the Bancorp's particular condition, risk profile and growth plans. Compliance with the capital requirements, including leverage ratios, may limit operations that require the intensive use of capital and could adversely affect the Bancorp's ability to expand or maintain present business levels.

In June 2012, Federal banking agencies proposed enhancements to the regulatory capital requirements for U.S. banking organizations, which implemented aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier 1 common equity ratio. In July 2013, the Federal banking agencies issued final rules for the enhanced regulatory capital requirements, which included modifications to the proposed rules. The final rules provide the option for certain banking organizations, including the Bancorp, to opt out of including AOCI in Tier 1 capital and retain the treatment of residential mortgage exposures consistent with the current Basel I capital rules. The new capital rules are effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain components and other provisions. The need to maintain more and higher quality capital as well as greater liquidity going forward could limit our business activities, including lending, and our ability to expand, either organically or through acquisitions. In addition, the new liquidity standards could require us to increase our holdings of highly liquid short-term investments, thereby reducing our ability to invest in longer-term assets even if more desirable from a balance sheet management perspective. Moreover, although these new requirements are being phased in over time, U.S. Federal banking agencies have been taking into account expectations regarding the ability of banks to meet these new requirements, including under stressed conditions, in approving actions that represent uses of capital, such as dividend increases and share repurchases.

The Bancorp's banking subsidiary must remain well-capitalized, well-managed and maintain at least a "Satisfactory" CRA rating for the Bancorp to retain its status as a financial holding company. Failure to meet these requirements could result in the FRB placing limitations or conditions on the Bancorp's activities (and the commencement of new activities) and could ultimately result in the loss of financial holding company status. In addition, failure by the Bancorp's banking subsidiary to meet applicable capital guidelines could subject the bank to a variety of enforcement remedies available to the federal regulatory authorities. These include limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC.

Fifth Third's business, financial condition and results of operations could be adversely affected by new or changed regulations and by the manner in which such regulations are applied by regulatory authorities.

Current economic conditions, particularly in the financial markets, have resulted in government regulatory agencies placing increased focus on and scrutiny of the financial services industry. The U.S. government has intervened on an unprecedented scale, responding to what has been commonly referred to as the financial crisis, by introducing various actions and passing legislation such as the Dodd-Frank Act. Such programs and legislation subject Fifth Third and other financial institutions to restrictions, oversight and/or costs that may have an impact on Fifth Third's business, financial condition, results of operations or the price of its common stock.

New proposals for legislation and regulations continue to be introduced that could further substantially increase regulation of the financial services industry. Fifth Third cannot predict whether any pending or future legislation will be adopted or the substance and impact of any such new legislation on Fifth Third. Additional regulation could affect Fifth Third in a substantial way and could have an adverse effect on its business, financial condition and results of operations.

On November 21, 2013, the OCC and FDIC separately issued guidance on deposit advance loans. The guidance establishes numerous expectations for institutions that offer such products. It covers matters such as consumer eligibility, capital adequacy, fees, compliance, management oversight, and third-party relationships. Fifth Third's deposit advance product was designed to fully comply with all applicable federal and state laws. However, given industry developments, Fifth Third determined to cease enrolling customers in its deposit advance product as of January 31, 2014 and will phase out its service to existing deposit advance customers by December 31, 2014.

Fifth Third is subject to various regulatory requirements that may limit its operations and potential growth.

Under federal and state laws and regulations pertaining to the safety and soundness of insured depository institutions and their holding companies, the FRB, the FDIC, the CFPB and the Ohio Division of Financial Institutions have the authority to compel or restrict certain actions by Fifth Third and its banking subsidiary. Fifth Third and its banking subsidiary are subject to such supervisory authority and, more generally, must, in certain instances, obtain prior regulatory approval before engaging in certain activities or corporate decisions. There can be no assurance that such approvals, if required, would be forthcoming or that such approvals would be granted in a timely manner. Failure to receive any such approval, if required, could limit or impair Fifth Third's operations, restrict its growth and/or affect its dividend policy. Such actions and activities subject to prior approval include, but are not limited to, increasing dividends paid by Fifth Third or its banking subsidiary, entering into a merger or acquisition transaction, acquiring or establishing new branches, and entering into certain new businesses.

In addition, Fifth Third, as well as other financial institutions more generally, have recently been subjected to increased scrutiny from regulatory authorities stemming from broader systemic regulatory concerns, including with respect to stress testing, capital levels, asset quality, provisioning and other prudential matters, arising as a result of the recent financial crisis and efforts to ensure that financial institutions take steps to improve their risk management and prevent future crises.

In some cases, regulatory agencies may take supervisory actions that may not be publicly disclosed, which restrict or limit a financial institution. Finally, as part of Fifth Third's regular examination process, Fifth Third's and its banking subsidiary's respective

regulators may advise it and its banking subsidiary to operate under various restrictions as a prudential matter. Such supervisory actions or restrictions, if and in whatever manner imposed, could have a material adverse effect on Fifth Third's business and results of operations and may not be publicly disclosed.

Fifth Third and/or its affiliates are or may become involved from time to time in information-gathering requests, investigations and proceedings by various governmental regulatory agencies and law enforcement authorities, as well as self-regulatory agencies which may lead to adverse consequences.

Fifth Third and/or its affiliates are or may become involved from time to time in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by governmental regulatory agencies and law enforcement authorities, as well as self-regulatory agencies, including the SEC, regarding their respective businesses. Such matters may result in material adverse consequences, including without limitation, adverse judgments, settlements, fines, penalties, injunctions or other actions, amendments and/or restatements of Fifth Third's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in its disclosure controls and procedures.

Deposit insurance premiums levied against Fifth Third Bank may increase if the number of bank failures increase or the cost of resolving failed banks increases.

The FDIC maintains a DIF to protect insured depositors in the event of bank failures. The DIF is funded by fees assessed on insured depository institutions including Fifth Third Bank. The magnitude and cost of resolving an increased number of bank failures have reduced the DIF. Future deposit premiums paid by Fifth Third Bank depend on the level of the DIF and the magnitude and cost of future bank failures. Fifth Third Bank also may be required to pay significantly higher FDIC premiums because market developments have significantly depleted the DIF of the FDIC and reduced the ratio of reserves to insured deposits.

Legislative or regulatory compliance, changes or actions or significant litigation, could adversely impact Fifth Third or the businesses in which Fifth Third is engaged.

Fifth Third is subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of its operations and limit the businesses in which Fifth Third may engage. These laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance funds. The impact of any changes to laws and regulations or other actions by regulatory agencies may negatively impact Fifth Third or its ability to increase the value of its business. Additionally, actions by regulatory agencies or significant litigation against Fifth Third could cause it to devote significant time and resources to defending itself and may lead to penalties that materially affect Fifth Third and its shareholders. Future changes in the laws, including tax laws, or regulations or their interpretations or enforcement may also be materially adverse to Fifth Third and its shareholders or may require Fifth Third to expend significant time and resources to comply with such requirements.

On July 21, 2010 the President of the United States signed into law the Dodd-Frank Act. Many parts of the Dodd-Frank Act are now in effect, while others are in an implementation stage likely to continue for several years. A number of reform provisions are likely to significantly impact the ways in which banks and bank holding companies, including Fifth Third and its bank subsidiary, conduct their business:

- The CFPB has been given authority to regulate consumer financial products and services sold by banks and non-bank companies and to supervise banks with assets of more than $10 billion and their affiliates for compliance with Federal consumer protection laws. Any new regulatory requirements promulgated by the CFPB could require changes to our consumer businesses, result in increased compliance costs and affect the streams of revenue of such businesses. The FSOC has been charged with identifying systemic risks, promoting stronger financial regulation and identifying those non-bank companies that are systemically important and thus should be subject to regulation by the Federal Reserve.

- The Dodd-Frank Act "Volcker Rule" provisions and implementing final rule generally prohibit any banking entity from (i) engaging in short-term proprietary trading for its own account and (ii) sponsoring or acquiring ownership interests in private equity or hedge funds. The Volcker Rule, however, contains a number of exceptions to these prohibitions. For example, transactions on behalf of customers or in connection with certain underwriting and market making activities, as well as risk-mitigating hedging activities and certain foreign banking activities are permitted. The risk-mitigating hedging exemption applies to hedging activities that are designed to reduce or significantly mitigate specific, identifiable risks of individual or aggregated positions. Fifth Third is required to conduct an analysis supporting its hedging strategy and the effectiveness of hedges must be monitored and recalibrated as necessary. Fifth Third will be required to document, contemporaneously with the transaction, the hedging rationale for certain transactions that present heighted compliance risks. Under the market-making exemption, a trading desk is required to routinely stand ready to purchase and sell one or more types of financial instruments. The trading desk's inventory in these types of financial instruments has to be designed not to exceed, on an ongoing basis, the reasonably expected near-term demands of customers.

- The Volcker Rule and the rulemakings promulgated thereunder restrict banks and their affiliated entities from investing in or sponsoring certain private equity and hedge funds. Fifth Third does not sponsor any private equity or hedge funds that it is prohibited from sponsoring. As of December 31, 2013, the Bancorp had approximately $181 million in interests and approximately $80 million in binding commitments to invest in private equity funds likely to be affected by the Volcker rule. It is expected that over time the Bancorp may need to eliminate these investments although it is likely that these investments will be reduced over time in the ordinary course before compliance is required. Fifth Third expects to be able to hold these investments until July 2015 with no restriction, and be eligible to obtain up to two one-year extension periods, subject to regulatory approvals. A forced sale of some of these

investments could result in Fifth Third receiving less value than it would otherwise have received.

- The FDIC and the Federal Reserve adopted a final rule that requires bank holding companies that have $50 billion or more in assets, like Fifth Third, to periodically submit to the Federal Reserve, the FDIC and the FSOC a plan discussing how the company could be resolved in a rapid and orderly fashion if the company were to fail or experience material financial distress. In a related rulemaking, the FDIC adopted a final rule that requires insured depository institutions with $50 billion or more in assets, like Fifth Third, to annually prepare and submit a resolution plan to the FDIC, which would include, among other things, an analysis of how the institution could be resolved under the Federal Deposit Insurance Act, as amended (the "FDIA") in a manner that protects depositors and limits losses or costs to creditors of the bank. Initial plans for Fifth Third and its bank subsidiary have been submitted, in accordance with the final regulatory rules, for review by the FDIC, the Federal Reserve, and the FSOC. The Federal Reserve and the FDIC may jointly impose restrictions on Fifth Third or its bank subsidiary, including additional capital requirements or limitations on growth, if the agencies determine that the institution's plan is not credible or would not facilitate a rapid and orderly resolution of Fifth Third under the U.S. Bankruptcy Code, or Fifth Third Bank under the FDIA, and additionally could require Fifth Third to divest assets or take other actions if it did not submit an acceptable resolution within two years after any such restrictions were imposed.

- Title VII of Dodd-Frank imposes a new regulatory regime on the U.S. derivatives markets. While some of the provisions related to derivatives markets went into effect on July 16, 2011, most of the new requirements await final regulations from the relevant regulatory agencies for derivatives, the Commodities Futures Trading Commission ("CFTC") and the SEC. One aspect of this new regulatory regime for derivatives is that substantial oversight responsibility has been provided to the CFTC, which, as a result, will for the first time have a meaningful supervisory role with respect to some of our businesses. Although the ultimate impact will depend on the final regulations, Fifth Third expects that its derivatives business will likely be subject to new substantive requirements, including registration with the CFTC, margin requirements in excess of current market practice, capital requirements specific to this business, real time trade reporting and robust record keeping requirements, business conduct requirements (including daily valuations, disclosure of material risks associated with swaps and disclosure of material incentives and conflicts of interest), and mandatory clearing and exchange trading of all standardized swaps designated by the relevant regulatory agencies as required to be cleared. These requirements will collectively impose implementation and ongoing compliance burdens on Fifth Third and will introduce additional legal risk (including as a result of newly applicable antifraud and anti-manipulation provisions and private rights of action). Depending on the final rules that relate to Fifth Third's swaps businesses, the nature and extent of those businesses may change.

- Financial institutions may be required, regardless of risk, to pay taxes or other fees to the U.S. Treasury. Such taxes or other fees could be designed to reimburse the U.S. Treasury for the many government programs and initiatives it has taken or may undertake as part of its economic stimulus efforts. The Department of Treasury issued an interim final rule in 2012 to establish an assessment schedule for the collection of fees from bank holding companies with at least $50 billion in assets and foreign banks with at least $50 billion in assets in the U.S. to cover the expenses of the Office of Financial Research and FSOC. In August 2013, the FRB also adopted a final rule to implement an assessment provision under the Dodd-Frank Act equal to the expense the FRB estimates are necessary or appropriate to supervise and regulate bank holding companies with $50 billion or more in assets.

- On July 31, 2013, the U.S. District Court for the District of Columbia issued an order granting summary judgment to the plaintiffs in a case challenging certain provisions of the FRB's rule concerning electronic debit card transaction fees and network exclusivity arrangements that were adopted to implement Section 1075 of the Dodd-Frank Act, known as the Durbin Amendment. The Court held that, in adopting the Current Rule, the FRB violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore, the Current Rule's maximum permissible fees were too high. In addition, the Court held that the Current Rule's network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the Current Rule, but stayed its ruling to provide the FRB an opportunity to replace invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge would likely be reduced, thereby negatively affecting the Bancorp's financial performance.

It is clear that the reforms, both under the Dodd-Frank Act and otherwise, will have a significant effect on the entire financial industry. Although it is difficult to predict the magnitude and extent of these effects at this stage, Fifth Third believes compliance with the Dodd-Frank Act and its implementing regulations and other initiatives will likely negatively impact revenue and increase the cost of doing business, both in terms of transition expenses and on an ongoing basis, and may also limit Fifth Third's ability to pursue certain desirable business opportunities. Any new regulatory requirements or changes to existing requirements could require

changes to Fifth Third's businesses, result in increased compliance costs and affect the profitability of such businesses. Additionally, reform could affect the behaviors of third parties that we deal with in the course of our business, such as rating agencies, insurance companies and investors. The extent to which Fifth Third can adjust its strategies to offset such adverse impacts also is not known at this time.

Fifth Third and/or its affiliates are or may become the subject of litigation which could result in legal liability and damage to Fifth Third's reputation.

Fifth Third and certain of its directors and officers have been named from time to time as defendants in various class actions and other litigation relating to Fifth Third's business and activities. Past, present and future litigation have included or could include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. These matters could result in material adverse judgments, settlements, fines, penalties, injunctions or other relief, amendments and/or restatements of Fifth Third's SEC filings and/or financial statements, as applicable and/or determinations of material weaknesses in its disclosure controls and procedures. Like other large financial institutions and companies, Fifth Third is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of confidential information. Substantial legal liability or significant regulatory action against Fifth Third could materially adversely affect its business, financial condition or results of operations and/or cause significant reputational harm to its business.

Fifth Third's ability to pay or increase dividends on its common stock or to repurchase its capital stock is restricted.

Fifth Third's ability to pay dividends or repurchase stock is subject to regulatory requirements and the need to meet regulatory expectations. Fifth Third is subject to an annual assessment by the FRB as part of CCAR. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The capital plan must reflect the revised capital framework that the FRB adopted in connection with the implementation of the Basel III accord, including the framework's minimum regulatory capital ratios and transition arrangements. Fifth Third's stress testing results and 2014 capital plan were submitted to the FRB on January 6, 2014.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB will review the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5 percent under baseline and stressful conditions throughout a nine-quarter planning horizon.

STATEMENTS OF INCOME ANALYSIS

Net Interest Income

Net interest income is the interest earned on securities, loans and leases (including yield-related fees) and other interest-earning assets less the interest paid for core deposits (includes transaction deposits and other time deposits) and wholesale funding (includes certificates of deposit $100,000 and over, other deposits, federal funds purchased, short-term borrowings and long-term debt). The net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest rate spread is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin is typically greater than net interest rate spread due to the interest income earned on those assets that are funded by noninterest-bearing liabilities, or free funding, such as demand deposits or shareholders' equity.

Table 5 presents the components of net interest income, net interest margin and net interest rate spread for the years ended December 31, 2013, 2012 and 2011. Nonaccrual loans and leases and loans held for sale have been included in the average loan and lease balances. Average outstanding securities balances are based on amortized cost with any unrealized gains or losses on available-for-sale securities included in other assets. Table 6 provides the relative impact of changes in the balance sheet and changes in interest rates on net interest income.

Net interest income was $3.6 billion for the years ended December 31, 2013 and 2012. Included within net interest income are amounts related to the amortization and accretion of premiums and discounts on acquired loans and deposits, primarily as a result of acquisitions in previous years, which increased net interest income by $17 million during 2013 and $31 million during 2012. The original purchase accounting discounts reflected the high discount rates in the market at the time of the acquisitions; the total loan discounts are being accreted into net interest income over the remaining period to maturity of the loans acquired. Based upon the remaining period to maturity, and excluding the impact of prepayments, the Bancorp anticipates recognizing approximately $5 million in additional net interest income during 2014 as a result of the amortization and accretion of premiums and discounts on acquired loans and deposits.

For the year ended December 31, 2013, net interest income was negatively impacted by a 36 bps decline in yields on the Bancorp's interest-earning assets compared to the year ended December 31, 2012. The decrease in yields on interest earning assets was partially offset by an increase in average loans and leases of $4.3 billion as well as a decrease in interest expense compared to the prior year. The decrease in interest expense was primarily the result of a 59 bps decrease in the rate paid on average long-term debt coupled with a $1.1 billion decrease in average long-term debt for the year ended December 31, 2013 compared to the year ended December 31, 2012. For the year ended December 31, 2013, the net interest rate spread decreased to 3.15% from 3.35% in 2012 as the benefit of the decreases in rates on interest-bearing liabilities was more than offset by a decrease in yield on average interest-earning assets.

Net interest margin was 3.32% for the year ended December 31, 2013 compared to 3.55% for the year ended December 31, 2012. Net interest margin was impacted by the amortization and accretion of premiums and discounts on acquired loans and deposits that resulted in an increase in net interest margin of 2 bps during 2013 compared to 3 bps during 2012. Exclusive of these amounts, net interest margin decreased 22 bps for the year ended December 31, 2013 compared to the prior year driven primarily by the previously mentioned decline in the yield on average interest-earning assets coupled with an increase in average interest-earning assets, partially offset by a decrease in interest expense primarily related to long-term debt.

Interest income from loans and leases decreased $126 million, or four percent, compared to the year ended December 31, 2012 primarily due to a decrease of 34 bps in yields on average loans and leases partially offset by an increase of five percent in average loans and leases for the year ended December 31, 2013 compared to 2012. The increase in average loans and leases for the year ended December 31, 2013 was driven primarily by an increase of 15% in average commercial and industrial loans and an increase of eight percent in average residential mortgage loans compared to the year ended December 31, 2012. For more information on the Bancorp's loan and lease portfolio, see the Loans and Leases section of the Balance Sheet Analysis of the MD&A. In addition, interest income from investment securities and other short-term investments decreased $6 million, or one percent, compared to the year ended 2012 primarily due to a 29 bps decrease in the average yield on taxable securities partially offset by an increase of $1.1 billion in average taxable securities.

Average core deposits increased $4.3 billion, or five percent, compared to the year ended December 31, 2012 primarily due to an increase in average money market deposits and average demand deposits partially offset by a decrease in average savings deposits. The cost of interest bearing core deposits decreased to 27 bps for the year ended December 31, 2013 from 31 bps for the year ended December 31, 2012. This decrease was primarily the result of a mix shift to lower cost interest bearing core deposits as a result of run-off of higher priced CDs combined with decreases of 5 bps in the rate paid on average savings deposits and a decrease of 26 bps on average other time deposits compared to the year ended December 31, 2012.

Interest expense on average wholesale funding for the year ended December 31, 2013 decreased $83 million, or 24%, compared to the prior year, primarily due to a decrease in the rates paid on average long-term debt of 59 bps for the year ended December 31, 2013 compared to 2012 coupled with a decrease of $1.1 billion in average long-term debt. The reduction in higher cost long-term debt was primarily the result of the full year impact of the redemption of outstanding TruPS and FHLB debt in the second half of 2012. In the third quarter of 2012, the Bancorp redeemed $1.4 billion of outstanding TruPS which had a 7.25% distribution rate. Additionally, in the fourth quarter of 2012, the Bancorp terminated $1.0 billion of FHLB debt with a fixed rate of 4.56%. These decreases were partially offset by the issuance of $1.3 billion of unsecured senior bank notes in the first quarter of 2013. Refer to the Borrowings section of MD&A for additional information on the Bancorp's changes in average borrowings. During the years ended December 31, 2013 and 2012, wholesale funding represented 24% of interest-bearing liabilities. For more information on the Bancorp's interest rate risk management, including estimated earnings sensitivity to changes in market interest rates, see the Market Risk Management section of MD&A.

TABLE 5: CONSOLIDATED AVERAGE BALANCE SHEET AND ANALYSIS OF NET INTEREST INCOME

For the years ended December 31	2013			2012			2011		
($ in millions)	Average Balance	Revenue/ Cost	Average Yield/ Rate	Average Balance	Revenue/ Cost	Average Yield/ Rate	Average Balance	Revenue/ Cost	Average Yield/ Rate
Assets									
Interest-earning assets:									
Loans and leases:[(a)]									
Commercial and industrial loans	**$ 37,770**	**$ 1,361**	**3.60 %**	$ 32,911	$ 1,349	4.10 %	$ 28,546	$ 1,240	4.34 %
Commercial mortgage	**8,481**	**306**	**3.60**	9,686	369	3.81	10,447	417	3.99
Commercial construction	**793**	**27**	**3.45**	835	25	2.99	1,740	53	3.06
Commercial leases	**3,565**	**116**	**3.26**	3,502	127	3.62	3,341	133	3.99
Subtotal – commercial	**50,609**	**1,810**	**3.58**	46,934	1,870	3.98	44,074	1,843	4.18
Residential mortgage loans	**14,428**	**564**	**3.91**	13,370	543	4.06	11,318	503	4.45
Home equity	**9,554**	**355**	**3.71**	10,369	393	3.79	11,077	433	3.91
Automobile loans	**12,021**	**373**	**3.10**	11,849	439	3.70	11,352	530	4.67
Credit card	**2,121**	**209**	**9.87**	1,960	192	9.79	1,864	184	9.86
Other consumer loans/leases	**360**	**155**	**42.93**	340	155	45.32	529	136	25.77
Subtotal – consumer	**38,484**	**1,656**	**4.30**	37,888	1,722	4.54	36,140	1,786	4.94
Total loans and leases	**89,093**	**3,466**	**3.89**	84,822	3,592	4.23	80,214	3,629	4.52
Securities:									
Taxable	**16,395**	**518**	**3.16**	15,262	527	3.45	15,334	596	3.89
Exempt from income taxes[(a)]	**49**	**3**	**5.29**	57	2	3.29	103	6	5.41
Other short-term investments	**2,417**	**6**	**0.26**	1,495	4	0.26	2,031	5	0.25
Total interest-earning assets	**107,954**	**3,993**	**3.70**	101,636	4,125	4.06	97,682	4,236	4.34
Cash and due from banks	**2,482**			2,355			2,352		
Other assets	**15,053**			15,695			15,335		
Allowance for loan and lease losses	**(1,757)**			(2,072)			(2,703)		
Total assets	**$ 123,732**			$ 117,614			$ 112,666		
Liabilities and Equity									
Interest-bearing liabilities:									
Interest checking	**$ 23,582**	**$ 53**	**0.23 %**	$ 23,096	$ 49	0.22 %	$ 18,707	$ 49	0.26 %
Savings	**18,440**	**22**	**0.12**	21,393	37	0.17	21,652	67	0.31
Money market	**9,467**	**23**	**0.25**	4,903	11	0.22	5,154	14	0.27
Foreign office deposits	**1,501**	**4**	**0.28**	1,528	4	0.27	3,490	10	0.28
Other time deposits	**3,760**	**50**	**1.33**	4,306	68	1.59	6,260	140	2.23
Certificates - $100,000 and over	**6,339**	**50**	**0.78**	3,102	46	1.48	3,656	72	1.97
Other deposits	**17**	**-**	**0.11**	27	-	0.13	7	-	0.03
Federal funds purchased	**503**	**1**	**0.12**	560	1	0.14	345	-	0.11
Other short-term borrowings	**3,024**	**5**	**0.18**	4,246	8	0.18	2,777	3	0.12
Long-term debt	**7,914**	**204**	**2.58**	9,043	288	3.17	10,154	306	3.01
Total interest-bearing liabilities	**74,547**	**412**	**0.55**	72,204	512	0.71	72,202	661	0.92
Demand deposits	**29,925**			27,196			23,389		
Other liabilities	**4,917**			4,462			4,189		
Total liabilities	**109,389**			103,862			99,780		
Total equity	**14,343**			13,752			12,886		
Total liabilities and equity	**$ 123,732**			$ 117,614			$ 112,666		
Net interest income		**$ 3,581**			$ 3,613			$ 3,575	
Net interest margin			**3.32 %**			3.55 %			3.66 %
Net interest rate spread			**3.15**			3.35			3.42
Interest-bearing liabilities to interest-earning assets			**69.05**			71.04			73.92

(a) *The FTE adjustments included in the above table are **$20** for the year ended **December 31, 2013** and $18 for the years ended 2012 and 2011. The federal statutory rate utilized was 35% for all periods presented.*

TABLE 6: CHANGES IN NET INTEREST INCOME ATTRIBUTABLE TO VOLUME AND YIELD/RATE[(a)]

For the years ended December 31		**2013 Compared to 2012**				2012 Compared to 2011		
($ in millions)		Volume	Yield/Rate	Total		Volume	Yield/Rate	Total
Assets								
Interest-earning assets:								
Loans and leases:								
Commercial and industrial loans	**$**	**187**	**(175)**	**12**	$	180	(71)	109
Commercial mortgage		**(44)**	**(19)**	**(63)**		(30)	(18)	(48)
Commercial construction		**(2)**	**4**	**2**		(27)	(1)	(28)
Commercial leases		**2**	**(13)**	**(11)**		7	(13)	(6)
Subtotal – commercial loans and leases		**143**	**(203)**	**(60)**		130	(103)	27
Residential mortgage loans		**42**	**(21)**	**21**		87	(47)	40
Home equity		**(31)**	**(7)**	**(38)**		(27)	(13)	(40)
Automobile loans		**6**	**(72)**	**(66)**		23	(114)	(91)
Credit card		**15**	**2**	**17**		9	(1)	8
Other consumer loans/leases		**8**	**(8)**	**-**		(59)	78	19
Subtotal – consumer loans and leases		**40**	**(106)**	**(66)**		33	(97)	(64)
Total loans and leases		**183**	**(309)**	**(126)**		163	(200)	(37)
Securities:								
Taxable		**38**	**(47)**	**(9)**		(2)	(67)	(69)
Exempt from income taxes		**1**	**-**	**1**		(2)	(2)	(4)
Other short-term investments		**2**	**-**	**2**		(1)	-	(1)
Subtotal – securities and other short-term investments		**41**	**(47)**	**(6)**		(5)	(69)	(74)
Total change in interest income	**$**	**224**	**(356)**	**(132)**	$	158	(269)	(111)
Liabilities								
Interest-bearing liabilities:								
Interest checking	**$**	**-**	**4**	**4**	$	9	(9)	-
Savings		**(4)**	**(11)**	**(15)**		-	(30)	(30)
Money market		**11**	**1**	**12**		(1)	(2)	(3)
Foreign office deposits		**-**	**-**	**-**		(6)	-	(6)
Other time deposits		**(8)**	**(10)**	**(18)**		(38)	(34)	(72)
Certificates - $100,000 and over		**33**	**(29)**	**4**		(10)	(16)	(26)
Federal funds purchased		**-**	**-**	**-**		1	-	1
Other short-term borrowings		**(3)**	**-**	**(3)**		3	2	5
Long-term debt		**(34)**	**(50)**	**(84)**		(34)	16	(18)
Total change in interest expense		**(5)**	**(95)**	**(100)**		(76)	(73)	(149)
Total change in net interest income	**$**	**229**	**(261)**	**(32)**	$	234	(196)	38

(a) *Changes in interest not solely due to volume or yield/rate are allocated in proportion to the absolute dollar amount of change in volume and yield/rate.*

Provision for Loan and Lease Losses

The Bancorp provides as an expense an amount for probable loan and lease losses within the loan and lease portfolio that is based on factors previously discussed in the Critical Accounting Policies section. The provision is recorded to bring the ALLL to a level deemed appropriate by the Bancorp to cover losses inherent in the portfolio. Actual credit losses on loans and leases are charged against the ALLL. The amount of loans actually removed from the Consolidated Balance Sheets is referred to as charge-offs. Net charge-offs include current period charge-offs less recoveries on previously charged-off loans and leases.

The provision for loan and lease losses decreased to $229 million in 2013 compared to $303 million in 2012. The decrease in provision expense for 2013 compared to the prior year was due to decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases, and improvement in underlying loss trends. The ALLL declined $272 million from $1.9 billion at December 31, 2012 to $1.6 billion at December 31, 2013. As of December 31, 2013, the ALLL as a percent of portfolio loans and leases decreased to 1.79%, compared to 2.16% at December 31, 2012.

Refer to the Credit Risk Management section of the MD&A as well as Note 6 of the Notes to Consolidated Financial Statements for more detailed information on the provision for loan and lease losses, including an analysis of loan portfolio composition, nonperforming assets, net charge-offs, and other factors considered by the Bancorp in assessing the credit quality of the loan and lease portfolio and the ALLL.

Noninterest Income

Noninterest income increased $228 million, or eight percent, for the year ended December 31, 2013 compared to the year ended December 31, 2012. The components of noninterest income are as follows:

TABLE 7: NONINTEREST INCOME

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Mortgage banking net revenue	$	**700**	845	597	647	553
Service charges on deposits		**549**	522	520	574	632
Corporate banking revenue		**400**	413	350	364	372
Investment advisory revenue		**393**	374	375	361	326
Card and processing revenue		**272**	253	308	316	615
Gain on sale of the processing business		**-**	-	-	-	1,758
Other noninterest income		**879**	574	250	406	479
Securities gains (losses), net		**21**	15	46	47	(10)
Securities gains, net, non-qualifying hedges on mortgage servicing rights		**13**	3	9	14	57
Total noninterest income	$	**3,227**	2,999	2,455	2,729	4,782

Mortgage banking net revenue

Mortgage banking net revenue decreased $145 million, or 17%, in 2013 compared to 2012. The components of mortgage banking net revenue are as follows:

TABLE 8: COMPONENTS OF MORTGAGE BANKING NET REVENUE

For the years ended December 31 ($ in millions)		2013	2012	2011
Origination fees and gains on loan sales	$	**453**	821	396
Net mortgage servicing revenue:				
Gross mortgage servicing fees		**251**	250	234
Mortgage servicing rights amortization		**(166)**	(186)	(135)
Net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge MSR		**162**	(40)	102
Net mortgage servicing revenue		**247**	24	201
Mortgage banking net revenue	$	**700**	845	597

Origination fees and gains on loan sales decreased $368 million in 2013 compared to 2012 primarily as the result of a decrease in profit margins on sold residential mortgage loans coupled with an 11% decrease in residential mortgage loan originations. Residential mortgage loan originations decreased to $22.3 billion in 2013 from $25.2 billion in 2012. The decrease in originations is primarily due to a decrease in refinancing activity during the second half of 2013 as mortgage rates continued to rise and fewer borrowers were able to achieve savings by refinancing their mortgages.

Net servicing revenue is comprised of gross servicing fees and related servicing rights amortization as well as valuation adjustments on MSRs and mark-to-market adjustments on both settled and outstanding free-standing derivative financial instruments used to economically hedge the MSR portfolio. Net servicing revenue increased $223 million in 2013 compared to 2012 driven primarily by increases of $202 million in net valuation adjustments. Additionally, servicing rights amortization decreased by $20 million in 2013 compared to 2012 driven by lower prepayments due to an increase in interest rates in 2013 compared to 2012.

The net valuation adjustment gain of $162 million during 2013 included a recovery of temporary impairment of $192 million on MSRs partially offset by $30 million in losses from derivatives economically hedging the MSRs. The net valuation adjustment loss of $40 million during 2012 included $103 million of temporary impairment on the MSRs partially offset by $63 million in gains from derivatives economically hedging the MSRs. Servicing rights are deemed impaired when a borrower's loan rate is distinctly higher than prevailing rates. Impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower's loan rate. Mortgage rates increased during 2013 which caused modeled prepayments speeds to slow, and led to the recovery of temporary impairment on servicing rights during the year. Mortgage rates decreased in 2012 causing modeled prepayment speeds to increase, which led to the temporary impairment on servicing rights in 2012. Further detail on the valuation of MSRs can be found in Note 11 of the Notes to Consolidated Financial Statements. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the valuation on the MSR portfolio. See Note 12 of the Notes to Consolidated Financial Statements for more information on the free-standing derivatives used to economically hedge the MSR portfolio.

In addition to the derivative positions used to economically hedge the MSR portfolio, the Bancorp acquires various securities as a component of its non-qualifying hedging strategy. The Bancorp recognized net gains of $13 million and $3 million during the years ended 2013 and 2012, respectively, recorded in securities gains, net, non-qualifying hedges on mortgage servicing rights in the Bancorp's Consolidated Statement of Income.

The Bancorp's total residential loans serviced as of December 31, 2013 and 2012 was $82.7 billion and $77.3 billion, respectively, with $69.2 billion and $62.5 billion, respectively, of residential mortgage loans serviced for others.

Service charges on deposits

Service charges on deposits increased $27 million in 2013 compared to 2012. Commercial deposit revenue increased $17 million in 2013 compared to 2012 primarily due to increased treasury management fees as a result of pricing changes implemented in the third quarter of 2012 and the third quarter of 2013 and the acquisition of new customers. Consumer deposit revenue increased $10 million due to an increase in consumer checking fees due to new deposit product

offerings partially offset by the elimination of daily overdraft fees on continuing consumer overdraft positions which took effect in the second quarter of 2012.

Corporate banking revenue

Corporate banking revenue decreased $13 million in 2013 compared to 2012. The decrease from the prior year was primarily the result of a decrease in lease remarketing fees partially offset by an increase in syndication fees. The decline in lease remarketing fees was driven by a $9 million write-down of equipment value on an operating lease during the fourth quarter of 2013.

Investment advisory revenue

Investment advisory revenue increased $19 million in 2013 compared to 2012. The increase was primarily due to an increase of $17 million in securities and brokerage fees due to strong production and an increase in equity and bond market values coupled with an increase of $15 million in private client service fees, partially offset by a decrease in mutual fund fees. Due to the sale of certain funds by ClearArc Capital, Inc., formerly Fifth Third Asset Management, during the third quarter of 2012, mutual fund fees decreased $13 million in 2013 compared to 2012. The Bancorp had approximately $302 billion and $308 billion in total assets under care as of December 31, 2013 and December 31, 2012, respectively, and managed $27 billion in assets for individuals, corporations and not-for-profit organizations as of December 31, 2013 and 2012.

Card and processing revenue

Card and processing revenue increased $19 million in 2013 compared to 2012. The increase was primarily the result of higher transaction volumes. Debit card interchange revenue, included in card and processing revenue, was $122 million and $119 million for the years ended December 31, 2013 and 2012, respectively.

Other noninterest income

The major components of other noninterest income are as follows:

TABLE 9: COMPONENTS OF OTHER NONINTEREST INCOME

For the years ended December 31 ($ in millions)	**2013**	2012	2011
Gain on sale of Vantiv, Inc. shares and Vantiv, Inc. IPO	$ **336**	272	-
Valuation adjustments on the warrant and put options associated with Vantiv Holding, LLC	**206**	67	39
Equity method income from interest in Vantiv Holding, LLC	**77**	61	57
Operating lease income	**75**	60	58
BOLI income	**52**	35	41
Cardholder fees	**47**	46	41
Banking center income	**34**	32	27
Consumer loan and lease fees	**27**	27	31
Insurance income	**25**	28	28
Gain on loan sales	**3**	20	37
TSA revenue	**1**	1	21
Loss on OREO	**(26)**	(57)	(71)
Loss on swap associated with the sale of Visa, Inc. class B shares	**(31)**	(45)	(83)
Other, net	**53**	27	24
Total other noninterest income	$ **879**	574	250

Other noninterest income increased $305 million in 2013 compared to 2012. The positive valuation adjustments on the stock warrant associated with Vantiv Holding, LLC increased $139 million in 2013 compared to 2012. In addition, gains of $242 million and $85 million on the sale of Vantiv, Inc. shares were recorded in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO recorded in the first quarter of 2012 and a $157 million gain from the sale of Vantiv, Inc. shares during the fourth quarter of 2012. The Bancorp recognized a gain of $9 million associated with a tax receivable agreement with Vantiv, Inc. in the fourth quarter of 2013. The equity method earnings from the Bancorp's interest in Vantiv Holding, LLC increased $16 million from 2012.

BOLI income increased $17 million in 2013 compared to 2012 primarily due to a $10 million settlement in the second quarter of 2013 related to a previously surrendered BOLI policy. The loss on OREO decreased $31 million from 2012 due to a decrease in OREO balances year over year and a decrease in losses on commercial real estate in 2013 relating to fair value adjustments on OREO. Additionally, the Bancorp recognized $31 million and $45 million in negative valuation adjustments related to the Visa total return swap for the years ended December 31, 2013 and 2012, respectively. For additional information on the valuation of the swap associated with the sale of Visa, Inc. Class B shares and the valuation of the warrant and put options associated with the sale of Vantiv Holding, LLC, see Note 27 of the Notes to Consolidated Financial Statements.

The "other" caption increased $26 million for the year ended 2013 compared to 2012. The increase was primarily due to a decrease in lower of cost or market adjustments associated with the bank premises as the Bancorp recorded $6 million in lower of cost or market adjustments in 2013 compared to $21 million in 2012. Additionally, in response to the issuance of the Volcker Rule, the Bancorp recognized $4 million of OTTI on certain investments in private equity funds in 2013.

TABLE 10: NONINTEREST EXPENSE

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Salaries, wages and incentives	$	**1,581**	1,607	1,478	1,430	1,339
Employee benefits		**357**	371	330	314	311
Net occupancy expense		**307**	302	305	298	308
Technology and communications		**204**	196	188	189	181
Card and processing expense		**134**	121	120	108	193
Equipment expense		**114**	110	113	122	123
Other noninterest expense		**1,264**	1,374	1,224	1,394	1,371
Total noninterest expense	$	**3,961**	4,081	3,758	3,855	3,826
Efficiency ratio		**58.2** %	61.7	62.3	60.7	46.9

Noninterest Expense

Total noninterest expense decreased $120 million, or three percent, in 2013 compared to 2012 primarily due to a decrease in total personnel costs (salaries, wages and incentives plus employee benefits) and other noninterest expense. Total personnel costs decreased $40 million, or two percent, in 2013 compared to 2012 primarily due to a decrease in incentive compensation driven by the mortgage business due to lower production levels in 2013, a decrease in base compensation, and a decrease in the number of full time equivalent employees from 2012. Full time equivalent employees totaled 19,446 at December 31, 2013 compared to 20,798 at December 31, 2012.

The major components of other noninterest expense are as follows:

TABLE 11: COMPONENTS OF OTHER NONINTEREST EXPENSE

For the years ended December 31 ($ in millions)		2013	2012	2011
Losses and adjustments	$	**221**	187	129
Loan and lease		**158**	183	195
FDIC insurance and other taxes		**127**	114	201
Marketing		**114**	128	115
Impairment of affordable housing investments		**108**	90	85
Professional service fees		**76**	56	58
Operating lease		**57**	43	41
Travel		**54**	52	52
Postal and courier		**48**	48	49
Data processing		**42**	40	29
Recruitment and education		**26**	28	31
Insurance		**17**	18	25
OREO expense		**16**	21	34
Supplies		**16**	17	18
Intangible asset amortization		**8**	13	22
Loss (gain) on debt extinguishment		**8**	169	(8)
Benefit from the reserve for unfunded commitments and letters of credit		**(17)**	(2)	(46)
Other, net		**185**	169	194
Total other noninterest expense	$	**1,264**	1,374	1,224

Total other noninterest expense decreased $110 million, or eight percent, in 2013 compared to 2012 primarily due to a decline in debt extinguishment costs, decreases in loan and lease expenses and an increase in the benefit from the reserve for unfunded commitments and letters of credit, partially offset by increases in losses and adjustments and FDIC insurance and other taxes.

Debt extinguishment costs decreased $161 million in 2013 compared to 2012. During the fourth quarter of 2013, the Bancorp incurred $8 million of debt extinguishment costs associated with the redemption of outstanding TruPS issued by Fifth Third Capital Trust IV. During the third quarter of 2012, the Bancorp incurred $26 million of debt extinguishment costs associated with the redemption of the outstanding TruPS issued by Fifth Third Capital Trust V and Fifth Third Capital Trust VI. In addition, during the fourth quarter of 2012, the Bancorp incurred $134 million of debt extinguishment costs associated with the termination of $1 billion of FHLB debt. Loan and lease expenses decreased $25 million in 2013 compared to 2012 primarily due to a decrease in legal costs related to OREO and a decrease in loan closing fees due to a decline in mortgage originations. The benefit from the reserve for unfunded commitments and letters of credit was $17 million and $2 million in 2013 and 2012, respectively. The increase in the benefit recognized reflects a decrease in estimated loss rates related to unfunded commitments and letters of credit due to improved credit trends partially offset by an increase in unfunded commitments for which the Bancorp holds reserves.

Losses and adjustments increased $34 million in 2013 compared to 2012 primarily due to an increase in litigation expense partially offset by a decrease in representation and warranty expense. Litigation expense increased $127 million in 2013 compared to 2012 due to increased litigation and regulatory activity. The provision for representation and warranty claims decreased $92 million in 2013 compared to 2012 due to the Bancorp recording significant additions to the reserve in 2012 as the result of additional information obtained from FHLMC regarding their file selection criteria which enabled the Bancorp to better estimate the losses that were probable on loans sold to FHLMC with representation and warranty provisions. In addition, 2013 included a decrease in the representation and warranty reserve due to improving underlying repurchase metrics and the settlement with FHLMC.

Additionally, FDIC insurance and other taxes increased $13 million in 2013 compared to 2012 primarily due to a $23 million

reduction in other taxes in the first quarter of 2012 from an agreement reached on certain disputes for non-income tax related assessments.

The Bancorp continues to focus on efficiency initiatives as part of its core emphasis on operating leverage and expense control. The efficiency ratio (noninterest expense divided by the sum of net interest income (FTE) and noninterest income) was 58.2% for 2013 compared to 61.7% in 2012.

Applicable Income Taxes

Applicable income tax expense for all periods includes the benefit from tax-exempt income, tax-advantaged investments, certain gains on sales of leveraged leases that are exempt from federal taxation, and tax credits, partially offset by the effect of certain nondeductible expenses. The tax credits are associated with the Low-Income Housing Tax Credit program established under Section 42 of the IRC, the New Markets Tax Credit program established under Section 45D of the IRC, the Rehabilitation Investment Tax Credit program established under Section 47 of the IRC, and the Qualified Zone Academy Bond program established under Section 1397E of the IRC.

The effective tax rates for the years ended December 31, 2013 and December 31, 2012 were primarily impacted by $155 million and $149 million, respectively, in tax credits, $9 million and $19 million, respectively, of non-cash charges relating to previously recognized tax benefits associated with stock-based compensation that were not realized, and $27 million and $46 million, respectively, of tax-exempt income, which includes net interest income on tax-exempt investments, income on life insurance policies held by the Bancorp, and certain gains on the sale of leases that are exempt from federal taxation.

As required under U.S. GAAP, the Bancorp established a deferred tax asset for stock-based awards granted to its employees. When the actual tax deduction for these stock-based awards is less than the expense previously recognized for financial reporting or when the awards expire unexercised, the Bancorp is required to write-off the deferred tax asset previously established for these stock-based awards. As a result of the expiration of certain stock options and SARs and the lapse of restrictions on certain shares of restricted stock during the year ended December 31, 2013, the Bancorp recorded additional income tax expense of approximately $9 million related to the write-off of a portion of the deferred tax asset previously established.

As a result of the Bancorp's stock price at December 31, 2013, the Bancorp does not believe it will need to recognize a material non-cash charge to income tax expense over the next twelve months related to stock-based awards. However, the Bancorp cannot predict its stock price or whether its employees will exercise other stock-based awards with lower exercise prices in the future. Therefore, it is possible the Bancorp may need to recognize a non-cash charge to income tax expense in the future.

The Bancorp's income before income taxes, applicable income tax expense and effective tax rate are as follows:

TABLE 12: APPLICABLE INCOME TAXES

For the years ended December 31 ($ in millions)	2013	2012	2011	2010	2009
Income before income taxes	$ **2,598**	2,210	1,831	940	767
Applicable income tax expense	**772**	636	533	187	30
Effective tax rate	**29.7** %	28.8	29.1	19.8	3.9

BUSINESS SEGMENT REVIEW

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Additional detailed financial information on each business segment is included in Note 30 of the Notes to Consolidated Financial Statements. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices or businesses change.

The Bancorp manages interest rate risk centrally at the corporate level and employs a FTP methodology at the business segment level. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan and deposit products. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2013 to reflect the current market rates and updated duration assumptions. These rates were generally higher than those in place during 2012, thus net interest income for deposit providing businesses was positively impacted during 2013.

The business segments are charged provision expense based on the actual net charge-offs experienced on the loans and leases owned by each segment. Provision expense attributable to loan and lease growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

Net income by business segment is summarized in the following table:

TABLE 13: BUSINESS SEGMENT NET INCOME AVAILABLE TO COMMON SHAREHOLDERS

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income Statement Data				
Commercial Banking	$	**766**	694	441
Branch Banking		**255**	186	190
Consumer Lending		**183**	223	56
Investment Advisors		**68**	43	24
General Corporate & Other		**554**	428	587
Net income		**1,826**	1,574	1,298
Less: Net income attributable to noncontrolling interests		**(10)**	(2)	1
Net income attributable to Bancorp		**1,836**	1,576	1,297
Dividends on preferred stock		**37**	35	203
Net income available to common shareholders	$	**1,799**	1,541	1,094

Commercial Banking

Commercial Banking offers credit intermediation, cash management and financial services to large and middle-market businesses and government and professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance.

The following table contains selected financial data for the Commercial Banking segment:

TABLE 14: COMMERCIAL BANKING

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income Statement Data				
Net interest income (FTE)[(a)]	$	**1,507**	1,449	1,374
Provision for loan and lease losses		**187**	223	490
Noninterest income:				
Corporate banking revenue		**386**	395	332
Service charges on deposits		**242**	225	207
Other noninterest income		**152**	117	102
Noninterest expense:				
Salaries, incentives and benefits		**273**	268	240
Other noninterest expense		**870**	838	833
Income before taxes		**957**	857	452
Applicable income tax expense[(a)(b)]		**191**	163	11
Net income	$	**766**	694	441
Average Balance Sheet Data				
Commercial loans, including held for sale	$	**45,035**	41,364	38,384
Demand deposits		**15,255**	15,046	13,130
Interest checking		**6,908**	7,613	7,901
Savings and money market		**4,284**	2,669	2,776
Other time and certificates - $100,000 and over		**1,299**	1,793	1,778
Foreign office deposits and other deposits		**1,467**	1,282	1,581

(a) *Includes FTE adjustments of **$20** for the year ended **December 31, 2013** and $17 for the years ended December 31, 2012 and 2011.*
(b) *Applicable income tax expense for all periods includes the tax benefit from tax-exempt income and business tax credits, partially offset by the effect of certain nondeductible expenses. Refer to the Applicable Income Taxes section of the MD&A for additional information.*

Comparison of 2013 with 2012

Net income was $766 million for the year ended December 31, 2013, compared to net income of $694 million for the year ended December 31, 2012. The increase in net income was primarily driven by increases in net interest income and noninterest income and a decrease in the provision for loan and lease losses, partially offset by higher noninterest expense.

Net interest income increased $58 million primarily due to an increase in interest income related to an increase in average commercial and industrial portfolio loans, a decrease in the FTP charges on loans and an increase in FTP credits due to an increase in savings and money market deposits, partially offset by a decrease in yields of 29 bps on average commercial loans and a decrease in average commercial mortgage portfolio loans.

Provision for loan and lease losses decreased $36 million from 2012 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 42 bps for 2013 compared to 54 bps for 2012.

Noninterest income increased $43 million from 2012 to 2013, due to increases in service charges on deposits and other noninterest income, partially offset by a decrease in corporate banking revenue. Service charges on deposits increased $17 million from 2012 primarily driven by commercial deposit revenue which increased due to fee repricing and the acquisition of new customers. The increase in other noninterest income was primarily due to decreases in negative valuation adjustments on OREO, increases in operating lease income, and decreases in negative valuation adjustments on loans held for sale, partially offset by decreases in gains on loan sales. The decrease in corporate banking revenue was primarily driven by a decrease in lease remarketing and letter of credit fees, partially offset by increases in syndication, business lending and foreign exchange fees.

Noninterest expense increased $37 million from the prior year as a result of increases in salaries, incentives and benefits and other noninterest expense. The increase in salaries, incentives and benefits of $5 million was primarily the result of an increase in base compensation primarily driven by improved production levels. The increase from 2012 to 2013 in other noninterest expense was driven by increases in both impairment on affordable housing investments and operating lease expense. These increases were partially offset by a decrease in loan and lease expense, primarily due to a decrease in legal costs related to OREO, and a decrease in corporate overhead allocations.

Average commercial loans increased $3.7 billion compared to the prior year primarily due to an increase in average commercial and industrial loans, partially offset by a decrease in average commercial mortgage loans. Average commercial and industrial portfolio loans increased $4.8 billion as a result of an increase in new origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Average commercial mortgage portfolio loans decreased $1.1 billion due to continued run-off as the level of new originations was less than the repayments of the existing portfolio.

Average core deposits increased $1.3 billion compared to 2012. The increase was primarily driven by strong growth in savings and money market deposits, which increased $1.6 billion, and demand deposits, which increased $209 million, compared to the prior year, partially offset by a decrease in interest checking deposits of $705 million.

Comparison of 2012 with 2011

Net income was $694 million for the year ended December 31, 2012, compared to net income of $441 million for the year ended December 31, 2011. The increase in net income was primarily driven by a decrease in the provision for loan and lease losses and increases in noninterest income and net interest income, partially offset by higher noninterest expense.

Net interest income increased $75 million primarily due to an increase in interest income related to an increase in average commercial and industrial portfolio loans and a decrease in the FTP charges on loans, partially offset by a decrease in yields of 12 bps on average commercial loans. Provision for loan and lease losses decreased $267 million from 2011 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 54 bps for 2012 compared to 128 bps for 2011.

Noninterest income increased $96 million from 2011 to 2012, due to increases in corporate banking revenue, service charges on deposits and other noninterest income. The increase in corporate banking revenue was primarily driven by increases in syndication fees, business lending fees, lease remarketing fees and institutional sales. Service charges on deposits increased from 2011 primarily due to new customer relationships. The increase in other noninterest income was primarily due to a decrease in net losses and valuation adjustments recognized on the sale of loans and OREO.

Noninterest expense increased $33 million from 2011 as a result of increases in salaries, incentives and benefits and other noninterest expense. The increase in salaries, incentives and benefits of $28 million was primarily the result of increased base and incentive compensation due to improved production levels. The increase from 2011 to 2012 in other noninterest expense was due to higher corporate overhead allocations as a result of strategic growth initiatives, partially offset by a decrease in loan and lease expenses and recognized derivative credit losses.

Average commercial loans increased $3.0 billion compared to the prior year. Average commercial and industrial loans increased $4.5 billion from 2011 as a result of an increase in new loan origination activity, partially offset by decreases in average commercial mortgage and construction loans. Average commercial mortgage loans decreased $827 million and average commercial construction loans decreased $836 million due to continued run-off as the level of new originations was below the level of repayments on the current portfolio.

Average core deposits increased $1.2 billion compared to 2011. The increase was primarily driven by strong growth in demand deposit accounts, which increased $1.9 billion compared to the prior year. The increase in demand deposit accounts was partially offset by decreases in interest-bearing deposits of $698 million as customers opted to maintain their balances in more liquid accounts due to interest rates remaining near historical lows.

Branch Banking

Branch Banking provides a full range of deposit and loan and lease products to individuals and small businesses through 1,320 full-service Banking Centers. Branch Banking offers depository and loan products, such as checking and savings accounts, home equity loans and lines of credit, credit cards and loans for automobiles and other personal financing needs, as well as products designed to meet the specific needs of small businesses, including cash management services.

The following table contains selected financial data for the Branch Banking segment:

TABLE 15: BRANCH BANKING

For the years ended December 31 ($ in millions)		2013	2012	2011
Income Statement Data				
Net interest income	$	**1,461**	1,362	1,423
Provision for loan and lease losses		**217**	294	393
Noninterest income:				
Service charges on deposits		**304**	294	309
Card and processing revenue		**291**	279	305
Investment advisory revenue		**148**	129	117
Other noninterest income		**111**	110	106
Noninterest expense:				
Salaries, incentives and benefits		**584**	573	581
Net occupancy and equipment expense		**243**	241	235
Card and processing expense		**126**	115	114
Other noninterest expense		**752**	663	645
Income before taxes		**393**	288	292
Applicable income tax expense		**138**	102	102
Net income	$	**255**	186	190
Average Balance Sheet Data				
Consumer loans, including held for sale	$	**15,223**	14,926	14,151
Commercial loans, including held for sale		**4,534**	4,569	4,621
Demand deposits		**12,611**	10,087	8,408
Interest checking		**9,028**	9,262	8,086
Savings and money market		**22,813**	22,729	22,241
Other time and certificates - $100,000 and over		**4,712**	5,389	7,778

Comparison of 2013 with 2012

Net income was $255 million for the year ended December 31, 2013, compared to net income of $186 million for the year ended December 31, 2012. The increase in net income of $69 million was driven by an increase in net interest income and noninterest income and a decline in the provision for loan and lease losses, partially offset by an increase in noninterest expense.

Net interest income increased $99 million compared to the prior year primarily driven by an increase in the FTP credits due to an increase in savings and money market and interest checking deposits, a decrease in the FTP charges on loans and leases, a decline in interest expense on core deposits due to favorable shifts from certificates of deposit to lower cost transaction deposits and an increase in average consumer loans and leases. These increases to net interest income were partially offset by lower yields on average commercial loans.

Provision for loan and lease losses for 2013 decreased $77 million compared to the prior year as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 110 bps for 2013 compared to 151 bps for 2012.

Noninterest income increased $42 million compared to the prior year. The increase was primarily driven by increases in investment advisory revenue, card and processing revenue and service charges on deposits. Investment advisory revenue increased $19 million from 2012 primarily due to increased securities and brokerage fees due to an increase in equity and bond market values. Card and processing revenue increased $12 million compared to the prior year due to higher transaction volumes, higher levels of consumer spending and the benefit of new products. Service charges on deposits increased $10 million from 2012 primarily due to an increase in account maintenance fees due to the full year impact of new deposit product offerings.

Noninterest expense increased $113 million compared to the prior year, primarily driven by increases in salaries, incentives and benefits, card and processing expense and other noninterest expense. Salaries, incentives and benefits increased compared to the prior year primarily due to an increase in bonus and incentive compensation associated with improved securities and brokerage revenue. Card and processing expense increased from 2012 due primarily to increases in debit and credit card transaction volumes, consumer spending, fraud insurance costs and credit card rewards expense. The increase in other noninterest expense was primarily due to increases in corporate overhead allocations during 2013 compared to 2012.

Average consumer loans increased $297 million in 2013 primarily due to increases in average residential mortgage portfolio loans of $942 million compared to the prior year as a result of continued retention of certain shorter term residential mortgage loans. In addition, average credit card loans increased due to increases in average balances per account and the volume of new customers. These increases were partially offset by decreases in average home equity portfolio loans of $743 million from 2012 as payoffs exceeded new loan production.

Average core deposits increased $1.8 billion compared to the prior year as the growth in demand deposits due to excess customer liquidity and a continued low interest rate environment was partially offset by the run-off of higher priced other time deposits.

Comparison of 2012 with 2011

Net income decreased $4 million compared to 2011, driven by a decrease in net interest income and noninterest income and an increase in noninterest expense, partially offset by a decline in the provision for loan and lease losses. Net interest income decreased $61 million compared to 2011 primarily driven by decreases in the FTP credits for checking and savings products and lower yields on average commercial and consumer loans. These decreases were partially offset by higher consumer loan balances and a decline in interest expense on core deposits due to favorable shifts from certificates of deposit to lower cost transaction and savings products.

Provision for loan and lease losses for 2012 decreased $99 million compared to 2011 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 151 bps for 2012 compared to 210 bps for 2011. The decrease was primarily due to decreases in home equity net charge-offs as a result of improvements in several key markets. In addition, net charge-offs were positively impacted by lower commercial net charge-offs due to improved delinquency trends, aggressive line management, and stabilization in unemployment levels.

Noninterest income decreased $25 million compared to 2011. The decrease was primarily driven by lower card and processing revenue, which declined $26 million from 2011 due to the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011, partially offset by higher debit and credit card transaction volumes and the impact of the Bancorp's initial mitigation activity, and allocated commission revenue associated with merchant sales. Service charges on deposits declined $15 million primarily due to the elimination of daily overdraft fees on continuing customer overdraft positions in the second quarter of 2012. These decreases were partially offset by a $12 million increase in investment advisory revenue due to increased amounts from revenue sharing agreements between investment advisors and branch banking.

Noninterest expense increased $17 million, primarily driven by increases in other noninterest expense due to an increase in allocated costs related to higher merchant sales and corporate overhead allocations as a result of strategic growth initiatives, partially offset by a decrease in FDIC insurance expense.

Average consumer loans increased $775 million in 2012 primarily due to increases in average residential mortgage portfolio loans of $1.3 billion due to the retention of certain shorter-term originated mortgage loans. The increases in average residential mortgage portfolio loans was partially offset by decreases in average home equity portfolio loans of $560 million as payoffs exceeded new loan production. Average core deposits increased $1.4 billion compared to 2011 as the growth in transaction accounts due to excess customer liquidity and historically low interest rates outpaced the runoff of higher priced other time deposits.

Consumer Lending

Consumer Lending includes the Bancorp's mortgage, home equity, automobile and other indirect lending activities. Mortgage and home equity lending activities include the origination, retention and servicing of mortgage and home equity loans or lines of credit, sales and securitizations of those loans, pools of loans or lines of credit, and all associated hedging activities. Indirect lending activities include loans to consumers through mortgage brokers and automobile dealers.

The following table contains selected financial data for the Consumer Lending segment:

TABLE 16: CONSUMER LENDING

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income Statement Data				
Net interest income	$	**312**	314	343
Provision for loan and lease losses		**92**	176	261
Noninterest income:				
Mortgage banking net revenue		**687**	830	585
Other noninterest income		**61**	46	45
Noninterest expense:				
Salaries, incentives and benefits		**215**	231	183
Other noninterest expense		**470**	439	443
Income before taxes		**283**	344	86
Applicable income tax expense		**100**	121	30
Net income	$	**183**	223	56
Average Balance Sheet Data				
Residential mortgage loans, including held for sale	$	**10,222**	10,143	9,348
Home equity		**560**	643	730
Automobile loans, including held for sale		**11,409**	11,191	10,665
Other consumer loans and leases		**16**	30	156

Comparison of 2013 with 2012

Net income was $183 million in 2013 compared to net income of $223 million in 2012. The decrease was driven by a decrease in noninterest income and an increase in noninterest expense, partially offset by a decline in the provision for loan and lease losses.

Net interest income decreased $2 million from 2012 due primarily to lower yields on average residential mortgage and automobile loans, partially offset by a decrease in FTP charges on loans and leases and increases in average residential mortgage and average automobile loans.

The provision for loan and lease losses decreased $84 million compared to the prior year as delinquency metrics and underlying loss trends improved across all consumer loan types. Net charge-offs as a percent of average loans and leases decreased to 46 bps for 2013 compared to 88 bps for 2012.

Noninterest income decreased $128 million from 2012 primarily due to a decrease in mortgage banking net revenue of $143 million, partially offset by an increase in other noninterest income of $15 million. The decrease in mortgage banking net revenue was primarily due to a decrease in gains on loan sales of $368 million as a result of a decrease in profit margins on sold residential mortgage loans coupled with a decrease in residential mortgage loan originations, partially offset by a $223 million increase in net residential mortgage servicing revenue. The increase in net residential mortgage servicing revenue was driven by an increase of $202 million in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs and a decrease of $20 million in servicing rights amortization. The increase in other noninterest income was primarily due to a $12 million increase in securities gains and a $7 million decline in losses on the sale of OREO.

Noninterest expense increased $15 million driven by an increase of $31 million in other noninterest expense, partially offset by a decrease of $16 million in salaries, incentives and benefits compared to the prior year. The increase in other noninterest expense was primarily due to higher litigation expense and an increase in corporate overhead allocations, partially offset by a decrease in loan and lease expense due to lower appraisal costs. The decrease in salaries, incentives and benefits was due to a decline in incentive compensation driven primarily by a decline in originations during 2013 compared to 2012, partially offset by an increase in deferred compensation for 2013 compared to 2012.

Average consumer loans and leases increased $200 million from the prior year. Average residential mortgage loans, including held for sale, increased $79 million for 2013 compared to 2012 due to strong refinancing activity that occurred in the first half of 2013. Average automobile loans increased $218 million for the current year compared to the prior year due to an increase in originations primarily driven by modest improvement in general economic conditions and a continued low interest rate environment. Average home equity portfolio loans decreased $83 million for 2013 compared to 2012 as payoffs exceeded new loan production. Average other consumer loans and leases decreased $14 million in the current year resulting from a decrease in average consumer leases due to run-off as the Bancorp discontinued automobile leasing in 2008, partially offset by an increase in average other consumer loans.

Comparison of 2012 with 2011

Net income was $223 million in 2012 compared to net income of $56 million in 2011. The increase was driven by an increase in noninterest income and a decline in the provision for loan and lease losses, partially offset by an increase in noninterest expense and a decrease in net interest income. Net interest income decreased $29 million due to lower yields on average residential mortgage and automobile loans, partially offset by increases in average residential mortgage and average automobile loans and favorable decreases in the FTP charge applied to the segment.

Provision for loan and lease losses decreased $85 million compared to 2011 as delinquency metrics and underlying loss trends improved across all consumer loan types. Net charge-offs as a percent of average loans and leases decreased to 88 bps for 2012 compared to 134 bps for 2011.

Noninterest income increased $246 million primarily due to increases in mortgage banking net revenue of $245 million driven by an increase in gains on residential mortgage loan sales of $424 million due to an increase in profit margins on sold loans coupled with higher origination volumes. This increase was partially offset by a decrease in net residential mortgage servicing revenue of $178 million, primarily driven by a decrease of $142 million in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs.

Noninterest expense increased $44 million driven by salaries, incentives and benefits which increased $48 million primarily as a result of higher mortgage loan originations.

Average consumer loans and leases increased $1.1 billion from 2011. Average automobile loans increased $526 million due to a strategic focus to increase automobile lending throughout 2011 and 2012 through consistent and competitive pricing, disciplined sales execution, and enhanced customer service with our dealership network. Average residential mortgage loans increased $795 million as a result of higher origination volumes. Average home equity loans decreased $87 million due to continued runoff in the discontinued brokered home equity product. Average consumer leases decreased $126 million due to runoff as the Bancorp discontinued this product in the fourth quarter of 2008.

Investment Advisors

Investment Advisors provides a full range of investment alternatives for individuals, companies and not-for-profit organizations. Investment Advisors is made up of four main businesses: FTS, an indirect wholly-owned subsidiary of the Bancorp; ClearArc Capital, Inc. (formerly FTAM), an indirect wholly-owned subsidiary of the Bancorp; Fifth Third Private Bank; and Fifth Third Institutional Services. FTS offers full service retail brokerage services to individual clients and broker dealer services to the institutional marketplace. ClearArc Capital, Inc. provides asset management services and previously advised the Bancorp's proprietary family of mutual funds. Fifth Third Private Bank offers holistic strategies to affluent clients in wealth planning, investing, insurance and wealth protection. Fifth Third Institutional Services provides advisory services for institutional clients including states and municipalities.

The following table contains selected financial data for the Investment Advisors segment:

TABLE 17: INVESTMENT ADVISORS

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Income Statement Data				
Net interest income	$	**154**	117	113
Provision for loan and lease losses		**2**	10	27
Noninterest income:				
Investment advisory revenue		**384**	366	364
Other noninterest income		**22**	30	9
Noninterest expense:				
Salaries, incentives and benefits		**159**	161	164
Other noninterest expense		**294**	276	257
Income before taxes		**105**	66	38
Applicable income tax expense		**37**	23	14
Net income	$	**68**	43	24
Average Balance Sheet Data				
Loans and leases	$	**2,014**	1,877	2,037
Core deposits		**8,815**	7,709	6,798

Comparison of 2013 with 2012

Net income was $68 million in 2013 compared to net income of $43 million for 2012. The increase in net income was primarily due to increases in net interest income and noninterest income and a decrease in the provision for loan and lease losses, partially offset by an increase in noninterest expense.

Net interest income increased $37 million from 2012 due to an increase in FTP credits resulting from an increase in interest checking deposits.

Provision for loan and lease losses decreased $8 million from the prior year. Net charge-offs as a percent of average loans and leases decreased to 9 bps compared to 53 bps for the prior year reflecting improved credit trends during 2013.

Noninterest income increased $10 million compared to 2012 due to an increase in investment advisory revenue, partially offset a decrease in other noninterest income. The increase in investment advisory revenue was primarily driven by increases in securities and brokerage fees and private client service fees due to strong production and an increase in equity and bond market values. The decrease in other noninterest income was due to a decrease in gains on sales of held for sale loans and the impact of the gain on the sale of certain FTAM funds in the third quarter of 2012.

Noninterest expense increased $16 million compared to 2012 due to an increase in other noninterest expense primarily driven by increases in corporate allocations and fraud losses.

Average loans and leases increased $137 million compared to the prior year primarily driven by increases in average residential mortgage, average other consumer and average commercial and industrial loans, partially offset by a decrease in average commercial mortgage loans. Average core deposits increased $1.1 billion compared to 2012 due to growth in interest checking as customers have opted to maintain excess funds in liquid transaction accounts as a result of the low interest rate environment.

Comparison of 2012 with 2011

Net income increased $19 million compared to 2011 primarily due to an increase in noninterest income and a decrease in the provision for loan and lease losses, partially offset by an increase in noninterest expense. Net interest income increased $4 million from 2011 due to a decrease in interest expense on core deposits and favorable decreases in the FTP charge applied to the segment, partially offset by a decline in average loan and lease balances and declines in yields of 27 bps on loans and leases.

Provision for loan and lease losses decreased $17 million from 2011. Net charge-offs as a percent of average loans and leases decreased to 53 bps compared to 132 bps for 2011 reflecting improved credit trends during 2012.

Noninterest income increased $23 million compared to 2011 primarily due to increases in other noninterest income. The increase in other noninterest income was primarily driven by the $13 million gain on the sale of certain funds previously mentioned and an increase in gains on the sale of loans of $5 million.

Noninterest expense increased $16 million compared to 2011 due to increases in other noninterest expense primarily driven by an increase in corporate allocations.

Average loans and leases decreased $160 million compared to 2011. The decrease was primarily driven by declines in home equity loans of $55 million, commercial mortgage loans of $45 million and commercial and industrial loans of $30 million. Average core deposits increased $911 million compared to 2011 due to growth in interest checking as customers have opted to maintain excess funds in liquid transaction accounts as a result of interest rates remaining near historic lows, partially offset by account migration from foreign office deposits.

General Corporate and Other

General Corporate and Other includes the unallocated portion of the investment securities portfolio, securities gains and losses, certain non-core deposit funding, unassigned equity, provision expense in excess of net charge-offs or a benefit from the reduction of the ALLL, representation and warranty expense in excess of actual losses or a benefit from the reduction of representation and warranty reserves, the payment of preferred stock dividends and certain support activities and other items not attributed to the business segments.

Comparison of 2013 with 2012

Results for 2013 and 2012 were impacted by a benefit of $269 million and $400 million, respectively, due to reductions in the ALLL. The decrease in provision expense was primarily due to a decrease in nonperforming loans and leases and improvements in delinquency metrics and underlying loss trends. Net interest income decreased from $370 million in 2012 to $147 million for 2013 primarily due to a decrease in FTP charges partially offset by a decrease in interest expense on long-term debt. Noninterest income increased $278 million compared to the prior year primarily due to positive valuation adjustments on the stock warrant associated with Vantiv Holding, LLC which increased $139 million in 2013 compared to 2012. In addition, gains of $242 million and $85 million were recognized on the sales of Vantiv, Inc. shares in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO and $157 million on the sales of Vantiv, Inc. shares in 2012. The Bancorp also recognized a gain of $9 million associated with a tax receivable agreement with Vantiv, Inc. in the fourth quarter of 2013. The equity method earnings from the Bancorp's interest in Vantiv Holding, LLC increased $16 million from 2012.

Noninterest expense decreased $284 million compared to 2012 due to decreases in other noninterest expense and total personnel costs. Other noninterest expense decreased due to a decrease in debt extinguishment costs, an increase in corporate overhead allocations assigned to the segments, a decrease in loan and lease expense and a decrease in losses and adjustments. Debt extinguishment costs decreased $161 million during 2013 compared to the prior year. During the fourth quarter of 2013, the Bancorp incurred $8 million of debt extinguishment costs associated with the redemption of outstanding TruPS issued by Fifth Third Capital Trust IV. During 2012, the Bancorp incurred $160 million of debt extinguishment costs associated with the redemption of certain TruPS and the termination of certain FHLB debt. Loan and lease expense decreased $72 million during 2013 compared to 2012 primarily due to a decrease in loan closing fees due to a decline in mortgage originations. Losses and adjustments decreased $17 million compared to 2012 primarily driven by a decline in the provision for representation and warranty claims partially offset by an increase in litigation expense. The provision for representation and warranty claims changed from a $49 million expense for the year ended December 31, 2012 to a benefit of $39 million for the year ended December 31, 2013 due to the Bancorp recording significant additions to the reserve in 2012 as the result of additional information obtained from FHLMC regarding their file selection criteria which enabled the Bancorp to better estimate the losses that were probable on loans sold to FHLMC with representation and warranty provisions. In addition, 2013 included a decrease in the representation and warranty reserve due to improving underlying repurchase metrics and the settlement with FHLMC. The decrease in representation and warranty expense was partially offset by a $54 million increase in litigation expense. Total personnel costs decreased $38 million from 2012 due primarily to decreases in incentive compensation and employee benefits.

Comparison of 2012 with 2011

Results for 2012 and 2011 were impacted by a benefit of $400 million and $748 million, respectively, due to reductions in the ALLL. The decrease in provision expense was driven by general improvements in credit quality and declines in net charge-offs. Net interest income increased from $321 million in 2011 to $370 million in 2012 due to a benefit in the FTP rate. The change in net income for 2012 compared to 2011 was impacted by a $157 million gain on the sale of Vantiv, Inc. shares and $115 million in gains on the initial public offering of Vantiv, Inc. In addition, the results for 2012 were impacted by dividends on preferred stock of $35 million compared to $203 million in 2011.

FOURTH QUARTER REVIEW

The Bancorp's 2013 fourth quarter net income available to common shareholders was $383 million, or $0.43 per diluted share, compared to net income available to common shareholders of $421 million, or $0.47 per diluted share, for the third quarter of 2013 and net income available to common shareholders of $390 million, or $0.43 per diluted share, for the fourth quarter of 2012. Fourth quarter 2013 earnings included a $91 million positive adjustment on the valuation of the warrant associated with the sale of Vantiv Holding, LLC, $69 million in net charges to increase litigation reserves, an $18 million charge related to the valuation of the total return swap entered into as part of the 2009 sale of Visa, Inc. Class B shares and $8 million of debt extinguishment costs associated with the redemption of TruPS issued by Fifth Third Capital Trust IV. Third quarter 2013 results included an $85 million gain on the sale of Vantiv Inc. shares, $30 million in net charges to increase litigation reserves and a $6 million positive adjustment on the valuation of the warrant associated with the sale of Vantiv Holding, LLC. Fourth quarter 2012 earnings included a $157 million gain on the sale of Vantiv Inc. shares, $134 million in debt extinguishment costs associated with the termination of $1.0 billion of FHLB borrowings and $38 million of mortgage representation and warranty provision expense primarily due to additional information obtained from FHLMC regarding future mortgage repurchase file requests. The ALLL as a percentage of portfolio loans and leases was 1.79% as of December 31, 2013, compared to 1.92% as of September 30, 2013 and 2.16% as of December 31, 2012.

Fourth quarter 2013 net interest income of $905 million increased $7 million from the third quarter of 2013 and $2 million from the same period a year ago. Interest income increased $10 million from the third quarter of 2013 primarily driven by higher balances and yields on investment securities. Interest expense increased $3 million from the third quarter of 2013 primarily driven by the issuance of $2.5 billion of long-term debt during the quarter, partially offset by the benefit from high-priced CDs that matured during the quarter. The increase in net interest income in comparison to the fourth quarter of 2012 was driven by higher average loan balances, lower long-term debt expense due to a reduction in higher cost average long-term debt and run-off of higher priced CDs, partially offset by lower yields on interest-earning assets.

Fourth quarter 2013 noninterest income of $703 million decreased $18 million compared to the third quarter of 2013 and $177 million compared to the fourth quarter of 2012. The decrease from the third quarter of 2013 was primarily due to lower corporate banking revenue and other noninterest income. The year-over year decline was primarily the result of lower mortgage banking net revenue, corporate banking revenue and other noninterest income.

Mortgage banking net revenue was $126 million in the fourth quarter of 2013, compared to $121 million in the third quarter of 2013 and $258 million in the fourth quarter of 2012. Fourth quarter 2013 originations were $2.6 billion, compared with $4.8 billion in the previous quarter and $7.0 billion in the fourth quarter of 2012. Fourth quarter 2013 originations resulted in gains of $60 million on mortgages sold, compared with gains of $74 million during the previous quarter and $239 million during the fourth quarter of 2012. The decrease from the prior quarter reflected the lower production partially offset by increased gain on sale margins, while the decrease from the prior year reflected lower production and lower gain on sale margins. Mortgage servicing fees were $63 million in both the fourth and third quarters of 2013 compared with $64 million in the fourth quarter of 2012. Mortgage banking net revenue is also affected by net servicing asset valuation adjustments, which include MSR amortization and MSR valuation adjustments, including mark-to-market adjustments on free-standing derivatives used to economically hedge the MSR portfolio. These net servicing asset valuation adjustments were positive $2 million in the fourth quarter of 2013, negative $16 million in the third quarter of 2013 and negative $45 million in the fourth quarter of 2012. Net gains on nonqualifying hedges on MSRs were zero in the fourth quarter of 2013, compared with net gains of $5 million in the third quarter of 2013 and net losses of $2 million in the fourth quarter of 2012.

Service charges on deposits of $142 million increased $2 million from the previous quarter and $8 million compared to the fourth quarter of 2012. Retail service charges were flat compared to the previous quarter and increased six percent from the fourth quarter of 2012. The year over-year increase was primarily related to the transition to the Bancorp's new and simplified deposit product offerings. Commercial service charges increased two percent from the previous quarter and six percent from a year ago primarily as a result of new customer accounts and higher treasury management fees.

Corporate banking revenue of $94 million decreased $8 million from the previous quarter and $20 million from the fourth quarter of 2012. The decrease from the third quarter of 2013 was primarily driven by lower lease remarketing fees and syndication fees, partially offset by higher institutional sales revenue, foreign exchange fees and business lending fees. The year-over-year decline was primarily driven by lower lease remarketing fees, syndication fees, derivative fees and letter of credit fees, which benefited the year-ago quarter due to higher activity in anticipation of changes to tax rules. The decline in lease remarketing fees was driven by a $9 million write-down of equipment value on an operating lease during the fourth quarter of 2013.

Investment advisory revenue of $98 million increased $1 million from the previous quarter and $5 million from the fourth quarter of 2012. The increase from the third quarter of 2013 and from the previous year was attributable to higher brokerage fees and private client services revenue reflecting strong production and market performance. These increases were partially offset by a decrease in institutional trust fees.

Card and processing revenue of $71 million increased $2 million compared to the third quarter of 2013 and $5 million from the fourth quarter of 2012. Both increases were driven by higher transaction volumes.

Other noninterest income of $170 million decreased $15 million compared to the third quarter of 2013 and $45 million from the fourth quarter of 2012. Fourth quarter 2013 results included a $91 million positive valuation adjustment on the Vantiv Holding, LLC warrant as well as $9 million in payments received pursuant to Fifth Third's tax receivable agreement with Vantiv Holding, LLC. This compares with an $85 million gain on the sale of Vantiv Inc. shares and a $6 million positive warrant valuation adjustment in the third quarter of 2013, and a $157 million gain on the sale of Vantiv Inc. shares and a $19 million negative warrant valuation adjustment in the fourth quarter of 2012. Quarterly results also included charges related to the valuation of the total return swap entered into as part of the 2009 sale of Visa, Inc. Class B shares. Negative valuation adjustments on this swap were $18 million, $2 million, and $15 million in the fourth quarter of 2013, the third quarter of 2013 and the fourth quarter of 2012, respectively.

The net gain on investment securities was $2 million in the fourth and third quarters of 2013 and the fourth quarter of 2012.

Noninterest expense of $989 million increased $30 million from the previous quarter and decreased $174 million from the fourth quarter of 2012. Fourth quarter 2013 expenses included $69 million in charges to increase litigation reserves, a $25 million benefit associated with the mortgage representation and warranty reserve, $8 million of debt extinguishment costs associated with the

redemption of Fifth Third Capital Trust IV TruPS, an $8 million contribution to Fifth Third Foundation, and $8 million in severance expense. Third quarter 2013 expenses included $30 million in charges to increase litigation reserves, $5 million in severance expense, $5 million in large bank assessment fees and a $3 million benefit associated with the mortgage representation and warranty reserve due to improving underlying purchase metrics. Fourth quarter 2012 expenses included $134 million of debt extinguishment costs associated with the termination of $1 billion of FHLB debt, $38 million of expenses associated with the mortgage representation and warranty reserve and $13 million in charges to increase litigation reserves.

Net charge-offs were $148 million in the fourth quarter of 2013, or 67 bps of average loans on an annualized basis, compared with net charge-offs of $109 million in the third quarter 2013 and $147 million in the fourth quarter 2012. During the fourth quarter of 2013, the Bancorp restructured a single large credit resulting in a charge-off of $43 million. Additionally, during the fourth quarter of 2013, the Bancorp modified its charge-off policy for home equity loans and lines of credit to assess for a charge-off when such loans have been past due 120 days if the senior lien is also 120 or more days past due. This resulted in additional home equity net charge-offs of $6 million.

TABLE 18: QUARTERLY INFORMATION (unaudited)

	2013				2012			
For the three months ended ($ in millions, except per share data)	**12/31**	**9/30**	**6/30**	**3/31**	12/31	9/30	6/30	3/31
Net interest income (FTE)	**$ 905**	**898**	**885**	**893**	903	907	899	903
Provision for loan and lease losses	**53**	**51**	**64**	**62**	76	65	71	91
Noninterest income	**703**	**721**	**1,060**	**743**	880	671	678	769
Noninterest expense	**989**	**959**	**1,035**	**978**	1,163	1,006	937	973
Net income attributable to Bancorp	**402**	**421**	**591**	**422**	399	363	385	430
Net income available to common shareholders	**383**	**421**	**582**	**413**	390	354	376	421
Earnings per share, basic	**0.44**	**0.47**	**0.67**	**0.47**	0.44	0.39	0.41	0.46
Earnings per share, diluted	**0.43**	**0.47**	**0.65**	**0.46**	0.43	0.38	0.40	0.45

COMPARISON OF THE YEAR ENDED 2012 WITH 2011

The Bancorp's net income available to common shareholders for the year ended December 31, 2012 was $1.5 billion, or $1.66 per diluted share, which was net of $35 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the year ended December 31, 2011 was $1.1 billion, or $1.18 per diluted share, which was net of $203 million in preferred stock dividends. The preferred stock dividends during 2011 included $153 million in discount accretion resulting from the Bancorp's repurchase of Series F preferred stock. Overall, credit trends improved in 2012, and as a result, the provision for loan and lease losses decreased to $303 million in 2012 compared to $423 million in 2011.

Net interest income was $3.6 billion for the years ended December 31, 2012 and 2011. Net interest income was positively impacted in 2012 by an increase in average loans and leases of $4.6 billion as well as a decrease in interest expense compared to the year ended December 31, 2011. Average interest-earning assets increased $4.0 billion in 2012 while average interest-bearing liabilities were relatively flat compared to the prior year. In addition, net interest income in 2012 compared to the prior year was negatively impacted by a 28 bps decrease in average yield on average interest-earning assets partially offset by a 21 bps decrease in the average rate paid on interest bearing liabilities, coupled with a mix shift to lower cost deposits.

Noninterest income increased $544 million, or 22%, in 2012 compared to 2011. The increase from the prior year was primarily due to an increase in mortgage banking net revenue, corporate banking revenue and other noninterest income partially offset by a decrease in card and processing revenue. Mortgage banking net revenue increased $248 million, or 41%, primarily due to an increase in origination fees and gains on loan sales partially offset by an increase in losses on net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge the MSR portfolio. Corporate banking revenue increased $63 million, or 18%, primarily due to increases in syndication fees, business lending fees, lease remarketing fees and institutional sales. Other noninterest income increased $324 million primarily due to a $115 million gain from the Vantiv, Inc. IPO recognized in the first quarter of 2012 and a $157 million gain from the sale of Vantiv, Inc. shares in the fourth quarter of 2012. Card and processing revenue decreased $55 million, or 18%, primarily as the result of the full year impact of the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011.

Noninterest expense increased $323 million, or nine percent, in 2012 compared to 2011 primarily due to an increase of $170 million in total personnel costs (salaries, wages and incentives plus employee benefits); an increase of $53 million in the provision for representation and warranty claims related to residential mortgage loans sold to third parties; an increase of $177 million in debt extinguishment costs; and a $44 million decrease in the benefit from the provision for unfunded commitments and letters of credit. This activity was partially offset by an $87 million decrease in FDIC insurance and other taxes.

Net charge-offs as a percent of average portfolio loans and leases decreased to 0.85% during 2012 compared to 1.49% during 2011 largely due to improved credit trends across all commercial and consumer loan types, excluding commercial leases.

The Bancorp took a number of actions that impacted its capital position in 2012. On March 13, 2012, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2012 CCAR. The FRB indicated to the Bancorp that it did not object to the following capital actions: a continuation of its quarterly common dividend of $0.08 per share; the redemption of up to $1.4 billion in certain TruPS and the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. The FRB indicated to the Bancorp that it did object to other elements of its capital plan, including potential increases in its quarterly common dividend and the initiation of other common share repurchases.

The Bancorp resubmitted its capital plan to the FRB in the second quarter of 2012. The resubmitted plan included capital actions and distributions for the covered period through March 31, 2013 that were substantially similar to those included in the original submission, with adjustments primarily reflecting the change in the expected timing of capital actions and distributions relative to the timing assumed in the original submission. On August 21, 2012, the

Bancorp announced the FRB did not object to the Bancorp's resubmitted capital plan which included potential increases to the quarterly common stock dividend and potential repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. As a result, the Board of Directors authorized the Bancorp to repurchase up to 100 million common shares in the open market or in privately negotiated transactions. In addition, in the third quarter of 2012 the Bancorp declared a quarterly common dividend of $0.10 per share, an increase of $0.02 per share from the second quarter of 2012.

On August 8, 2012, consistent with the 2012 CCAR plan, the Bancorp redeemed all $862.5 million of the outstanding TruPS issued by Fifth Third Capital Trust VI. The Bancorp recognized a $9 million loss on extinguishment of these TruPS within other noninterest expense in the Bancorp's Consolidated Statements of Income. Additionally, on August 15, 2012, the Bancorp redeemed all $575 million of the outstanding TruPS issued by Fifth Third Capital Trust V. The Bancorp recognized a $17 million loss on extinguishment within other noninterest expense in the Bancorp's Consolidated Statements of Income.

Additionally, the Bancorp entered into a number of accelerated share repurchase transactions in 2012. See Note 23 of the Notes to Consolidated Financial Statements for more information on the accelerated share repurchase transactions.

BALANCE SHEET ANALYSIS

Loans and Leases

The Bancorp classifies its loans and leases based upon the primary purpose of the loan. Table 19 summarizes end of period loans and leases, including loans held for sale and Table 20 summarizes average total loans and leases, including loans held for sale.

TABLE 19: COMPONENTS OF TOTAL LOANS AND LEASES (INCLUDES HELD FOR SALE)

As of December 31 ($ in millions)		**2013**	2012	2011	2010	2009
Commercial:						
Commercial and industrial loans	$	**39,347**	36,077	30,828	27,275	25,687
Commercial mortgage loans		**8,069**	9,116	10,214	10,992	11,936
Commercial construction loans		**1,041**	707	1,037	2,111	3,871
Commercial leases		**3,626**	3,549	3,531	3,378	3,535
Subtotal – commercial		**52,083**	49,449	45,610	43,756	45,029
Consumer:						
Residential mortgage loans		**13,570**	14,873	13,474	10,857	9,846
Home equity		**9,246**	10,018	10,719	11,513	12,174
Automobile loans		**11,984**	11,972	11,827	10,983	8,995
Credit card		**2,294**	2,097	1,978	1,896	1,990
Other consumer loans and leases		**381**	312	364	702	812
Subtotal – consumer		**37,475**	39,272	38,362	35,951	33,817
Total loans and leases	$	**89,558**	88,721	83,972	79,707	78,846
Total portfolio loans and leases (excludes loans held for sale)	$	**88,614**	85,782	81,018	77,491	76,779

Loans and leases, including loans held for sale, increased $837 million, or one percent, from December 31, 2012. The increase in loans and leases from December 31, 2012 was the result of a $2.6 billion, or five percent, increase in commercial loans and leases partially offset by a $1.8 billion, or five percent, decrease in consumer loans and leases.

The increase in commercial loans and leases from December 31, 2012 was primarily due to an increase in commercial and industrial loans and commercial construction loans partially offset by a decrease in commercial mortgage loans. Commercial and industrial loans increased $3.3 billion, or nine percent, from December 31, 2012 and commercial construction loans increased $334 million, or 47%, from December 31, 2012 as a result of an increase in new loan origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Commercial mortgage loans decreased $1.0 billion, or 11%, from December 31, 2012 due to continued runoff as the level of new originations was less than the repayments on the current portfolio.

The decrease in consumer loans and leases from December 31, 2012 was primarily due to a decrease in residential mortgage and home equity loans partially offset by an increase in credit card loans. Residential mortgage loans decreased $1.3 billion, or nine percent, from December 31, 2012 primarily due to a decline in loans held for sale of $2.0 billion from reduced origination volumes driven by higher mortgage rates. This decline was partially offset by an increase in portfolio residential mortgage loans which increased $663 million from December 31, 2012 due to the continued retention of certain shorter term residential mortgage loans originated through the Bancorp's retail branches. Home equity loans decreased $772 million, or eight percent, from December 31, 2012 as payoffs exceeded new loan production. Credit card loans increased $197 million, or nine percent, from December 31, 2012 due to an increase in average balances per account and the volume of new customer accounts.

TABLE 20: COMPONENTS OF AVERAGE TOTAL LOANS AND LEASES (INCLUDES HELD FOR SALE)

For the years ended December 31 ($ in millions)		**2013**	2012	2011	2010	2009
Commercial:						
Commercial and industrial loans	$	**37,770**	32,911	28,546	26,334	27,556
Commercial mortgage loans		**8,481**	9,686	10,447	11,585	12,511
Commercial construction loans		**793**	835	1,740	3,066	4,638
Commercial leases		**3,565**	3,502	3,341	3,343	3,543
Subtotal – commercial		**50,609**	46,934	44,074	44,328	48,248
Consumer:						
Residential mortgage loans		**14,428**	13,370	11,318	9,868	10,886
Home equity		**9,554**	10,369	11,077	11,996	12,534
Automobile loans		**12,021**	11,849	11,352	10,427	8,807
Credit card		**2,121**	1,960	1,864	1,870	1,907
Other consumer loans and leases		**360**	340	529	743	1,009
Subtotal – consumer		**38,484**	37,888	36,140	34,904	35,143
Total average loans and leases	$	**89,093**	84,822	80,214	79,232	83,391
Total average portfolio loans and leases (excludes loans held for sale)	$	**86,950**	82,733	78,533	77,045	80,681

Average loans and leases, including held for sale, increased $4.3 billion, or five percent, from December 31, 2012. The increase from December 31, 2012 was comprised of an increase of $3.7 billion, or eight percent, in average commercial loans and leases and an increase of $596 million, or two percent, in average consumer loans and leases.

The increase in average commercial loans and leases was primarily driven by an increase in average commercial and industrial loans partially offset by a decrease in average commercial mortgage loans. Average commercial and industrial loans increased $4.9 billion, or 15%, from December 31, 2012 due to an increase in new loan origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Average commercial mortgage loans decreased $1.2 billion, or 12%, from December 31, 2012 due to continued runoff as the level of new originations was less than the repayments on the current portfolio.

The increase in average consumer loans and leases from December 31, 2012 was driven by an increase in average residential mortgage loans, average automobile loans, and average credit card loans partially offset by a decrease in average home equity loans. Average residential mortgage loans increased $1.1 billion, or eight percent, from December 31, 2012 due to strong refinancing activity during the first half of 2013 and due to the continued retention of certain shorter term residential mortgage loans originated through the Bancorp's retail branches. Average automobile loans increased $172 million, or one percent, from December 31, 2012 due to loan originations exceeding runoff, partially offset by the impact of the securitization and sale of $509 million of automobile loans in the first quarter of 2013. Average credit card loans increased $161 million, or eight percent, from December 31, 2012 due to an increase in average balances per account and the volume of new customer accounts. Average home equity loans decreased $815 million, or eight percent, from December 31, 2012 as payoffs exceeded new loan production.

Investment Securities

The Bancorp uses investment securities as a means of managing interest rate risk, providing liquidity support and providing collateral for pledging purposes. As of December 31, 2013, total investment securities were $19.1 billion compared to $15.7 billion at December 31, 2012. See Note 1 of the Notes to Consolidated Financial Statements for the Bancorp's methodology for both classifying investment securities and management's evaluation of securities in an unrealized loss position for OTTI.

At December 31, 2013, the Bancorp's investment portfolio consisted primarily of AAA-rated available-for-sale securities. The Bancorp did not hold asset-backed securities backed by subprime mortgage loans in its investment portfolio. Additionally, securities classified as below investment grade were immaterial as of December 31, 2013 and had a carrying value of $31 million as of December 31, 2012.

The Bancorp's management has evaluated the securities in an unrealized loss position in the available-for-sale and held-to-maturity portfolios for OTTI. During the years ended December 31, 2013, 2012, and 2011, the Bancorp recognized $74 million, $58 million and $19 million of OTTI on its available-for-sale and other investment securities portfolio, respectively. The Bancorp did not recognize any OTTI on any of its held-to-maturity investment securities during the years ended December 31, 2013, 2012 or 2011.

TABLE 21: COMPONENTS OF INVESTMENT SECURITIES

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Available-for-sale and other: (amortized cost basis)						
U.S. Treasury and government agencies	$	**26**	41	171	225	464
U.S. Government sponsored agencies		**1,523**	1,730	1,782	1,564	2,143
Obligations of states and political subdivisions		**187**	203	96	170	240
Agency mortgage-backed securities		**12,294**	8,403	9,743	10,570	11,074
Other bonds, notes and debentures(a)		**3,514**	3,161	1,792	1,338	2,541
Other securities(b)		**865**	1,033	1,030	1,052	1,417
Total available-for-sale and other securities	$	**18,409**	14,571	14,614	14,919	17,879
Held-to-maturity: (amortized cost basis)						
Obligations of states and political subdivisions	$	**207**	282	320	348	350
Other bonds, notes and debentures		**1**	2	2	5	5
Total held-to-maturity	$	**208**	284	322	353	355
Trading: (fair value)						
U.S. Treasury and government agencies	$	**1**	1	-	1	-
U.S. Government sponsored agencies		**4**	6	-	-	-
Obligations of states and political subdivisions		**13**	17	9	21	57
Agency mortgage-backed securities		**3**	7	11	8	24
Other bonds, notes and debentures		**7**	15	13	120	205
Other securities		**315**	161	144	144	69
Total trading	$	**343**	207	177	294	355

(a) *Other bonds, notes, and debentures consist of non-agency mortgage backed securities, certain other asset backed securities (primarily automobile and commercial loan backed securities) and corporate bond securities.*

(b) *Other securities consist of FHLB and FRB restricted stock holdings that are carried at par, FHLMC and FNMA preferred stock holdings and certain mutual fund holdings and equity security holdings.*

As of December 31, 2013, available-for-sale securities on an amortized cost basis increased $3.8 billion, or 26%, from December 31, 2012 due to a increase in agency mortgage-backed securities and other bonds, notes and debentures partially offset by an decrease in U.S. Government sponsored agencies. Agency mortgage-backed securities increased $3.9 billion, or 46%, from December 31, 2012 due to $15.0 billion in purchases of agency mortgage-backed securities partially offset by $8.4 billion in sales and $2.7 billion in paydowns on the portfolio during the year ended December 31, 2013. Other bonds, notes, and debentures increased $353 million, or 11%, due to the purchase of $1.6 billion of asset backed securities, collateralized loan obligations and collateralized mortgage backed securities partially offset by the sale of $1.1 billion of asset backed securities, collateralized loan obligations and corporate bonds and $126 million of paydowns and TruPS that were called during the year ended December 31, 2013. U.S. Government sponsored agencies securities decreased $207 million, or 12%, primarily due to approximately $204 million of agency debentures that were called in 2013.

At December 31, 2013 and 2012, available-for-sale securities were 16% and 14% of total interest-earning assets. The estimated weighted-average life of the debt securities in the available-for-sale

portfolio was 6.7 years at December 31, 2013, compared to 3.8 years at December 31, 2012. In addition, at December 31, 2013, the available-for-sale securities portfolio had a weighted-average yield of 3.39%, compared to 3.30% at December 31, 2012.

Information presented in Table 22 is on a weighted-average life basis, anticipating future prepayments. Yield information is presented on an FTE basis and is computed using historical cost balances. Maturity and yield calculations for the total available-for-sale portfolio exclude equity securities that have no stated yield or maturity. Total net unrealized gains on the available-for-sale securities portfolio were $188 million at December 31, 2013, compared to $636 million at December 31, 2012. The decrease from December 31, 2012 was primarily due to an increase in interest rates during 2013. The fair value of investment securities is impacted by interest rates, credit spreads, market volatility and liquidity conditions. The fair value of investment securities generally decreases when interest rates increase or when credit spreads widen.

TABLE 22: CHARACTERISTICS OF AVAILABLE-FOR-SALE AND OTHER SECURITIES

As of December 31, 2013 ($ in millions)	Amortized Cost	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield
U.S. Treasury and government agencies:				
Average life 1 – 5 years	$ 25	25	2.7	0.82 %
Average life 5 – 10 years	1	1	5.4	1.50
Total	26	26	2.7	0.83
U.S. Government sponsored agencies:				
Average life 1 – 5 years	1,523	1,644	3.0	3.64
Total	1,523	1,644	3.0	3.64
Obligations of states and political subdivisions:(a)				
Average life 1 – 5 years	123	125	2.7	2.40
Average life 5 – 10 years	55	57	6.6	4.00
Average life greater than 10 years	9	10	10.9	3.87
Total	187	192	4.3	2.95
Agency mortgage-backed securities:				
Average life of one year or less	118	121	0.6	6.03
Average life 1 – 5 years	1,564	1,616	4.3	4.03
Average life 5 – 10 years	9,547	9,480	7.2	3.47
Average life greater than 10 years	1,065	1,067	14.4	3.94
Total	12,294	12,284	7.4	3.61
Other bonds, notes and debentures:				
Average life of one year or less	225	230	0.1	1.68
Average life 1 – 5 years	1,529	1,569	3.1	2.84
Average life 5 – 10 years	1,188	1,193	7.1	2.61
Average life greater than 10 years	572	590	15.1	1.92
Total	3,514	3,582	6.2	2.54
Other securities	865	869		
Total available-for-sale and other securities	$ 18,409	18,597	6.7	3.39 %

(a) *Taxable-equivalent yield adjustments included in the above table are 0.01%, 0.89%, 2.06% and 0.37% for securities with an average life of 1-5 years, 5-10 years, greater than 10 years and in total, respectively.*

Deposits

The Bancorp's deposit balances represent an important source of funding and revenue growth opportunity. The Bancorp continues to focus on core deposit growth in its retail and commercial franchises by improving customer satisfaction, building full relationships and offering competitive rates. Core deposits represented 71% of the Bancorp's asset funding base for both of the years ended December 31, 2013 and 2012.

TABLE 23: DEPOSITS

As of December 31 ($ in millions)	**2013**	2012	2011	2010	2009
Demand	$ **32,634**	30,023	27,600	21,413	19,411
Interest checking	**25,875**	24,477	20,392	18,560	19,935
Savings	**17,045**	19,879	21,756	20,903	17,898
Money market	**11,644**	6,875	4,989	5,035	4,431
Foreign office	**1,976**	885	3,250	3,721	2,454
Transaction deposits	**89,174**	82,139	77,987	69,632	64,129
Other time	**3,530**	4,015	4,638	7,728	12,466
Core deposits	**92,704**	86,154	82,625	77,360	76,595
Certificates - $100,000 and over	**6,571**	3,284	3,039	4,287	7,700
Other	**-**	79	46	1	10
Total deposits	$ **99,275**	89,517	85,710	81,648	84,305

Core deposits increased $6.6 billion, or eight percent, compared to December 31, 2012, driven by an increase of $7.0 billion, or nine percent, in transaction deposits, partially offset by a decrease of $485 million, or 12%, in other time deposits. Total transaction deposits increased from December 31, 2012 due to increases in money market deposits, demand deposits, interest checking deposits

and foreign office deposits partially offset by a decrease in savings deposits. Money market deposits increased $4.8 billion, or 69%, from December 31, 2012 partially driven by account migration from savings deposits which decreased $2.8 billion, or 14%. The remaining increase in money market deposits was due to new customer accounts, an increase in average balance per account, and account migration from interest checking deposits. Demand deposits increased $2.6 billion, or nine percent, from December 31, 2012 due to an increase in the average balance per account for consumer customers, new product offerings, and new commercial deposit growth. Interest checking deposits increased $1.4 billion, or six percent, from December 31, 2012 due to new commercial customer growth, partially offset by the previously mentioned account migration to money market deposits. Foreign office deposits increased $1.1 billion from December 31, 2012 due to new customer accounts. The foreign office deposits are primarily Eurodollar sweep accounts from the Bancorp's commercial customers. These accounts bear interest rates at slightly higher than money market accounts and unlike repurchase agreements the Bancorp does not have to pledge collateral. The decrease in other time deposits from December 31, 2012 was primarily the result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts.

The Bancorp uses certificates $100,000 and over as a method to fund earning assets. At December 31, 2013, certificates $100,000 and over increased $3.3 billion compared to December 31, 2012 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits in 2013.

The following table presents average deposits for the years ended December 31:

TABLE 24: AVERAGE DEPOSITS

($ in millions)		2013	2012	2011	2010	2009
Demand	$	**29,925**	27,196	23,389	19,669	16,862
Interest checking		**23,582**	23,096	18,707	18,218	15,070
Savings		**18,440**	21,393	21,652	19,612	16,875
Money market		**9,467**	4,903	5,154	4,808	4,320
Foreign office		**1,501**	1,528	3,490	3,355	2,108
Transaction deposits		**82,915**	78,116	72,392	65,662	55,235
Other time		**3,760**	4,306	6,260	10,526	14,103
Core deposits		**86,675**	82,422	78,652	76,188	69,338
Certificates - $100,000 and over		**6,339**	3,102	3,656	6,083	10,367
Other		**17**	27	7	6	157
Total average deposits	$	**93,031**	85,551	82,315	82,277	79,862

On an average basis, core deposits increased $4.3 billion, or five percent, compared to December 31, 2012 due to an increase of $4.8 billion, or six percent, in average transaction deposits partially offset by a decrease of $546 million, or 13%, in average other time deposits. The increase in average transaction deposits was driven by an increase in average money market deposits, average demand deposits and average interest checking deposits, partially offset by a decrease in average savings deposits. Average money market deposits increased $4.6 billion, or 93%, from December 31, 2012 primarily due to account migration from savings deposits which decreased $3.0 billion, or 14%. The remaining increase in average money market deposits is due to new customer accounts, an increase in average balances per account, and account migration from interest checking deposits. Average demand deposits increased $2.7 billion, or 10%, from December 31, 2012 due to an increase in average balances per account for consumer customers, new product offerings, and new commercial deposit growth. Average interest checking deposits increased $486 million, or two percent from December 31, 2012 due to new commercial customer growth, partially offset by the previously mentioned account migration to money market deposits. Average other time deposits decreased $546 million, or 13%, from December 31, 2012 primarily as a result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts. Average certificates $100,000 and over increased $3.2 billion from 2012 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits during 2013.

The contractual maturities of certificates $100,000 and over as of December 31, 2013 are summarized in the following table:

TABLE 25: CONTRACTUAL MATURITIES OF CERTIFICATES $100,000 AND OVER

($ in millions)		2013
Three months or less	$	2,922
After three months through six months		1,561
After six months through 12 months		1,032
After 12 months		1,056
Total	$	6,571

The contractual maturities of other time deposits and certificates $100,000 and over as of December 31, 2013 are summarized in the following table:

TABLE 26: CONTRACTUAL MATURITIES OF OTHER TIME DEPOSITS AND CERTIFICATES $100,000 AND OVER

($ in millions)		2013
Next 12 months	$	7,424
13-24 months		1,200
25-36 months		702
37-48 months		488
49-60 months		232
After 60 months		55
Total	$	10,101

Borrowings

Total borrowings decreased $3.0 billion, or 21%, from December 31, 2012 due to decreases in other short-term borrowings and federal funds purchased, partially offset by an increase in long-term debt. Total borrowings as a percentage of interest-bearing liabilities were 14% and 19% at December 31, 2013 and 2012, respectively.

TABLE 27: BORROWINGS

As of December 31 ($ in millions)		**2013**	2012	2011	2010	2009
Federal funds purchased	$	**284**	901	346	279	182
Other short-term borrowings		**1,380**	6,280	3,239	1,574	1,415
Long-term debt		**9,633**	7,085	9,682	9,558	10,507
Total borrowings	$	**11,297**	14,266	13,267	11,411	12,104

Federal funds purchased decreased by $617 million, or 68%, from December 31, 2012 driven by a decrease in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings decreased $4.9 billion, or 78%, from December 31, 2012 driven by a decrease of $4.7 billion in short-term FHLB borrowings. The Bancorp decreased its reliance on short-term funding in 2013 in anticipation of future regulatory standards which require a greater dependency on long-term and stable funding. Long-term debt increased by $2.5 billion, or 36%, from December 31, 2012 primarily driven by the issuance of $3.1 billion of unsecured senior bank notes, $750 million of subordinated notes and the issuance of asset-backed securities by a consolidated VIE of $1.3 billion related to an automobile loan securitization during 2013. These issuances were partially offset by the maturity of $1.3 billion of senior notes, the redemption of $750 million of outstanding TruPS and $277 million of declines due to fair value adjustments on hedged debt. For additional information regarding long-term debt, see Note 16 of the Notes to Consolidated Financial Statements.

TABLE 28: AVERAGE BORROWINGS

As of December 31 ($ in millions)		**2013**	2012	2011	2010	2009
Federal funds purchased	$	**503**	560	345	291	517
Other short-term borrowings		**3,024**	4,246	2,777	1,635	6,463
Long-term debt		**7,914**	9,043	10,154	10,902	11,035
Total average borrowings	$	**11,441**	13,849	13,276	12,828	18,015

Average total borrowings decreased $2.4 billion, or 17%, compared to December 31, 2012, due to decreases in average federal funds purchased, average other short-term borrowings and average long-term debt. Average federal funds purchased decreased $57 million, or 10%, primarily due to a decrease in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Average other short-term borrowings decreased $1.2 billion, or 29%, primarily due to the previously mentioned decrease in short-term FHLB borrowings. The level of average federal funds purchased and average other short-term borrowings can fluctuate significantly from period to period depending on funding needs and which sources are used to satisfy those needs. Additionally, The Bancorp decreased its reliance on short-term funding in 2013 in anticipation of future regulatory standards which require a greater dependency on long-term and stable funding. Average long-term debt decreased $1.1 billion, or 12%, driven by the maturity of $1.3 billion of unsecured senior bank notes in the second quarter of 2013, the redemption of $1.4 billion of TruPS during the third quarter of 2012 and the extinguishment of $1.0 billion of long-term FHLB advances during the fourth quarter of 2012 partially offset by the issuance of $1.3 billion of unsecured senior bank notes in the first quarter of 2013 and the issuance of $1.8 billion of unsecured senior bank notes and $750 million of subordinated notes in the fourth quarter of 2013.

Information on the average rates paid on borrowings is discussed in the net interest income section of the MD&A. In addition, refer to the Liquidity Risk Management section for a discussion on the role of borrowings in the Bancorp's liquidity management.

RISK MANAGEMENT

Managing risk is an essential component of successfully operating a financial services company. The Bancorp's risk management approach includes processes for identifying, assessing, managing, monitoring and reporting risks. The ERM division and the Bancorp Credit division, led by the Bancorp's Chief Risk and Credit Officer, ensure the consistency and adequacy of the Bancorp's risk management approach within the structure of the Bancorp's affiliate operating model. In addition, the Internal Audit division provides an independent assessment of the Bancorp's internal control structure and related systems and processes.

The assumption of risk requires robust and active risk management practices that comprise an integrated and comprehensive set of activities, measures and strategies that apply to the entire organization. The Bancorp has established a Risk Appetite Framework that provides the foundations of corporate risk capacity, risk appetite and risk tolerances. The Bancorp's risk capacity is represented by its available financial resources. Risk capacity sets an absolute limit on risk-assumption in the Bancorp's annual and strategic plans. The Bancorp understands that not all financial resources may persist as viable loss buffers over time. Further, consideration must be given to planned or foreseeable events that would reduce risk capacity. Those factors take the form of capacity adjustments to arrive at an Operating Risk Capacity which represents the operating risk level the Bancorp can assume while maintaining its solvency standard. The Bancorp's policy currently discounts its Operating Risk Capacity by a minimum of five percent to provide a buffer; as a result, the Bancorp's risk appetite is limited by policy to, at most, 95% of its Operating Risk Capacity.

Economic capital is the amount of unencumbered financial resources required to support the Bancorp's risks. The Bancorp measures economic capital under the assumption that it expects to maintain debt ratings at strong investment grade levels over time. The Bancorp's capital policies require that the Operating Risk Capacity less the aforementioned buffer exceed the calculated economic capital required in its business.

Risk appetite is the aggregate amount of risk the Bancorp is willing to accept in pursuit of its strategic and financial objectives. By establishing boundaries around risk taking and business decisions, and by incorporating the needs and goals of its shareholders, regulators, rating agencies and customers, the Bancorp's risk appetite is aligned with its priorities and goals. Risk tolerance is the maximum amount of risk applicable to each of the eight specific risk categories included in its Enterprise Risk Management Framework. This is expressed primarily in qualitative terms. The Bancorp's risk appetite and risk tolerances are supported by risk targets and risk limits. Those limits are used to monitor the amount of risk assumed at a granular level.

The risks faced by the Bancorp include, but are not limited to, credit, market, liquidity, operational, regulatory compliance, legal, reputational and strategic. Each of these risks is managed through the Bancorp's risk program which includes the following key functions:

- Enterprise Risk Management Programs is responsible for developing and overseeing the implementation of risk programs and reporting that facilitate a broad integrated view of risk. The department also leads the continual fostering of a strong risk management culture and the framework, policies and committees that support effective risk governance, including the oversight of Sarbanes-Oxley compliance;
- Commercial Credit Risk Management provides safety and soundness within an independent portfolio management framework that supports the Bancorp's commercial loan growth strategies and underwriting practices, ensuring portfolio optimization and appropriate risk controls;
- Risk Strategies and Reporting is responsible for quantitative analysis needed to support the commercial dual rating methodology, ALLL methodology and analytics needed to assess credit risk and develop mitigation strategies related to that risk. The department also provides oversight, reporting and monitoring of commercial underwriting and credit administration processes. The Risk Strategies and Reporting department is also responsible for the economic capital program;
- Consumer Credit Risk Management provides safety and soundness within an independent management framework that supports the Bancorp's consumer loan growth strategies, ensuring portfolio optimization, appropriate risk controls and oversight, reporting, and monitoring of underwriting and credit administration processes;
- Operational Risk Management works with affiliates and lines of business to maintain processes to monitor and manage all aspects of operational risk, including ensuring consistency in application of operational risk programs;
- Bank Protection oversees and manages fraud prevention and detection and provides investigative and recovery services for the Bancorp;
- Capital Markets Risk Management is responsible for instituting, monitoring, and reporting appropriate trading limits, monitoring liquidity, interest rate risk and risk tolerances within Treasury, Mortgage, and Capital Markets groups and utilizing a value at risk model for Bancorp market risk exposure;
- Regulatory Compliance Risk Management ensures that processes are in place to monitor and comply with federal and state banking regulations, including processes related to fiduciary, community reinvestment act and fair lending compliance. The function also has the responsibility for maintenance of an enterprise-wide compliance framework; and
- The ERM division creates and maintains other functions, committees or processes as are necessary to effectively manage risk throughout the Bancorp.

Risk management oversight and governance is provided by the Risk and Compliance Committee of the Board of Directors and through multiple management committees whose membership includes a broad cross-section of line-of-business, affiliate and support representatives. The Risk and Compliance Committee of the Board of Directors consists of five outside directors and has the responsibility for the oversight of risk management for the Bancorp, as well as for the Bancorp's overall aggregate risk profile. The Risk and Compliance Committee of the Board of Directors has approved the formation of key management governance committees that are responsible for evaluating risks and controls. The primary committee responsible for the oversight of risk management is the ERMC. Committees accountable to the ERMC, which support the core risk programs, are the Corporate Credit Committee, the Operational Risk Committee, the Management Compliance Committee, the Asset/Liability Committee and the Enterprise Marketing Committee. Other committees accountable to the ERMC oversee the ALLL, capital and community reinvestment act/fair lending functions. There are also new products and initiatives processes applicable to every line of business to ensure an appropriate standard readiness assessment is performed before

launching a new product or initiative. Significant risk policies approved by the management governance committees are also reviewed and approved by the Risk and Compliance Committee of the Board of Directors.

Credit Risk Review is an independent function responsible for evaluating the sufficiency of underwriting, documentation and approval processes for consumer and commercial credits, the accuracy of risk grades assigned to commercial credit exposure, nonaccrual status, specific reserves and monitoring for charge-offs. Credit Risk Review reports directly to the Risk and Compliance Committee of the Board of Directors and administratively to the Chief Auditor.

CREDIT RISK MANAGEMENT

The objective of the Bancorp's credit risk management strategy is to quantify and manage credit risk on an aggregate portfolio basis, as well as to limit the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the Bancorp. The Bancorp's credit risk management strategy is based on three core principles: conservatism, diversification and monitoring. The Bancorp believes that effective credit risk management begins with conservative lending practices. These practices include conservative exposure and counterparty limits and conservative underwriting, documentation and collection standards. The Bancorp's credit risk management strategy also emphasizes diversification on a geographic, industry and customer level as well as ongoing portfolio monitoring and timely management reviews of large credit exposures and credits experiencing deterioration of credit quality. Credit officers with the authority to extend credit are delegated specific authority amounts, the utilization of which is closely monitored. Underwriting activities are centrally managed, and ERM manages the policy and the authority delegation process directly. The Credit Risk Review function provides objective assessments of the quality of underwriting and documentation, the accuracy of risk grades and the charge-off, nonaccrual and reserve analysis process. The Bancorp's credit review process and overall assessment of the adequacy of the allowance for credit losses is based on quarterly assessments of the probable estimated losses inherent in the loan and lease portfolio. The Bancorp uses these assessments to promptly identify potential problem loans or leases within the portfolio, maintain an adequate reserve and take any necessary charge-offs. The Bancorp defines potential problem loans as those rated substandard that do not meet the definition of a nonperforming asset or a restructured loan. See Note 6 of the Notes to the Consolidated Financial Statements for further information on the Bancorp's credit grade categories, which are derived from standard regulatory rating definitions.

The following tables provide a summary of potential problem loans as of December 31:

TABLE 29: POTENTIAL PROBLEM LOANS

2013 ($ in millions)		Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$	**1,032**	**1,034**	**1,323**
Commercial mortgage		**517**	**520**	**520**
Commercial construction		**44**	**44**	**50**
Commercial leases		**18**	**18**	**18**
Total	$	**1,611**	**1,616**	**1,911**

TABLE 30: POTENTIAL PROBLEM LOANS

2012 ($ in millions)		Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$	1,015	1,017	1,212
Commercial mortgage		848	849	851
Commercial construction		87	87	100
Commercial leases		9	9	9
Total	$	1,959	1,962	2,172

In addition to the individual review of larger commercial loans that exhibit probable or observed credit weaknesses, the commercial credit review process includes the use of two risk grading systems. The risk grading system currently utilized for reserve analysis purposes encompasses ten categories. The Bancorp also maintains a dual risk rating system for credit approval and pricing, portfolio monitoring and capital allocation that includes a "through-the-cycle" rating philosophy for modeling expected losses. The dual risk rating system includes thirteen probabilities of default grade categories and an additional six grade categories for estimating losses given an event of default. The probability of default and loss given default evaluations are not separated in the ten-category risk rating system. The Bancorp has completed significant validation and testing of the dual risk rating system as a commercial credit risk management tool. The Bancorp is assessing the necessary modifications to the dual risk rating system outputs to develop a U.S. GAAP compliant ALLL model and will make a decision on the use of modified dual risk ratings for purposes of determining the Bancorp's ALLL once the FASB has issued a final standard regarding proposed methodology changes to the determination of credit impairment as outlined in the FASB's proposed Accounting Standard Update—*Financial Instruments–Credit Losses* (Subtopic 825-15) issued on December 20, 2012. Scoring systems, various analytical tools and portfolio performance monitoring are used to assess the credit risk in the Bancorp's homogenous consumer and small business loan portfolios.

Overview

The economy grew slightly during 2013. Domestic economic risks remain elevated as several weak economic factors persist (including continued high unemployment, sluggish economic growth, weak job creation), and could be further compounded by an extended European recession. Other global issues include slower growth in China and persistent fears regarding the Middle East. Housing prices have largely stabilized and are increasing in many markets, but overall current economic conditions are causing weaker than desirable qualified loan demand and a relatively low interest rate environment, which directly impacts the Bancorp's growth and profitability. Geographically, the Bancorp continues to experience the most stress in Michigan and Florida due to previous declines in real estate values. Real estate value deterioration, as measured by the Home Price Index, was most prevalent in Florida due to past real estate price appreciation and related over-development, and in Michigan due in part to cutbacks in automobile manufacturing and the state's economic downturn.

Among consumer portfolios, residential mortgage and brokered home equity portfolios exhibited the most stress. Management suspended homebuilder and developer lending in 2007 and new commercial non-owner occupied real estate lending in 2008, discontinued the origination of brokered home equity products at the end of 2007 and tightened underwriting standards across both the commercial and consumer loan product offerings. As of December 31, 2013, consumer real estate loans originated from 2005 through 2008 represent approximately 30% of the consumer real estate portfolio and approximately 68% of total losses in 2013. Loss rates continue to improve as newer vintages are performing within expectations. With the stabilization of certain real estate markets, the Bancorp began to selectively originate new homebuilder and developer lending and non-owner occupied commercial lending real estate in the third quarter of 2011. However, the level of new fundings are below the amortization and pay-off of the current portfolio. Since the fourth quarter of 2008, in an effort to reduce loan exposure to the real estate and construction industries, the Bancorp has sold certain consumer loans and sold or transferred to held for sale certain commercial loans. The Bancorp continues to aggressively engage in other loss mitigation strategies such as reducing credit commitments, restructuring certain commercial and consumer loans, as well as utilizing commercial and consumer loan workout teams. For commercial and consumer loans owned by the Bancorp, loan modification strategies are developed that are workable for both the borrower and the Bancorp when the borrower displays a willingness to cooperate. These strategies typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. For residential mortgage loans serviced for FHLMC and FNMA, the Bancorp participates in the HAMP and HARP 2.0 programs. For loans refinanced under the HARP 2.0 program, the Bancorp strictly adheres to the underwriting requirements of the program and promptly sells the refinanced loan back to the agencies. Loan restructuring under the HAMP program is performed on behalf of FHLMC or FNMA and the Bancorp does not take possession of these loans during the modification process. Therefore, participation in these programs does not significantly impact the Bancorp's credit quality statistics. The Bancorp participates in trial modifications in conjunction with the HAMP program for loans it services for FHLMC and FNMA. As these trial modifications relate to loans serviced for others, they are not included in the Bancorp's troubled debt restructurings as they are not assets of the Bancorp. In the event there is a representation and warranty violation on loans sold through the programs, the Bancorp may be required to repurchase the sold loan. As of December 31, 2013, repurchased loans restructured or refinanced under these programs were immaterial to the Bancorp's Consolidated Financial Statements. Additionally, as of December 31, 2013 and 2012, $111 million and $475 million, respectively, of loans refinanced under HARP 2.0 were included in loans held for sale in the Bancorp's Consolidated Balance Sheets. For the years ended December 31, 2013 and 2012, the Bancorp recognized $97 million and $218 million, respectively, of noninterest income in mortgage banking net revenue in the Bancorp's Consolidated Statements of Income related to the sale of loans restructured or refinanced under the HAMP and HARP 2.0 programs.

In the financial services industry, there has been heightened focus on foreclosure activity and processes. The Bancorp actively works with borrowers experiencing difficulties and has regularly modified or provided forbearance to borrowers where a workable solution could be found. Foreclosure is a last resort, and the Bancorp undertakes foreclosures only when it believes they are necessary and appropriate and is careful to ensure that customer and loan data are accurate.

During the fourth quarter of 2013, the Bancorp settled certain repurchase claims related to mortgage loans originated and sold to FHLMC prior to January 1, 2009 for $25 million, after paid claim credits and other adjustments. The settlement removes the Bancorp's responsibility to repurchase or indemnify FHLMC for representation and warranty violations on any loan sold prior to January 1, 2009 except in limited circumstances.

Commercial Portfolio

The Bancorp's credit risk management strategy includes minimizing concentrations of risk through diversification. The Bancorp has commercial loan concentration limits based on industry, lines of business within the commercial segment, geography and credit product type.

The risk within the commercial loan and lease portfolio is managed and monitored through an underwriting process utilizing detailed origination policies, continuous loan level reviews, monitoring of industry concentration and product type limits and continuous portfolio risk management reporting. The origination policies for commercial real estate outline the risks and underwriting requirements for owner and non-owner occupied and construction lending. Included in the policies are maturity and amortization terms, maximum LTVs, minimum debt service coverage ratios, construction loan monitoring procedures, appraisal requirements, pre-leasing requirements (as applicable) and sensitivity and pro-forma analysis requirements. The Bancorp requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and on an as needed basis when market conditions justify. Although the Bancorp does not back test these collateral value assumptions, the Bancorp maintains an appraisal review department to order and review third-party appraisals in accordance with regulatory requirements. Collateral values on criticized assets with relationships exceeding $1 million are reviewed quarterly to assess the appropriateness of the value ascribed in the assessment of charge-offs and specific reserves. In addition, the Bancorp applies incremental valuation adjustments to older appraisals that relate to collateral dependent loans, which can currently be up to 20-30% of the appraised value based on the type of collateral. These incremental valuation adjustments generally reflect the age of the most recent appraisal as well as collateral type. Trends in collateral values, such as home price indices and recent asset dispositions, are monitored in order to determine whether changes to the appraisal adjustments are warranted. Other factors

such as local market conditions or location may also be considered as necessary.

The Bancorp assesses all real estate and non-real estate collateral securing a loan and considers all cross collateralized loans in the calculation of the LTV ratio. The following table provides detail on the most recent LTV ratios for commercial mortgage loans greater than $1 million, excluding impaired commercial mortgage loans individually evaluated. The Bancorp does not typically aggregate the LTV ratios for commercial mortgage loans less than $1 million.

TABLE 31: COMMERCIAL MORTGAGE LOANS OUTSTANDING BY LTV, LOANS GREATER THAN $1 MILLION

As of December 31, 2013 ($ in millions)		LTV > 100%	LTV 80-100%	LTV ≤ 80%
Commercial mortgage owner occupied loans	$	**240**	**345**	**2,152**
Commercial mortgage non-owner occupied loans		**274**	**353**	**1,798**
Total	$	**514**	**698**	**3,950**

TABLE 32: COMMERCIAL MORTGAGE LOANS OUTSTANDING BY LTV, LOANS GREATER THAN $1 MILLION

As of December 31, 2012 ($ in millions)		LTV > 100%	LTV 80-100%	LTV ≤ 80%
Commercial mortgage owner occupied loans	$	390	302	2,325
Commercial mortgage non-owner occupied loans		450	605	1,955
Total	$	840	907	4,280

The following table provides detail on commercial loan and leases by industry classification (as defined by the North American Industry Classification System), by loan size and by state, illustrating the diversity and granularity of the Bancorp's commercial loans and leases:

TABLE 33: COMMERCIAL LOAN AND LEASE PORTFOLIO (EXCLUDING LOANS HELD FOR SALE)

	2013			2012		
As of December 31 ($ in millions)	Outstanding	Exposure	Nonaccrual	Outstanding	Exposure	Nonaccrual
By industry:						
Manufacturing	**$ 10,299**	**19,955**	**55**	$ 9,982	18,414	58
Financial services and insurance	**5,998**	**14,010**	**25**	4,886	12,062	54
Real estate	**5,027**	**7,302**	**70**	5,588	6,840	198
Business services	**4,910**	**7,411**	**55**	4,600	6,917	56
Wholesale trade	**4,407**	**8,406**	**35**	4,042	7,401	26
Healthcare	**4,038**	**6,220**	**26**	4,079	6,094	14
Retail trade	**3,301**	**6,673**	**18**	2,624	5,699	38
Transportation and warehousing	**3,134**	**4,416**	**1**	3,105	4,222	3
Construction	**1,865**	**3,196**	**36**	1,995	3,254	105
Communication and information	**1,801**	**3,295**	**2**	1,547	2,631	19
Accommodation and food	**1,668**	**2,556**	**12**	1,478	2,160	17
Mining	**1,580**	**3,206**	**55**	1,683	2,767	-
Entertainment and recreation	**1,149**	**1,955**	**12**	914	1,393	11
Other services	**1,013**	**1,362**	**24**	1,156	1,517	42
Utilities	**773**	**2,332**	**-**	608	2,009	-
Public administration	**541**	**734**	**-**	441	693	-
Agribusiness	**356**	**504**	**26**	376	527	44
Individuals	**174**	**218**	**6**	281	335	12
Other	**12**	**12**	**-**	3	2	-
Total	**$ 52,046**	**93,763**	**458**	$ 49,388	84,937	697
By loan size:						
Less than $200,000	**1 %**	**1**	**8**	2 %	1	9
$200,000 to $1 million	**5**	**4**	**18**	6	5	22
$1 million to $5 million	**13**	**10**	**23**	15	12	28
$5 million to $10 million	**10**	**8**	**10**	11	9	13
$10 million to $25 million	**27**	**23**	**34**	27	25	24
Greater than $25 million	**44**	**54**	**7**	39	48	4
Total	**100 %**	**100**	**100**	100 %	100	100
By state:						
Ohio	**19 %**	**22**	**16**	20 %	24	13
Michigan	**10**	**8**	**11**	11	10	17
Illinois	**7**	**7**	**8**	8	8	8
Florida	**7**	**6**	**19**	7	6	19
Indiana	**5**	**5**	**9**	5	5	11
Kentucky	**3**	**3**	**2**	4	3	4
North Carolina	**3**	**3**	**1**	3	3	2
Tennessee	**3**	**3**	**1**	3	3	5
Pennsylvania	**3**	**3**	**7**	3	2	1
All other states	**40**	**40**	**26**	36	36	20
Total	**100 %**	**100**	**100**	100 %	100	100

The Bancorp has identified certain categories of loans which it believes represent a higher level of risk compared to the rest of the Bancorp's loan portfolio, due to economic or market conditions within the Bancorp's key lending areas.

The following table provides analysis of each of the categories of loans (excluding loans held for sale) by state as of December 31, 2013 and 2012:

TABLE 34: NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE(a)

($ in millions)						For the Year Ended December 31, 2013
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	**1,086**	**1,377**	**-**	**14**	**12**
Michigan		**851**	**925**	**-**	**17**	**5**
Florida		**508**	**629**	**-**	**7**	**3**
Illinois		**353**	**593**	**-**	**6**	**4**
North Carolina		**248**	**428**	**-**	**2**	**1**
Indiana		**161**	**253**	**-**	**4**	**1**
All other states		**1,270**	**2,173**	**-**	**7**	**1**
Total	$	**4,477**	**6,378**	**-**	**57**	**27**

(a) *Included in commercial mortgage and commercial construction loans on the Consolidated Balance Sheets.*

TABLE 35: NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE(a)

($ in millions)						For the Year Ended December 31, 2012
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs (Recoveries)
Ohio	$	1,236	1,351	-	39	19
Michigan		1,098	1,123	-	49	32
Florida		596	632	-	42	20
Illinois		430	481	-	21	11
North Carolina		205	228	-	12	6
Indiana		283	303	-	14	2
All other states		972	1,250	-	33	(3)
Total	$	4,820	5,368	-	210	87

(a) *Included in commercial mortgage and commercial construction loans on the Consolidated Balance Sheets.*

TABLE 36: HOMEBUILDER AND DEVELOPER(a)

($ in millions)						For the Year Ended December 31, 2013
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs (Recoveries)
Ohio	$	**106**	**173**	**-**	**7**	**-**
Michigan		**33**	**40**	**-**	**4**	**(2)**
North Carolina		**18**	**25**	**-**	**-**	**-**
Indiana		**10**	**11**	**-**	**2**	**1**
Illinois		**5**	**8**	**-**	**2**	**4**
Florida		**3**	**14**	**-**	**-**	**-**
All other states		**19**	**73**	**-**	**1**	**1**
Total	$	**194**	**344**	**-**	**16**	**4**

(a) *Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $51 and a total exposure of $135 are also included in Table 34: Non-Owner Occupied Commercial Real Estate.*

TABLE 37: HOMEBUILDER AND DEVELOPER(a)

($ in millions)						For the Year Ended December 31, 2012
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	133	199	-	11	7
Michigan		52	60	-	6	7
North Carolina		24	34	-	4	1
Indiana		18	21	-	8	-
Illinois		28	31	-	8	3
Florida		32	59	-	3	10
All other states		31	35	-	2	-
Total	$	318	439	-	42	28

(a) *Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $73 and a total exposure of $132 are also included in Table 35: Non-Owner Occupied Commercial Real Estate.*

Consumer Portfolio

The Bancorp's consumer portfolio is materially comprised of three categories of loans: residential mortgage, home equity, and automobile. The Bancorp has identified certain categories within these loan types which it believes represent a higher level of risk compared to the rest of the consumer loan portfolio due to high loan amount to collateral value. The Bancorp does not update LTV ratios for the consumer portfolio subsequent to origination except as part of the charge-off process for real estate secured loans.

Residential Mortgage Portfolio

The Bancorp manages credit risk in the residential mortgage portfolio through conservative underwriting and documentation standards and geographic and product diversification. The Bancorp may also package and sell loans in the portfolio.

The Bancorp does not originate mortgage loans that permit customers to defer principal payments or make payments that are less than the accruing interest. The Bancorp originates both fixed and adjustable rate residential mortgage loans. Resets of rates on adjustable rate mortgages are not expected to have a material impact on credit costs in the current interest rate environment, as approximately $975 million of adjustable rate residential mortgage loans will have rate resets during the next twelve months, with less than one percent of those resets expected to experience an increase in monthly payments in comparison to the monthly payment at the time of origination.

Certain residential mortgage products have contractual features that may increase credit exposure to the Bancorp in the event of a decline in housing values. These types of mortgage products offered by the Bancorp include loans with high LTV ratios, multiple loans on the same collateral that when combined result in an LTV greater than 80% and interest-only loans. The Bancorp monitors residential mortgage loans with greater than 80% LTV ratios and no mortgage insurance as it believes these loans represent a higher level of risk.

The following table provides an analysis of the residential mortgage portfolio loans outstanding by LTV at origination:

TABLE 38: RESIDENTIAL MORTGAGE PORTFOLIO LOANS BY LTV AT ORIGINATION

	2013		2012	
As of December 31 ($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV ≤ 80%	$ **9,507**	**65.2 %**	$ 8,993	65.8 %
LTV > 80%, with mortgage insurance	**1,242**	**93.7**	1,165	93.6
LTV > 80%, no mortgage insurance	**1,931**	**95.9**	1,859	95.6
Total	$ **12,680**	**72.7 %**	$ 12,017	73.1 %

The following tables provide analysis of the residential mortgage portfolio loans outstanding with a greater than 80% LTV ratio and no mortgage insurance:

TABLE 39: RESIDENTIAL MORTGAGE PORTFOLIO LOANS, LTV GREATER THAN 80%, NO MORTGAGE INSURANCE

As of December 31, 2013 ($ in millions)				**For the Year Ended December 31, 2013**
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	**$ 583**	**3**	**20**	**10**
Michigan	**305**	**2**	**7**	**5**
Florida	**260**	**1**	**11**	**3**
Illinois	**236**	**-**	**5**	**2**
Indiana	**120**	**1**	**4**	**1**
North Carolina	**94**	**-**	**2**	**-**
Kentucky	**83**	**-**	**3**	**2**
All other states	**250**	**1**	**2**	**1**
Total	**$ 1,931**	**8**	**54**	**24**

TABLE 40: RESIDENTIAL MORTGAGE PORTFOLIO LOANS, LTV GREATER THAN 80%, NO MORTGAGE INSURANCE

As of December 31, 2012 ($ in millions)					For the Year Ended December 31, 2012
By State:		Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$	600	4	24	13
Michigan		310	1	10	10
Florida		262	-	17	15
Illinois		193	1	5	3
Indiana		115	1	5	2
North Carolina		111	1	5	3
Kentucky		89	1	2	1
All other states		179	-	5	5
Total	$	1,859	9	73	52

Home Equity Portfolio

The Bancorp's home equity portfolio is primarily comprised of home equity lines of credit. Beginning in the first quarter of 2013, the Bancorp's newly originated home equity lines of credit have a 10-year interest only draw period followed by a 20-year amortization period. The home equity line of credit previously offered by the Bancorp was a revolving facility with a 20-year term, minimum payments of interest only and a balloon payment of principal at maturity.

The ALLL provides coverage for probable and estimable losses in the home equity portfolio. The allowance attributable to the portion of the home equity portfolio that has not been restructured in a TDR is calculated on a pooled basis with first lien and junior-lien categories segmented in the determination of the probable credit losses in the home equity portfolio. The modeled loss factor for the home equity portfolio is based on the trailing twelve month historical loss rate for each category, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors to reflect risks associated with current conditions and trends. The prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix. The qualitative factors include adjustments for credit administration and portfolio management, credit policy and underwriting and the national and local economy. The Bancorp considers home price index trends when determining the national and local economy qualitative factor.

The home equity portfolio is managed in two primary groups: loans outstanding with a LTV greater than 80% and those loans with a LTV 80% or less based upon appraisals at origination. The carrying value of the greater than 80% LTV home equity loans and 80% or less LTV home equity loans were $3.2 billion and $6.0 billion, respectively, as of December 31, 2013. Of the total $9.2 billion of outstanding home equity loans:

- 82% reside within the Bancorp's Midwest footprint of Ohio, Michigan, Kentucky, Indiana and Illinois;
- 33% are in senior lien positions and 67% are in junior lien positions at December 31, 2013;
- Over 90% of non-delinquent borrowers made at least one payment greater than the minimum payment during the year ended December 31, 2013; and
- The portfolio had an average refreshed FICO score of 736 and 735 at December 31, 2013 and 2012, respectively.

The Bancorp actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation. The Bancorp does not routinely obtain appraisals on performing loans to update LTV ratios after origination. However, the Bancorp monitors the local housing markets by reviewing various home price indices and incorporates the impact of the changing market conditions in its on-going credit monitoring processes. For junior lien home equity loans which become 60 days or more past due, the Bancorp tracks the performance of the senior lien loans in which the Bancorp is the servicer and utilizes consumer credit bureau attributes to monitor the status of the senior lien loans that the Bancorp does not service. If the senior lien loan is found to be 120 days or more past due, the junior lien home equity loan is placed on nonaccrual status unless both loans are well-secured and in the process of collection. Additionally, if the junior lien home equity loan becomes 120 days or more past due and the senior lien loan is also 120 days or more past due, the junior lien home equity loan is assessed for charge-off, unless it is well-secured and in the process of collection. Refer to the Analysis of Nonperforming Assets section of the MD&A for more information.

The following table provides an analysis of home equity loans outstanding disaggregated based upon refreshed FICO score:

TABLE 41: HOME EQUITY LOANS OUTSTANDING BY REFRESHED FICO SCORE

($ in millions)		**December 31, 2013**	**% of Total**		December 31, 2012	% of Total
Senior Liens:						
FICO < 620	$	**201**	**2 %**	$	224	2 %
FICO 621-719		**638**	**7**		653	6
FICO > 720		**2,253**	**24**		2,374	24
Total Senior Liens		**3,092**	**33**		3,251	32
Junior Liens:						
FICO < 620		**565**	**6**		661	7
FICO 621-719		**1,662**	**18**		1,817	18
FICO > 720		**3,927**	**43**		4,289	43
Total Junior Liens		**6,154**	**67**		6,767	68
Total	$	**9,246**	**100 %**	$	10,018	100 %

The Bancorp believes that home equity loans with a greater than 80% combined LTV ratio present a higher level of risk. The following table provides an analysis of the home equity loans outstanding in a first and second lien position by LTV at origination:

TABLE 42: HOME EQUITY LOANS OUTSTANDING BY LTV AT ORIGINATION

		2013			2012	
As of December 31 ($ in millions)		Outstanding	Weighted Average LTV		Outstanding	Weighted Average LTV
Senior Liens:						
LTV ≤ 80%	$	**2,645**	**54.9 %**	$	2,763	54.9 %
LTV > 80%		**447**	**89.2**		488	88.9
Total Senior Liens		**3,092**	**60.1**		3,251	60.2
Junior Liens:						
LTV ≤ 80%		**3,353**	**67.3**		3,602	67.3
LTV > 80%		**2,801**	**91.4**		3,165	91.6
Total Junior Liens		**6,154**	**80.2**		6,767	80.5
Total	$	**9,246**	**72.9 %**	$	10,018	73.4 %

The following tables provide analysis of home equity loans by state with LTV greater than 80%:

TABLE 43: HOME EQUITY LOANS OUTSTANDING WITH LTV GREATER THAN 80%

As of December 31, 2013 ($ in millions)						**For the Year Ended December 31, 2013**
By State:		Outstanding	Exposure	90 Days Past Due	Nonaccrual[(a)]	Net Charge-offs[(b)]
Ohio	$	**1,161**	**1,868**	**-**	**10**	**18**
Michigan		**697**	**987**	**-**	**7**	**14**
Illinois		**383**	**554**	**-**	**6**	**9**
Indiana		**296**	**454**	**-**	**3**	**4**
Kentucky		**278**	**436**	**-**	**2**	**3**
Florida		**116**	**157**	**-**	**3**	**4**
All other states		**317**	**425**	**-**	**4**	**7**
Total	$	**3,248**	**4,881**	**-**	**35**	**59**

(a) *During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. For further information, refer to the Analysis of Nonperforming Assets section of MD&A.*

(b) *During the fourth quarter of 2013, the Bancorp modified its charge-off policy for home equity loans and lines of credit. For further information, refer to the Analysis of Net Loan Charge-offs section of MD&A.*

TABLE 44: HOME EQUITY LOANS OUTSTANDING WITH LTV GREATER THAN 80%

As of December 31, 2012 ($ in millions)					For the Year Ended December 31, 2012
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 1,254	1,927	8	6	24
Michigan	795	1,108	6	4	24
Illinois	428	611	5	3	17
Indiana	348	521	2	2	5
Kentucky	327	499	2	1	6
Florida	130	175	2	3	8
All other states	371	491	4	2	17
Total	$ 3,653	5,332	29	21	101

Automobile Portfolio

The automobile portfolio is characterized by direct and indirect lending products to consumers. As of December 31, 2013, 51% of the automobile loan portfolio is comprised of loans collateralized by new automobiles. It is a common practice to advance on automobile loans an amount in excess of the automobile value due to the inclusion of taxes, title, and other fees paid at closing. The Bancorp monitors its exposure to these higher risk loans.

The following table provides an analysis of automobile loans outstanding by LTV at origination:

TABLE 45: AUTOMOBILE LOANS OUTSTANDING WITH LTV AT ORIGINATION

	2013		2012	
As of December 31 ($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV ≤ 100%	**$ 8,306**	**81.4 %**	$ 8,123	81.5 %
LTV > 100%	**3,678**	**110.7**	3,849	110.8
Total	**$ 11,984**	**90.7 %**	$ 11,972	91.2 %

The following tables provide analysis of the Bancorp's automobile loans with a LTV at origination greater than 100%:

TABLE 46: AUTOMOBILE LOANS OUTSTANDING WITH LTV GREATER THAN 100%

As of December 31, 2013 ($ in millions)				**For the Year Ended December 31, 2013**
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	**$ 371**	**1**	**-**	**1**
Illinois	**201**	**-**	**-**	**1**
Michigan	**185**	**-**	**-**	**1**
Florida	**185**	**-**	**-**	**1**
Indiana	**147**	**-**	**-**	**-**
Kentucky	**119**	**-**	**-**	**-**
All other states	**2,470**	**4**	**1**	**10**
Total	**$ 3,678**	**5**	**1**	**14**

TABLE 47: AUTOMOBILE LOANS OUTSTANDING WITH LTV GREATER THAN 100%

As of December 31, 2012 ($ in millions)				For the Year Ended December 31, 2012
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 409	-	-	2
Illinois	232	-	-	2
Michigan	221	-	-	2
Florida	194	-	-	1
Indiana	158	-	-	1
Kentucky	141	-	-	1
All other states	2,494	4	2	15
Total	$ 3,849	4	2	24

European Exposure

The Bancorp has no direct sovereign exposure to any European government as of December 31, 2013. In providing services to our customers, the Bancorp routinely enters into financial transactions with foreign domiciled and U.S. subsidiaries of foreign businesses as well as foreign financial institutions. These financial transactions are in the form of loans, loan commitments, letters of credit, derivatives and securities. The Bancorp's risk appetite for foreign country

exposure is managed by having established country exposure limits. The Bancorp's total exposure to European domiciled or owned businesses and European financial institutions was $3.3 billion and funded exposure was $1.8 billion as of December 31, 2013. Additionally, the Bancorp was within its established country exposure limits for all European countries.

Certain European countries have been experiencing increased levels of stress throughout 2012 and 2013 including Greece, Ireland, Italy, Portugal and Spain. The Bancorp's total exposure to businesses domiciled or owned by companies and financial institutions in these countries was approximately $212 million and funded exposure was $103 million as of December 31, 2013.

The following table provides detail about the Bancorp's exposure to all European domiciled and owned businesses and financial institutions as of December 31, 2013:

TABLE 48: EUROPEAN EXPOSURE

		Sovereigns		Financial Institutions		Non-Financial Institutions		Total	
($ in millions)		Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure[a]	Funded Exposure
Peripheral Europe[b]	$	-	-	10	-	202	103	212	103
Other Eurozone[c]		-	-	56	14	2,031	1,161	2,087	1,175
Total Eurozone		-	-	66	14	2,233	1,264	2,299	1,278
Other Europe[d]		-	-	83	23	889	500	972	523
Total Europe	$	-	-	149	37	3,122	1,764	3,271	1,801

(a) Total exposure includes funded exposure and unfunded commitments, reported net of collateral.
(b) Peripheral Europe includes Greece, Ireland, Italy, Portugal and Spain.
(c) Eurozone includes countries participating in the European common currency (Euro).
(d) Other Europe includes European countries not part of the Euro (primarily the United Kingdom and Switzerland).

Analysis of Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; restructured commercial and credit card loans which have not yet met the requirements to be classified as a performing asset; restructured consumer loans which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. A summary of nonperforming assets is included in Table 49.

Residential mortgage loans are typically placed on nonaccrual status when principal and interest payments have become past due 150 days unless such loans are both well secured and in the process of collection. Residential mortgage loans may stay on nonaccrual status for an extended time as the foreclosure process typically lasts longer than 180 days. During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. Home equity loans and lines of credit are reported on nonaccrual status if principal or interest has been in default for 90 days or more unless the loan is both well secured and in the process of collection. Home equity loans and lines of credit that have been in default for 60 days or more are also reported on nonaccrual status if the senior lien has been in default 120 days or more, unless the loan is both well secured and in the process of collection. As a result of the modification of the nonaccrual policy for home equity loans and lines of credit, $46 million of home equity loans and lines of credit were reclassified from accrual to nonaccrual status during the fourth quarter of 2013. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have a sustained repayment performance of six months or greater and the Bancorp is reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance. When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premiums, accretion of loan discounts and amortization or accretion of deferred net loan fees or costs are discontinued and previously accrued, but unpaid interest is reversed. Commercial loans on nonaccrual status are reviewed for impairment at least quarterly. If the principal or a portion of the principal is deemed a loss, the loss amount is charged off to the ALLL.

Total nonperforming assets, including loans held for sale, were $986 million at December 31 2013 compared to $1.3 billion at December 31, 2012. At December 31, 2013, $6 million of nonaccrual loans, consisting primarily of real estate secured loans, were held for sale, compared to $29 million at December 31, 2012.

Total nonperforming assets, including loans held for sale, as a percentage of total loans, leases and other assets, including OREO as of December 31, 2013 were 1.10%, compared to 1.48% as of December 31, 2012. Excluding nonaccrual loans held for sale, nonperforming assets as a percentage of portfolio loans, leases and other assets, including OREO were 1.10% as of December 31, 2013, compared to 1.49% as of December 31, 2012. The composition of nonaccrual loans and leases continues to be concentrated in real estate as 60% of nonaccrual loans and leases were secured by real estate as of December 31, 2013 compared to 67% as of December 31, 2012.

Commercial nonperforming loans and leases were $464 million at December 31, 2013, a decrease of $262 million from December 31, 2012 due primarily to the impact of loss mitigation actions and modest improvement in general economic conditions. Excluding commercial nonperforming loans and leases held for sale, commercial nonperforming loans and leases at December 31, 2013 decreased $239 million compared to December 31, 2012.

Consumer nonperforming loans and leases were $293 million at December 31, 2013, a decrease of $39 million from December 31, 2012. The decrease is primarily due to a decline in new nonaccrual levels due to modest improvement in general economic conditions in 2013. Home equity nonaccrual levels increased $39 million from the prior year due to the aforementioned nonaccrual policy change

which occurred during the fourth quarter of 2013. Geographical market conditions continue to be a large driver of nonaccrual activity as Florida properties represent approximately 13% and 8% of residential mortgage and home equity balances, respectively, but represent 38% and 15% of nonaccrual loans for each category. Refer to Table 50 for a rollforward of the nonperforming loans and leases.

OREO and other repossessed property, excluding OREO related to government insured loans, was $229 million at December 31, 2013, compared to $257 million at December 31, 2012. The decrease from December 31, 2012 was primarily due to the sale of OREO properties coupled with a decrease in new OREO properties reflecting the changes made to the Bancorp's underwriting of real estate loans in prior periods as well as modest improvements in general economic conditions during 2013. The Bancorp recognized $45 million and $74 million in losses on the sale or write-down of OREO properties in 2013 and 2012, respectively. These losses are primarily reflective of the continued stress in the Michigan and Florida markets for commercial real estate and residential mortgage loans as Michigan and Florida represented 15% and 15%, respectively, of total OREO losses in 2013 compared with 14% and 17%, respectively, in 2012. Properties in Michigan and Florida accounted for 36% of OREO at December 31, 2013, compared to 38% at December 31, 2012.

In 2013 and 2012, approximately $71 million and $102 million, respectively, of interest income would have been recorded if the nonaccrual and renegotiated loans and leases on nonaccrual status had been current in accordance with their original terms. Although these values help demonstrate the costs of carrying nonaccrual credits, the Bancorp does not expect to recover the full amount of interest as nonaccrual loans and leases are generally carried below their principal balance.

TABLE 49: SUMMARY OF NONPERFORMING ASSETS AND DELINQUENT LOANS

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Nonaccrual loans and leases:						
Commercial and industrial loans	$	**127**	234	408	473	734
Commercial mortgage loans		**90**	215	358	407	898
Commercial construction loans		**10**	70	123	182	646
Commercial leases		**3**	1	9	11	67
Residential mortgage loans		**83**	114	134	152	275
Home equity		**74**	30	25	23	21
Automobile loans		**-**	-	-	1	1
Other consumer loans and leases		**-**	1	1	84	-
Restructured loans and leases:						
Commercial and industrial loans		**154**	96	79	95	35
Commercial mortgage loans(f)		**53**	67	63	28	4
Commercial construction loans		**19**	6	15	10	8
Commercial leases		**2**	8	3	8	-
Residential mortgage loans		**83**	123	141	116	137
Home equity		**19**	23	29	33	33
Automobile loans		**1**	2	2	2	1
Credit card and other		**33**	39	48	55	87
Total nonperforming loans and leases(d)		**751**	1,029	1,438	1,680	2,947
OREO and other repossessed property(c)		**229**	257	378	494	297
Total nonperforming assets		**980**	1,286	1,816	2,174	3,244
Nonaccrual loans held for sale		**6**	29	138	294	224
Total nonperforming assets including loans held for sale	$	**986**	1,315	1,954	2,468	3,468
Loans and leases 90 days past due and accruing:						
Commercial and industrial loans	$	**-**	1	4	16	118
Commercial mortgage loans		**-**	22	3	11	59
Commercial construction loans		**-**	1	1	3	17
Commercial leases		**-**	-	-	-	4
Residential mortgage loans(b)		**66**	75	79	100	189
Home equity		**-**	58	74	89	99
Automobile loans		**8**	8	9	13	17
Credit card and other		**29**	30	30	42	64
Total loans and leases 90 days past due and accruing(e)	$	**103**	195	200	274	567
Nonperforming assets as a percent of portfolio loans, leases and other assets, including OREO(a)		**1.10 %**	1.49	2.23	2.79	4.22
Allowance for loan and lease losses as a percent of nonperforming assets(a)		**161**	144	124	138	116

(a) *Excludes nonaccrual loans held for sale.*

(b) *Information for all periods presented excludes advances made pursuant to servicing agreements to GNMA mortgage loan pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of **December 31, 2013**, 2012, 2011, 2010, and 2009 these advances were **$378**, $414, $309, $279 and $130, respectively. The Bancorp recognized credit losses of **$5** for the year ended **December 31, 2013** and $2 for 2012 due to claim denials and curtailments associated with these advances.*

(c) *Excludes **$77**, $72, $64, $38 and $15 of OREO related to government insured loans at **December 31, 2013**, 2012, 2011, 2010, and 2009, respectively.*

(d) *Includes **$10**, $10, $17, $24, and $32 of nonaccrual government insured commercial loans whose repayments are insured by the SBA at **December 31, 2013**, 2012, 2011, 2010, and 2009, respectively, and **$2,** $1, $2, $0, and $0 of restructured nonaccrual government insured commercial loans at **December 31, 2013**, 2012, 2011, 2010, and 2009, respectively.*

(e) *Includes an immaterial amount of government insured commercial loans 90 days past due and accruing whose repayments are insured by the SBA at **December 31, 2013**, 2012, 2011, 2010, and 2009.*

(f) *Excludes **$21** of restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*

The following table provides a rollforward of portfolio nonperforming loans and leases, by portfolio segment:

TABLE 50: ROLLFORWARD OF PORTFOLIO NONPERFORMING LOANS AND LEASES

For the year ended December 31, 2013 ($ in millions)		Commercial	Residential Mortgage	Consumer	Total
Beginning Balance	$	**697**	**237**	**95**	**1,029**
Transfers to nonperforming		**409**	**204**	**297**	**910**
Transfers to performing		**(9)**	**(52)**	**(60)**	**(121)**
Transfers to performing (restructured)		**(15)**	**(41)**	**(62)**	**(118)**
Transfers to held for sale		**(3)**	**-**	**-**	**(3)**
Loans sold from portfolio		**(38)**	**-**	**-**	**(38)**
Loan paydowns/payoffs		**(295)**	**(112)**	**(11)**	**(418)**
Transfers to other real estate owned		**(81)**	**(73)**	**(13)**	**(167)**
Charge-offs (recoveries)		**(221)**	**3**	**(122)**	**(340)**
Draws/other extensions of credit		**14**	**-**	**3**	**17**
Ending Balance	$	**458**	**166**	**127**	**751**
For the year ended December 31, 2012 ($ in millions)					
Beginning Balance	$	1,058	275	105	1,438
Transfers to nonperforming		560	318	354	1,232
Transfers to performing		(22)	(45)	(73)	(140)
Transfers to performing (restructured)		(31)	(57)	(90)	(178)
Transfers to held for sale		(13)	-	-	(13)
Loans sold from portfolio		(36)	(4)	-	(40)
Loan paydowns/payoffs		(466)	(121)	(12)	(599)
Transfers to other real estate owned		(108)	(71)	-	(179)
Charge-offs		(297)	(58)	(194)	(549)
Draws/other extensions of credit		52	-	5	57
Ending Balance	$	697	237	95	1,029

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Typically, these modifications reduce the loan interest rate, extend the loan term, reduce the accrued interest or in limited circumstances, reduce the principal balance of the loan. These modifications are classified as TDRs.

At the time of modification, the Bancorp maintains certain consumer loan TDRs (including residential mortgage loans, home equity loans, and other consumer loans) on accrual status, provided there is reasonable assurance of repayment and performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified terms are reasonably assured of collection. TDRs of commercial loans and credit card loans that do not have a sustained payment history of six months or greater in accordance with the modified terms remain on nonaccrual status until a six-month payment history is sustained.

Consumer restructured loans on accrual status totaled $1.7 billion at December 31, 2013 and December 31, 2012. As of December 31, 2013, the percentage of restructured residential mortgage loans, home equity loans, and credit card loans that are past due 30 days or more were 17%, 11% and 16%, respectively.

The following table summarizes TDRs by loan type and delinquency status:

TABLE 51: PERFORMING AND NONPERFORMING TDRs

		Performing					
As of December 31, 2013 ($ in millions)		Current	30-89 Days Past Due	90 Days or More Past Due	Nonaccrual		Total
Commercial[(b)(c)]	$	869	-	-	228	$	1,097
Residential mortgages[(a)]		1,045	82	114	84		1,325
Home equity		368	26	-	18		412
Credit card		25	-	-	33		58
Automobile and other consumer loans and leases		24	1	-	1		26
Total	$	2,331	109	114	364	$	2,918

(a) *Information includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2013, these advances represented $155 of current loans, $31 of 30-89 days past due loans and $88 of 90 days or more past due loans.*

(b) *Excludes $8 of restructured accruing loans and $21 of restructured nonaccrual loans associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*

(c) *Excludes restructured nonaccrual loans held for sale.*

Analysis of Net Loan Charge-offs

Net charge-offs were 58 bps and 85 bps of average portfolio loans and leases for the years ended December 31, 2013 and 2012, respectively. Table 52 provides a summary of credit loss experience and net charge-offs as a percentage of average portfolio loans and leases outstanding by loan category.

The ratio of commercial loan and lease net charge-offs to average portfolio commercial loans and leases decreased to 44 bps during 2013 compared to 63 bps in 2012, as a result of decreases in net charge-offs of $77 million coupled with an increase in average portfolio commercial loan and lease balances of $3.7 billion. Decreases in net charge-offs were realized across all commercial loan types, excluding commercial and industrial loans which increased primarily due to a $43 million charge-off on a single large credit during the fourth quarter of 2013, and were primarily due to improvements in general economic conditions and previous actions taken by the Bancorp to address problem loans. Actions taken by the Bancorp included suspending homebuilder and developer lending in 2007 and non-owner occupied commercial real estate lending in 2008 and tightened underwriting standards across all commercial loan product offerings. The Bancorp resumed homebuilder and developer lending and non-owner occupied commercial real estate lending in the third quarter of 2011. Net charge-offs for 2013 related to non-owner occupied commercial real estate were $27 million compared to $87 million in 2012. Net charge-offs related to non-owner occupied commercial real estate are recorded in the commercial mortgage loans and commercial construction loans captions in Table 52. Net charge-offs on these loans represented 12% of total commercial loan and lease net charge-offs in 2013 and 29% in 2012.

The ratio of consumer loan and lease net charge-offs to average consumer loans and leases decreased to 77 bps in 2013 compared to 113 bps in 2012. Net charge-offs on residential mortgage loans, which typically involve partial charge-offs based upon appraised values of underlying collateral, decreased $62 million from the prior year as a result of improvements in delinquencies and a decrease in the average loss recorded per charge-off. The Bancorp's Florida and Michigan markets, in aggregate, accounted for 42% and 66% of net charge-offs on residential mortgage loans in the portfolio in 2013 and 2012, respectively. The Bancorp expects the composition of the residential mortgage portfolio to improve as it continues to retain high quality, shorter duration residential mortgage loans that are originated through its branch network as a low-cost, refinance product of conforming residential mortgage loans.

Home equity net charge-offs decreased $60 million compared to the prior year, primarily due to improvements in loss severities and delinquencies, partially offset by the impact of the change in the home equity charge-off policy during the fourth quarter of 2013. Home equity loans and lines of credit that have been in default 120 days or more are assessed for a charge-off if the senior lien has been in default 120 days or more. In addition, management actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation.

Automobile loan net charge-offs decreased $9 million compared to 2012, due to the origination of high credit quality loans and higher resale on automobiles sold at auction.

Credit card and other consumer loans and leases net charge-offs increased $5 million from 2012. Credit card net charge-offs increased $4 million from the prior year. The Bancorp utilizes a risk-adjusted pricing methodology to ensure adequate compensation is received for those products that have higher credit costs. Other consumer loan net charge-offs remained relatively flat compared to the same period in the prior year.

TABLE 52: SUMMARY OF CREDIT LOSS EXPERIENCE

For the years ended December 31 ($ in millions)		2013	2012	2011	2010	2009
Losses charged off:						
Commercial and industrial loans	$	**(207)**	(194)	(314)	(631)	(768)
Commercial mortgage loans		**(66)**	(120)	(211)	(541)	(436)
Commercial construction loans		**(9)**	(34)	(89)	(265)	(420)
Commercial leases		**(2)**	(10)	(1)	(7)	(11)
Residential mortgage loans		**(70)**	(129)	(180)	(441)	(359)
Home equity		**(114)**	(172)	(234)	(276)	(330)
Automobile loans		**(44)**	(55)	(85)	(132)	(189)
Credit card		**(92)**	(90)	(114)	(164)	(178)
Other consumer loans and leases		**(33)**	(33)	(86)	(28)	(28)
Total losses		**(637)**	(837)	(1,314)	(2,485)	(2,719)
Recoveries of losses previously charged off:						
Commercial and industrial loans		**39**	29	38	45	50
Commercial mortgage loans		**19**	21	16	17	14
Commercial construction loans		**5**	9	4	13	4
Commercial leases		**1**	2	3	5	4
Residential mortgage loans		**10**	7	7	2	2
Home equity		**17**	15	14	12	8
Automobile loans		**22**	24	32	44	41
Credit card		**14**	16	16	9	8
Other consumer loans and leases		**9**	10	12	10	7
Total recoveries		**136**	133	142	157	138
Net losses charged off:						
Commercial and industrial loans		**(168)**	(165)	(276)	(586)	(718)
Commercial mortgage loans		**(47)**	(99)	(195)	(524)	(422)
Commercial construction loans		**(4)**	(25)	(85)	(252)	(416)
Commercial leases		**(1)**	(8)	2	(2)	(7)
Residential mortgage loans		**(60)**	(122)	(173)	(439)	(357)
Home equity		**(97)**	(157)	(220)	(264)	(322)
Automobile loans		**(22)**	(31)	(53)	(88)	(148)
Credit card		**(78)**	(74)	(98)	(155)	(170)
Other consumer loans and leases		**(24)**	(23)	(74)	(18)	(21)
Total net losses charged off	$	**(501)**	(704)	(1,172)	(2,328)	(2,581)
Net charge-offs as a percent of average loans and leases (excluding held for sale):						
Commercial and industrial loans		**0.44** %	0.50	0.97	2.23	2.61
Commercial mortgage loans		**0.56**	1.02	1.89	4.58	3.43
Commercial construction loans		**0.51**	3.08	4.96	8.48	9.24
Commercial leases		**0.04**	0.22	(0.08)	0.05	0.22
Total commercial loans		**0.44**	0.63	1.26	3.10	3.27
Residential mortgage loans		**0.48**	1.07	1.75	5.49	4.15
Home equity		**1.02**	1.51	1.97	2.20	2.57
Automobile loans		**0.18**	0.26	0.47	0.85	1.68
Credit card		**3.67**	3.79	5.19	8.28	8.87
Other consumer loans and leases		**6.71**	7.02	15.29	2.58	2.14
Total consumer loans and leases		**0.77**	1.13	1.79	2.92	3.10
Total net losses charged off		**0.58** %	0.85	1.49	3.02	3.20

Allowance for Credit Losses

The allowance for credit losses is comprised of the ALLL and the reserve for unfunded commitments. The ALLL provides coverage for probable and estimable losses in the loan and lease portfolio. The Bancorp evaluates the ALLL each quarter to determine its adequacy to cover inherent losses. Several factors are taken into consideration in the determination of the overall ALLL, including an unallocated component. These factors include, but are not limited to, the overall risk profile of the loan and lease portfolios, net charge-off experience, the extent of impaired loans and leases, the level of nonaccrual loans and leases, the level of 90 days past due loans and leases and the overall percentage level of the ALLL relative to portfolio loans and leases. The Bancorp also considers overall asset quality trends, credit administration and portfolio management practices, risk identification practices, credit policy and underwriting practices, overall portfolio growth, portfolio concentrations and current national and local economic conditions that might impact the portfolio. See the Critical Accounting Policies section for more information.

In 2013, the Bancorp did not substantively change any material aspect of its overall approach in the determination of the ALLL and there have been no material changes in assumptions or estimation techniques as compared to prior periods that impacted the determination of the current period allowance. In addition to the ALLL, the Bancorp maintains a reserve for unfunded commitments recorded in other liabilities in the Consolidated Balance Sheets. The methodology used to determine the adequacy of this reserve is similar to the Bancorp's methodology for determining the ALLL. The provision for unfunded commitments is included in other noninterest expense in the Consolidated Statements of Income.

The ALLL attributable to the portion of the residential mortgage and consumer loan and lease portfolio that has not been

restructured is determined on a pooled basis with the segmentation being based on the similarity of credit risk characteristics. Loss factors for real estate backed consumer loans are developed for each pool based on the trailing twelve month historical loss rate, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors. The prescriptive loss rate factors and qualitative adjustments are designed to reflect risks associated with current conditions and trends which are not believed to be fully reflected in the trailing twelve month historical loss rate. For real estate backed consumer loans, the prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix, and the qualitative factors include adjustments for credit administration and portfolio management practices, credit policy and underwriting practices and the national and local economy. The Bancorp considers home price index trends in its footprint when determining the national and local economy qualitative factor. The Bancorp also considers the volatility of collateral valuation trends when determining the unallocated component of the ALLL.

The Bancorp's determination of the ALLL for commercial loans is sensitive to the risk grades it assigns to these loans. In the event that 10% of commercial loans in each risk category would experience a downgrade of one risk category, the allowance for commercial loans would increase by approximately $152 million at December 31, 2013. In addition, the Bancorp's determination of the allowance for residential and consumer loans is sensitive to changes in estimated loss rates. In the event that estimated loss rates would increase by 10%, the allowance for residential and consumer loans would increase by approximately $41 million at December 31, 2013. As several qualitative and quantitative factors are considered in determining the ALLL, these sensitivity analyses do not necessarily reflect the nature and extent of future changes in the ALLL. They are intended to provide insights into the impact of adverse changes to risk grades and estimated loss rates and do not imply any expectation of future deterioration in the risk ratings or loss rates. Given current processes employed by the Bancorp, management believes the risk grades and estimated loss rates currently assigned are appropriate.

TABLE 53: CHANGES IN ALLOWANCE FOR CREDIT LOSSES

For the years ended December 31 ($ in millions)		**2013**	2012	2011	2010	2009
ALLL:						
Balance, beginning of period	$	**1,854**	2,255	3,004	3,749	2,787
Impact of change in accounting principle		**-**	-	-	45	-
Losses charged off		**(637)**	(837)	(1,314)	(2,485)	(2,719)
Recoveries of losses previously charged off		**136**	133	142	157	138
Provision for loan and lease losses		**229**	303	423	1,538	3,543
Balance, end of period	$	**1,582**	1,854	2,255	3,004	3,749
Reserve for unfunded commitments and letters of credit:						
Balance, beginning of period	$	**179**	181	227	294	195
Impact of change in accounting principle		**-**	-	-	(43)	-
Provision (benefit) for unfunded commitments and letters of credit		**(17)**	(2)	(46)	(24)	99
Balance, end of period	$	**162**	179	181	227	294

Certain inherent, but unconfirmed losses are probable within the loan and lease portfolio. The Bancorp's current methodology for determining the level of losses is based on historical loss rates, current credit grades, specific allocation on impaired commercial credits above specified thresholds and restructured residential mortgage, consumer and commercial loans and other qualitative adjustments. Due to the heavy reliance on realized historical losses and the credit grade rating process, the model-derived estimate of ALLL tends to slightly lag behind the deterioration in the portfolio, in a stable or deteriorating credit environment, and tend not to be as responsive when improved conditions have presented themselves. Given these model limitations, the qualitative adjustment factors may be incremental or decremental to the quantitative model results.

An unallocated component to the ALLL is maintained to recognize the imprecision in estimating and measuring loss. The unallocated allowance as a percent of total portfolio loans and leases at December 31, 2013 and 2012 was 0.12% and 0.13%, respectively. The unallocated allowance was seven percent of the total allowance as of December 31, 2013 compared to six percent as of December 31, 2012.

As shown in Table 54, the ALLL as a percent of portfolio loan and leases was 1.79% at December 31, 2013, compared to 2.16% at December 31, 2012. The ALLL was $1.6 billion as of December 31, 2013, compared to $1.9 billion at December 31, 2012. The decrease is reflective of a number of factors including decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases and improvement in underlying loss trends.

TABLE 54: ATTRIBUTION OF ALLOWANCE FOR LOAN AND LEASE LOSSES TO PORTFOLIO LOANS AND LEASES

As of December 31 ($ in millions)		2013	2012	2011	2010	2009
Allowance attributed to:						
Commercial and industrial loans	$	**767**	802	929	1,123	1,282
Commercial mortgage loans		**212**	333	441	597	734
Commercial construction loans		**26**	33	77	158	380
Commercial leases		**53**	68	80	111	121
Residential mortgage loans		**189**	229	227	310	375
Home equity		**94**	143	195	265	294
Automobile loans		**23**	28	43	73	127
Credit card		**92**	87	106	158	199
Other consumer loans and leases		**16**	20	21	59	44
Unallocated		**110**	111	136	150	193
Total ALLL	$	**1,582**	1,854	2,255	3,004	3,749
Portfolio loans and leases:						
Commercial and industrial loans	$	**39,316**	36,038	30,783	27,191	25,683
Commercial mortgage loans		**8,066**	9,103	10,138	10,845	11,803
Commercial construction loans		**1,039**	698	1,020	2,048	3,784
Commercial leases		**3,625**	3,549	3,531	3,378	3,535
Residential mortgage loans		**12,680**	12,017	10,672	8,956	8,035
Home equity		**9,246**	10,018	10,719	11,513	12,174
Automobile loans		**11,984**	11,972	11,827	10,983	8,995
Credit card		**2,294**	2,097	1,978	1,896	1,990
Other consumer loans and leases		**364**	290	350	681	780
Total portfolio loans and leases	$	**88,614**	85,782	81,018	77,491	76,779
Attributed allowance as a percent of respective portfolio loans and leases:						
Commercial and industrial loans		**1.95** %	2.23	3.02	4.13	4.99
Commercial mortgage loans		**2.63**	3.66	4.35	5.50	6.22
Commercial construction loans		**2.50**	4.73	7.55	7.71	10.04
Commercial leases		**1.46**	1.92	2.27	3.29	3.42
Residential mortgage loans		**1.49**	1.91	2.13	3.46	4.67
Home equity		**1.02**	1.43	1.82	2.30	2.41
Automobile loans		**0.19**	0.23	0.36	0.66	1.41
Credit card		**4.01**	4.15	5.36	8.33	10.00
Other consumer loans and leases		**4.40**	6.90	6.00	8.66	5.64
Unallocated (as a percent of total portfolio loans and leases)		**0.12**	0.13	0.17	0.19	0.25
Total portfolio loans and leases		**1.79** %	2.16	2.78	3.88	4.88

MARKET RISK MANAGEMENT

Market risk arises from the potential for market fluctuations in interest rates, foreign exchange rates and equity prices that may result in potential reductions in net income. Interest rate risk, a component of market risk, is the exposure to adverse changes in net interest income or financial position due to changes in interest rates. Management considers interest rate risk a prominent market risk in terms of its potential impact on earnings. Interest rate risk can occur for any one or more of the following reasons:

- Assets and liabilities may mature or reprice at different times;
- Short-term and long-term market interest rates may change by different amounts; or
- The expected maturity of various assets or liabilities may shorten or lengthen as interest rates change.

In addition to the direct impact of interest rate changes on net interest income, interest rates can indirectly impact earnings through their effect on loan demand, credit losses, mortgage originations, the value of servicing rights and other sources of the Bancorp's earnings. Stability of the Bancorp's net income is largely dependent upon the effective management of interest rate risk. Management continually reviews the Bancorp's balance sheet composition and earnings flows and models the interest rate risk, and possible actions to reduce this risk, given numerous possible future interest rate scenarios.

Interest Rate Risk Management Oversight

The Bancorp's Executive ALCO, which includes senior management representatives and is accountable to the ERM Committee, monitors and manages interest rate risk within Board approved policy limits. In addition to the risk management activities of ALCO, the Bancorp has a Market Risk Management function as part of ERM that provides independent oversight of market risk activities. In 2012, the NII and EVE ALCO policy limits were lowered to reflect the Bancorp's current risk appetite and due to significant uncertainty with respect to the economic environment, market interest rates and balance sheet and deposit pricing behaviors. The policy limits were updated in conjunction with the Market Risk Management group and were approved by ALCO.

Net Interest Income Sensitivity

The Bancorp utilizes a variety of measurement techniques to identify and manage its interest rate risk, including the use of an NII simulation model to analyze the sensitivity of net interest income to changing interest rates. The model is based on contractual and assumed cash flows and repricing characteristics for all of the Bancorp's assets, liabilities and off-balance sheet exposures and incorporates market-based assumptions regarding the effect of changing interest rates on the prepayment rates of certain assets and attrition rates for certain liabilities. The model also includes senior management's projections of the future volume and pricing of each of the product lines offered by the Bancorp as well as other pertinent assumptions. Actual results may differ from these

simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and management strategies.

The Bancorp's interest rate risk exposure is currently evaluated by measuring the anticipated change in net interest income over 12-month and 24-month horizons assuming 100 bps and 200 bps parallel ramped increases in interest rates. The analysis would typically include 100 bps and 200 bps parallel ramped decreases in interest rates; however, this analysis is currently omitted due to the current low levels of short-term interest rates. Applying the ramps would result in certain short-term interest rates becoming negative in the parallel ramped decrease scenarios. In accordance with the current policy, the rate movements are assumed to occur over one year and are sustained thereafter.

The following table shows the Bancorp's estimated net interest income sensitivity profile and ALCO policy limits as of December 31:

TABLE 55: ESTIMATED NII SENSITIVITY PROFILE

	2013				2012			
	Percent Change in NII (FTE)		ALCO Policy Limits		Percent Change in NII (FTE)		ALCO Policy Limits	
Change in Interest Rates (bps)	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months
+200	**1.73 %**	**6.89**	**(4.00)**	**(6.00)**	1.78 %	7.75	(4.00)	(6.00)
+100	**0.77**	**3.37**	**-**	**-**	0.90	3.78	-	-

At December 31, 2013, the Bancorp's net interest income would benefit modestly in year one and year two due to these parallel ramp increases. The benefit is attributable to the combination of floating-rate assets, including our predominantly floating-rate commercial loan portfolio, and certain intermediate-term fixed rate liabilities. The benefit is down modestly when compared to December 31, 2012. The lower net interest income benefit is attributable to an increase in fixed-rate securities balances and the realization of slower prepayments on the available-for-sale security portfolio in 2013. At December 31, 2012, prepayments speeds on certain available-for-sale securities were projected to slow in a rising rate environment, which provided a benefit to net interest income sensitivity at that time. During 2013, these slowing prepayments were realized as a result of an increase in the level of market interest rates and mortgage rates. Further increases in interest rates will not have the same impact on net interest income, which results in a modest reduction in the benefit. The impacts of the slowing prepayments and the increase in the fixed-rate securities portfolio were partly offset by an increase in core deposit balances and an increase in actual and projected fixed-rate borrowings and shareholder's equity.

Economic Value of Equity Sensitivity

The Bancorp also utilizes EVE as a measurement tool in managing interest rate risk. Whereas the net interest income sensitivity analysis highlights the impact on forecasted NII over 1- and 2-year time horizons, the EVE analysis is a point in time analysis of the current positions and incorporates all cash flows over their estimated remaining lives. The EVE of the balance sheet is defined as the discounted present value of all remaining asset and net derivative cash flows less the discounted value of all remaining liability cash flows. Due to this longer horizon, the sensitivity of EVE to changes in the level of interest rates is a measure of longer-term interest rate risk. EVE values only the current balance sheet and does not incorporate the growth assumptions used in the NII sensitivity analysis. As with the NII simulation model, assumptions about the timing and variability of existing balance sheet cash flows are critical in the EVE analysis. Particularly important are assumptions driving loan and security prepayments and the expected balance attrition and pricing of transaction deposits.

The following table shows the Bancorp's EVE sensitivity profile as of December 31:

TABLE 56: ESTIMATED EVE SENSITIVITY PROFILE

	2013		2012	
Change in Interest Rates (bps)	Change in EVE	ALCO Policy Limit	Change in EVE	ALCO Policy Limit
+200	**(5.78)%**	**(12.00)**	2.16 %	(12.00)
+100	**(2.91)**		1.50	
+25	**(0.70)**		0.43	
-25	**0.63**		(0.52)	

At December 31, 2013, the EVE sensitivity was modestly negative, compared to a small benefit at December 31, 2012. The primary factors contributing to the change are an increase in the average life of mortgage loan and securities positions as a result of slowing prepayments due to increases in the levels of market interest rates and mortgage rates, growth in fixed-rate securities balances, and a decreased benefit related to MSRs. At December 31, 2012, the MSR valuation was projected to benefit from slowing prepayments that would occur with rising interest rates. Slowing prepayments were realized during 2013 due to increased market rates, and consequently, future increases in interest rates will have a smaller benefit to the MSR valuation.

While an instantaneous shift in interest rates is used in this analysis to provide an estimate of exposure, the Bancorp believes that a gradual shift in interest rates would have a much more modest impact. Since EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (e.g., the current fiscal year). Further, EVE does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships and changing product spreads that could mitigate or exacerbate the impact of changes in interest rates. The NII simulations and EVE analyses do not necessarily include certain

actions that management may undertake to manage risk in response to anticipated changes in interest rates.

The Bancorp regularly evaluates its exposures to LIBOR and Prime basis risks, nonparallel shifts in the yield curve and embedded options risk. In addition, the impact on NII and EVE of more extreme changes in interest rates is modeled, wherein the Bancorp employs the use of yield curve shocks and environment-specific scenarios.

Use of Derivatives to Manage Interest Rate Risk

An integral component of the Bancorp's interest rate risk management strategy is its use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options, swaptions and TBA securities.

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp enters into forward contracts accounted for as free-standing derivatives to economically hedge interest rate lock commitments that are also considered free-standing derivatives. Additionally, the Bancorp economically hedges its exposure to mortgage loans held for sale through the use of forward contracts and mortgage options.

The Bancorp also establishes derivative contracts with major financial institutions to economically hedge significant exposures assumed in commercial customer accommodation derivative contracts. Generally, these contracts have similar terms in order to protect the Bancorp from market volatility. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts, which the Bancorp minimizes through collateral arrangements, approvals, limits and monitoring procedures. For further information including the notional amount and fair values of these derivatives, see Note 12 of the Notes to Consolidated Financial Statements.

Portfolio Loans and Leases and Interest Rate Risk

Although the Bancorp's portfolio loans and leases contain both fixed and floating/adjustable rate products, the rates of interest earned by the Bancorp on the outstanding balances are generally established for a period of time. The interest rate sensitivity of loans and leases is directly related to the length of time the rate earned is established. The following table summarizes the expected principal cash flows of the Bancorp's portfolio loans and leases as of December 31, 2013.

TABLE 57: PORTFOLIO LOAN AND LEASE EXPECTED MATURITIES

($ in millions)	Less than 1 year	1-5 years	Over 5 years	Total
Commercial and industrial loans	$ 18,523	19,785	1,008	39,316
Commercial mortgage loans	3,569	4,054	443	8,066
Commercial construction loans	457	557	25	1,039
Commercial leases	669	1,608	1,348	3,625
Subtotal - commercial loans and leases	23,218	26,004	2,824	52,046
Residential mortgage loans	2,160	4,298	6,222	12,680
Home equity	1,352	5,088	2,806	9,246
Automobile loans	4,684	7,104	196	11,984
Credit card	661	1,633	-	2,294
Other consumer loans and leases	312	51	1	364
Subtotal - consumer loans and leases	9,169	18,174	9,225	36,568
Total	$ 32,387	44,178	12,049	88,614

Additionally, the following table displays a summary of expected principal cash flows occurring after one year for both fixed and floating or adjustable rate loans, as of December 31, 2013:

TABLE 58: PORTFOLIO LOAN AND LEASE PRINCIPAL CASH FLOWS OCCURING AFTER ONE YEAR

	Interest Rate	
($ in millions)	Fixed	Floating or Adjustable
Commercial and industrial loans	$ 2,839	17,954
Commercial mortgage loans	1,167	3,330
Commercial construction loans	27	555
Commercial leases	2,956	-
Subtotal - commercial loans and leases	6,989	21,839
Residential mortgage loans	7,682	2,838
Home equity	951	6,943
Automobile loans	7,252	48
Credit card	694	939
Other consumer loans and leases	35	17
Subtotal - consumer loans and leases	16,614	10,785
Total	$ 23,603	32,624

Residential Mortgage Servicing Rights and Interest Rate Risk

The net carrying amount of the residential MSR portfolio was $967 million and $697 million as of December 31, 2013 and 2012, respectively. The value of servicing rights can fluctuate sharply depending on changes in interest rates and other factors. Generally, as interest rates decline and loans are prepaid to take advantage of refinancing, the total value of existing servicing rights declines because no further servicing fees are collected on repaid loans. The Bancorp maintains a non-qualifying hedging strategy relative to its mortgage banking activity in order to manage a portion of the risk

associated with changes in the value of its MSR portfolio as a result of changing interest rates.

Mortgage rates increased during 2013 and decreased during 2012. The increase in interest rates during 2013 caused modeled prepayment speeds to slow, which led to a recovery of $192 million in temporary impairment on servicing rights during the year ended December 31, 2013. The decrease in interest rates during 2012 caused modeled prepayment speeds to increase, which led to $103 million in temporary impairment on servicing rights during the year ended December 31, 2012. Servicing rights are deemed temporarily impaired when a borrower's loan rate is distinctly higher than prevailing rates. Temporary impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower's loan rate. In addition to the mortgage servicing rights valuation, the Bancorp recognized net losses of $17 million and net gains of $66 million on its non-qualifying hedging strategy for the years ended 2013 and 2012, respectively. These amounts include net gains on securities related to the Bancorp's non-qualifying hedging strategy of $13 million and $3 million for 2013 and 2012, respectively. The Bancorp may adjust its hedging strategy to reflect its assessment of the composition of its MSR portfolio, the cost of hedging and the anticipated effectiveness of the hedges given the economic environment. See Note 11 of the Notes to Consolidated Financial Statements for further discussion on servicing rights and the instruments used to hedge interest rate risk on MSRs.

Foreign Currency Risk

The Bancorp may enter into foreign exchange derivative contracts to economically hedge certain foreign denominated loans. The derivatives are classified as free-standing instruments with the revaluation gain or loss being recorded in other noninterest income in the Consolidated Statements of Income. The balance of the Bancorp's foreign denominated loans at December 31, 2013 and 2012 was $581 million and $549 million, respectively. The Bancorp also enters into foreign exchange contracts for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations. The Bancorp has internal controls in place to help ensure excessive risk is not being taken in providing this service to customers. These controls include an independent determination of currency volatility and credit equivalent exposure on these contracts, counterparty credit approvals and country limits.

LIQUIDITY RISK MANAGEMENT

The goal of liquidity management is to provide adequate funds to meet changes in loan and lease demand, unexpected levels of deposit withdrawals and other contractual obligations. Mitigating liquidity risk is accomplished by maintaining liquid assets in the form of investment securities, maintaining sufficient unused borrowing capacity in the debt markets and delivering consistent growth in core deposits. A summary of certain obligations and commitments to make future payments under contracts is included in Note 17 of the Notes to Consolidated Financial Statements.

The Bancorp maintains a contingency funding plan that assesses the liquidity needs under various scenarios of market conditions, asset growth and credit rating downgrades. The plan includes liquidity stress testing which measures various sources and uses of funds under the different scenarios. The contingency plan provides for ongoing monitoring of unused borrowing capacity and available sources of contingent liquidity to prepare for unexpected liquidity needs and to cover unanticipated events that could affect liquidity.

Sources of Funds

The Bancorp's primary sources of funds relate to cash flows from loan and lease repayments, payments from securities related to sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of public and private debt offerings.

Projected contractual maturities from loan and lease repayments are included in Table 57 of the Market Risk Management section of MD&A. Of the $18.6 billion of securities in the Bancorp's available-for-sale and other portfolio at December 31, 2013, $3.7 billion in principal and interest is expected to be received in the next 12 months and an additional $2.0 billion is expected to be received in the next 13 to 24 months. For further information on the Bancorp's securities portfolio, see the Securities section of MD&A.

Asset-driven liquidity is provided by the Bancorp's ability to sell or securitize loans and leases. In order to reduce the exposure to interest rate fluctuations and to manage liquidity, the Bancorp has developed securitization and sale procedures for several types of interest-sensitive assets. A majority of the long-term, fixed-rate single-family residential mortgage loans underwritten according to FHLMC or FNMA guidelines are sold for cash upon origination. Additional assets such as certain other residential mortgages, certain commercial loans, home equity loans, automobile loans and other consumer loans are also capable of being securitized or sold. For the years ended December 31, 2013 and 2012, the Bancorp sold or securitized loans totaling $23.4 billion and $21.7 billion, respectively. For further information on the transfer of financial assets, see Note 11 of the Notes to Consolidated Financial Statements.

Core deposits have historically provided the Bancorp with a sizeable source of relatively stable and low cost funds. The Bancorp's average core deposits and shareholders' equity funded 82% of its average total assets during both 2013 and 2012. In addition to core deposit funding, the Bancorp also accesses a variety of other short-term and long-term funding sources, which include the use of the FHLB system. Certificates of deposit carrying a balance of $100,000 or more and deposits in the Bancorp's foreign branch located in the Cayman Islands are wholesale funding tools utilized to fund asset growth. Management does not rely on any one source of liquidity and manages availability in response to changing balance sheet needs.

As of December 31, 2013, $3.8 billion of debt or other securities were available for issuance under the current Bancorp's Board of Directors' authorizations and the Bancorp is authorized to file any necessary registration statements with the SEC to permit ready access to the public securities markets; however, access to these markets may depend on market conditions. Additionally, the Bancorp has approximately $40.8 billion of borrowing capacity available through secured borrowing sources including the FHLB and FRB.

In February of 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program to increase the capacity from $20 billion to $25 billion. On February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of bank notes. On November 20, 2013, the Bank issued and sold, under its amended bank notes program, $1.8 billion in aggregate principal amount of bank notes. The Bancorp has $21.5 billion of funding available for issuance under the global bank note program as of December 31, 2013.

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and

equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due.

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. The primary purposes for which the VIE was created were to issue asset backed securities with varying levels of credit subordination and payment priority and to provide the Bancorp with access to liquidity for its originated loans. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

Liquidity Coverage Ratio and Net Stable Funding Ratio

The BCBS' key reform within the Basel III framework to strengthen international liquidity standards was the introduction of the LCR and NSFR. On January 7, 2013, the BCBS issued a final standard for the LCR applicable to large internationally active banking organizations, which would phase in the LCR beginning in 2015 with full implementation in 2019. The BCBS plans on introducing the NSFR final standard in the next two years.

The BCBS' LCR would promote the short-term resilience of a bank's liquidity profile by ensuring an adequate level of unencumbered high-quality liquid assets that can be converted into cash easily and immediately in private markets to meet its liquidity needs within 30 calendar days. Financial institutions subject to the LCR generally would be expected to hold unencumbered high-quality assets of at least 100% of net cash flows over the next 30 calendar days upon full implementation in 2019.

The BCBS' NSFR is intended to promote medium and long-term funding of the assets and activities of financial institutions. This ratio would establish a minimum acceptable amount of stable funding based on the liquidity characteristics of a financial institution's assets and activities over a one year horizon. Management is currently monitoring the progress of the BCBS' work on the NSFR.

Section 165 of the Dodd-Frank Act requires the FRB to establish enhanced liquidity standards for BHCs with total assets of $50 billion or greater. On October 24, 2013, the U.S. Banking Agencies issued an NPR that would implement a LCR requirement that is generally consistent with the international LCR standards published by the BCBS for large internationally active banking organizations, generally those with $250 billion or more in total consolidated assets or $10 billion or more in on-balance sheet foreign exposure. Additionally, a Modified LCR requirement was proposed for BHC's with total consolidated assets of at least $50 billion that are not large internationally active banking organizations, like Fifth Third. The Modified LCR requirement incorporates a shorter (21-calendar days) stress scenario for calculating total net cash outflows than the LCR's 30 calendar day requirement. Therefore, the estimated net cash outflows for the Modified LCR generally would be 70% of the LCR's estimated net cash outflows. The NPR's transition period will begin on January 1, 2015 whereby LCR and Modified LCR entities must comply with a minimum ratio of 80%. On January 1, 2016 and 2017, the minimum ratio would increase to 90% and 100%, respectively. The NPR was open for public comment until January 31, 2014. Management is currently reviewing the NPR and evaluating its impact upon the Bancorp's Consolidated Financial Statements.

Credit Ratings

The cost and availability of financing to the Bancorp are impacted by its credit ratings. A downgrade to the Bancorp's credit ratings could affect its ability to access the credit markets and increase its borrowing costs, thereby adversely impacting the Bancorp's financial condition and liquidity. Key factors in maintaining high credit ratings include a stable and diverse earnings stream, strong credit quality, strong capital ratios and diverse funding sources, in addition to disciplined liquidity monitoring procedures.

The Bancorp's credit ratings are summarized in Table 59. The ratings reflect the ratings agencies view on the Bancorp's capacity to meet financial commitments. *

** As an investor, you should be aware that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organization and that each rating should be evaluated independently of any other rating. Additional information on the credit rating ranking within the overall classification system is located on the website of each credit rating agency.*

TABLE 59: AGENCY RATINGS

As of February 24, 2014	Moody's	Standard and Poor's	Fitch	DBRS
Fifth Third Bancorp:				
Short-term	No rating	A-2	F1	R-1L
Senior debt	Baa1	BBB+	A	AL
Subordinated debt	Baa2	BBB	A-	BBBH
Fifth Third Bank:				
Short-term	P-2	A-2	F1	R-1L
Long-term deposit	A3	No rating	A+	A
Senior debt	A3	A-	A	A
Subordinated debt	Baa1	BBB+	A-	AL

CAPITAL MANAGEMENT

Management regularly reviews the Bancorp's capital levels to help ensure it is appropriately positioned under various operating environments. The Bancorp has established a Capital Committee which is responsible for making capital plan recommendations to management. These recommendations are reviewed by the ERM Committee and the capital plan is approved by the board. The Capital Committee is responsible for execution oversight of the capital actions of the capital plan.

Capital Ratios

The U.S banking agencies established quantitative measures that assign risk weightings to assets and off-balance sheet items and also define and set minimum regulatory capital requirements. The U.S. banking agencies define "well capitalized" ratios for Tier I and total risk-based capital as 6% and 10%, respectively. The Bancorp exceeded these "well-capitalized" ratios for all periods presented.

The Basel II advanced approach framework was finalized by U.S. banking agencies in 2007. Core banks, defined as those with consolidated total assets in excess of $250 billion or on balance

sheet foreign exposures of $10 billion were required to adopt the advanced approach effective April 1, 2008. The Bancorp does not meet these thresholds and, therefore, is not subject to the requirements of Basel II.

The Dodd-Frank Act requires more stringent prudential standards, including capital and liquidity requirements, for larger institutions. It addresses the quality of capital components by limiting the degree to which certain hybrid instruments can be included. The Dodd-Frank Act will phase out the inclusion of certain TruPS as a component of Tier I risk-based capital when the Bancorp implements the revised regulatory capital rules known as Basel III.

In December of 2010 and revised in June of 2011, the BCBS issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved final enhanced regulatory capital requirements (Basel III Final Rule), which included modifications to the proposed rules. The Basel III Final Rule provides for certain banks, including the Bancorp, to opt out of including AOCI in Tier 1 capital and retain the treatment of residential mortgage exposures consistent with the current Basel I capital rules. The Basel III Final Rule will phase out the inclusion of certain TruPS as a component of Tier I capital. Under these provisions, these TruPS would qualify as a component of Tier II capital. At December 31, 2013 the Bancorp's Tier I capital included $60 million of TruPS representing approximately 5 bps of risk weighted assets. The Basel III Final Rule is effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain of its components and other provisions. The Bancorp is in the process of evaluating the Basel III Final Rule and its potential impact. The Bancorp's current estimate of the pro-forma fully phased in Tier I common equity ratio at December 31, 2013 under the Basel III Final Rule is approximately 8.99% compared with 9.39% as calculated under the existing Basel I capital framework. The primary drivers of the change from the existing Basel I capital framework to the Basel III Final Rule are an increase in Tier I common equity of approximately 75 bps (primarily from the elimination of the current 10% deduction of mortgage servicing rights from capital), which would be more than offset by the impact of increases in risk-weighted assets (primarily from the treatment of securitizations, mortgage servicing rights and commitments with an original maturity of one year or less). If the Bancorp elects to include AOCI components in capital, the December 31, 2013 pro forma Basel III Final Rule Tier 1 common ratio would be increased by approximately 7 bps. The pro-forma Tier I common equity ratio exceeds the proposed minimum Tier I common equity ratio of 7% comprised of a minimum of 4.5% plus a capital conservation buffer of 2.5%. The pro-forma Tier I common equity ratio does not include the effect of any mitigating actions the Bancorp may undertake to offset the impact of the proposed capital enhancements. Additionally, pursuant to the Basel III Final Rule, the minimum capital ratios as of January 1, 2015 will be 6% for the Tier I capital ratio, 8% for the total risk-based capital ratio and 4% for the Tier I capital to average consolidated assets (leverage ratio). For further discussion on the Basel I and Basel III Tier I common equity ratios, see the Non-GAAP Financial Measures section of MD&A.

Market Risk Rule

On June 7, 2012, banking agencies approved a final rule effective January 1, 2013, titled as "Risk-Based Capital Guidelines: Market Risk," to implement enhancements to the market risk framework adopted by the BCBS. The final rule, to which the Bancorp is subject, requires banking organizations with significant trading activities to adjust their capital requirements to better account for the market risks of those activities. The rule introduces new measures of market risk, establishes a charge related to stressed VaR for covered trading positions and replaces references to credit ratings in the market risk rules with alternative methodologies for assessing risk. The intention of the rule is to better capture positions for which the market risk capital rule is appropriate, reduce procyclicality in market risk capital requirements, enhance sensitivity to risks that are not adequately captured by the current regulatory methodologies and increase transparency through enhanced disclosures. Upon the adoption of the market risk final rule in the first quarter of 2013, the Bancorp's Tier I and total risk-based capital ratios decreased 1 bp and adoption had an immaterial impact to the Tier I common equity ratio.

TABLE 60: CAPITAL RATIOS

As of December 31 ($ in millions)		2013		2012	2011	2010	2009
Average equity as a percent of average assets		**11.56**	%	11.65	11.41	12.22	11.36
Tangible equity as a percent of tangible assets[(a)]		**9.44**		9.17	9.03	10.42	9.71
Tangible common equity as a percent of tangible assets[(a)]		**8.63**		8.83	8.68	7.04	6.45
Tier I capital	$	**12,094**		11,685	12,503	13,965	13,428
Total risk-based capital		**16,440**		15,816	16,885	18,178	17,648
Risk-weighted assets[(b)]		**116,736**		109,699	104,945	100,561	100,933
Regulatory capital ratios:							
Tier I risk-based capital		**10.36**	%	10.65	11.91	13.89	13.30
Total risk-based capital		**14.08**		14.42	16.09	18.08	17.48
Tier I leverage		**9.64**		10.05	11.10	12.79	12.34
Tier I common equity[(a)]		**9.39**		9.51	9.35	7.48	6.99

(a) For further information on these ratios, see the Non-GAAP Financial Measures section of MD&A.
(b) Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together resulting in the Bancorp's total risk-weighted assets.

Preferred Stock Offering and Conversion

As contemplated by the 2013 CCAR, on May 16, 2013 the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and may redeem in whole, but not in part, following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities.

On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G, which shares are represented by depositary shares each representing 1/250th of a share of Series G preferred stock, pursuant to the Amended Articles of Incorporation. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

On December 9, 2013, the Bancorp issued, in a registered public offering, 18,000,000 depositary shares, representing 18,000 shares of 6.625% fixed-to-floating rate non-cumulative Series I perpetual preferred stock, for net proceeds of $441 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative quarterly basis, at an annual rate of 6.625% through but excluding December 31, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.71%. Subject to any required regulatory approval, the Bancorp may redeem the Series I preferred shares at its option in whole or in part, at any time on or after December 31, 2023 and may redeem in whole, but not in part, following a regulatory capital event at any time prior to December 31, 2023. The Series I preferred shares are not convertible into Bancorp common shares or any other securities.

Redemption of TruPS

The Bancorp redeemed all $750 million of the outstanding TruPS issued by Fifth Third Capital Trust IV on December 30, 2013. These securities had a distribution rate of 6.50% and a scheduled maturity date of April 1, 2067. Pursuant to the terms of the TruPS, the securities of Fifth Third Capital Trust IV were redeemable within ninety days of a Capital Treatment Event. The Bancorp determined that a Capital Treatment Event occurred upon the publication of a Final Rule regarding Regulatory Capital Rules jointly by the Federal Reserve System and the Office of the Comptroller of the Currency. The redemption price was $1,000 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions to the actual redemption date of $10 million. The Bancorp recognized an $8 million loss on the extinguishment of this debt within other noninterest expense in the Consolidated Statements of Income.

Dividend Policy and Stock Repurchase Program

The Bancorp's common stock dividend policy and stock repurchase program reflect its earnings outlook, desired payout ratios, the need to maintain adequate capital levels, the ability of its subsidiaries to pay dividends, the need to comply with safe and sound banking practices as well as meet regulatory requirements and expectations. The Bancorp declared dividends per common share of $0.47 and $0.36 during the years ended December 31, 2013 and 2012, respectively.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. The Bancorp repurchased the shares as part of its 100 million share repurchase program announced in August of 2012. As part of this transaction and all subsequent accelerated share repurchases, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock in 2012, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program in August of 2012. At settlement of the forward contract on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares, or approximately $125 million of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its August of 2012 Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

As a result of the FRB's non-objection to the Bancorp's capital plan under the 2013 CCAR process, on March 19, 2013, Fifth Third's Board of Directors authorized the Bancorp to repurchase up

to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million, of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 13, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 8,538,423 shares, or approximately $200 million, of its outstanding common stock on November 18, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before February 28, 2014.

On December 10, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 19,084,195 shares, or approximately $456 million, of its outstanding common stock on December 13, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

On January 28, 2014, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 3,950,705 shares, or approximately $99 million, of its outstanding common stock on January 31, 2014. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

TABLE 61: SHARE REPURCHASES

For the years ended December 31	**2013**	2012	2011
Shares authorized for repurchase at January 1	**63,046,682**	19,201,518	19,201,518
Additional authorizations[(a)]	**45,541,057**	86,269,178	-
Share repurchases[(b)]	**(65,516,126)**	(42,424,014)	-
Shares authorized for repurchase at December 31	**43,071,613**	63,046,682	19,201,518
Average price paid per share	**$ 18.80**	$ 14.82	N/A

(a) *In March 2013, the Bancorp announced that its Board of Directors had authorized management to purchase 100 million shares of the Bancorp's common stock through the open market or in any private transaction. The authorization does not include specific price targets or an expiration date. This share repurchase authorization replaces the Board's previous authorization pursuant to which approximately 54 million shares remained available for repurchase by the Bancorp.*

(b) *Excludes* ***1,863,097****, 2,059,003 and 1,164,254 shares repurchased during* ***2013****, 2012, and 2011, respectively, in connection with various employee compensation plans. These repurchases are not included in the calculation for average price paid and do not count against the maximum number of shares that may yet be repurchased under the Board of Directors' authorization.*

Stress Tests and CCAR

The FRB issued guidelines known as CCAR, which provide a common, conservative approach to ensure BHCs, including the Bancorp, hold adequate capital to maintain ready access to funding, continue operations and meet their obligations to creditors and counterparties, and continue to serve as credit intermediaries, even in adverse conditions. The CCAR process requires the submission of a comprehensive capital plan that assumes a minimum planning horizon of nine quarters under various economic scenarios.

The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The capital plan must reflect the revised capital framework that the FRB adopted in connection with the implementation of the Basel III accord, including the framework's minimum regulatory capital ratios and transition arrangements.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviews the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios as they transition to Basel III and above a Basel I Tier 1 common ratio of 5 percent under baseline and stressful conditions throughout a nine-quarter planning horizon.

The FRB issued stress testing rules that implement section 165(i)(1) and (i)(2) of the DFA. Large BHCs, including the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

In March of 2013, the FRB announced it had completed the 2013 CCAR. For BHCs that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non-objection whereby the FRB concurred with the proposed 2013 capital distributions. The FRB indicated to the Bancorp that it did not object to the following proposed capital actions for the period beginning April 1, 2013 and ending March 31, 2014:

- Increase in the quarterly common stock dividend to $0.12 per share;
- Repurchase of up to $750 million in TruPS subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt;
- Conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders. If this conversion were to occur, the Bancorp would intend to repurchase common shares equivalent to those issued in the conversion up to $550 million in market value, and issue $550 million in preferred stock;

- Repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion;
- Incremental repurchase of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc stock; and
- Issuance of an additional $500 million in preferred stock.

The capital plan also included the assumption that the Bancorp would issue approximately 3.5 million shares in restricted stock under employee compensation plans in 2013. The above potential capital actions are subject to Board approval and other factors including regulatory developments and market conditions. Actions consistent with the above proposed capital actions were substantially completed in 2013.

The DFA requires that BHCs with over $50 billion in consolidated assets that participated in the 2009 Supervisory Capital Assessment Program, including the Bancorp, conduct two stress tests each year. On May 13, 2013, the FRB launched the 2013 Mid-Cycle Stress Tests, which was submitted to the FRB in July of 2013. The stress tests required the BHCs to develop their own baseline, adverse and severely adverse scenarios to reflect its individual operations and risks. Each BHC was required to release its results under the severely adverse scenario, which the Bancorp disclosed on its website on September 24, 2013.

The FRB launched the 2014 stress testing program and CCAR on November 1, 2013. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 6, 2014.

The FRB expects to release summary results of the 2014 stress testing program and CCAR in March of 2014. The results will include supervisory projections of capital ratios, losses and revenues under the supervisory adverse and supervisory severely adverse scenarios. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution, Fifth Third is required to disclose its own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required to be sent to the FRB and publicly disclosed by March 31, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, the Bancorp enters into financial transactions to extend credit and various forms of commitments and guarantees that may be considered off-balance sheet arrangements. These transactions involve varying elements of market, credit and liquidity risk. Refer to Note 17 of the Notes to Consolidated Financial Statements for additional information. A discussion of these transactions is as follows:

Residential Mortgage Loan Sales

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty recourse provisions. Such provisions include the loan's compliance with applicable loan criteria, including certain documentation standards per agreements with unrelated third parties. Additional reasons for the Bancorp having to repurchase the loans include compliance with collateral appraisal standards, fraud related to the loan application and the rescission of mortgage insurance. Under these provisions, the Bancorp is required to repurchase any previously sold loan for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading.

During the fourth quarter of 2013, the Bancorp settled certain repurchase claims related to mortgage loans originated and sold to FHLMC prior to January 1, 2009 for $25 million after paid claim credits and other adjustments. The settlement removes the Bancorp's responsibility to repurchase or indemnify FHLMC for representation and warranty violations on any loan sold prior to January 1, 2009 except in limited circumstances.

As of December 31, 2013 and 2012, the Bancorp maintained reserves related to loans sold with representation and warranty recourse provisions totaling $44 million and $110 million, respectively, included in other liabilities in the Bancorp's Consolidated Balance Sheets.

During 2013 and 2012, the Bancorp paid $64 million and $34 million, respectively, in the form of make whole payments and repurchased $89 million and $114 million, respectively, in outstanding principal of loans to satisfy investor demands. Total repurchase demand requests during 2013 and 2012 were $263 million and $340 million, respectively. Total outstanding repurchase demand inventory was $46 million at December 31, 2013 compared to $67 million at December 31, 2012.

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. At December 31, 2013, the outstanding balances on these loans sold with credit recourse was $579 million compared to $662 million at December 31, 2012. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $16 million and $20 million at December 31, 2013 and 2012, respectively, included in other liabilities in the Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Private Mortgage Insurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage.

The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $37 million at December 31, 2013 and $58 million at December 31, 2012. The Bancorp maintained a reserve, included in other liabilities in the Bancorp's Consolidated Balance Sheets, related to exposures within the reinsurance portfolio of $10 million as of December 31, 2013 and $18 million as of December 31, 2012. In 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans. In the second quarter of 2011, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the Bancorp releasing collateral to the insurer in the form of investment securities and other assets with a carrying value of $5 million, and the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $11 million and decrease in the Bancorp's maximum exposure of $27 million. In the fourth quarter of 2012, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $2 million and decrease in the Bancorp's maximum exposure of $3 million.

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million. For further information on this automobile securitization, see Notes 10 and 11 of the Notes to Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

The Bancorp has certain obligations and commitments to make future payments under contracts. The aggregate contractual obligations and commitments at December 31, 2013 are shown in Table 62. As of December 31, 2013, the Bancorp has unrecognized tax benefits that, if recognized, would impact the effective tax rate in future periods. Due to the uncertainty of the amounts to be ultimately paid as well as the timing of such payments, all uncertain tax liabilities that have not been paid have been excluded from the Contractual Obligations and Other Commitments table. For further detail on the impact of income taxes see Note 20 of the Notes to Consolidated Financial Statements.

TABLE 62: CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

As of December 31, 2013 ($ in millions)		Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Contractually obligated payments due by period:						
Deposits with a stated maturity of less than one year[(a)]	$	89,174	-	-	-	89,174
Time deposits[(c)]		7,424	1,902	720	55	10,101
Short-term borrowings[(e)]		1,664	-	-	-	1,664
Long-term debt[(b)]		157	4,617	2,095	2,764	9,633
Forward contracts related to held for sale mortgage loans[(d)]		1,448	-	-	-	1,448
Noncancelable lease obligations[(f)]		91	170	146	339	746
Partnership investment commitments[(g)]		261	103	22	21	407
Pension benefit payments[(i)]		18	34	29	63	144
Purchase obligations and capital expenditures[(h)]		52	30	24	11	117
Capital lease obligations		8	11	-	-	19
Total contractually obligated payments due by period	$	100,297	6,867	3,036	3,253	113,453
Other commitments by expiration period						
Commitments to extend credit[(j)]	$	33,180	10,884	17,937	139	62,140
Letters of credit[(k)]		1,899	1,969	204	57	4,129
Total other commitments by expiration period	$	35,079	12,853	18,141	196	66,269

(a) *Includes demand, interest checking, savings, money market and foreign office deposits. For additional information, see the Deposits discussion in the Balance Sheet Analysis section of MD&A.*

(b) *In the banking industry, interest-bearing obligations are principally used to fund interest-earning assets. As such, interest charges on contractual obligations were excluded from reported amounts, as the potential cash outflows would have corresponding cash inflows from interest-earning assets. See Note 16 of the Notes to Consolidated Financial Statements for additional information on these debt instruments.*

(c) *Includes other time and certificates $100,000 and over. For additional information, see the Deposits discussion in the Balance Sheet Analysis section of MD&A.*

(d) *See Note 12 of the Notes to Consolidated Financial Statements for additional information on forward contracts to sell residential mortgage loans.*

(e) *Includes federal funds purchased and borrowings with an original maturity of less than one year. For additional information, see Note 15 of the Notes to Consolidated Financial Statements.*

(f) *Includes rental commitments.*

(g) *Includes low-income housing, historic tax investments and market tax credits. For additional information, see Note 10 of the Notes to Consolidated Financial Statements.*

(h) *Represents agreements to purchase goods or services and includes commitments to various general contractors for work related to banking center construction.*

(i) *See Note 21 of the Notes to Consolidated Financial Statements for additional information on pension obligations.*

(j) *Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Many of the commitments to extend credit may expire without being drawn upon. The total commitment amounts include capital commitments for private equity investments and do not necessarily represent future cash flow requirements. For additional information, see Note 17 of the Notes to Consolidated Financial Statements.*

(k) *Letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. For additional information, see Note 17 of the Notes to Consolidated Financial Statements.*

MANAGEMENT'S ASSESSMENT AS TO THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The Bancorp conducted an evaluation, under the supervision and with the participation of the Bancorp's management, including the Bancorp's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Bancorp's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act). Based on the foregoing, as of the end of the period covered by this report, the Bancorp's Chief Executive Officer and Chief Financial Officer concluded that the Bancorp's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Bancorp files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required and information is accumulated and communicated to management on a timely basis.

The management of Fifth Third Bancorp is responsible for establishing and maintaining adequate internal control, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Bancorp's management assessed the effectiveness of the Bancorp's internal control over financial reporting as of December 31, 2013. Management's assessment is based on the criteria established in the *1992 Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and was designed to provide reasonable assurance that the Bancorp maintained effective internal control over financial reporting as of December 31, 2013. Based on this assessment, management believes that the Bancorp maintained effective internal control over financial reporting as of December 31, 2013. The Bancorp's independent registered public accounting firm, that audited the Bancorp's consolidated financial statements included in this annual report, has issued an audit report on our internal control over financial reporting as of December 31, 2013. This report appears on page 87 of the annual report.

The Bancorp's management also conducted an evaluation of internal control over financial reporting to determine whether any changes occurred during the year covered by this report that have materially affected, or are reasonably likely to materially affect, the Bancorp's internal control over financial reporting. Based on this evaluation, there has been no such change during the year covered by this report.

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 24, 2014

Tayfun Tuzun
Executive Vice President and Chief Financial Officer
February 24, 2014

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Fifth Third Bancorp:

We have audited the internal control over financial reporting of Fifth Third Bancorp and subsidiaries (the "Bancorp") as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bancorp's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Assessment as to the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bancorp's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bancorp maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Bancorp and our report dated February 24, 2014 expressed an unqualified opinion on those consolidated financial statements.

Deloitte & Touche LLP

Cincinnati, Ohio
February 24, 2014

To the Shareholders and Board of Directors of Fifth Third Bancorp:

We have audited the accompanying consolidated balance sheets of Fifth Third Bancorp and subsidiaries (the "Bancorp") as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2013. These consolidated financial statements are the responsibility of the Bancorp's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Fifth Third Bancorp and subsidiaries at December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bancorp's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2014 expressed an unqualified opinion on the Bancorp's internal control over financial reporting.

Deloitte & Touche LLP

Cincinnati, Ohio
February 24, 2014

CONSOLIDATED BALANCE SHEETS

As of December 31 ($ in millions, except share data)		2013	2012
Assets			
Cash and due from banks[(a)]	$	**3,178**	2,441
Available-for-sale and other securities[(b)]		**18,597**	15,207
Held-to-maturity securities[(c)]		**208**	284
Trading securities		**343**	207
Other short-term investments		**5,116**	2,421
Loans held for sale[(d)]		**944**	2,939
Portfolio loans and leases:			
Commercial and industrial loans		**39,316**	36,038
Commercial mortgage loans[(a)]		**8,066**	9,103
Commercial construction loans		**1,039**	698
Commercial leases		**3,625**	3,549
Residential mortgage loans[(e)]		**12,680**	12,017
Home equity		**9,246**	10,018
Automobile loans[(a)]		**11,984**	11,972
Credit card		**2,294**	2,097
Other consumer loans and leases		**364**	290
Portfolio loans and leases		**88,614**	85,782
Allowance for loan and lease losses[(a)]		**(1,582)**	(1,854)
Portfolio loans and leases, net		**87,032**	83,928
Bank premises and equipment		**2,531**	2,542
Operating lease equipment		**730**	581
Goodwill		**2,416**	2,416
Intangible assets		**19**	27
Servicing rights		**971**	697
Other assets[(a)]		**8,358**	8,204
Total Assets	$	**130,443**	121,894
Liabilities			
Deposits:			
Demand	$	**32,634**	30,023
Interest checking		**25,875**	24,477
Savings		**17,045**	19,879
Money market		**11,644**	6,875
Other time		**3,530**	4,015
Certificates - $100,000 and over		**6,571**	3,284
Foreign office and other		**1,976**	964
Total deposits		**99,275**	89,517
Federal funds purchased		**284**	901
Other short-term borrowings		**1,380**	6,280
Accrued taxes, interest and expenses		**1,758**	1,708
Other liabilities[(a)]		**3,487**	2,639
Long-term debt[(a)]		**9,633**	7,085
Total Liabilities		**115,817**	108,130
Equity			
Common stock[(f)]		**2,051**	2,051
Preferred stock[(g)]		**1,034**	398
Capital surplus		**2,561**	2,758
Retained earnings		**10,156**	8,768
Accumulated other comprehensive income		**82**	375
Treasury stock[(f)]		**(1,295)**	(634)
Total Bancorp shareholders' equity		**14,589**	13,716
Noncontrolling interests		**37**	48
Total Equity		**14,626**	13,764
Total Liabilities and Equity	$	**130,443**	121,894

(a) *At **December 31, 2013** and 2012, includes **$49** and $0 of cash and due from banks, **$48** and $50 of commercial mortgage loans, **$ 1,010** and $0 of automobile loans, **$(15)** and $(5) of ALLL, **$13** and $3 of other assets, **$1** and $0 of other liabilities, **$ 1,048** and $0 of long-term debt from consolidated VIEs that are included in their respective captions. See Note 10.*

(b) *Amortized cost of **$18,409** and $ 14,571 at **December 31, 2013** and 2012, respectively.*

(c) *Fair value of **$208** and $284 at **December 31, 2013** and 2012, respectively.*

(d) *Includes **$890** and $2,856 of residential mortgage loans held for sale measured at fair value at **December 31, 2013**, and 2012, respectively.*

(e) *Includes **$92** and $76 of residential mortgage loans measured at fair value at **December 31, 2013** and 2012, respectively.*

(f) *Common shares: Stated value $2.22 per share; authorized 2,000,000,000; outstanding at **December 31, 2013 – 855,305,745 (excludes 68,586,836 treasury shares)** and December 31, 2012 – 882,152,057 (excludes 41,740,524 treasury shares).*

(g) *458,000 shares of undesignated no par value preferred stock are authorized and unissued at **December 31, 2013**; fixed-to-floating rate non-cumulative Series H perpetual preferred stock with a $25,000 liquidation preference: **24,000** authorized, issued and outstanding at **December 31, 2013**; fixed-to-floating rate non-cumulative Series I perpetual preferred stock with a $25,000 liquidation preference: **18,000** authorized, issued and outstanding at **December 31, 2013** and 8.5% non-cumulative Series G convertible (into 2,159.8272 common shares) perpetual preferred stock with a $25,000 liquidation preference: 46,000 authorized and 16,450 issued and outstanding at December 31, 2012.*

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31 ($ in millions, except per share data)		2013	2012	2011
Interest Income				
Interest and fees on loans and leases	$	**3,447**	3,574	3,613
Interest on securities		**520**	529	600
Interest on other short-term investments		**6**	4	5
Total interest income		**3,973**	4,107	4,218
Interest Expense				
Interest on deposits		**202**	216	352
Interest on other short-term borrowings		**6**	8	4
Interest on long-term debt		**204**	288	305
Total interest expense		**412**	512	661
Net Interest Income		**3,561**	3,595	3,557
Provision for loan and lease losses		**229**	303	423
Net Interest Income After Provision for Loan and Lease Losses		**3,332**	3,292	3,134
Noninterest Income				
Mortgage banking net revenue		**700**	845	597
Service charges on deposits		**549**	522	520
Corporate banking revenue		**400**	413	350
Investment advisory revenue		**393**	374	375
Card and processing revenue		**272**	253	308
Other noninterest income		**879**	574	250
Securities gains, net		**21**	15	46
Securities gains, net - non-qualifying hedges on mortgage servicing rights		**13**	3	9
Total noninterest income		**3,227**	2,999	2,455
Noninterest Expense				
Salaries, wages and incentives		**1,581**	1,607	1,478
Employee benefits		**357**	371	330
Net occupancy expense		**307**	302	305
Technology and communications		**204**	196	188
Card and processing expense		**134**	121	120
Equipment expense		**114**	110	113
Other noninterest expense		**1,264**	1,374	1,224
Total noninterest expense		**3,961**	4,081	3,758
Income Before Income Taxes		**2,598**	2,210	1,831
Applicable income tax expense		**772**	636	533
Net Income		**1,826**	1,574	1,298
Less: Net income attributable to noncontrolling interests		**(10)**	(2)	1
Net Income Attributable to Bancorp		**1,836**	1,576	1,297
Dividends on preferred stock		**37**	35	203
Net Income Available to Common Shareholders	$	**1,799**	1,541	1,094
Earnings Per Share	$	**2.05**	1.69	1.20
Earnings Per Diluted Share	$	**2.02**	1.66	1.18
Average common shares - basic		**869,462,977**	904,425,226	906,460,550
Average common shares - diluted		**894,736,445**	945,554,102	949,545,420
Cash dividends declared per common share	$	**0.47**	0.36	0.28

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 ($ in millions)		**2013**	2012	2011
Net income	**$**	**1,826**	1,574	1,298
Other comprehensive (loss) income, net of tax:				
Unrealized gains on available-for-sale securities:				
Unrealized holding (losses) gains on available-for-sale securities arising during the year		**(295)**	(63)	201
Reclassification adjustment for net losses (gains) included in net income		**4**	(10)	(37)
Unrealized gains on cash flow hedge derivatives:				
Unrealized holding (losses) gains on cash flow hedge derivatives arising during the year		**(8)**	24	58
Reclassification adjustment for net gains included in net income		**(29)**	(54)	(45)
Defined benefit pension plans:				
Net actuarial gain (loss) arising during the year		**25**	(5)	(33)
Reclassification of amounts to net periodic benefit costs		**10**	13	12
Other comprehensive (loss) income		**(293)**	(95)	156
Comprehensive income		**1,533**	1,479	1,454
Less: Comprehensive income attributable to noncontrolling interests		**(10)**	(2)	1
Comprehensive income attributable to Bancorp	**$**	**1,543**	1,481	1,453

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Bancorp Shareholders' Equity								
($ in millions, except per share data)	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Bancorp Shareholders' Equity	Non-Controlling Interests	Total Equity
Balance at December 31, 2010	$ 1,779	3,654	1,715	6,719	314	(130)	14,051	29	14,080
Net income				1,297			1,297	1	1,298
Other comprehensive income					156		156		156
Cash dividends declared:									
Common stock at $0.28 per share				(257)			(257)		(257)
Preferred stock				(50)			(50)		(50)
Issuance of common stock	272		1,376				1,648		1,648
Redemption of preferred shares, Series F		(3,408)					(3,408)		(3,408)
Redemption of stock warrant			(280)				(280)		(280)
Accretion of preferred dividends, Series F		153		(153)			-		-
Impact of stock transactions under stock compensation plans, net			(21)			65	44		44
Noncontrolling interest							-	21	21
Other		(1)	2	(2)		1	-	(1)	(1)
Balance at December 31, 2011	2,051	398	2,792	7,554	470	(64)	13,201	50	13,251
Net income				1,576			1,576	(2)	1,574
Other comprehensive loss					(95)		(95)		(95)
Cash dividends declared:									
Common stock at $0.36 per share				(325)			(325)		(325)
Preferred stock				(35)			(35)		(35)
Shares acquired for treasury			(23)			(627)	(650)		(650)
Impact of stock transactions under stock compensation plans, net			(11)			54	43		43
Other				(2)		3	1		1
Balance at December 31, 2012	2,051	398	2,758	8,768	375	(634)	13,716	48	13,764
Net income				**1,836**			**1,836**	**(10)**	**1,826**
Other comprehensive loss					**(293)**		**(293)**		**(293)**
Cash dividends declared:									
Common stock at **$0.47 per share**				**(407)**			**(407)**		**(407)**
Preferred stock				**(37)**			**(37)**		**(37)**
Shares acquired for treasury			**(78)**			**(1,242)**	**(1,320)**		**(1,320)**
Issuance of preferred stock		**1,034**					**1,034**		**1,034**
Redemption of preferred stock, Series G		**(398)**	**(142)**			**540**	**-**		**-**
Impact of stock transactions under stock compensation plans, net			**22**			**38**	**60**		**60**
Other			**1**	**(4)**		**3**	**-**	**(1)**	**(1)**
Balance at December 31, 2013	**$ 2,051**	**1,034**	**2,561**	**10,156**	**82**	**(1,295)**	**14,589**	**37**	**14,626**

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 ($ in millions)		2013	2012	2011
Operating Activities				
Net income	$	**1,826**	1,574	1,298
Adjustments to reconcile net income to net cash provided by operating activities:				
Provision for loan and lease losses		**229**	303	423
Depreciation, amortization and accretion		**507**	531	455
Stock-based compensation expense		**78**	69	59
Provision for deferred income taxes		**253**	271	437
Securities gains		**(199)**	(69)	(58)
Securities gains – non-qualifying hedges on mortgage servicing rights		**(13)**	(10)	(24)
Securities losses		**178**	54	12
Securities losses – non-qualifying hedges on mortgage servicing rights		**-**	7	15
(Recovery of) provision for MSR impairment		**(192)**	103	242
Net gains on sales of loans and fair value adjustments on loans held for sale		**(372)**	(278)	(145)
Bank premises and equipment impairment		**6**	21	-
Capitalized servicing rights		**(250)**	(305)	(236)
Loss on extinguishment of debt		**8**	169	-
Proceeds from sales of loans held for sale		**22,047**	22,044	14,783
Loans originated for sale, net of repayments		**(19,003)**	(21,439)	(15,199)
Dividends representing return on equity method investments		**54**	45	13
Gain on sales of Vantiv, Inc. shares and Vantiv, Inc. IPO		**(336)**	(272)	-
Net change in:				
Trading securities		**(131)**	(28)	115
Other assets		**(672)**	4	(67)
Accrued taxes, interest and expenses		**8**	1	79
Other liabilities		**569**	(238)	164
Net Cash Provided by Operating Activities		**4,595**	2,557	2,366
Investing Activities				
Sales:				
Available-for-sale securities		**9,328**	2,521	2,471
Loans		**657**	275	371
Disposal of bank premises and equipment		**33**	13	35
Repayments / maturities:				
Available-for-sale securities		**3,191**	4,100	3,502
Held-to-maturity securities		**74**	36	29
Purchases:				
Available-for-sale securities		**(16,216)**	(6,813)	(5,689)
Bank premises and equipment		**(274)**	(362)	(319)
Proceeds from sales and dividends representing return of equity method investments		**674**	393	63
Net change in:				
Other short-term investments		**(2,695)**	(640)	(267)
Loans and leases		**(4,750)**	(5,930)	(5,422)
Operating lease equipment		**(206)**	(126)	(59)
Net Cash Used in Investing Activities		**(10,184)**	(6,533)	(5,285)
Financing Activities				
Net change in:				
Core deposits		**6,550**	3,529	5,264
Certificates - $100,000 and over, including foreign office and other		**3,208**	279	(1,202)
Federal funds purchased		**(618)**	555	67
Other short-term borrowings		**(4,900)**	3,041	1,665
Dividends paid on common stock		**(393)**	(309)	(192)
Dividends paid on preferred stock		**(37)**	(35)	(50)
Proceeds from issuance of long-term debt		**5,044**	523	1,500
Repayment of long-term debt		**(2,225)**	(3,159)	(1,607)
Repurchases of treasury shares and related forward contracts		**(1,320)**	(650)	-
Issuance of common stock		**-**	-	1,648
Issuance of preferred stock		**1,034**	-	-
Redemption of preferred stock, Series F		**-**	-	(3,408)
Redemption of stock warrant		**-**	-	(280)
Capital contributions from noncontrolling interests		**-**	-	21
Other		**(17)**	(20)	(3)
Net Cash Provided By Financing Activities		**6,326**	3,754	3,423
Increase (Decrease) in Cash and Due from Banks		**737**	(222)	504
Cash and Due from Banks at Beginning of Period		**2,441**	2,663	2,159
Cash and Due from Banks at End of Period	$	**3,178**	2,441	2,663

See Notes to Consolidated Financial Statements. Note 2 contains cash payments related to interest and income taxes in addition to noncash investing and financing activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Nature of Operations

Fifth Third Bancorp, an Ohio corporation, conducts its principal lending, deposit gathering, transaction processing and service advisory activities through its banking and non-banking subsidiaries from banking centers located throughout the Midwestern and Southeastern regions of the United States.

Basis of Presentation

The Consolidated Financial Statements include the accounts of the Bancorp and its majority-owned subsidiaries and VIEs in which the Bancorp has been determined to be the primary beneficiary. Other entities, including certain joint ventures, in which the Bancorp has the ability to exercise significant influence over operating and financial policies of the investee, but upon which the Bancorp does not possess control, are accounted for by the equity method and not consolidated. The investments in those entities in which the Bancorp does not have the ability to exercise significant influence are generally carried at the lower of cost or fair value. Intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Due From Banks

Cash and due from banks consist of currency and coin, cash items in the process of collection and due from banks. Currency and coin includes both U.S. and foreign currency owned and held at Fifth Third offices and that is in-transit to the FRB. Cash items in the process of collection include checks and drafts that are drawn on another depository institution or the FRB that are payable immediately upon presentation in the U.S. Balances due from banks include non-interest bearing balances that are funds on deposit at other depository institutions or the FRB.

Securities

Securities are classified as held-to-maturity, available-for-sale or trading on the date of purchase. Only those securities which management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. Securities are classified as available-for-sale when, in management's judgment, they may be sold in response to, or in anticipation of, changes in market conditions. Securities are classified as trading when bought and held principally for the purpose of selling them in the near term. Available-for-sale securities are reported at fair value with unrealized gains and losses, net of related deferred income taxes, included in other comprehensive income. Trading securities are reported at fair value with unrealized gains and losses included in noninterest income. The fair value of a security is determined based on quoted market prices. If quoted market prices are not available, fair value is determined based on quoted prices of similar instruments or discounted cash flow models that incorporate market inputs and assumptions including discount rates, prepayment speeds, and loss rates. Realized securities gains or losses are reported within noninterest income in the Consolidated Statements of Income. The cost of securities sold is based on the specific identification method.

Available-for-sale and held-to-maturity securities with unrealized losses are reviewed quarterly for possible OTTI. For debt securities, if the Bancorp intends to sell the debt security or will more likely than not be required to sell the debt security before recovery of the entire amortized cost basis, then an OTTI has occurred. However, even if the Bancorp does not intend to sell the debt security and will not likely be required to sell the debt security before recovery of its entire amortized cost basis, the Bancorp must evaluate expected cash flows to be received and determine if a credit loss has occurred. In the event of a credit loss, the credit component of the impairment is recognized within noninterest income and the non-credit component is recognized through other comprehensive income. For equity securities, the Bancorp's management evaluates the securities in an unrealized loss position in the available-for-sale portfolio for OTTI on the basis of the duration of the decline in value of the security and severity of that decline as well as the Bancorp's intent and ability to hold these securities for a period of time sufficient to allow for any anticipated recovery in the market value. If it is determined that the impairment on an equity security is other than temporary, an impairment loss equal to the difference between the carrying value of the security and its fair value is recognized within noninterest income.

Portfolio Loans and Leases

Basis of Accounting

Portfolio loans and leases are generally reported at the principal amount outstanding, net of unearned income, deferred loan fees and costs, and any direct principal charge-offs. Direct loan origination fees and costs are deferred and the net amount is amortized over the estimated life of the related loans as a yield adjustment. Interest income is recognized based on the principal balance outstanding computed using the effective interest method.

Loans acquired by the Bancorp through a purchase business combination are recorded at fair value as of the acquisition date. The Bancorp does not carry over the acquired company's ALLL, nor does the Bancorp add to its existing ALLL as part of purchase accounting.

Purchased loans are evaluated for evidence of credit deterioration at acquisition and recorded at their initial fair value. For loans acquired with no evidence of credit deterioration, the fair value discount or premium is amortized over the contractual life of the loan as an adjustment to yield. For loans acquired with evidence of credit deterioration, the Bancorp determines at the acquisition date the excess of the loan's contractually required payments over all cash flows expected to be collected as an amount that should not be accreted into interest income (nonaccretable difference). The remaining amount representing the difference in the expected cash flows of acquired loans and the initial investment in the acquired loans is accreted into interest income over the remaining life of the loan or pool of loans (accretable yield). Subsequent to the purchase date, increases in expected cash flows over those expected at the purchase date are recognized prospectively as interest income over the remaining life of the loan. The present value of any decreases in expected cash flows resulting directly from a change in the contractual interest rate are recognized prospectively as a reduction of the accretable yield. The present value of any decreases in expected cash flows after the purchase date as a result of credit deterioration is recognized by recording an ALLL or a direct charge-off. Subsequent to the purchase date, the methods utilized to estimate the required ALLL are similar to originated loans. Loans carried at fair value, mortgage loans held for sale and loans under revolving credit agreements are excluded from the scope of this guidance on loans acquired with deteriorated credit quality.

The Bancorp's lease portfolio consists of both direct financing and leveraged leases. Direct financing leases are carried at the aggregate of lease payments plus estimated residual value of the leased property, less unearned income. Interest income on direct financing leases is recognized over the term of the lease to achieve a constant periodic rate of return on the outstanding investment.

Leveraged leases are carried at the aggregate of lease payments (less nonrecourse debt payments) plus estimated residual value of the leased property, less unearned income. Interest income on leveraged leases is recognized over the term of the lease to achieve a constant rate of return on the outstanding investment in the lease, net of the related deferred income tax liability, in the years in which the net investment is positive.

Nonaccrual Loans

When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premium, accretion of loan discount, and amortization/accretion of deferred net loan fees are discontinued and all previously accrued and unpaid interest is charged against income. Commercial loans are placed on nonaccrual status when there is a clear indication that the borrower’s cash flows may not be sufficient to meet payments as they become due. Such loans are also placed on nonaccrual status when the principal or interest is past due 90 days or more, unless the loan is both well secured and in the process of collection. The Bancorp classifies residential mortgage loans that have principal and interest payments that have become past due 150 days as nonaccrual unless the loan is both well secured and in the process of collection. Residential mortgage loans may stay on nonperforming status for an extended time as the foreclosure process typically lasts longer than 180 days. During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. Home equity loans and lines of credit are reported on nonaccrual status if principal or interest has been in default for 90 days or more unless the loan is both well secured and in the process of collection. Home equity loans and lines of credit that have been in default for 60 days or more are also reported on nonaccrual status if the senior lien has been in default 120 days or more, unless the loan is both well secured and in the process of collection. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

Nonaccrual commercial loans, other than those modified in a TDR and nonaccrual credit card loans, are generally accounted for on the cost recovery method. The Bancorp believes the cost recovery method is appropriate for nonaccrual commercial loans and nonaccrual credit card loans because the assessment of collectability of the remaining recorded investment of these loans involves a high degree of subjectivity and uncertainty due to the nature or absence of underlying collateral. Under the cost recovery method, any payments received are applied to reduce principal. Once the entire recorded investment is collected, additional payments received are treated as recoveries of amounts previously charged-off until recovered in full, and any subsequent payments are treated as interest income. Nonaccrual residential mortgage loans and other nonaccrual consumer loans are generally accounted for on the cash basis method. The Bancorp believes the cash basis method is appropriate for nonaccrual residential mortgage and other nonaccrual consumer loans because such loans have generally been written down to estimated collateral values and the collectability of the remaining investment involves only an assessment of the fair value of the underlying collateral, which can be measured more objectively with a lesser degree of uncertainty than assessments of typical commercial loan collateral. Under the cash basis method, interest income is recognized upon cash receipt to the extent to which it would have been accrued on the loan's remaining balance at the contractual rate. Nonaccrual loans may be returned to accrual status when all delinquent interest and principal payments become current in accordance with the loan agreement or when the loan is both well-secured and in the process of collection.

Commercial loans on nonaccrual status, including those modified in a troubled debt restructuring, as well as criticized commercial loans with aggregate borrower relationships exceeding $1 million, are subject to an individual review to identify charge-offs. The Bancorp does not have an established delinquency threshold for partially or fully charging off commercial loans. Residential mortgage loans and credit card loans that have principal and interest payments that have become past due 180 days are assessed for a charge-off to the ALLL, unless such loans are both well-secured and in the process of collection. The Bancorp modified its charge-off policy for home equity loans and lines of credit in the fourth quarter of 2013 to assess for a charge-off to the ALLL when such loans or lines of credit have become past due 120 days if the senior lien is also 120 days past due, unless such loans are both well-secured and in the process of collection. Automobile and other consumer loans and leases that have principal and interest payments that have become past due 120 days are assessed for a charge-off to the ALLL, unless such loans are both well-secured and in the process of collection.

Restructured Loans

A loan is accounted for as a TDR if the Bancorp, for economic or legal reasons related to the borrower’s financial difficulties, grants a concession to the borrower that it would not otherwise consider. A TDR typically involves a modification of terms such as a reduction of the stated interest rate or face amount of the loan, a reduction of accrued interest, or an extension of the maturity date(s) at a stated interest rate lower than the current market rate for a new loan with similar risk. During the third quarter of 2012, the OCC, a national bank regulatory agency, issued interpretive guidance that requires non-reaffirmed loans included in Chapter 7 bankruptcy filings to be accounted for as nonperforming TDRs and collateral dependent loans regardless of their payment history and capacity to pay in the future. The Bancorp’s banking subsidiary is a state chartered bank which therefore is not subject to guidance of the OCC. The Bancorp does not consider the bankruptcy court’s discharge of the borrower’s debt a concession when the discharged debt is not reaffirmed, and as such these loans are classified as TDRs only if one or more of the previously mentioned concessions are granted.

The Bancorp measures the impairment loss of a TDR based on the difference between the original loan’s carrying amount and the present value of expected future cash flows discounted at the original, effective yield of the loan. Residential mortgage loans, home equity loans, automobile loans and other consumer loans modified as part of a TDR are maintained on accrual status, provided there is reasonable assurance of repayment and of performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans and credit card loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six-months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified

terms are reasonably assured of collection. TDRs of commercial loans and credit cards that do not have a sustained payment history of six months or greater in accordance with their modified terms remain on nonaccrual status until a six-month payment history is sustained. During the nonaccrual period, TDRs of commercial loans are accounted for using the cash basis method for income recognition, provided that full repayment of principal under the modified terms of the loan is reasonably assured.

Impaired Loans

A loan is considered to be impaired when, based on current information and events, it is probable that the Bancorp will be unable to collect all amounts due (including both principal and interest) according to the contractual terms of the loan agreement. Impaired loans generally consist of nonaccrual loans and leases, loans modified in a TDR and loans over $1 million that are currently on accrual status and not yet modified in a TDR, but for which the Bancorp has determined that it is probable that it will grant a payment concession in the near term due to the borrower's financial difficulties. For loans modified in a TDR, the contractual terms of the loan agreement refer to the terms specified in the original loan agreement. A loan restructured in a TDR is no longer considered impaired in years after the restructuring if the restructuring agreement specifies a rate equal to or greater than the rate the Bancorp was willing to accept at the time of the restructuring for a new loan with comparable risk and the loan is not impaired based on the terms specified by the restructuring agreement. Refer to the ALLL section for discussion regarding the Bancorp's methodology for identifying impaired loans and determination of the need for a loss accrual.

Loans Held for Sale

Loans held for sale primarily represent conforming fixed rate residential mortgage loans originated or acquired with the intent to sell in the secondary market and jumbo residential mortgage loans, commercial loans and other consumer loans that management has the intent to sell. Loans held for sale may be carried at the lower of cost or fair value, or carried at fair value where the Bancorp has elected the fair value option of accounting under U.S. GAAP. The Bancorp has elected to measure residential mortgage loans originated as held for sale under the fair value option. For loans in which the Bancorp has not elected the fair value option, the lower of cost or fair value is determined at the individual loan level.

The fair value of residential mortgage loans held for sale is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, discounted cash flow models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral, and market conditions. The anticipated portfolio composition includes the effects of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. These fair value marks are recorded as a component of noninterest income in mortgage banking net revenue. The Bancorp generally has commitments to sell residential mortgage loans held for sale in the secondary market. Gains or losses on sales are recognized in mortgage banking net revenue upon delivery.

Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and, thereafter, reported within the Bancorp's residential mortgage class of portfolio loans and leases. In such cases, the residential mortgage loans will continue to be measured at fair value, which is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component.

Loans held for sale are placed on nonaccrual status consistent with the Bancorp's nonaccrual policy for portfolio loans and leases.

Other Real Estate Owned

OREO, which is included in other assets, represents property acquired through foreclosure or other proceedings and is carried at the lower of cost or fair value, less costs to sell. All OREO property is periodically evaluated for impairment and decreases in carrying value are recognized as reductions in other noninterest income in the Consolidated Statements of Income.

ALLL

The Bancorp disaggregates its portfolio loans and leases into portfolio segments for purposes of determining the ALLL. The Bancorp's portfolio segments include commercial, residential mortgage, and consumer. The Bancorp further disaggregates its portfolio segments into classes for purposes of monitoring and assessing credit quality based on certain risk characteristics. Classes within the commercial portfolio segment include commercial and industrial, commercial mortgage owner-occupied, commercial mortgage non-owner occupied, commercial construction, and commercial leasing. The residential mortgage portfolio segment is also considered a class. Classes within the consumer portfolio segment include home equity, automobile, credit card, and other consumer loans and leases. For an analysis of the Bancorp's ALLL by portfolio segment and credit quality information by class, see Note 6.

The Bancorp maintains the ALLL to absorb probable loan and lease losses inherent in its portfolio segments. The ALLL is maintained at a level the Bancorp considers to be adequate and is based on ongoing quarterly assessments and evaluations of the collectability and historical loss experience of loans and leases. Credit losses are charged and recoveries are credited to the ALLL. Provisions for loan and lease losses are based on the Bancorp's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating probable credit losses. The Bancorp's strategy for credit risk management includes a combination of conservative exposure limits significantly below legal lending limits and conservative underwriting, documentation and collections standards. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

The Bancorp's methodology for determining the ALLL is based on historical loss rates, current credit grades, specific allocation on loans modified in a TDR and impaired commercial credits above specified thresholds and other qualitative adjustments. Allowances on individual commercial loans, TDRs and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience. An unallocated allowance is maintained to recognize the imprecision in estimating and measuring losses when evaluating allowances for individual loans or pools of loans.

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses, as well as loans that have been modified in a TDR, are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include

the industry and geographic region of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. When individual loans are impaired, allowances are determined based on management's estimate of the borrower's ability to repay the loan given the availability of collateral and other sources of cash flow, as well as an evaluation of legal options available to the Bancorp. Allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, fair value of the underlying collateral or readily observable secondary market values. The Bancorp evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Historical credit loss rates are applied to commercial loans that are not impaired or are impaired, but smaller than the established threshold of $1 million and thus not subject to specific allowance allocations. The loss rates are derived from a migration analysis, which tracks the historical net charge-off experience sustained on loans according to their internal risk grade. The risk grading system utilized for allowance analysis purposes encompasses ten categories.

Homogenous loans and leases in the residential mortgage and consumer portfolio segments are not individually risk graded. Rather, standard credit scoring systems and delinquency monitoring are used to assess credit risks, and allowances are established based on the expected net charge-offs. Loss rates are based on the trailing twelve month net charge-off history by loan category. Historical loss rates may be adjusted for certain prescriptive and qualitative factors that, in management's judgment, are necessary to reflect losses inherent in the portfolio. Factors that management considers in the analysis include the effects of the national and local economies; trends in the nature and volume of delinquencies, charge-offs and nonaccrual loans; changes in loan mix; credit score migration comparisons; asset quality trends; risk management and loan administration; changes in the internal lending policies and credit standards; collection practices; and examination results from bank regulatory agencies and the Bancorp's internal credit reviewers.

The Bancorp's primary market areas for lending are the Midwestern and Southeastern regions of the Unites States. When evaluating the adequacy of allowances, consideration is given to these regional geographic concentrations and the closely associated effect changing economic conditions have on the Bancorp's customers.

In the current year, the Bancorp has not substantively changed any material aspect to its overall approach to determining its ALLL for any of its portfolio segments. There have been no material changes in criteria or estimation techniques as compared to prior periods that impacted the determination of the current period ALLL for any of the Bancorp's portfolio segments.

Reserve for Unfunded Commitments

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities and is included in other liabilities in the Consolidated Balance Sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates based on credit grade migration. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the Bancorp's ALLL, as discussed above. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the Consolidated Statements of Income.

Loan Sales and Securitizations

The Bancorp periodically sells loans through either securitizations or individual loan sales in accordance with its investment policies. The sold loans are removed from the balance sheet and a net gain or loss is recognized in the Bancorp's Consolidated Financial Statements at the time of sale. The Bancorp typically isolates the loans through the use of a VIE and thus is required to assess whether the entity holding the sold or securitized loans is a VIE and whether the Bancorp is the primary beneficiary and therefore consolidator of that VIE. If the Bancorp holds the power to direct activities most significant to the economic performance of the VIE and has the obligation to absorb losses or right to receive benefits that could potentially be significant to the VIE, then the Bancorp will generally be deemed the primary beneficiary of the VIE. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate. See Note 10 for further information on consolidated and non-consolidated VIEs.

The Bancorp's loan sales and securitizations are generally structured with servicing retained. As a result, servicing rights resulting from residential mortgage loan sales are initially recorded at fair value and subsequently amortized in proportion to and over the period of estimated net servicing revenues and are reported as a component of mortgage banking net revenue, in the Consolidated Statements of Income. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance. Key economic assumptions used in measuring any potential impairment of the servicing rights include the prepayment speeds of the underlying loans, the weighted-average life, the discount rate, and the weighted-average coupon, as applicable. The primary risk of material changes to the value of the servicing rights resides in the potential volatility in the economic assumptions used, particularly the prepayment speeds. The Bancorp monitors risk and adjusts its valuation allowance as necessary to adequately reserve for impairment in the servicing portfolio. For purposes of measuring impairment, the mortgage servicing rights are stratified into classes based on the financial asset type (fixed rate vs. adjustable rate) and interest rates. Fees received for servicing loans owned by investors are based on a percentage of the outstanding monthly principal balance of such loans and are included in noninterest income in the Consolidated Statements of Income as loan payments are received. Costs of servicing loans are charged to expense as incurred.

Reserve for Representation and Warranty Provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading. The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors.

The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity, and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the

time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in other noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

Bank Premises and Equipment

Bank premises and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method based on estimated useful lives of the assets for book purposes, while accelerated depreciation is used for income tax purposes. Amortization of leasehold improvements is computed using the straight-line method over the lives of the related leases or useful lives of the related assets, whichever is shorter. Whenever events or changes in circumstances dictate, the Bancorp tests its long-lived assets for impairment by determining whether the sum of the estimated undiscounted future cash flows attributable to a long-lived asset or asset group is less than the carrying amount of the long-lived asset or asset group through a probability-weighted approach. In the event the carrying amount of the long-lived asset or asset group is not recoverable, an impairment loss is measured as the amount by which the carrying amount of the long-lived asset or asset group exceeds its fair value. Maintenance, repairs and minor improvements are charged to noninterest expense in the Consolidated Statements of Income as incurred.

Derivative Financial Instruments

The Bancorp accounts for its derivatives as either assets or liabilities measured at fair value through adjustments to accumulated other comprehensive income and/or current earnings, as appropriate. On the date the Bancorp enters into a derivative contract, the Bancorp designates the derivative instrument as either a fair value hedge, cash flow hedge or as a free-standing derivative instrument. For a fair value hedge, changes in the fair value of the derivative instrument and changes in the fair value of the hedged asset or liability or of an unrecognized firm commitment attributable to the hedged risk are recorded in current period net income. For a cash flow hedge, changes in the fair value of the derivative instrument, to the extent that it is effective, are recorded in accumulated other comprehensive income and subsequently reclassified to net income in the same period(s) that the hedged transaction impacts net income. For free-standing derivative instruments, changes in fair values are reported in current period net income.

Prior to entering into a hedge transaction, the Bancorp formally documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivative instruments that are designated as fair value or cash flow hedges to specific assets or liabilities on the balance sheet or to specific forecasted transactions, along with a formal assessment at both inception of the hedge and on an ongoing basis as to the effectiveness of the derivative instrument in offsetting changes in fair values or cash flows of the hedged item. If it is determined that the derivative instrument is not highly effective as a hedge, hedge accounting is discontinued and the adjustment to fair value of the derivative instrument is recorded in net income.

Income Taxes

The Bancorp estimates income tax expense based on amounts expected to be owed to the various tax jurisdictions in which the Bancorp conducts business. On a quarterly basis, management assesses the reasonableness of its effective tax rate based upon its current estimate of the amount and components of net income, tax credits and the applicable statutory tax rates expected for the full year. The estimated income tax expense is recorded in the Consolidated Statements of Income.

Deferred income tax assets and liabilities are determined using the balance sheet method and the net deferred tax asset or liability is reported in other assets or accrued taxes, interest and expenses in the Consolidated Balance Sheets. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and reflects enacted changes in tax rates and laws. Deferred tax assets are recognized to the extent they exist and are subject to a valuation allowance based on management's judgment that realization is more likely than not. This analysis is performed on a quarterly basis and includes an evaluation of all positive and negative evidence, such as the limitation on the use of any net operating losses, to determine whether realization is more likely than not.

Accrued taxes represent the net estimated amount due to taxing jurisdictions and are reported in accrued taxes, interest and expenses in the Consolidated Balance Sheets. The Bancorp evaluates and assesses the relative risks and appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent and other information and maintains tax accruals consistent with its evaluation of these relative risks and merits. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred taxes and accrued taxes as well as the current period's income tax expense and can be significant to the operating results of the Bancorp. Any interest and penalties incurred in connection with income taxes are recorded as a component of income tax expense in the Consolidated Financial Statements. For additional information on income taxes, see Note 20.

Earnings Per Share

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Earnings per diluted share is computed by dividing adjusted net income available to common shareholders by the weighted-average number of shares of common stock and common stock equivalents outstanding during the period. Dilutive common stock equivalents represent the assumed conversion of dilutive convertible preferred stock, the exercise of dilutive stock-based awards and warrants and the dilutive effect of the settlement of outstanding forward contracts.

The Bancorp calculates earnings per share pursuant to the two-class method. The two-class method is an earnings allocation formula that determines earnings per share separately for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. For purposes of calculating earnings per share under the two-class method, restricted shares that contain nonforfeitable rights to dividends are considered participating securities until vested. While the dividends declared per share on such restricted shares are the same as dividends declared per common share outstanding, the dividends recognized on such restricted shares may be less because dividends paid on restricted shares that are expected to be forfeited are reclassified to compensation expense during the period when forfeiture is expected.

Goodwill

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. Goodwill is required to be tested for impairment at the Bancorp's reporting unit level on an annual basis, which for the Bancorp is September 30, and more frequently if events or circumstances indicate that there may be impairment. The Bancorp has determined that its segments qualify as reporting units under U.S. GAAP.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its implied fair value. In testing goodwill for impairment, U.S. GAAP permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount (Step 0). In this qualitative assessment, the Bancorp evaluates events and circumstances which may include, but are not limited to, the general economic environment, banking industry and market conditions, the overall financial performance of the Bancorp, the performance of the Bancorp's stock, the key financial performance metrics of the reporting units, and events affecting the reporting units. If, after assessing the totality of events and circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform the first step (Step 1) of the goodwill impairment test, and continue to the second step (Step 2), if necessary. Step 1 of the goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, Step 2 of the goodwill impairment test is performed to measure the amount of impairment loss, if any.

The fair value of a reporting unit is the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Since none of the Bancorp's reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to the Bancorp's stock price. To determine the fair value of a reporting unit, the Bancorp employs an income-based approach, utilizing the reporting unit's forecasted cash flows (including a terminal value approach to estimate cash flows beyond the final year of the forecast) and the reporting unit's estimated cost of equity as the discount rate. Additionally, the Bancorp determines its market capitalization based on the average of the closing price of the Bancorp's stock during the month including the measurement date, incorporating an additional control premium, and compares this market-based fair value measurement to the aggregate fair value of the Bancorp's reporting units in order to corroborate the results of the income approach.

When required to perform Step 2, the Bancorp compares the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount exceeds the implied fair value, an impairment loss equal to that excess amount is recognized. A recognized impairment loss cannot exceed the carrying amount of that goodwill and cannot be reversed in future periods even if the fair value of the reporting unit subsequently recovers.

During Step 2, the Bancorp determines the implied fair value of goodwill for a reporting unit by assigning the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. This assignment process is only performed for purposes of testing goodwill for impairment. The Bancorp does not adjust the carrying values of recognized assets or liabilities (other than goodwill, if appropriate), nor recognize previously unrecognized intangible assets in the Consolidated Financial Statements as a result of this assignment process. Refer to Note 8 for further information regarding the Bancorp's goodwill.

Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques the Bancorp uses to measure fair value include the market approach, income approach and cost approach. The market approach uses prices or relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach involves discounting future amounts to a single present amount and is based on current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of the asset.

U.S. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bancorp has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Bancorp's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Bancorp's own financial data such as internally developed pricing models and discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The Bancorp's fair value measurements involve various valuation techniques and models, which involve inputs that are observable, when available. Valuation techniques and parameters used for measuring assets and liabilities are reviewed and validated by the Bancorp on a quarterly basis. Additionally, the Bancorp monitors the fair values of significant assets and liabilities using a variety of methods including the evaluation of pricing runs and exception reports based on certain analytical criteria, comparison to previous trades and overall review and assessments for reasonableness. See Note 27 for further information on fair value measurements.

Stock-Based Compensation

The Bancorp recognizes compensation expense for the grant-date fair value of stock-based awards that are expected to vest over the requisite service period. All awards, both those with cliff vesting and graded vesting, are expensed on a straight-line basis. Awards to employees that meet eligible retirement status are expensed immediately. As compensation expense is recognized, a deferred tax asset is recorded that represents an estimate of the future tax deduction from exercise or release of restrictions. At the time awards are exercised, cancelled, expire, or restrictions are released, the Bancorp may be required to recognize an adjustment to income tax expense for the difference between the previously estimated tax deduction and the actual tax deduction realized. For further information on the Bancorp's stock-based compensation plans, see Note 24.

Pension Plans

The Bancorp uses an expected long-term rate of return applied to the fair market value of assets as of the beginning of the year and the expected cash flow during the year for calculating the expected investment return on all pension plan assets. Amortization of the net gain or loss resulting from experience different from that assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) is included as a component of net periodic benefit cost. If, as of the beginning of the year, that net gain or loss exceeds 10% of the greater of the projected benefit obligation and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of participating employees expected to receive benefits under the plan. The Bancorp uses a third-party actuary to compute the remaining service period of participating employees. This period reflects expected turnover, pre-retirement mortality, and other applicable employee demographics.

Other

Securities and other property held by Fifth Third Investment Advisors, a division of the Bancorp's banking subsidiary, in a fiduciary or agency capacity are not included in the Consolidated Balance Sheets because such items are not assets of the subsidiaries. Investment advisory revenue in the Consolidated Statements of Income is recognized on the accrual basis. Investment advisory service revenues are recognized monthly based on a fee charged per transaction processed and/or a fee charged on the market value of average account balances associated with individual contracts.

The Bancorp recognizes revenue from its card and processing services on an accrual basis as such services are performed, recording revenues net of certain costs (primarily interchange fees charged by credit card associations) not controlled by the Bancorp.

The Bancorp purchases life insurance policies on the lives of certain directors, officers and employees and is the owner and beneficiary of the policies. The Bancorp invests in these policies, known as BOLI, to provide an efficient form of funding for long-term retirement and other employee benefits costs. The Bancorp records these BOLI policies within other assets in the Consolidated Balance Sheets at each policy's respective cash surrender value, with changes recorded in other noninterest income in the Consolidated Statements of Income.

Other intangible assets consist of core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Other intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives. The Bancorp reviews other intangible assets for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.

Securities sold under repurchase agreements are accounted for as collateralized financing transactions and included in other short-term borrowings in the Consolidated Balance Sheets at the amounts which the securities were sold plus accrued interest.

Acquisitions of treasury stock are carried at cost. Reissuance of shares in treasury for acquisitions, exercises of stock-based awards or other corporate purposes is recorded based on the specific identification method.

Advertising costs are generally expensed as incurred.

Accounting and Reporting Developments

Disclosures about Offsetting Assets and Liabilities

In December 2011, and clarified in January 2013, the FASB issued amended guidance related to disclosures about offsetting assets and liabilities. The amended guidance requires the Bancorp to disclose both gross information and net information about financial instruments, including derivatives, and transactions eligible for offset in the Consolidated Balance Sheets as well as financial instruments and transactions subject to agreements similar to a master netting arrangement. The amended guidance was required to be applied retrospectively and was effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. The amended guidance was adopted by the Bancorp on January 1, 2013 and the required disclosures are included in Note 13.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued amended guidance related to amounts reclassified out of AOCI. The amended guidance requires the Bancorp to present, either on the face of the Consolidated Statements of Income or in the Notes to Consolidated Financial Statements, significant amounts reclassified out of AOCI by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required to be reclassified in their entirety, the Bancorp is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amended guidance was effective prospectively for reporting periods beginning after December 15, 2012 and was adopted by the Bancorp on January 1, 2013. The required disclosures are included in Note 22.

Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date

In February 2013, the FASB issued amended guidance relating to the measurement of obligations resulting from joint and several liability arrangements for which the total amount under the arrangement is fixed at the reporting date. For the total amount of an obligation under an arrangement to be considered fixed at the reporting date, there can be no measurement uncertainty relating to the total amount of the obligation. The obligation resulting from joint and several liability arrangements would be measured initially as the sum of 1) the amount the Bancorp has agreed to pay on the basis of its arrangement among its co-obligors and 2) any additional amount the Bancorp expects to pay on behalf of its co-obligors. The amended guidance also would require the Bancorp to disclose the nature and amount of the obligation as well as information about the risks that such obligations pose to future cash flows. The amended guidance is effective for reporting periods beginning after December 15, 2013 and will be applied retrospectively to all prior periods presented for those obligations resulting from joint and several liability arrangements that exist at the beginning of the fiscal year of adoption. The Bancorp adopted the amended guidance on

January 1, 2014 and the adoption did not have a material impact on the Bancorp's Consolidated Financial Statements.

Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes

In July 2013, the FASB issued amended guidance which permits the OIS to be used as a U.S. benchmark interest rate for hedge accounting purposes, in addition to UST and LIBOR. The amended guidance also removed a previous scope reference that required the same benchmark interest rate be used for similar hedges and that using different rates be rare and justified. The amended guidance was effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013 (i.e., the issuance date). The Bancorp's adoption of the amended guidance did not have a material impact on the Bancorp's Consolidated Financial Statements.

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued amended guidance to clarify that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. The amended guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, with early adoption permitted. The Bancorp adopted the amended guidance on January 1, 2014 and the adoption of the amended guidance did not have a material impact on the Bancorp's Consolidated Financial Statements.

Accounting for Investments in Qualified Affordable Housing Projects

In January 2014, the FASB issued amended guidance which would permit the Bancorp to make an accounting policy election to account for its investments in qualified affordable housing projects using a proportional amortization method if certain conditions are met. Under the proportional amortization method, the Bancorp would amortize the initial cost of the investment in proportion to the tax credits and other tax benefits received and recognize the net investment performance in the income statement as a component of income tax expense (benefit). The amended guidance would require disclosure of the nature of the Bancorp's investments in qualified affordable housing projects, and the effect of the measurement of the investments in qualified affordable housing projects and the related tax credits on the Bancorp's financial position and results of operation. The amended guidance would be applied retrospectively to all periods presented and is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014, with early adoption permitted. The Bancorp is currently in the process of evaluating the impact of adopting the amended guidance on the Bancorp's Consolidated Financial Statements.

Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure

In January 2014, the FASB issued amended guidance that clarifies when a creditor should be considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan such that the loan receivable should be derecognized and the real estate property recognized. The amended guidance clarifies that an in substance repossession or foreclosure occurs, and a creditor is considered to have received physical possession of residential real estate property collateralizing a consumer mortgage loan, upon either (1) the creditor obtaining legal title to the residential real estate property upon completion of a foreclosure or (2) the borrower conveying all interest in the residential real estate property to the creditor to satisfy that loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. In addition, the amended guidance requires interim and annual disclosures of both (1) the amount of foreclosed residential real estate property held by the creditor and (2) the recorded investment in consumer mortgage loans collateralized by residential real estate property that are in the process of foreclosure according to local requirements of the applicable jurisdiction. The amended guidance may be applied prospectively or through a modified retrospective approach and is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014, with early adoption permitted. The adoption of the amended guidance is not expected to have a material impact on the Bancorp's Consolidated Financial Statements.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments related to interest and income taxes, in addition to noncash investing and financing activities, are presented in the following table for the years ended December 31:

($ in millions)		2013	2012	2011
Cash payments:				
Interest	$	**406**	524	658
Income taxes		**535**	383	102
Noncash Investing and Financing Activities:				
Portfolio loans to loans held for sale		**641**	62	143
Loans held for sale to portfolio loans		**44**	77	32
Portfolio loans to OREO		**204**	272	342
Loans held for sale to OREO		**4**	23	43

3. RESTRICTIONS ON CASH AND DIVIDENDS

The FRB, under Regulation D, requires that banks hold cash in reserve against deposit liabilities, known as the reserve requirement. The reserve requirement is calculated based on a two-week average of daily net transaction account deposits as defined by the FRB and may be satisfied with vault cash. When vault cash is not sufficient to meet the reserve requirement, the remaining amount must be satisfied with funds held at the FRB. At December 31, 2013 and 2012, the Bancorp's banking subsidiary reserve requirement was $1.6 billion and $1.5 billion, respectively. Vault cash was not sufficient to meet the total reserve requirement; therefore, as of December 31, 2013 and 2012, the Bancorp's banking subsidiary satisfied the remaining reserve requirement with $942 million and $1.1 billion, respectively, of the Bancorp's total deposit at the FRB. The Bancorp's total deposit at the FRB is held in other short-term investments in the Consolidated Balance Sheets.

The dividends paid by the Bancorp's banking subsidiary are subject to regulations and limitations prescribed by state and federal supervisory agencies. Due to the regulations and limitations, the Bancorp's banking subsidiary was prohibited from declaring dividends without also obtaining prior approval from supervisory agencies at December 31, 2013 and 2012. The Bancorp's banking subsidiary paid the Bancorp's nonbank subsidiary holding company, which in turn paid the Bancorp $859 million and $2.0 billion in dividends during the years ended December 31, 2013 and 2012, respectively.

The FRB issued guidelines known as CCAR, which provide a common, conservative approach to ensure BHCs, including the Bancorp, hold adequate capital to maintain ready access to funding, continue operations and meet their obligations to creditors and counterparties, and continue to serve as credit intermediaries, even in adverse conditions. The CCAR process requires the submission of a comprehensive capital plan that assumes a minimum planning horizon of nine quarters under various economic scenarios.

The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The capital plan must reflect the revised capital framework that the FRB adopted in connection with the implementation of the Basel III accord, including the framework's minimum regulatory capital ratios and transition arrangements.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviews the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios as they transition to Basel III and above a Basel I Tier 1 common ratio of five percent under baseline and stressful conditions throughout a nine-quarter planning horizon.

The FRB issued stress testing rules that implement section 165(i)(1) and (i)(2) of the DFA. Large BHCs, including the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

In March 2013, the FRB announced it had completed the 2013 CCAR. For BHCs that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non-objection whereby the FRB concurred with the proposed 2013 capital distributions. The FRB indicated to the Bancorp that it did not object to the following proposed capital actions for the period beginning April 1, 2013 and ending March 31, 2014: the potential increase in its quarterly common stock dividend to $0.12 per share; the potential repurchase of up to $750 million in TruPS, subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt; the potential conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders and the repurchase an equivalent amount of common shares issued in the conversion up to $550 million in market value, and the issuance of $550 million in preferred shares; the potential repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion; incremental repurchase of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc stock and the potential issuance of an additional $500 million in preferred stock. Actions consistent with these proposed capital actions were substantially completed in 2013.

The DFA requires that BHCs with over $50 billion in consolidated assets that participated in the 2009 Supervisory Capital Assessment Program, including the Bancorp, conduct two stress tests each year. On May 13, 2013, the FRB launched the 2013 Mid-Cycle Stress Tests, which was submitted to the FRB in July 2013. The stress tests required the BHCs to develop their own baseline, adverse and severely adverse scenarios to reflect its individual operations and risks. Each BHC was required to release its results under the severely adverse scenario, which the Bancorp disclosed on its website on September 24, 2013.

The FRB launched the 2014 stress testing program and CCAR on November 1, 2013. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 6, 2014.

The FRB expects to release summary results of the 2014 stress testing program and CCAR in March 2014. The results will include supervisory projections of capital ratios, losses and revenues under the supervisory adverse and supervisory severely adverse scenarios. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution Fifth Third is required to disclose its own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required by March 31, 2014 and are to be sent to the FRB and publicly disclosed.

4. SECURITIES

The following table provides the amortized cost, fair value and unrealized gains and losses for the major categories of the available-for-sale and other and held-to-maturity securities portfolios as of December 31:

		2013				2012			
($ in millions)		Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale and other:									
U.S. Treasury and government agencies	$	**26**	**-**	**-**	**26**	41	-	-	41
U.S. Government sponsored agencies		**1,523**	**121**	**-**	**1,644**	1,730	181	-	1,911
Obligations of states and political subdivisions		**187**	**5**	**-**	**192**	203	9	-	212
Agency mortgage-backed securities[(a)]		**12,294**	**140**	**(150)**	**12,284**	8,403	345	(18)	8,730
Other bonds, notes and debentures		**3,514**	**76**	**(8)**	**3,582**	3,161	119	(3)	3,277
Other securities[(b)]		**865**	**5**	**(1)**	**869**	1,033	3	-	1,036
Total	$	**18,409**	**347**	**(159)**	**18,597**	14,571	657	(21)	15,207
Held-to-maturity:									
Obligations of states and political subdivisions	$	**207**	**-**	**-**	**207**	282	-	-	282
Other debt securities		**1**	**-**	**-**	**1**	2	-	-	2
Total	$	**208**	**-**	**-**	**208**	284	-	-	284

(a) *Includes interest-only mortgage backed securities of **$262** and $408 as of **December 31, 2013** and 2012, respectively, recorded at fair value with fair value changes recorded in securities gains, net and securities gains, net – non-qualifying hedges on mortgage servicing rights in the Consolidated Statements of Income.*

(b) *Other securities consist of FHLB and FRB restricted stock holdings of **$402** and **$349**, respectively, at **December 31, 2013** and, $497 and $347, respectively, at December 31, 2012, that are carried at cost, and certain mutual fund and equity security holdings.*

The following table presents realized gains and losses that were recognized in income from available-for-sale securities for the years ended December 31:

($ in millions)		**2013**	2012	2011
Realized gains	$	**77**	75	75
Realized losses		**(102)**	(2)	-
OTTI		**(74)**	(58)	(19)
Net realized (losses) gains[(a)]	$	**(99)**	15	56

(a) *Excludes net gains on interest-only mortgage-backed securities of $129 for the year ended December 31, 2013.*

Trading securities totaled $343 million as of December 31, 2013, compared to $207 million at December 31, 2012. Gross realized gains on trading securities were $1 million, $2 million and $1 million for the years ended December 31, 2013, 2012 and 2011, respectively. Gross realized losses on trading securities were immaterial to the Bancorp for the years ended December 31, 2013 and 2012 and $7 million for the year ended December 31, 2011. Net unrealized gains on trading securities were $3 million, $1 million and $5 million at December 31, 2013, 2012 and 2011, respectively.

At December 31, 2013 and 2012 securities with a fair value of $11.6 billion and $12.6 billion, respectively, were pledged to secure borrowings, public deposits, trust funds, derivative contracts and for other purposes as required or permitted by law.

The expected maturity distribution of the Bancorp's agency mortgage-backed securities and the contractual maturity distribution of the Bancorp's available-for-sale and other and held-to-maturity securities as of December 31, 2013 are shown in the following table:

	Available-for-Sale and Other		Held-to-Maturity	
($ in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt securities:(a)				
Under 1 year	$ 120	123	19	19
1-5 years	3,703	3,893	170	170
5-10 years	9,765	9,701	17	17
Over 10 years	3,956	4,011	2	2
Other securities	865	869	-	-
Total	$ 18,409	18,597	208	208

(a) *Actual maturities may differ from contractual maturities when there exists a right to call or prepay obligations with or without call or prepayment penalties.*

The following table provides the fair value and gross unrealized losses on available-for-sale and other securities in an unrealized loss position, aggregated by investment category and length of time the individual securities have been in a continuous unrealized loss position as of December 31:

	Less than 12 months		12 months or more		Total	
($ in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2013						
Agency mortgage-backed securities	**$ 7,221**	**(150)**	**1**	**-**	**7,222**	**(150)**
Other bonds, notes and debentures	**595**	**(5)**	**132**	**(3)**	**727**	**(8)**
Other securities	**33**	**(1)**	**4**	**-**	**37**	**(1)**
Total	**$ 7,849**	**(156)**	**137**	**(3)**	**7,986**	**(159)**
2012						
Agency mortgage-backed securities	$ 1,784	(18)	-	-	1,784	(18)
Other bonds, notes and debentures	454	(3)	-	-	454	(3)
Other securities	1	-	-	-	1	-
Total	$ 2,239	(21)	-	-	2,239	(21)

Other-Than-Temporary Impairments

The Bancorp recognized $74 million, $58 million, and $19 million of OTTI on its available-for-sale and other debt securities, included in securities gains, net and securities gains, net – non-qualifying hedges on mortgage servicing rights, in the Bancorp's Consolidated Statements of Income during the years ended December 31, 2013, 2012, and 2011, respectively. The Bancorp did not recognize OTTI on its held-to-maturity debt securities for the years ended December 31, 2013, 2012, and 2011. Less than one percent of unrealized losses in the available-for-sale securities portfolio were represented by non-rated securities at December 31, 2013 and 2012.

During the years ended December 31, 2013, 2012 and 2011, the Bancorp did not recognize OTTI on any of its available-for-sale equity securities.

5. LOANS AND LEASES

The Bancorp diversifies its loan and lease portfolio by offering a variety of loan and lease products with various payment terms and rate structures. Lending activities are concentrated within those states in which the Bancorp has banking centers and are primarily located in the Midwestern and Southeastern regions of the United States. The Bancorp's commercial loan portfolio consists of lending to various industry types. Management periodically reviews the performance of its loan and lease products to evaluate whether they are performing within acceptable interest rate and credit risk levels and changes are made to underwriting policies and procedures as needed. The Bancorp maintains an allowance to absorb loan and lease losses inherent in the portfolio. For further information on credit quality and the ALLL, see Note 6.

The following table provides a summary of the total loans and leases classified by primary purpose as of December 31:

($ in millions)		2013	2012
Loans and leases held for sale:			
Commercial and industrial loans	$	**31**	39
Commercial mortgage loans		**3**	13
Commercial construction loans		**2**	9
Commercial leases		**1**	-
Residential mortgage loans		**890**	2,856
Other consumer loans and leases		**17**	22
Total loans and leases held for sale	$	**944**	2,939
Portfolio loans and leases:			
Commercial and industrial loans	$	**39,316**	36,038
Commercial mortgage loans		**8,066**	9,103
Commercial construction loans		**1,039**	698
Commercial leases		**3,625**	3,549
Total commercial loans and leases		**52,046**	49,388
Residential mortgage loans		**12,680**	12,017
Home equity		**9,246**	10,018
Automobile loans		**11,984**	11,972
Credit card		**2,294**	2,097
Other consumer loans and leases		**364**	290
Total consumer loans and leases		**36,568**	36,394
Total portfolio loans and leases	$	**88,614**	85,782

Total portfolio loans and leases are recorded net of unearned income, which totaled $700 million as of December 31, 2013 and $758 million as of December 31, 2012. Additionally, portfolio loans and leases are recorded net of unamortized premiums and discounts, deferred loan fees and costs, and fair value adjustments (associated with acquired loans or loans designated as fair value upon origination) which totaled a net premium of $111 million and $73 million as of December 31, 2013 and 2012, respectively.

The Bancorp's FHLB and FRB advances are generally secured by loans. The Bancorp had loans of $10.9 billion and $12.7 billion at December 31, 2013 and 2012, respectively, pledged at the FHLB, and loans of $33.5 billion and $30.9 billion at December 31, 2013 and 2012, respectively, pledged at the FRB.

The following table presents a summary of the total loans and leases owned by the Bancorp as of and for the years ended December 31:

		Balance			90 Days Past Due and Still Accruing			Net Charge-Offs	
($ in millions)		2013	2012		2013	2012		2013	2012
Commercial and industrial loans	$	**39,347**	36,077	$	**-**	1	$	**168**	165
Commercial mortgage loans		**8,069**	9,116		**-**	22		**47**	99
Commercial construction loans		**1,041**	707		**-**	1		**4**	25
Commercial leases		**3,626**	3,549		**-**	-		**1**	8
Residential mortgage loans		**13,570**	14,873		**66**	75		**60**	122
Home equity		**9,246**	10,018		**-**	58		**97**	157
Automobile loans		**11,984**	11,972		**8**	8		**22**	31
Credit card		**2,294**	2,097		**29**	30		**78**	74
Other consumer loans and leases		**381**	312		**-**	-		**24**	23
Total loans and leases	$	**89,558**	88,721	$	**103**	195	$	**501**	704
Less: Loans held for sale	$	**944**	2,939						
Total portfolio loans and leases	$	**88,614**	85,782						

The Bancorp engages in commercial lease products primarily related to the financing of commercial equipment. The Bancorp had $3.0 billion of direct financing leases and $1.3 billion of leveraged leases at both of the years ended December 31, 2013 and 2012.

Pre-tax income from leveraged leases for 2013 was $25 million compared to pre-tax income in 2012 of $37 million. The tax effect of this income was an expense of $9 million in 2013 and a benefit of $6 million in 2012.

The components of the investment in lease financing at December 31:

($ in millions)		2013	2012
Rentals receivable, net of principal and interest on nonrecourse debt	$	**3,556**	3,543
Estimated residual value of leased assets		**754**	760
Initial direct cost, net of amortization		**15**	16
Gross investment in lease financing		**4,325**	4,319
Unearned income		**(700)**	(758)
Net investment in lease financing[(a)]	$	**3,625**	3,561

(a) *The accumulated allowance for uncollectible minimum lease payments was **$53 million** and $67 million at **December 31, 2013** and 2012, respectively.*

The Bancorp periodically reviews residual values associated with its leasing portfolio. Declines in residual values that are deemed to be other-than-temporary are recognized as a loss. The Bancorp recognized $13 million and $9 million of residual value write-downs related to commercial leases for the years ended December 31, 2013 and 2012, respectively. The residual value write-downs related to commercial leases are recorded in corporate banking revenue in the Consolidated Statements of Income. At December 31, 2013, the minimum future lease payments receivable for each of the years 2014 through 2018 was $664 million, $591 million, $505 million, $389 million and $289 million, respectively.

6. CREDIT QUALITY AND THE ALLOWANCE FOR LOAN AND LEASE LOSSES

The Bancorp disaggregates ALLL balances and transactions in the ALLL by portfolio segment. Credit quality related disclosures for loans and leases are further disaggregated by class.

Allowance for Loan and Lease Losses

The following tables summarize transactions in the ALLL by portfolio segment:

For the year ended December 31, 2013 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:						
Balance at January 1	$	**1,236**	**229**	**278**	**111**	**1,854**
Losses charged off		**(284)**	**(70)**	**(283)**	**-**	**(637)**
Recoveries of losses previously charged off		**64**	**10**	**62**	**-**	**136**
Provision for loan and lease losses		**42**	**20**	**168**	**(1)**	**229**
Balance at December 31	$	**1,058**	**189**	**225**	**110**	**1,582**

For the year ended December 31, 2012 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:						
Balance at January 1	$	1,527	227	365	136	2,255
Losses charged off		(358)	(129)	(350)	-	(837)
Recoveries of losses previously charged off		61	7	65	-	133
Provision for loan and lease losses		6	124	198	(25)	303
Balance at December 31	$	1,236	229	278	111	1,854

For the year ended December 31, 2011 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:						
Balance at January 1	$	1,989	310	555	150	3,004
Losses charged off		(615)	(180)	(519)	-	(1,314)
Recoveries of losses previously charged off		61	7	74	-	142
Provision for loan and lease losses		92	90	255	(14)	423
Balance at December 31	$	1,527	227	365	136	2,255

The following tables provide a summary of the ALLL and related loans and leases classified by portfolio segment:

As of December 31, 2013 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:(a)						
Individually evaluated for impairment	$	**186** (c)	**139**	**53**	**-**	**378**
Collectively evaluated for impairment		**872**	**50**	**172**	**-**	**1,094**
Unallocated		**-**	**-**	**-**	**110**	**110**
Total ALLL	$	**1,058**	**189**	**225**	**110**	**1,582**
Loans and leases:(b)						
Individually evaluated for impairment	$	**1,560** (c)	**1,325**	**496**	**-**	**3,381**
Collectively evaluated for impairment		**50,486**	**11,259**	**23,392**	**-**	**85,137**
Loans acquired with deteriorated credit quality		**-**	**4**	**-**	**-**	**4**
Total portfolio loans and leases	$	**52,046**	**12,588**	**23,888**	**-**	**88,522**

(a) *Includes **$9** related to leveraged leases.*
(b) *Excludes **$92** of residential mortgage loans measured at fair value, and includes **$881** of leveraged leases, net of unearned income.*
(c) *Includes five restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with a recorded investment of **$28** and an allowance of **$11**.*

As of December 31, 2012 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:(a)						
Individually evaluated for impairment	$	95	137	62	-	294
Collectively evaluated for impairment		1,140	91	216	-	1,447
Loans acquired with deteriorated credit quality		1	1	-	-	2
Unallocated		-	-	-	111	111
Total ALLL	$	1,236	229	278	111	1,854
Loans and leases:(b)						
Individually evaluated for impairment	$	980	1,298	544	-	2,822
Collectively evaluated for impairment		48,407	10,637	23,833	-	82,877
Loans acquired with deteriorated credit quality		1	6	-	-	7
Total portfolio loans and leases	$	49,388	11,941	24,377	-	85,706

(a) *Includes $11 related to leveraged leases.*
(b) *Excludes $76 of residential mortgage loans measured at fair value, and includes $862 of leveraged leases, net of unearned income.*

CREDIT RISK PROFILE

Commercial Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its commercial portfolio segment, the Bancorp disaggregates the segment into the following classes: commercial and industrial, commercial mortgage owner-occupied, commercial mortgage non-owner occupied, commercial construction and commercial leasing.

To facilitate the monitoring of credit quality within the commercial portfolio segment, and for purposes of analyzing historical loss rates used in the determination of the ALLL for the commercial portfolio segment, the Bancorp utilizes the following categories of credit grades: pass, special mention, substandard, doubtful or loss. The five categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers that do not have identified potential or well defined weaknesses and for which there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on a quarterly basis during the month preceding the end of the calendar quarter.

The Bancorp assigns a special mention rating to loans and leases that have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or lease or the Bancorp's credit position.

The Bancorp assigns a substandard rating to loans and leases that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans and leases have well defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases in this grade also are characterized by the distinct possibility that the Bancorp will sustain some loss if the deficiencies noted are not addressed and corrected.

The Bancorp assigns a doubtful rating to loans and leases that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.

Loans and leases classified as loss are considered uncollectible and are charged off in the period in which they are determined to be uncollectible. Because loans and leases in this category are fully charged down, they are not included in the following tables.

The following table summarizes the credit risk profile of the Bancorp's commercial portfolio segment, by class:

As of December 31, 2013 ($ in millions)		Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	$	**36,776**	**1,118**	**1,419**	**3**	**39,316**
Commercial mortgage owner occupied loans		**3,866**	**209**	**415**	**17**	**4,507**
Commercial mortgage non-owner occupied loans		**2,879**	**248**	**431**	**1**	**3,559**
Commercial construction loans		**855**	**32**	**152**	**-**	**1,039**
Commercial leases		**3,546**	**56**	**23**	**-**	**3,625**
Total	$	**47,922**	**1,663**	**2,440**	**21**	**52,046**

As of December 31, 2012 ($ in millions)		Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	$	33,521	1,113	1,379	25	36,038
Commercial mortgage owner occupied loans		3,934	338	603	1	4,876
Commercial mortgage non-owner occupied loans		2,958	449	815	5	4,227
Commercial construction loans		444	59	195	-	698
Commercial leases		3,483	48	18	-	3,549
Total	$	44,340	2,007	3,010	31	49,388

Consumer Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its consumer portfolio segment, the Bancorp disaggregates the segment into the following classes: home equity, automobile loans, credit card, and other consumer loans and leases. The Bancorp's residential mortgage portfolio segment is also a separate class. The Bancorp considers repayment performance as the best indicator of credit quality for residential mortgage and consumer loans, which includes both the delinquency status and performing versus nonperforming status of the loans. The delinquency status of all residential mortgage and consumer loans is presented by class in the age analysis section below while the performing versus nonperforming status is presented in the table below. Residential mortgage loans that have principal and interest payments that have become past due 150 days are classified as nonperforming unless such loans are both well secured and in the process of collection. During the fourth quarter of 2013, the Bancorp modified its nonaccrual policy for home equity loans and lines of credit. Home equity loans and lines of credit are reported as nonperforming if principal or interest has been in default for 90 days or more unless the loan is both well secured and in the process of collection. Home equity loans and lines of credit that have been in default for 60 days or more are also reported as nonperforming if the senior lien has been in default 120 days or more, unless the loan is both well secured and in the process of collection. As a result of the modification of the nonaccrual policy for home equity loans and lines of credit, $46 million of home equity loans and lines of credit were reclassified from performing to nonperforming status during the fourth quarter of 2013. In addition, the Bancorp modified its charge-off policy during the fourth quarter of 2013. Home equity loans and lines of credit that have been in default 120 days or more are assessed for a charge-off if the senior lien has been in default 120 days or more. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a

TDR and subsequently become past due 90 days are classified as nonperforming, unless the loan is both well secured and in the process of collection. Credit card loans that have been modified in a TDR are classified as nonperforming unless such loans have a sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

The following table presents a summary of the Bancorp's residential mortgage and consumer portfolio segments disaggregated into performing versus nonperforming status as of December 31:

		2013		2012	
($ in millions)		Performing	Nonperforming	Performing	Nonperforming
Residential mortgage loans[(a)]	$	**12,423**	**165**	11,704	237
Home equity		**9,153**	**93**	9,965	53
Automobile loans		**11,982**	**2**	11,970	2
Credit card		**2,261**	**33**	2,058	39
Other consumer loans and leases		**364**	**-**	289	1
Total	$	**36,183**	**293**	35,986	332

(a) *Excludes **$92** and $76 of loans measured at fair value at **December 31, 2013** and 2012, respectively.*

Age Analysis of Past Due Loans and Leases

The following tables summarize the Bancorp's recorded investment in portfolio loans and leases by age and class:

			Past Due				
As of December 31, 2013 ($ in millions)		Current Loans and Leases[(c)]	30-89 Days[(c)]	90 Days and Greater[(c)]	Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:							
Commercial and industrial loans	$	**39,118**	**53**	**145**	**198**	**39,316**	**-**
Commercial mortgage owner occupied loans		**4,423**	**15**	**69**	**84**	**4,507**	**-**
Commercial mortgage non-owner occupied loans		**3,515**	**9**	**35**	**44**	**3,559**	**-**
Commercial construction loans		**1,010**	**-**	**29**	**29**	**1,039**	**-**
Commercial leases		**3,620**	**-**	**5**	**5**	**3,625**	**-**
Residential mortgage loans[(a)(b)]		**12,284**	**73**	**231**	**304**	**12,588**	**66**
Consumer:							
Home equity		**9,058**	**102**	**86**	**188**	**9,246**	**-**
Automobile loans		**11,919**	**55**	**10**	**65**	**11,984**	**8**
Credit card		**2,225**	**36**	**33**	**69**	**2,294**	**29**
Other consumer loans and leases		**362**	**2**	**-**	**2**	**364**	**-**
Total portfolio loans and leases[(a)]	$	**87,534**	**345**	**643**	**988**	**88,522**	**103**

(a) *Excludes $92 of loans measured at fair value.*

(b) *Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2013, $81 of these loans were 30-89 days past due and $378 were 90 days or more past due. The Bancorp recognized $5 million of losses for the year ended December 31, 2013 due to claim denials and curtailments associated with these advances.*

(c) *Includes accrual and nonaccrual loans and leases.*

As of December 31, 2012 ($ in millions)	Current Loans and Leases[c]	Past Due 30-89 Days[c]	Past Due 90 Days and Greater[c]	Past Due Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:						
Commercial and industrial loans	$ 35,826	46	166	212	36,038	1
Commercial mortgage owner occupied loans	4,752	29	95	124	4,876	22
Commercial mortgage non-owner occupied loans	4,094	21	112	133	4,227	-
Commercial construction loans	622	-	76	76	698	1
Commercial leases	3,546	2	1	3	3,549	-
Residential mortgage loans[a][b]	11,547	87	307	394	11,941	75
Consumer:						
Home equity	9,782	126	110	236	10,018	58
Automobile loans	11,900	62	10	72	11,972	8
Credit card	2,025	38	34	72	2,097	30
Other consumer loans and leases	287	2	1	3	290	-
Total portfolio loans and leases[a]	$ 84,381	413	912	1,325	85,706	195

(a) Excludes $76 of loans measured at fair value.

(b) Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2012, $80 of these loans were 30-89 days past due and $414 were 90 days or more past due. The Bancorp recognized $2 million of losses for the year ended December 31, 2012 due to claim denials and curtailments associated with these advances.

(c) Includes accrual and nonaccrual loans and leases.

Impaired Loans and Leases

Larger commercial loans and leases included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp also performs an individual review on loans and leases that are restructured in a troubled debt restructuring. The Bancorp considers the current value of collateral, credit quality of any guarantees, the loan structure, and other factors when evaluating whether an individual loan or lease is impaired. Other factors may include the geography and industry of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. Smaller balance homogenous loans or leases that are collectively evaluated for impairment are not included in the following tables.

The following table summarizes the Bancorp's impaired loans and leases (by class) that were subject to individual review, which includes all loans and leases restructured in a troubled debt restructuring as December 31:

2013 ($ in millions)		Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	**870**	**759**	**145**
Commercial mortgage owner occupied loans[(b)]		**85**	**74**	**11**
Commercial mortgage non-owner occupied loans		**154**	**134**	**14**
Commercial construction loans		**68**	**54**	**5**
Commercial leases		**12**	**12**	**-**
Restructured residential mortgage loans		**1,081**	**1,052**	**139**
Restructured consumer:				
Home equity		**377**	**373**	**39**
Automobile loans		**23**	**23**	**3**
Credit card		**59**	**58**	**11**
Total impaired loans and leases with a related allowance	$	**2,729**	**2,539**	**367**
With no related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	**181**	**177**	**-**
Commercial mortgage owner occupied loans		**106**	**98**	**-**
Commercial mortgage non-owner occupied loans		**154**	**147**	**-**
Commercial construction loans		**77**	**63**	**-**
Commercial leases		**14**	**14**	**-**
Restructured residential mortgage loans		**313**	**273**	**-**
Restructured consumer:				
Home equity		**43**	**39**	**-**
Automobile loans		**3**	**3**	**-**
Total impaired loans and leases with no related allowance		**891**	**814**	**-**
Total impaired loans and leases	$	**3,620**	**3,353** [(a)]	**367**

(a) *Includes* ***$869***, ***$1,241*** *and* ***$444****, respectively, of commercial, residential mortgage and consumer TDRs on accrual status;* ***$228****,* ***$84*** *and* ***$52****, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

(b) *Excludes five restructured nonaccrual loans at* ***December 31, 2013*** *associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with an unpaid principal balance of* ***$28****, a recorded investment of* ***$28****, and an allowance of* ***$11****.*

2012 ($ in millions)		Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	263	194	65
Commercial mortgage owner occupied loans		54	43	5
Commercial mortgage non-owner occupied loans		215	160	16
Commercial construction loans		48	37	5
Commercial leases		8	8	5
Restructured residential mortgage loans		1,067	1,023	137
Restructured consumer:				
Home equity		400	396	46
Automobile loans		31	30	4
Credit card		74	74	12
Other consumer loans and leases		2	2	-
Total impaired loans and leases with a related allowance	$	2,162	1,967	295
With no related allowance recorded:				
Commercial:				
Commercial and industrial loans	$	207	169	-
Commercial mortgage owner occupied loans		107	99	-
Commercial mortgage non-owner occupied loans		209	199	-
Commercial construction loans		109	67	-
Commercial leases		5	5	-
Restructured residential mortgage loans		326	275	-
Restructured consumer:				
Home equity		40	39	-
Automobile loans		3	3	-
Total impaired loans and leases with no related allowance		1,006	856	-
Total impaired loans and leases	$	3,168	2,823 [(a)]	295

(a) *Includes $431, $1,175 and $480, respectively, of commercial, residential mortgage and consumer TDRs on accrual status; $177, $123 and $64, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

The following table summarizes the Bancorp's average impaired loans and leases and interest income by class for the year ended December 31:

		2013		2012	
($ in millions)		Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Commercial:					
Commercial and industrial loans	$	**517**	**16**	448	4
Commercial mortgage owner occupied loans[(a)]		**146**	**4**	156	4
Commercial mortgage non-owner occupied loans		**321**	**8**	361	10
Commercial construction loans		**108**	**4**	160	2
Commercial leases		**11**	**-**	10	-
Restructured residential mortgage loans		**1,311**	**53**	1,276	47
Restructured consumer:					
Home equity		**429**	**23**	439	24
Automobile loans		**29**	**1**	38	1
Credit card		**68**	**4**	80	4
Other consumer loans and leases		**2**	**-**	1	-
Total impaired loans and leases	$	**2,942**	**113**	2,969	96

(a) *Excludes five restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with an unpaid principal balance of **$28**, an average recorded investment of **$29**, and an allowance of **$11**.*

Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; commercial and credit card TDRs which have not yet met the requirements to be classified as a performing asset; consumer TDRs which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. The following table summarizes the Bancorp's nonperforming loans and leases, by class, as of December 31:

($ in millions)		2013	2012
Commercial:			
Commercial and industrial loans	$	**281**	330
Commercial mortgage owner occupied loans[(a)]		**95**	125
Commercial mortgage non-owner occupied loans		**48**	157
Commercial construction loans		**29**	76
Commercial leases		**5**	9
Total commercial loans and leases		**458**	697
Residential mortgage loans		**166**	237
Consumer:			
Home equity		**93**	53
Automobile loans		**1**	2
Credit card		**33**	39
Other consumer loans and leases		**-**	1
Total consumer loans and leases		**127**	95
Total nonperforming loans and leases[(b)(c)]	$	**751**	1,029
OREO and other repossessed property[(d)]		**229**	257

(a) *Excludes **$21** of restructured nonaccrual loans at **December 31, 2013** associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due the risk being assumed by a third party.*

(b) *Excludes **$6** and $29 of nonaccrual loans held for sale at **December 31, 2013** and 2012, respectively.*

(c) *Includes **$10** of nonaccrual government insured commercial loans whose repayments are insured by the SBA at both **December 31, 2013** and 2012, and **$2** and $1 of restructured nonaccrual government insured commercial loans at **December 31, 2013** and 2012, respectively.*

(d) *Excludes **$77** and $72 of OREO related to government insured loans at **December 31, 2013** and 2012, respectively.*

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Within each of the Bancorp's loan classes, TDRs typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. Modifying the terms of loans may result in an increase or decrease to the ALLL depending upon the terms modified, the method used to measure the ALLL for a loan prior to modification, and whether any charge-offs were recorded on the loan before or at the time of modification. Refer to the ALLL section of Note 1 for information on the Bancorp's ALLL methodology. Upon modification of a loan, the Bancorp measures the related impairment as the difference between the estimated future cash flows, discounted at the original effective yield of the loan, expected to be collected on the modified loan and the carrying value of the loan. The resulting measurement may result in the need for minimal or no valuation allowance because it is probable that all cash flows will be collected under the modified terms of the loan. In addition, if the stated interest rate was increased in a TDR, the cash flows on the modified loan, using the pre-modification interest rate as the discount rate, often exceed the recorded investment of the loan. Conversely, the Bancorp often recognizes an impairment loss as an increase to ALLL upon a modification that reduces the stated interest rate on a loan. If a TDR involves a reduction of the principal balance of the loan or the loan's accrued interest, that amount is charged off to the ALLL. At December 31, 2013, the Bancorp had $46 million in line of credit commitments and $40 million in letter of credit commitments to lend additional funds to borrowers whose terms have been modified in a TDR compared to $28 million and $25 million, respectively, at December 31, 2012.

The following table provides a summary of loans modified in a TDR by the Bancorp during the year ended December 31:

2013 ($ in millions)[a]	Number of loans modified in a TDR during the year[b]	Recorded investment in loans modified in a TDR during the year	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	**146**	**$ 604**	**39**	**44**
Commercial mortgage owner occupied loans[c]	**65**	**19**	**(2)**	**-**
Commercial mortgage non-owner occupied loans	**59**	**72**	**(7)**	**-**
Commercial construction loans	**4**	**34**	**(2)**	**-**
Commercial leases	**1**	**2**	**(5)**	**-**
Residential mortgage loans	**1,620**	**249**	**28**	**-**
Consumer:				
Home equity	**695**	**37**	**(1)**	**-**
Automobile loans	**499**	**14**	**1**	**-**
Credit card	**8,202**	**50**	**7**	**-**
Total portfolio loans and leases	**11,291**	**$ 1,081**	**58**	**44**

2012 ($ in millions)[a]	Number of loans modified in a TDR during the year[b]	Recorded investment in loans modified in a TDR during the year	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	108	$ 84	(7)	9
Commercial mortgage owner occupied loans	67	53	(8)	2
Commercial mortgage non-owner occupied loans	67	91	(7)	-
Commercial construction loans	17	38	(4)	-
Commercial leases	8	7	1	-
Residential mortgage loans	1,758	340	35	-
Consumer:				
Home equity	1,343	82	1	-
Automobile loans	1,289	23	2	-
Credit card	11,407	75	11	-
Total portfolio loans and leases	16,064	$ 793	24	11

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.
(b) Represents number of loans post-modification.
*(c) Excludes five loans modified in a TDR during the year ended **December 31, 2013** associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party. The TDR resulted in a **$7** increase to the ALLL and a **$2** charge-off at modification and has a recorded investment of **$28**.*

The Bancorp considers TDRs that become 90 days or more past due under the modified terms as subsequently defaulted. For commercial loans not subject to individual review for impairment, the historical loss rates that are applied to such commercial loans for purposes of determining the allowance include historical losses associated with subsequent defaults on loans previously modified in a TDR. For consumer loans, the Bancorp performs a qualitative assessment of the adequacy of the consumer ALLL by comparing the consumer ALLL to forecasted consumer losses over the projected loss emergence period (the forecasted losses include the impact of subsequent defaults of consumer TDRs). When a residential mortgage, home equity, auto or other consumer loan that has been modified in a TDR subsequently defaults, the present value of expected cash flows used in the measurement of the potential impairment loss is generally limited to the expected net proceeds from the sale of the loan's underlying collateral and any resulting impairment loss is reflected as a charge-off or an increase in ALLL. When a credit card loan that has been modified in a TDR subsequently defaults, the calculation of the impairment loss is consistent with the Bancorp's calculation for other credit card loans that have become 90 days or more past due.

The following table provides a summary of subsequent defaults that occurred during the years ended December 31, 2013 and 2012 and within 12 months of the restructuring date:

December 31, 2013 ($ in millions)[a]	Number of Contracts		Recorded Investment
Commercial:			
Commercial and industrial loans	**6**	$	**11**
Commercial mortgage owner occupied loans	**7**		**1**
Residential mortgage loans	**375**		**58**
Consumer:			
Home equity	**65**		**4**
Automobile loans	**4**		**-**
Credit card	**1,768**		**11**
Total portfolio loans and leases	**2,225**	$	**85**

December 31, 2012 ($ in millions)[a]	Number of Contracts		Recorded Investment
Commercial:			
Commercial and industrial loans	2	$	3
Commercial mortgage owner occupied loans	3		2
Commercial mortgage non-owner occupied loans	2		1
Commercial construction loans	2		3
Residential mortgage loans	332		57
Consumer:			
Home equity	101		7
Automobile loans	42		-
Credit card (revised)	1,832		13
Total portfolio loans and leases	2,316	$	86

(a) *Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.*

7. BANK PREMISES AND EQUIPMENT

The following is a summary of bank premises and equipment at December 31:

($ in millions)	Estimated Useful Life		2013	2012
Land and improvements		$	**838**	841
Buildings	2 to 30 yrs.		**1,763**	1,692
Equipment	1 to 30 yrs.		**1,581**	1,460
Leasehold improvements	5 to 30 yrs.		**397**	386
Construction in progress			**118**	141
Accumulated depreciation and amortization			**(2,166)**	(1,978)
Total		$	**2,531**	2,542

Depreciation and amortization expense related to bank premises and equipment was $245 million in 2013, $233 million in 2012 and $224 million in 2011.

For the years ended 2013 and 2012, the Bancorp recorded charges of $6 million and $21 million, respectively, of lower of cost or market adjustments associated with bank premises. These adjustments were generally based on appraisals of the underlying bank premises less estimated selling costs. The recognized impairment losses were recorded in other noninterest income in the Consolidated Statements of Income.

Gross occupancy expense for cancelable and noncancelable leases was $98 million in 2013 and $99 million in 2012 and 2011, which was reduced by rental income from leased premises of $16 million in 2013, $17 million in 2012 and $19 million in 2011. The Bancorp's subsidiaries have entered into a number of noncancelable and capital lease agreements with respect to bank premises and equipment.

The following table provides the annual future minimum payments under capital leases and noncancelable operating leases at December 31, 2013:

($ in millions)		Operating Leases	Capital Leases
Year ending December 31,			
2014	$	91	8
2015		88	7
2016		82	4
2017		75	-
2018		71	-
Thereafter		339	-
Total minimum lease payments	$	746	19
Less: Amounts representing interest		-	1
Present value of net minimum lease payments		-	18

8. GOODWILL

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. Acquisition activity includes acquisitions in the respective period in addition to purchase accounting adjustments related to previous acquisitions. During the fourth quarter of 2008, the Bancorp determined that the Commercial Banking and Consumer Lending segments' goodwill carrying amounts exceeded their associated implied fair values by $750 million and $215 million, respectively. The resulting $965 million goodwill impairment charge was recorded in the fourth quarter of 2008 and represents the total amount of accumulated impairment losses as of December 31, 2013.

Changes in the net carrying amount of goodwill, by reporting unit, for the years ended December 31, 2013 and 2012 were as follows:

($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	Total
Net carrying value as of December 31, 2011	$	613	1,656	-	148	2,417
Acquisition activity		-	(1)	-	-	(1)
Net carrying value as of December 31, 2012	$	613	1,655	-	148	2,416
Acquisition activity		-	-	-	-	-
Net carrying value as of December 31, 2013	$	**613**	**1,655**	-	**148**	**2,416**

The Bancorp completed its annual goodwill impairment test as of September 30, 2013 by performing a qualitative assessment of goodwill at the reporting unit level to determine whether any indicators of impairment existed. In performing this qualitative assessment, the Bancorp evaluated events and circumstances since the date of the last quantitative impairment test including the results of that test, macroeconomic conditions, banking industry and market conditions, and key financial metrics of the Bancorp as well as segment and overall Bancorp financial performance. After assessing the totality of the events and circumstances, the Bancorp determined that it was not more likely than not that the fair value of each of its reporting units was less than their carrying amounts and, therefore, the first and second steps of the quantitative goodwill impairment test were deemed unnecessary.

9. INTANGIBLE ASSETS

Intangible assets consist of core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives. Intangible assets have an estimated remaining weighted-average life at December 31, 2013 of 4.1 years.

The details of the Bancorp’s intangible assets are shown in the following table:

($ in millions)		Gross Carrying Amount	Accumulated Amortization	Valuation Allowance	Net Carrying Amount
As of December 31, 2013					
Core deposit intangibles	$	**154**	**(141)**	**-**	**13**
Other		**45**	**(39)**	**-**	**6**
Total intangible assets	$	**199**	**(180)**	**-**	**19**
As of December 31, 2012					
Core deposit intangibles	$	180	(160)	-	20
Other		44	(37)	-	7
Total intangible assets	$	224	(197)	-	27

As of December 31, 2013, all of the Bancorp’s intangible assets were being amortized. Amortization expense recognized on intangible assets for the years ended December 31, 2013, 2012 and 2011 was $8 million, $13 million and $22 million, respectively.

The Bancorp's projections of amortization expense shown below are based on existing asset balances as of December 31, 2013. Future amortization expense may vary from these projections. Estimated amortization expense for the years ending December 31, 2014 through 2018 is as follows:

($ in millions)		Total
2014	$	5
2015		2
2016		2
2017		2
2018		2

10. VARIABLE INTEREST ENTITIES

The Bancorp, in the normal course of business, engages in a variety of activities that involve VIEs, which are legal entities that lack sufficient equity to finance their activities, or the equity investors of the entities as a group lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the economic performance of the VIE and the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. For certain investment funds, the primary beneficiary is the enterprise that will absorb a majority of the fund's expected losses or receive a majority of the fund's expected residual returns. The Bancorp evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Bancorp is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Bancorp is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate.

Consolidated VIEs

The following table provides a summary of the classifications of consolidated VIE assets, liabilities and noncontrolling interests included in the Bancorp's Consolidated Balance Sheets as of:

December 31, 2013 ($ in millions)		Automobile Loan Securitization	CDC Investments	Total
Assets:				
Cash and due from banks	$	**49**	**-**	**49**
Commercial mortgage loans		**-**	**48**	**48**
Automobile loans[(a)]		**1,010**	**-**	**1,010**
ALLL		**(2)**	**(13)**	**(15)**
Other assets		**11**	**2**	**13**
Total assets	$	**1,068**	**37**	**1,105**
Liabilities:				
Other liabilities	$	**1**	**-**	**1**
Long-term debt		**1,048**	**-**	**1,048**
Total liabilities	$	**1,049**	**-**	**1,049**
Noncontrolling interests		**-**	**37**	**37**

(a) Net of $52 of unamortized fees and discounts.

December 31, 2012 ($ in millions)		CDC Investments	Total
Assets:			
Commercial mortgage loans	$	50	50
ALLL		(5)	(5)
Other assets		3	3
Total assets	$	48	48
Noncontrolling interests		48	48

Automobile Loan Securitization

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The primary purposes for which the VIE was created were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide the Bancorp with access to liquidity for its originated loans. The Bancorp retained residual interests in the VIE and, therefore, has an obligation to absorb losses and a right to receive benefits from the VIE that could potentially be significant to the VIE. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, holds the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE. As a result, the Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

The economic performance of the VIE is most significantly impacted by the performance of the underlying loans. The principal risks to which the VIE are exposed include credit risk and prepayment risk. The credit and prepayment risks are managed through credit enhancements in the form of reserve accounts, overcollateralization, excess interest on the loans and the subordination of certain classes of asset-backed securities to other classes.

CDC Investments

CDC, a wholly owned indirect subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks. CDC generally co-invests with other unrelated companies and/or individuals and typically makes investments in a separate legal entity that owns the property under development. The entities are usually formed as limited partnerships and LLCs, and CDC typically invests as a limited partner/investor member in the form of equity contributions. The economic performance of the VIEs is driven by the performance of their underlying investment projects as well as the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. Typically, the general partner or managing

member will be the party that has the right to make decisions that will most significantly impact the economic performance of the entity. CDC serves as the managing member of certain LLCs invested in business revitalization projects. The Bancorp has provided an indemnification guarantee to the investor member of these LLCs related to the qualification of tax credits generated by the investor member's investment. Accordingly, the Bancorp concluded that it is the primary beneficiary and, therefore, has consolidated these VIEs. As a result, the investor members' interests in these VIEs are presented as noncontrolling interests in the Bancorp's Consolidated Financial Statements. This presentation includes reporting separately the equity attributable to the noncontrolling interests in the Consolidated Balance Sheets and Consolidated Statements of Changes in Equity and reporting separately the comprehensive income attributable to the noncontrolling interests in the Consolidated Statements of Comprehensive Income and the net income attributable to the noncontrolling interests in the Consolidated Statements of Income. The Bancorp's maximum exposure related to these indemnifications at December 31, 2013 and 2012 was $21 million and $18 million, respectively, which is based on an amount required to meet the investor members' defined target rate of return.

Non-consolidated VIEs

The following tables provide a summary of assets and liabilities carried on the Bancorp's Consolidated Balance Sheets related to non-consolidated VIEs for which the Bancorp holds an interest, but is not the primary beneficiary of the VIE, as well as the Bancorp's maximum exposure to losses associated with its interests in the entities:

As of December 31, 2013 ($ in millions)		Total Assets	Total Liabilities	Maximum Exposure
CDC investments	**$**	**1,436**	**407**	**1,436**
Private equity investments		**204**	**-**	**294**
Loans provided to VIEs		**1,830**	**-**	**2,792**
Automobile loan securitization		**4**	**-**	**4**
Restructured loans		**1**	**-**	**1**

As of December 31, 2012 ($ in millions)		Total Assets	Total Liabilities	Maximum Exposure
CDC investments	$	1,442	394	1,442
Private equity investments		189	-	310
Loans provided to VIEs		1,622	-	2,465
Restructured loans		2	-	2

CDC Investments

As noted previously, CDC typically invests in VIEs as a limited partner or investor member in the form of equity contributions. The Bancorp has determined that it is not the primary beneficiary of these VIEs because it lacks the power to direct the activities that most significantly impact the economic performance of the underlying project or the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. This power is held by the general partners/managing members who exercise full and exclusive control of the operations of the VIEs. Accordingly, the Bancorp accounts for these investments under the equity method of accounting.

The Bancorp's funding requirements are limited to its invested capital and any additional unfunded commitments for future equity contributions. The Bancorp's maximum exposure to loss as a result of its involvement with the VIEs is limited to the carrying amounts of the investments, including the unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Consolidated Balance Sheets, and the liabilities related to the unfunded commitments, which are included in other liabilities in the Consolidated Balance Sheets, are included in the previous tables for all periods presented. The Bancorp has no other liquidity arrangements or obligations to purchase assets of the VIEs that would expose the Bancorp to a loss. In certain arrangements, the general partner/managing member of the VIE has guaranteed a level of projected tax credits to be received by the limited partners/investor members, thereby minimizing a portion of the Bancorp's risk.

Private Equity Investments

The Bancorp, through a wholly owned subsidiary, invests as a limited partner in private equity funds which provide the Bancorp an opportunity to obtain higher rates of return on invested capital, while also creating cross-selling opportunities for the Bancorp's commercial products. Each of the limited partnerships has an unrelated third-party general partner responsible for appointing the fund manager. The Bancorp has not been appointed fund manager for any of these private equity funds. The funds finance primarily all of their activities from the partners' capital contributions and investment returns. Under the VIE consolidation guidance still applicable to the funds, the Bancorp has determined that it is not the primary beneficiary of the funds because it does not absorb a majority of the funds' expected losses or receive a majority of the funds' expected residual returns. Therefore, the Bancorp accounts for its investments in these limited partnerships under the equity method of accounting.

The Bancorp is exposed to losses arising from negative performance of the underlying investments in the private equity funds. As a limited partner, the Bancorp's maximum exposure to loss is limited to the carrying amounts of the investments plus unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Consolidated Balance Sheets, are included in the previous tables. Also, as of December 31, 2013 and 2012, the unfunded commitment amounts to the funds were $90 million and $121 million, respectively. The Bancorp made capital contributions of $31 million and $61 million to private equity funds during 2013 and 2012, respectively. Additionally, in response to the issuance of the Volcker Rule in the fourth quarter of 2013, the Bancorp recognized $4 million of OTTI on its investments in private equity funds. See Note 27 for further information.

Loans Provided to VIEs

The Bancorp has provided funding to certain unconsolidated VIEs sponsored by third parties. These VIEs are generally established to finance certain consumer and small business loans originated by third parties. The entities are primarily funded through the issuance of a loan from the Bancorp or syndication through which the Bancorp is involved. The sponsor/administrator of the entities is responsible for servicing the underlying assets in the VIEs. Because the sponsor/administrator, not the Bancorp, holds the servicing responsibilities, which include the establishment and employment of default mitigation policies and procedures, the Bancorp does not hold the power to direct the activities most significant to the economic performance of the entity and, therefore, is not the primary beneficiary.

The principal risk to which these entities are exposed is credit risk related to the underlying assets. The Bancorp's maximum exposure to loss is equal to the carrying amounts of the loans and unfunded commitments to the VIEs. The Bancorp's outstanding loans to these VIEs, included in commercial loans in the Consolidated Balance Sheets, are included in the previous tables for all periods presented. Also, as of December 31, 2013 and 2012, the Bancorp's unfunded commitments to these entities were $962 million and $843 million, respectively. The loans and unfunded commitments to these VIEs are included in the Bancorp's overall analysis of the ALLL and reserve for unfunded commitments, respectively. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The securitization and the resulting sale of all underlying securities qualified for sale accounting. The Bancorp has concluded that it is not the primary beneficiary of the trust because it has neither the obligation to absorb losses of the entity that could potentially be significant to the VIE nor the right to receive benefits from the entity that could potentially be significant to the VIE. The Bancorp is not required and does not currently intend to provide any additional financial support to the trust. Investors and creditors only have recourse to the assets held by the trust. The interest the Bancorp holds in the VIE relates to servicing rights that are included in the Bancorp's Consolidated Balance Sheets. The maximum exposure to loss is equal to the carrying value of the servicing asset.

Restructured Loans

As part of loan restructuring efforts, the Bancorp received equity capital from certain borrowers to facilitate the restructuring of the borrower's debt. These borrowers meet the definition of a VIE because the Bancorp was involved in their refinancing and because their equity capital is insufficient to fund ongoing operations. These restructurings were intended to provide the VIEs with serviceable debt levels while providing the Bancorp an opportunity to maximize the recovery of the loans. The VIEs finance their operations from earned income, capital contributions, and through restructured debt agreements. Assets of the VIEs are used to settle their specific obligations, including loan payments due to the Bancorp. The Bancorp continues to maintain its relationship with these VIEs as a lender and minority shareholder, however, it is not involved in management decisions and does not have sufficient voting rights to control the membership of the respective boards. Therefore, the Bancorp accounts for its equity investments in these VIEs under the equity method or cost method based on its percentage of ownership and ability to exercise significant influence.

The Bancorp's maximum exposure to loss as a result of its involvement with these VIEs is limited to the equity investments, the principal and accrued interest on the outstanding loans, and any unfunded commitments. Due to the VIEs' short-term cash deficit projections at the restructuring dates, the Bancorp determined that the initial fair value of its equity investments in these VIEs was zero. As of December 31, 2013 and 2012, the Bancorp's carrying value of these equity investments was immaterial to the Bancorp's Consolidated Balance Sheets. Additionally, the Bancorp had outstanding loans to these VIEs, included in commercial loans in the Consolidated Balance Sheets, which are included in the previous tables for all periods presented. The Bancorp had no unfunded loan commitments to these VIEs as of December 31, 2013 and 2012. The loans to these VIEs are included in the Bancorp's overall analysis of the ALLL. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

11. SALES OF RECEIVABLES AND SERVICING RIGHTS

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million.

Residential Mortgage Loan Sales

The Bancorp sold fixed and adjustable rate residential mortgage loans during 2013, 2012, and 2011. In those sales, the Bancorp obtained servicing responsibilities and the investors have no recourse to the Bancorp's other assets for failure of debtors to pay when due. The Bancorp receives annual servicing fees based on a percentage of the outstanding balance. The Bancorp identifies classes of servicing assets based on financial asset type and interest rates.

Information related to residential mortgage loan sales and the Bancorp's mortgage banking activity, which is included in mortgage banking net revenue in the Consolidated Statements of Income, for the years ended December 31 is as follows:

($ in millions)		2013	2012	2011
Residential mortgage loan sales	$	**21,529**	21,574	14,733
Origination fees and gains on loan sales		**453**	821	396
Servicing fees		**251**	250	234

Servicing Assets

The following table presents changes in the servicing assets related to residential mortgage and automobile loans for the years ended December 31:

($ in millions)		2013	2012
Carrying amount before valuation allowance as of the beginning of the period	$	**1,358**	1,239
Servicing obligations that result from the transfer of residential mortgage loans		**244**	305
Servicing obligations that result from the transfer of automobile loans		**6**	-
Amortization		**(168)**	(186)
Carrying amount before valuation allowance		**1,440**	1,358
Valuation allowance for servicing assets:			
Beginning balance		**(661)**	(558)
Recovery of (provision for) MSR impairment		**192**	(103)
Ending balance		**(469)**	(661)
Carrying amount as of the end of the period	$	**971**	697

Amortization expense recognized on servicing rights for the years ended December 31, 2013, 2012 and 2011 was $168 million, $186 million and $135 million, respectively. The Bancorp's projections of amortization expense shown below are based on existing asset balances as of December 31, 2013. Future amortization expense may vary from these projections.

Estimated amortization expense for the years ending December 31, 2014 through 2018 is as follows:

($ in millions)		Total
2014	$	95
2015		88
2016		81
2017		76
2018		71

Temporary impairment or impairment recovery, affected through a change in the MSR valuation allowance, is captured as a component of mortgage banking net revenue in the Consolidated Statements of Income. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the value of the MSR portfolio. This strategy includes the purchase of free-standing derivatives and various available-for-sale securities. The interest income, mark-to-market adjustments and gain or loss from sale activities associated with these portfolios are expected to economically hedge a portion of the change in value of the MSR portfolio caused by fluctuating discount rates, earnings rates and prepayment speeds. The fair value of the servicing asset is based on the present value of expected future cash flows.

The following table displays the beginning and ending fair value of the servicing assets for the years ended December 31:

($ in millions)		2013	2012
Fixed rate residential mortgage loans:			
Beginning balance	$	**664**	649
Ending balance		**929**	664
Adjustable rate residential mortgage loans:			
Beginning balance		**33**	32
Ending balance		**38**	33
Fixed rate automobile loans:			
Beginning balance		**-**	-
Ending balance		**4**	-

The following table presents activity related to valuations of the MSR portfolio and the impact of the non-qualifying hedging strategy, which is included in the Consolidated Statements of Income for the years ended December 31:

($ in millions)		2013	2012	2011
Securities gains, net - non-qualifying hedges on MSRs	$	**13**	3	9
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio (Mortgage banking net revenue)		**(30)**	63	344
Recovery of (provision for) MSR impairment (Mortgage banking net revenue)		**192**	(103)	(242)

As of December 31, 2013 and 2012, the key economic assumptions used in measuring the interests in residential mortgage loans that continued to be held by the Bancorp at the date of sale or securitization resulting from transactions completed during the years ended December 31 were as follows:

		2013				2012			
	Rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate
Residential mortgage loans:									
Servicing assets	Fixed	**7.3**	**9.1 %**	**10.2 %**	**N/A**	6.9	9.6 %	10.4 %	N/A
Servicing assets	Adjustable	**3.6**	**22.8**	**11.5**	**N/A**	3.8	22.0	11.4	N/A

Based on historical credit experience, expected credit losses for residential mortgage loan servicing assets have been deemed immaterial, as the Bancorp sold the majority of the underlying loans without recourse. At December 31, 2013 and 2012, the Bancorp serviced $69.2 billion and $62.5 billion, respectively, of residential mortgage loans for other investors. The value of MSRs that continue to be held by the Bancorp is subject to credit, prepayment and interest rate risks on the sold financial assets.

At December 31, 2013, the sensitivity of the current fair value of residual cash flows to immediate 10%, 20% and 50% adverse changes in prepayment speed assumptions and immediate 10% and 20% adverse changes in other assumptions are as follows:

					Prepayment Speed Assumption					Residual Servicing Cash Flows			
							Impact of Adverse Change on Fair Value					Impact of Adverse Change on Fair Value	
($ in millions)[a]	Rate		Fair Value	Weighted-Average Life (in years)	Rate		10%	20%	50%	Discount Rate		10%	20%
Residential mortgage loans:													
Servicing assets	Fixed	$	929	6.8	10.3 %	$	(36)	(69)	(157)	10.4 %	$	(37)	(72)
Servicing assets	Adjustable		38	3.2	25.6		(2)	(3)	(7)	11.6		(1)	(2)

(a) *The impact of the weighted-average default rate on the current fair value of residual cash flows for all scenarios is immaterial.*

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on these variations in the assumptions typically cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. The Bancorp believes variations of these levels are reasonably possible; however, there is the potential that adverse changes in key assumptions could be even greater. Also, in the previous table, the effect of a variation in a particular assumption on the fair value of the interests that continue to be held by the Bancorp is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments), which might magnify or counteract these sensitivities.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Bancorp maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate, prepayment and foreign currency volatility. Additionally, the Bancorp holds derivative instruments for the benefit of its commercial customers and for other business purposes. The Bancorp does not enter into unhedged speculative derivative positions.

The Bancorp's interest rate risk management strategy involves modifying the repricing characteristics of certain financial instruments so that changes in interest rates do not adversely affect the Bancorp's net interest margin and cash flows. Derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options and swaptions. Interest rate swap contracts are exchanges of interest payments, such as fixed-rate payments for floating-rate payments, based on a stated notional amount and maturity date. Interest rate floors protect against declining rates, while interest rate caps protect against rising interest rates. Forward contracts are contracts in which the buyer agrees to purchase, and the seller agrees to make delivery of, a specific financial instrument at a predetermined price or yield. Options provide the purchaser with the right, but not the obligation, to purchase or sell a contracted item during a specified period at an agreed upon price. Swaptions are financial instruments granting the owner the right, but not the obligation, to enter into or cancel a swap.

Prepayment volatility arises mostly from changes in fair value of the largely fixed-rate MSR portfolio, mortgage loans and mortgage-backed securities. The Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge prepayment volatility. Principal-only swaps are total return swaps based on changes in the value of the underlying mortgage principal-only trust. TBAs are a forward purchase agreement for a mortgage-backed securities trade whereby the terms of the security are undefined at the time the trade is made.

Foreign currency volatility occurs as the Bancorp enters into certain loans denominated in foreign currencies. Derivative instruments that the Bancorp may use to economically hedge these foreign denominated loans include foreign exchange swaps and forward contracts.

The Bancorp also enters into derivative contracts (including foreign exchange contracts, commodity contracts and interest rate contracts) for the benefit of commercial customers and other business purposes. The Bancorp may economically hedge significant exposures related to these free-standing derivatives by entering into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. The Bancorp's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. Credit risk is minimized through credit approvals, limits, counterparty collateral and monitoring procedures.

The Bancorp's derivative assets include certain contractual features in which the Bancorp requires the counterparties to provide collateral in the form of cash and securities to offset changes in the fair value of the derivatives, including changes in the fair value due to credit risk of the counterparty. As of December 31, 2013 and 2012, the balance of collateral held by the Bancorp for derivative assets was $514 million and $927 million, respectively. The credit component negatively impacting the fair value of derivative assets associated with customer accommodation contracts as of December 31, 2013 and 2012 was $12 million and $18 million, respectively.

In measuring the fair value of derivative liabilities, the Bancorp considers its own credit risk, taking into consideration collateral maintenance requirements of certain derivative counterparties and the duration of instruments with counterparties that do not require collateral maintenance. When necessary, the Bancorp posts collateral primarily in the form of cash and securities to offset changes in fair value of the derivatives, including changes in fair value due to the Bancorp's credit risk. As of December 31, 2013 and 2012, the balance of collateral posted by the Bancorp for derivative liabilities was $559 million and $785 million, respectively. Certain of the Bancorp's derivative liabilities contain credit-risk related contingent features that could result in the requirement to post additional collateral upon the occurrence of specified events. As of December 31, 2013 and 2012, the fair value of the additional collateral that could be required to be posted as a result of the credit-risk related contingent features being triggered was not material to the Bancorp's Consolidated Financial Statements. The posting of collateral has been determined to remove the need for further consideration of credit risk. As a result, the Bancorp determined that the impact of the Bancorp's credit risk to the valuation of its derivative liabilities was immaterial to the Bancorp's Consolidated Financial Statements.

The Bancorp holds certain derivative instruments that qualify for hedge accounting treatment and are designated as either fair value hedges or cash flow hedges. Derivative instruments that do not qualify for hedge accounting treatment, or for which hedge accounting is not established, are held as free-standing derivatives. All customer accommodation derivatives are held as free-standing derivatives.

The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements. Derivative instruments with a positive fair value are reported in other assets in the Consolidated Balance Sheets while derivative instruments with a negative fair value are reported in other liabilities in the Consolidated Balance Sheets. Cash collateral payables and receivables associated with the derivative instruments are not added to or netted against the fair value amounts. For further information on offsetting derivatives, see Note 13 of the Notes to Consolidated Financial Statements.

The following tables reflect the notional amounts and fair values for all derivative instruments included in the Consolidated Balance Sheets as of:

December 31, 2013 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	**$ 3,205**	**292**	**13**
Total fair value hedges		**292**	**13**
Cash flow hedges:			
Interest rate swaps related to C&I loans	**2,200**	**40**	**21**
Total cash flow hedges		**40**	**21**
Total derivatives designated as qualifying hedging instruments		**332**	**34**
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives - risk management and other business purposes:			
Interest rate contracts related to MSRs	**4,092**	**141**	**14**
Forward contracts related to held for sale mortgage loans	**1,448**	**13**	**1**
Stock warrant associated with Vantiv Holding, LLC	**664**	**384**	**-**
Swap associated with the sale of Visa, Inc. Class B shares	**947**	**-**	**48**
Total free-standing derivatives - risk management and other business purposes		**538**	**63**
Free-standing derivatives - customer accommodation:			
Interest rate contracts for customers	**28,112**	**329**	**339**
Interest rate lock commitments	**924**	**12**	**1**
Commodity contracts	**3,300**	**66**	**65**
Foreign exchange contracts	**19,688**	**276**	**252**
Total free-standing derivatives - customer accommodation		**683**	**657**
Total derivatives not designated as qualifying hedging instruments		**1,221**	**720**
Total		**$ 1,553**	**754**

December 31, 2012 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 2,880	558	-
Total fair value hedges		558	-
Cash flow hedges:			
Interest rate floors related to C&I loans	1,500	22	-
Interest rate swaps related to C&I loans	1,000	60	-
Interest rate caps related to long-term debt	500	-	-
Interest rate swaps related to long-term debt	250	-	1
Total cash flow hedges		82	1
Total derivatives designated as qualifying hedging instruments		640	1
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives - risk management and other business purposes:			
Interest rate contracts related to MSRs	10,177	219	-
Forward contracts related to held for sale mortgage loans	5,322	2	14
Stock warrant associated with Vantiv Holding, LLC	416	177	-
Swap associated with the sale of Visa, Inc. Class B shares	644	-	33
Total free-standing derivatives - risk management and other business purposes		398	47
Free-standing derivatives - customer accommodation:			
Interest rate contracts for customers	27,354	586	602
Interest rate lock commitments	4,894	60	-
Commodity contracts	3,084	87	82
Foreign exchange contracts	17,297	201	183
Derivative instruments related to equity linked CDs	5	-	-
Total free-standing derivatives - customer accommodation		934	867
Total derivatives not designated as qualifying hedging instruments		1,332	914
Total		$ 1,972	915

Fair Value Hedges

The Bancorp may enter into interest rate swaps to convert its fixed-rate funding to floating-rate. Decisions to convert fixed-rate funding to floating are made primarily through consideration of the asset/liability mix of the Bancorp, the desired asset/liability sensitivity and interest rate levels. As of December 31, 2013 and 2012, certain interest rate swaps met the criteria required to qualify for the shortcut method of accounting. Based on this shortcut method of accounting treatment, no ineffectiveness is assumed. For interest rate swaps that do not meet the shortcut requirements, an assessment of hedge effectiveness using regression analysis was performed and such swaps were accounted for using the "long-haul" method. The long-haul method requires a quarterly assessment of hedge effectiveness and measurement of ineffectiveness. For interest rate swaps accounted for as a fair value hedge using the long-haul method, ineffectiveness is the difference between the changes in the fair value of the interest rate swap and changes in fair value of the related hedged item attributable to the risk being hedged. The ineffectiveness on interest rate swaps hedging fixed-rate funding is reported within interest expense in the Consolidated Statements of Income.

The following table reflects the change in fair value of interest rate contracts, designated as fair value hedges, as well as the change in fair value of the related hedged items attributable to the risk being hedged, included in the Consolidated Statements of Income:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption		2013	2012	2011
Interest rate contracts:					
Change in fair value of interest rate swaps hedging long-term debt	Interest on long-term debt	$	**(279)**	(104)	220
Change in fair value of hedged long-term debt attributable to the risk being hedged	Interest on long-term debt		**276**	107	(227)

Cash Flow Hedges

The Bancorp may enter into interest rate swaps to convert floating-rate assets and liabilities to fixed rates or to hedge certain forecasted transactions. The assets or liabilities may be grouped in circumstances where they share the same risk exposure that the Bancorp desires to hedge. The Bancorp may also enter into interest rate caps and floors to limit cash flow variability of floating rate assets and liabilities. As of December 31, 2013, all hedges designated as cash flow hedges were assessed for effectiveness using regression analysis. Ineffectiveness is generally measured as the amount by which the cumulative change in the fair value of the hedging instrument exceeds the present value of the cumulative change in the hedged item's expected cash flows attributable to the risk being hedged. Ineffectiveness is reported within other noninterest income in the Consolidated Statements of Income. The effective portion of the cumulative gains or losses on cash flow hedges are reported within accumulated other comprehensive income and are reclassified from accumulated other comprehensive income to current period earnings when the forecasted transaction affects earnings. As of December 31, 2013, the maximum length of time over which the Bancorp is hedging its exposure to the variability in future cash flows is 71 months.

Reclassified gains and losses on interest rate contracts related to commercial and industrial loans are recorded within interest income while reclassified gains and losses on interest rate contracts related to long-term debt are recorded within interest expense in the Consolidated Statements of Income. As of December 31, 2013 and 2012, $13 million and $50 million, respectively, of net deferred gains, net of tax, on cash flow hedges were recorded in accumulated other comprehensive income in the Consolidated Balance Sheets. As of December 31, 2013, $25 million in net deferred gains, net of tax, recorded in accumulated other comprehensive income are expected to be reclassified into earnings during the next twelve months. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations, and the addition of other hedges subsequent to December 31, 2013.

During 2013, there were no gains or losses reclassified from accumulated other comprehensive income into earnings associated with the discontinuance of cash flow hedges because it was probable that the original forecasted transaction would not occur by the end of the originally specified time period or within the additional period of time as defined by U.S. GAAP.

The following table presents the net gains (losses) recorded in the Consolidated Statements of Income and the Consolidated Statements of Comprehensive Income relating to derivative instruments designated as cash flow hedges:

For the year ended December 31 ($ in millions)		2013	2012	2011
Amount of net (losses) gains recognized in OCI	$	**(13)**	37	89
Amount of net gains reclassified from OCI into net income		**44**	83	69
Amount of ineffectiveness recognized in other noninterest income		**-**	-	1

Free-Standing Derivative Instruments – Risk Management and Other Business Purposes

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge changes in fair value of its largely fixed-rate MSR portfolio. Principal-only swaps hedge the mortgage-LIBOR spread because these swaps appreciate in value as a result of tightening spreads. Principal-only swaps also provide prepayment protection by increasing in value when prepayment speeds increase, as opposed to MSRs that lose value in a faster prepayment environment. Receive fixed/pay floating interest rate swaps and swaptions increase in value when interest rates do not increase as quickly as expected.

The Bancorp enters into forward contracts and mortgage options to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. Interest rate lock commitments issued on residential mortgage loan commitments that will be held for sale are also considered free-standing derivative instruments and the interest rate exposure on these commitments is economically hedged primarily with forward contracts. Revaluation gains and losses from free-standing derivatives related to mortgage banking activity are recorded as a

component of mortgage banking net revenue in the Consolidated Statements of Income.

Additionally, as part of the Bancorp's overall risk management strategy with respect to minimizing significant fluctuations in earnings and cash flows caused by interest rate and prepayment volatility, the Bancorp may enter into free-standing derivative instruments (options, swaptions and interest rate swaps). The gains and losses on these derivative contracts are recorded within other noninterest income in the Consolidated Statements of Income.

In conjunction with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC, the Bancorp received a warrant and issued a put option, which are accounted for as free-standing derivatives. The put option expired as a result of the Vantiv, Inc. initial public offering in March of 2012. Refer to Note 27 for further discussion of significant inputs and assumptions used in the valuation of the warrant.

In conjunction with the sale of Visa, Inc. Class B shares in 2009, the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. This total return swap is accounted for as a free-standing derivative. See Note 27 for further discussion of significant inputs and assumptions used in the valuation of this instrument.

The net gains (losses) recorded in the Consolidated Statements of Income relating to free-standing derivative instruments used for risk management and other business purposes are summarized in the following table:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption		2013	2012	2011
Interest rate contracts:					
Forward contracts related to mortgage loans held for sale	Mortgage banking net revenue	$	**24**	28	(128)
Interest rate contracts related to MSR portfolio	Mortgage banking net revenue		**(30)**	63	345
Interest rate swaps related to long-term debt	Other noninterest income		**-**	2	7
Foreign exchange contracts:					
Foreign exchange contracts for risk management purposes	Other noninterest income		**5**	-	-
Equity contracts:					
Stock warrant associated with Vantiv Holding, LLC	Other noninterest income		**206**	66	32
Put option associated with Vantiv Holding, LLC	Other noninterest income		**-**	1	7
Swap associated with sale of Visa, Inc. Class B shares	Other noninterest income		**(31)**	(45)	(83)

Free-Standing Derivative Instruments – Customer Accommodation

The majority of the free-standing derivative instruments the Bancorp enters into are for the benefit of its commercial customers. These derivative contracts are not designated against specific assets or liabilities on the Bancorp's Consolidated Balance Sheets or to forecasted transactions and, therefore, do not qualify for hedge accounting. These instruments include foreign exchange derivative contracts entered into for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations and commodity contracts to hedge such items as natural gas and various other derivative contracts. The Bancorp may economically hedge significant exposures related to these derivative contracts entered into for the benefit of customers by entering into offsetting contracts with approved, reputable, independent counterparties with substantially matching terms. The Bancorp hedges its interest rate exposure on commercial customer transactions by executing offsetting swap agreements with primary dealers. Revaluation gains and losses on interest rate, foreign exchange, commodity and other commercial customer derivative contracts are recorded as a component of corporate banking revenue in the Consolidated Statements of Income.

The Bancorp enters into risk participation agreements, under which the Bancorp assumes credit exposure relating to certain underlying interest rate derivative contracts. The Bancorp only enters into these risk participation agreements in instances in which the Bancorp has participated in the loan that the underlying interest rate derivative contract was designed to hedge. The Bancorp will make payments under these agreements if a customer defaults on its obligation to perform under the terms of the underlying interest rate derivative contract. As of December 31, 2013 and 2012, the total notional amount of the risk participation agreements was $1.2 billion and $1.0 billion, respectively, and the fair value was a liability of $3 million at December 31, 2013 and $2 million at December 31, 2012, which is included in interest rate contracts for customers. As of December 31, 2013, the risk participation agreements had an average remaining life of 3.0 years.

The Bancorp's maximum exposure in the risk participation agreements is contingent on the fair value of the underlying interest rate derivative contracts in an asset position at the time of default. The Bancorp monitors the credit risk associated with the underlying customers in the risk participation agreements through the same risk grading system currently utilized for establishing loss reserves in its loan and lease portfolio.

Risk ratings of the notional amount of risk participation agreements under this risk rating system are summarized in the following table:

At December 31 ($ in millions)		2013	2012
Pass	$	**1,153**	993
Special mention		**38**	-
Substandard		**12**	13
Total	$	**1,203**	1,006

The net gains (losses) recorded in the Consolidated Statements of Income relating to free-standing derivative instruments used for customer accommodation are summarized in the following table:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption		2013	2012	2011
Interest rate contracts:					
Interest rate contracts for customers (contract revenue)	Corporate banking revenue	$	**29**	30	28
Interest rate contracts for customers (credit losses)	Other noninterest expense		**(3)**	(2)	(13)
Interest rate contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**7**	6	13
Interest rate lock commitments	Mortgage banking net revenue		**58**	417	206
Commodity contracts:					
Commodity contracts for customers (contract revenue)	Corporate banking revenue		**7**	7	8
Commodity contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**-**	2	-
Foreign exchange contracts:					
Foreign exchange contracts - customers (contract revenue)	Corporate banking revenue		**69**	65	47
Foreign exchange contracts - customers (credit portion of fair value adjustment)	Other noninterest expense		**(2)**	2	1

13. OFFSETTING DERIVATIVE FINANCIAL INSTRUMENTS

The Bancorp's derivative transactions are generally governed by ISDA Master Agreements and similar arrangements, which include provisions governing the setoff of assets and liabilities between the parties. When the Bancorp has more than one outstanding derivative transaction with a single counterparty, the setoff provisions contained within these agreements generally allow the non-defaulting party the right to reduce its liability to the defaulting party by amounts eligible for setoff, including the collateral received as well as eligible offsetting transactions with that counterparty, irrespective of the currency, place of payment, or booking office. The Bancorp's policy is to present its derivative assets and derivative liabilities on the Consolidated Balance Sheets on a gross basis, even when provisions allowing for setoff are in place.

Collateral amounts included in the table below consist primarily of cash and highly-rated government-backed securities.

December 31, 2013 ($ in millions)	Gross Amount Recognized in the Consolidated Balance Sheet[(a)]	Gross Amounts Not Offset in the Consolidated Balance Sheet		Net Amount
		Derivatives	Collateral[(b)]	
Assets				
Derivatives	$ **1,157**	**(321)**	**(390)**	$ **446**
Total assets	**1,157**	**(321)**	**(390)**	**446**
Liabilities				
Derivatives	**753**	**(321)**	**(302)**	**130**
Total liabilities	$ **753**	**(321)**	**(302)**	$ **130**

December 31, 2012 ($ in millions)	Gross Amount Recognized in the Consolidated Balance Sheet[(a)]	Gross Amounts Not Offset in the Consolidated Balance Sheet		Net Amount
		Derivatives	Collateral[(b)]	
Assets				
Derivatives	$ 1,735	(291)	(794)	$ 650
Total assets	1,735	(291)	(794)	650
Liabilities				
Derivatives	915	(291)	(505)	119
Total liabilities	$ 915	(291)	(505)	$ 119

(a) *Amount does not include the stock warrant associated with Vantiv Holding, LLC and interest rate lock commitments because these instruments are not subject to master netting or similar arrangement.*

(b) *Amount of collateral received as an offset to asset positions or pledged as an offset to liability positions. Collateral values in excess of related derivative amounts recognized in the Consolidated Balance Sheets were excluded from this table.*

14. OTHER ASSETS

The following table provides the components of other assets included in the Consolidated Balance Sheets as of December 31:

($ in millions)	**2013**	2012
Partnership investments	$ **1,687**	1,657
Bank owned life insurance	**1,587**	1,547
Derivative instruments	**1,553**	1,972
Accounts receivable and drafts-in-process	**1,433**	1,155
Bankers' acceptances	**763**	398
Investment in Vantiv Holding, LLC	**423**	563
Accrued interest receivable	**361**	369
OREO and other repossessed personal property	**306**	329
Prepaid expenses	**94**	80
Income tax receivable	**12**	10
Other	**139**	124
Total	$ **8,358**	8,204

CDC, a wholly owned subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks, which are included above in partnership investments. In addition, Fifth Third Capital Holdings, a wholly owned subsidiary of the Bancorp, invests as a direct private equity investor and as a limited partner in private equity funds, which are included above as partnership investments. The Bancorp has determined that these partnership investments are VIEs and the Bancorp's investments represent variable interests. See Note 10 for further information. Additionally, in response to the issuance of the Volcker Rule in the fourth quarter of 2013, the

Bancorp recognized $4 million of OTTI on its investments in private equity funds. See Note 27 for further information.

The Bancorp purchases life insurance policies on the lives of certain directors, officers and employees and is the owner and beneficiary of the policies. Certain BOLI policies have a stable value agreement through either a large, well-rated bank or multi-national insurance carrier that provides limited cash surrender value protection from declines in the value of each policy's underlying investments. See Note 1 for further information.

The Bancorp utilizes derivative instruments as part of its overall risk management strategy to reduce certain risks related to interest rate, prepayment and foreign currency volatility. The Bancorp also holds derivatives instruments for the benefit of its commercial customers and for other business purposes. For further information on derivative instruments, see Note 12.

A bankers' acceptance is created when a time draft is drawn on and accepted by a bank. By accepting the draft, the bank assumes the credit risk of the underlying obligor, usually the buyer or the seller of goods or their bank, and makes an unconditional promise to pay the holder of the draft the amount of the draft at maturity, which is generally less than one year from the date of the draft. When the Bancorp is the accepting bank, it records the full amount of the acceptance in both other assets and other liabilities in the Consolidated Balance Sheets.

In 2009, the Bancorp sold an approximate 51% interest in its processing business, Vantiv Holding, LLC. As a result of additional share sales completed by the Bancorp in 2012 and 2013, the Bancorp's current ownership share in Vantiv Holding, LLC is approximately 25%. The Bancorp's ownership in Vantiv Holding, LLC is accounted for under the equity method of accounting. See Note 19 for further information.

OREO represents property acquired through foreclosure or other proceedings and is carried at the lower of cost or fair value, less costs to sell. See Note 1 for further information.

15. SHORT-TERM BORROWINGS

Borrowings with original maturities of one year or less are classified as short term, and include federal funds purchased and other short-term borrowings. Federal funds purchased are excess balances in reserve accounts held at FRBs that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings include securities sold under repurchase agreements, derivative collateral, FHLB advances and other borrowings with original maturities of one year or less.

A summary of short-term borrowings and weighted-average rates follows:

	2013		2012	
($ in millions)	Amount	Rate	Amount	Rate
As of December 31:				
Federal funds purchased	**$ 284**	**0.03%**	$ 901	0.10%
Other short-term borrowings	**1,380**	**0.09**	6,280	0.15
Average for the years ended December 31:				
Federal funds purchased	**$ 503**	**0.12%**	$ 560	0.14%
Other short-term borrowings	**3,024**	**0.18**	4,246	0.18
Maximum month-end balance for the years ended December 31:				
Federal funds purchased	**$ 925**		$ 901	
Other short-term borrowings	**8,001**		6,330	

16. LONG-TERM DEBT

The following table is a summary of the Bancorp's long-term borrowings at December 31:

($ in millions)	Maturity	Interest Rate	2013	2012
Parent Company				
Senior:				
Fixed-rate notes			$ -	758
Fixed-rate notes	2016	3.625%	**999**	999
Fixed-rate notes	2022	3.50%	**497**	497
Subordinated:[b]				
Floating-rate notes	2016	0.67%	**250**	250
Fixed-rate notes	2017	5.45%	**558**	583
Fixed-rate notes	2018	4.50%	**555**	584
Fixed-rate notes	2024	4.30%	**748**	-
Fixed-rate notes	2038	8.25%	**1,150**	1,330
Junior subordinated:[a]				
Fixed-rate notes			**-**	750
Subsidiaries				
Senior:				
Floating-rate bank notes			**-**	500
Fixed-rate notes	2016	1.15%	**1,000**	-
Fixed-rate notes	2016	0.90%	**400**	-
Floating-rate notes	2016	0.75%	**750**	-
Floating-rate notes	2016	0.67%	**300**	-
Fixed-rate notes	2018	1.45%	**587**	-
Subordinated:[b]				
Fixed-rate bank notes	2015	4.75%	**524**	546
Junior subordinated:[a]				
Floating-rate debentures	2035	1.67% - 1.94%	**51**	50
FHLB advances	2015-2041	0.05% - 6.87%	**44**	53
Notes associated with consolidated VIE:				
Automobile loan securitization:				
Fixed-rate notes	2014-2020	0.25% - 1.30%	**1,048**	**-**
Other	2014-2039	Varies	**172**	185
Total			**$ 9,633**	7,085

(a) *Qualify as Tier I capital for regulatory capital purposes. See Note 28 for further information.*
(b) *Qualify as Tier II capital for regulatory capital purposes.*

The Bancorp pays down long-term debt in accordance with contractual terms over maturity periods summarized in the above table. The aggregate annual maturities of long-term debt obligations (based on final maturity dates) as of December 31, 2013, are presented in the following table:

($ in millions)	Parent	Subsidiaries	Total
2014	$ -	157	157
2015	-	526	526
2016	1,249	2,842	4,091
2017	558	390	948
2018	555	592	1,147
Thereafter	2,395	369	2,764
Total	$ 4,757	4,876	9,633

At December 31, 2013, the Bancorp had outstanding principal balances of $9.4 billion, net discounts of $21 million and additions for mark-to-market adjustments on its hedged debt of $278 million. At December 31, 2012, the Bancorp had outstanding principal balances of $6.5 billion, net discounts of $20 million and additions for mark-to-market adjustments on its hedged debt of $555 million. The Bancorp was in compliance with all debt covenants at December 31, 2013.

PARENT COMPANY LONG-TERM BORROWINGS

Senior Notes

On January 25, 2011, the Bancorp issued $1.0 billion of senior notes to third party investors. The senior notes bear a fixed rate of interest of 3.625% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal amounts of the notes is due upon maturity on January 25, 2016. The notes are not subject to redemption at the Bancorp's option at any time prior to maturity.

On March 7, 2012, the Bancorp issued $500 million of senior notes to third party investors, and entered into a Supplemental Indenture dated March 7, 2012 with the Trustee, which modified the existing Indenture for Senior Debt Securities dated April 30, 2008. The Supplemental Indenture and the Indenture define the rights of the senior notes, which senior notes are represented by a Global Security dated as of March 7, 2012. The senior notes bear a fixed rate of interest of 3.50% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal

amounts of the notes will be due upon maturity on March 15, 2022. The notes are not subject to redemption at the Bancorp's option at any time until 30 days prior to maturity.

Subordinated Debt

The subordinated floating-rate notes due in 2016 pay interest at three-month LIBOR plus 42 bps. The Bancorp has entered into interest rate swaps to convert its subordinated fixed-rate notes due in 2017 and 2018 to floating-rate, which pay interest at three-month LIBOR plus 42 bps and 25 bps, respectively, at December 31, 2013. The rates paid on the swaps hedging the subordinated floating-rate notes due in 2017 and 2018 were 0.66% and 0.49%, respectively, at December 31, 2013. Of the $1.0 billion in 8.25% subordinated fixed rate notes due in 2038, $705 million were subsequently hedged to floating and paid a rate of 3.29% at December 31, 2013.

On November 20, 2013, the Bancorp issued and sold $750 million of 4.30% unsecured subordinated fixed rate notes with a maturity date of January 16, 2024. These fixed rate notes will be redeemable by the Bancorp, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest up to, but excluding, the redemption date.

Junior Subordinated Debt

The Bancorp redeemed all $750 million of the outstanding TruPS issued by Fifth Third Capital Trust IV on December 30, 2013. These securities had a distribution rate of 6.50% and a scheduled maturity date of April 1, 2067. Pursuant to the terms of the TruPS, the securities of Fifth Third Capital Trust IV were redeemable within ninety days of a Capital Treatment Event. The Bancorp determined that a Capital Treatment Event occurred upon the publication of a Final Rule regarding Regulatory Capital Rules jointly by the Federal Reserve System and the Office of the Comptroller of the Currency. The redemption price was $1,000 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions to the actual redemption date of $10 million. The Bancorp recognized an $8 million loss on the extinguishment of this debt within other noninterest expense in the Consolidated Statements of Income.

SUBSIDIARY LONG-TERM BORROWINGS

Senior and Subordinated Debt

Medium-term senior notes and subordinated bank notes with maturities ranging from one year to 30 years can be issued by the Bancorp's banking subsidiary. On February 25, 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program. The amended global bank note program increased the Bank's capacity to issue its senior and subordinated unsecured bank notes from $20 billion to $25 billion. As of December 31, 2013, $21.5 billion was available for future issuance under the global bank note program. For the subordinated fixed-rate bank notes due in 2015, the Bancorp entered into interest rate swaps to convert the fixed-rate debt into floating rate. At December 31, 2013, the weighted-average rate paid on the swaps was 0.34%.

On February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes due on February 28, 2018; $400 million of 0.90% senior fixed rate notes due on February 26, 2016; and $300 million of senior floating rate notes due on February 26, 2016. Interest on the floating rate notes is 3-month LIBOR plus 41 bps. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date. The Bank has entered into interest rate swaps to convert its fixed-rate senior notes due in 2016 and 2018 to floating-rate, which pay interest at one-month LIBOR. The rates paid on the swaps hedging the fixed-rate notes due in 2016 and 2018 were 0.65% and 0.77%, respectively, at December 31, 2013.

On November 20, 2013, the Bank issued and sold, under its amended bank notes program, $1.8 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of $1.0 billion of 1.15% senior fixed rate notes due on November 18, 2016 and $750 million of senior floating rate notes due on November 18, 2016. Interest on the floating rate notes is 3-month LIBOR plus 51 bps. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest up to, but excluding, the redemption date.

Junior Subordinated Debt

The junior subordinated floating-rate bank notes due in 2035 were assumed by the Bancorp's banking subsidiary as part of the acquisition of First Charter in May 2008. The obligation was issued to First Charter Capital Trust I and II, respectively. The notes of First Charter Capital Trust I and II pay a floating rate at three-month LIBOR plus 169 bps and 142 bps, respectively. The Bank has fully and unconditionally guaranteed all obligations under the acquired trust preferred securities issued by First Charter Capital Trust I and II.

FHLB Advances

At December 31, 2013, FHLB advances have rates ranging from 0.05% to 6.87%, with interest payable monthly. The advances are secured by certain residential mortgage loans and securities totaling $17.2 billion. The $44 million in remaining advances mature as follows: $2 million in 2015, $3 million in 2016, $1 million in 2017, $5 million in 2018 and $33 million thereafter.

Notes Associated with Consolidated VIE

As previously discussed in Note 10, the Bancorp was determined to be the primary beneficiary of a VIE associated with an automobile loan securitization completed in the third quarter of 2013. As such, $1.0 billion of long-term debt related to this VIE was consolidated in the Bancorp's Consolidated Financial Statements as of December 31, 2013. Third-party holders of this debt do not have recourse to the general assets of the Bancorp.

17. COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES

The Bancorp, in the normal course of business, enters into financial instruments and various agreements to meet the financing needs of its customers. The Bancorp also enters into certain transactions and agreements to manage its interest rate and prepayment risks, provide funding, equipment and locations for its operations and invest in its communities. These instruments and agreements involve, to varying degrees, elements of credit risk, counterparty risk and market risk in excess of the amounts recognized in the Bancorp's Consolidated Balance Sheets. The creditworthiness of counterparties for all instruments and agreements is evaluated on a case-by-case basis in accordance with the Bancorp's credit policies. The Bancorp's significant commitments, contingent liabilities and guarantees in excess of the amounts recognized in the Consolidated Balance Sheets are discussed in further detail below:

Commitments

The Bancorp has certain commitments to make future payments under contracts. The following table reflects a summary of significant commitments as of December 31:

($ in millions)		2013	2012
Commitments to extend credit	$	**62,050**	53,403
Letters of credit		**4,129**	4,281
Forward contracts related to held for sale mortgage loans		**1,448**	5,322
Noncancelable lease obligations		**746**	769
Capital commitments for private equity investments		**90**	121
Purchase obligations		**84**	87
Capital expenditures		**33**	29
Capital lease obligations		**19**	24

Commitments to extend credit

Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Since many of the commitments to extend credit may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements. The Bancorp is exposed to credit risk in the event of nonperformance by the counterparty for the amount of the contract. Fixed-rate commitments are also subject to market risk resulting from fluctuations in interest rates and the Bancorp's exposure is limited to the replacement value of those commitments. As of December 31, 2013 and 2012, the Bancorp had a reserve for unfunded commitments, including letters of credit, totaling $162 million and $179 million, respectively, included in other liabilities in the Consolidated Balance Sheets. The Bancorp monitors the credit risk associated with commitments to extend credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table as of December 31:

($ in millions)		2013	2012
Pass	$	**61,364**	52,812
Special mention		**369**	370
Substandard		**316**	221
Doubtful		**1**	-
Total	$	**62,050**	53,403

Letters of credit

Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party and as summarized in the following table expire as of December 31, 2013:

($ in millions)		
Less than 1 year(a)	$	1,899
1 - 5 years(a)		2,173
Over 5 years		57
Total	$	4,129

(a) *Includes $121 and $4 issued on behalf of commercial customers to facilitate trade payments in U.S. dollars and foreign currencies which expire less than one year and between one and five years, respectively.*

Standby letters of credit accounted for 97% of total letters of credit at December 31, 2013 compared to 99% at December 31, 2012 and are considered guarantees in accordance with U.S. GAAP. Approximately 48% and 49% of the total standby letters of credit were fully secured as of December 31, 2013 and 2012, respectively. In the event of nonperformance by the customers, the Bancorp has rights to the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and marketable securities. At December 31, 2013 and 2012 the reserve related to these standby letters of credit was $2 million and $4 million, respectively, and is included in the total reserve for unfunded commitments. The Bancorp monitors the credit risk associated with letters of credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table as of December 31:

($ in millions)		2013	2012
Pass	$	3,651	3,902
Special mention		99	129
Substandard		355	223
Doubtful		24	27
Total	$	4,129	4,281

At December 31, 2013 and 2012, the Bancorp had outstanding letters of credit that were supporting certain securities issued as VRDNs. The Bancorp facilitates financing for its commercial customers, which consist of companies and municipalities, by marketing the VRDNs to investors. The VRDNs pay interest to holders at a rate of interest that fluctuates based upon market demand. The VRDNs generally have long-term maturity dates, but can be tendered by the holder for purchase at par value upon proper advance notice. When the VRDNs are tendered, a remarketing agent generally finds another investor to purchase the VRDNs to keep the securities outstanding in the market. As of December 31, 2013 and 2012, total VRDNs in which the Bancorp was the remarketing agent or were supported by a Bancorp letter of credit were $2.1 billion and $2.8 billion of which FTS acted as the remarketing agent to issuers on $1.8 billion and $2.5 billion, respectively. As remarketing agent, FTS is responsible for finding purchasers for VRDNs that are put by investors. The Bancorp issued letters of credit, as a credit enhancement, on $1.5 billion and $2.0 billion to the VRDNs remarketed by FTS, in addition to $300 million and $345 million in VRDNs remarketed by third parties at December 31, 2013 and 2012, respectively. These letters of credit are included in the total letters of credit balance provided in the previous table.

Forward contracts to sell mortgage loans

The Bancorp enters into forward contracts to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. The outstanding notional amounts of these forward contracts are included in the summary of significant commitments table above for all periods presented.

Noncancelable lease obligations and other commitments

The Bancorp's subsidiaries have entered into a number of noncancelable lease agreements. The minimum rental commitments under noncancelable lease agreements are shown in the summary of significant commitments table. The Bancorp has also entered into a limited number of agreements for work related to banking center construction and to purchase goods or services.

Contingent Liabilities

Private mortgage reinsurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage. The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $37 million at December 31, 2013 and $58 million at December 31, 2012. As of December 31, 2013 and 2012, the Bancorp maintained a reserve of $10 million and $18 million, respectively, related to exposures within the reinsurance portfolio which was included in other liabilities in the Consolidated Balance Sheets. During 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans. In the second quarter of 2011, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the Bancorp releasing collateral to the insurer in the form of investment securities and other assets with a carrying value of $5 million, and the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $11 million and a decrease in the Bancorp's maximum exposure of $27 million. In the fourth quarter of 2012, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $2 million and a decrease in the Bancorp's maximum exposure of $3 million.

Legal claims

There are legal claims pending against the Bancorp and its subsidiaries that have arisen in the normal course of business. See Note 18 for additional information regarding these proceedings.

Guarantees

The Bancorp has performance obligations upon the occurrence of certain events under financial guarantees provided in certain contractual arrangements as discussed in the following sections.

Residential mortgage loans sold with representation and warranty provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading.

The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors. The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as, future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in other noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

During the fourth quarter of 2013, the Bancorp settled certain repurchase claims related to mortgage loans originated and sold to FHLMC prior to January 1, 2009 for $25 million, after paid claim credits and other adjustments. The settlement removes the Bancorp's responsibility to repurchase or indemnify FHLMC for representation and warranty violations on any loan sold prior to January 1, 2009 except in limited circumstances.

As of December 31, 2013 and 2012, the Bancorp maintained reserves related to loans sold with representation and warranty provisions totaling $44 million and $110 million, respectively, included in other liabilities in the Consolidated Balance Sheets.

The Bancorp uses the best information available to it in estimating its mortgage representation and warranty reserve, however, the estimation process is inherently uncertain and imprecise and, accordingly, losses in excess of the amounts accrued as of December 31, 2013, are reasonably possible. The Bancorp currently estimates that it is reasonably possible that it could incur losses related to mortgage representation and warranty provisions in an amount up to approximately $47 million in excess of amounts reserved. This estimate was derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. The actual repurchase losses could vary significantly from the recorded mortgage representation and warranty reserve or this estimate of reasonably possibly losses, depending on the outcome of various factors, including those noted above.

The following table summarizes activity in the reserve for representation and warranty provisions:

($ in millions)		2013	2012
Balance, beginning of period	$	**110**	55
Net additions to the reserve		**7**	107
Losses charged against the reserve		**(73)**	(52)
Balance, end of period	$	**44**	110

The following table provides a rollforward of unresolved claims by claimant type for the year ended December 31, 2013:

	GSE			Private Label		
($ in millions)	Units		Dollars	Units		Dollars
Balance, beginning of period	**294**	**$**	**48**	**124**	**$**	**19**
New demands	**1,962**		**259**	**237**		**4**
Loan paydowns/payoffs	**(20)**		**(3)**	**(6)**		**(1)**
Resolved demands	**(1,972)**		**(263)**	**(322)**		**(17)**
Balance, end of period	**264**	**$**	**41**	**33**	**$**	**5**

The following table provides a rollforward of unresolved claims by claimant type for the year ended December 31, 2012:

	GSE			Private Label		
($ in millions)	Units		Dollars	Units		Dollars
Balance, beginning of period	328	$	47	109	$	19
New demands	2,519		333	230		7
Loan paydowns/payoffs	(42)		(7)	(2)		-
Resolved demands	(2,511)		(325)	(213)		(7)
Balance, end of period	294	$	48	124	$	19

Residential mortgage loans sold with credit recourse

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. The outstanding balances on these loans sold with credit recourse were $579 million and $662 million at December 31, 2013 and 2012, respectively, and the delinquency rates were 4.4% at December 31, 2013 and 5.9% at December 31, 2012. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $16 million at December 31, 2013 and $20 million at December 31, 2012 recorded in other liabilities in the Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Margin accounts

FTS, a subsidiary of the Bancorp, guarantees the collection of all margin account balances held by its brokerage clearing agent for the benefit of its customers. FTS is responsible for payment to its brokerage clearing agent for any loss, liability, damage, cost or expense incurred as a result of customers failing to comply with margin or margin maintenance calls on all margin accounts. The margin account balance held by the brokerage clearing agent was $12 million at December 31, 2013 and $17 million at December 31, 2012. In the event of any customer default, FTS has rights to the underlying collateral provided. Given the existence of the underlying collateral provided and negligible historical credit losses, the Bancorp does not maintain a loss reserve related to the margin accounts.

Long-term borrowing obligations

The Bancorp had certain fully and unconditionally guaranteed long-term borrowing obligations issued by wholly-owned issuing trust entities of $50 million and $800 million as of December 31, 2013 and 2012, respectively. See Note 16 for further information on these long-term borrowing obligations.

Visa litigation

The Bancorp, as a member bank of Visa prior to Visa's reorganization and IPO (the "IPO") of its Class A common shares in 2008, had certain indemnification obligations pursuant to Visa's certificate of incorporation and by-laws and in accordance with their membership agreements. In accordance with Visa's by-laws prior to the IPO, the Bancorp could have been required to indemnify Visa for the Bancorp's proportional share of losses based on the pre-IPO membership interests. As part of its reorganization and IPO, the Bancorp's indemnification obligation was modified to include only certain known litigation (the "Covered Litigation") as of the date of the restructuring. This modification triggered a requirement to recognize a $3 million liability for the year ended December 31, 2007 equal to the fair value of the indemnification obligation. Additionally during 2007, the Bancorp recorded $169 million for its share of litigation formally settled by Visa and for probable future litigation settlements. In conjunction with the IPO, the Bancorp received 10.1 million of Visa's Class B shares based on the Bancorp's membership percentage in Visa prior to the IPO. The Class B shares are not transferable (other than to another member bank) until the later of the third anniversary of the IPO closing or the date which the Covered Litigation has been resolved; therefore, the Bancorp's Class B shares were classified in other assets and accounted for at their carryover basis of $0. Visa deposited $3 billion of the proceeds from the IPO into a litigation escrow account, established for the purpose of funding judgments in, or settlements of, the Covered Litigation. If Visa's litigation committee determines that the escrow account is insufficient, then Visa will issue additional Class A shares and deposit the proceeds from the sale of the shares into the litigation escrow account. When Visa funds the litigation escrow account, the Class B shares are subject to dilution through an adjustment in the conversion rate of Class B shares into Class A shares. During 2008, the Bancorp recorded additional reserves of $71 million for probable future settlements related to the Covered Litigation and recorded its proportional share of $169 million of the Visa escrow account net against the Bancorp's litigation reserve.

During 2009, Visa announced it had deposited an additional $700 million into the litigation escrow account. As a result of this funding, the Bancorp recorded its proportional share of $29 million of these additional funds as a reduction to its net Visa litigation reserve liability and a reduction to noninterest expense. Later in 2009, the Bancorp completed the sale of Visa, Inc. Class B shares for proceeds of $300 million. As part of this transaction the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. The swap terminates on the later of the third anniversary of Visa's IPO or the date on which the Covered Litigation is settled. The Bancorp calculates the fair value of the swap based on its estimate of the probability and timing of certain Covered Litigation settlement scenarios and the resulting payments related to the swap. The counterparty to the swap as a result of its ownership of the Class B shares will be impacted by dilutive adjustments to the conversion rate of the Class B shares into Class A shares caused by any Covered Litigation losses in excess of the litigation escrow account. If actual judgments in, or settlements of, the Covered Litigation significantly exceed current expectations, then additional funding by Visa of the litigation escrow account and the resulting dilution of the Class B shares could result in a scenario where the Bancorp's ultimate exposure associated with the Covered Litigation (the "Visa Litigation Exposure") exceeds the value of the Class B shares owned by the swap counterparty (the "Class B Value"). In the event the Bancorp concludes that it is probable that the Visa Litigation Exposure exceeds the Class B Value, the Bancorp would record a litigation reserve liability and a corresponding amount of other noninterest expense for the amount of the excess. Any such litigation reserve liability would be separate and distinct from the fair value derivative liability associated with the total return swap.

As of the date of the Bancorp's sale of Visa Class B shares and through December 31, 2013, the Bancorp has concluded that it is not probable that the Visa Litigation Exposure will exceed the Class B value. Based on this determination, upon the sale of Class B shares, the Bancorp reversed its net Visa litigation reserve liability and recognized a free-standing derivative liability associated with the total return swap with an initial fair value of $55 million. The sale of the Class B shares, recognition of the derivative liability and reversal of the net litigation reserve liability resulted in a pre-tax benefit of $288 million ($187 million after-tax) recognized by the Bancorp for the year ended December 31, 2009. In the second and fourth quarters of 2010, Visa funded an additional $500 million and $800 million, respectively, into the escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make cash payments of $20 million and $35 million, respectively, (each of which reduced the swap liability) to the swap counterparty in accordance with the terms of the swap contract. In the second quarter of 2011, Visa funded an additional $400 million into the litigation escrow account. Upon Visa's funding of the litigation escrow account in the second quarter of 2011, along with additional terms of the total return swap, the Bancorp made a $19 million cash payment (which reduced the swap liability) to the swap counterparty. During the fourth quarter of 2011, Visa announced it decided to fund an additional $1.565 billion into the litigation escrow account which increased the swap liability approximately $54 million. Upon Visa's funding of the litigation escrow account in the first quarter of 2012, along with additional terms of the total return swap, the Bancorp made a $75 million cash payment (which reduced the swap liability) to the swap counterparty. On July 24, 2012, Visa funded an additional $150 million into the litigation escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make a $6 million cash payment (which reduced the swap liability) to the swap counterparty during the quarter ended September 30, 2012. The fair value of the swap liability was $48 million and $33 million as of December 31, 2013 and 2012, respectively. Refer to Note 18 for further information.

18. LEGAL AND REGULATORY PROCEEDINGS

During April 2006, the Bancorp was added as a defendant in a consolidated antitrust class action lawsuit originally filed against Visa®, MasterCard® and several other major financial institutions in the United States District Court for the Eastern District of New York. The plaintiffs, merchants operating commercial businesses throughout the U.S. and trade associations, claim that the interchange fees charged by card-issuing banks are unreasonable and seek injunctive relief and unspecified damages. In addition to being a named defendant, the Bancorp is also subject to a possible indemnification obligation of Visa as discussed in Note 17 and has also entered into judgment and loss sharing agreements with Visa, MasterCard and certain other named defendants. In October 2012, the parties to the litigation entered into a settlement agreement. The court entered a Class Settlement Preliminary Approval Order in November 2012. Pursuant to the terms of the settlement agreement, the Bancorp paid $46 million into a class settlement escrow account. Previously, the Bancorp paid an additional $4 million in another settlement escrow in connection with the settlement of claims from plaintiffs not included in the class action. More than 7,900 merchants have requested exclusion from the class settlement. Pursuant to the terms of the settlement agreement, 25% of the funds paid into the class settlement escrow account will be returned to the control of the defendants through Class Exclusion Takedown Payments. Approximately 460 of the merchants who requested exclusion from the class have filed separate federal lawsuits against Visa, MasterCard and certain other defendants alleging similar antitrust violations. The federal lawsuits have been tentatively transferred to the United States District Court for the Eastern District of New York. The Bancorp was not named as a defendant in any of the federal lawsuits, but may have obligations pursuant to indemnification arrangements and/or the judgment or loss sharing agreements noted above. In addition, one merchant filed a separate state court lawsuit against Visa, MasterCard and certain other defendants, including the Bancorp, alleging similar antitrust violations. On January 14, 2014, the court entered a final order approving the class settlement. A number of merchants have filed appeals from that approval. Refer to Note 17 for further information.

In September 2007, Ronald A. Katz Technology Licensing, L.P. (Katz) filed a suit in the United States District Court for the Southern District of Ohio against the Bancorp and its Ohio banking subsidiary. In the suit, Katz alleged that the Bancorp and its Ohio bank infringed on Katz's patents for interactive call processing technology by offering certain automated telephone banking and other services. On December 23, 2013 the parties to the litigation entered into a settlement agreement. The settlement amount was immaterial to the Bancorp's Consolidated Financial Statements. Pursuant to the settlement agreement, the Bank paid the agreed upon settlement proceeds to Katz resulting in the dismissal of the lawsuit with prejudice on January 8, 2014.

For the year ended December 31, 2008, five putative securities class action complaints were filed against the Bancorp and its Chief Executive Officer, among other parties. The five cases have been consolidated under the caption Local 295/Local 851 IBT Employer Group Pension Trust and Welfare Fund v. Fifth Third Bancorp. et al., Case No. 1:08CV00421, and are currently pending in the United States District Court for the Southern District of Ohio. On December 18, 2012, the Bancorp entered into a settlement agreement to resolve these cases. Under the terms of the settlement, the Bancorp and its insurer paid a total of $16 million to a fund to settle all the claims of the class members. In the settlement the Bancorp has denied any liability and has agreed to the settlement in order to avoid potential future litigation costs and uncertainty. The Bancorp does not consider the impact of the settlement to be material to its financial condition or results of operations. On November 20, 2013, the Court entered a Final Judgment and Order of Dismissal approving the settlement. No appeal was filed and the matter now is concluded.

In addition to the foregoing, in 2008 two similar cases were filed in the United States District Court for the Southern District of Ohio against the Bancorp and certain officers styled *Dudenhoeffer v Fifth Third Bancorp et al. Case No. 1:08-cv-538*. The complaints alleged violations of ERISA based on allegations similar to those set forth in the securities class action cases. The ERISA actions were dismissed by the trial court, but the Sixth Circuit Court of Appeals reversed the trial court decision. The Bancorp petitioned the United States Supreme Court to review and reverse the Sixth Circuit decision and sought a stay of proceedings in the trial court pending appeal. On March 25, 2013 the Supreme Court issued an order directing the Solicitor General to file a brief stating the views of the United States on the issues raised in the Bancorp petition and this brief was filed on November 12, 2013. On December 13, 2013 the Supreme Court granted certiorari and agreed to hear the appeal. Oral argument is set for April 2, 2014.

The Bancorp and its subsidiaries are not parties to any other material litigation. However, there are other litigation matters that arise in the normal course of business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes any resulting liability from these other actions would not have a material effect upon the Bancorp's consolidated financial position, results of operations or cash flows.

The Bancorp and/or its affiliates are involved in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by various governmental regulatory agencies and law enforcement authorities, as well as self-regulatory bodies regarding their respective businesses. Additional matters will likely arise from time to time. Any of these matters may result in material adverse consequences to the Bancorp, its affiliates and/or their respective directors, officers and other personnel, including adverse judgments, findings, settlements, fines, penalties, orders, injunctions or other actions, amendments and/or restatements of the Bancorp's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in our disclosure controls and procedures. Investigations by regulatory authorities may from time to time result in civil or criminal referrals to law enforcement authorities such as the Department of Justice or a United States Attorney. Among other matters, the Bancorp has been cooperating with the Department of Justice and the Office of the Inspector General for the Department of Housing and Urban Development in a civil investigation regarding compliance with requirements relating to certain Federal Housing Agency-insured loans originated by affiliates of the Bancorp. The investigation is ongoing, and no demand or claim has been made of the Bancorp. The investigation could lead to a demand under the federal False Claims Act and the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, which allow up to treble and other special damages substantially in excess of actual losses.

As previously disclosed the SEC had been investigating the Bancorp's historical accounting and reporting with respect to certain commercial loans that were sold or reclassified as held-for-sale in the fourth quarter of 2008. At dispute in the matter was whether certain of those loans should have been moved to held for sale in the third quarter rather than the fourth quarter of that year. The Bancorp and the SEC staff agreed to a settlement of that investigation, pursuant to which the Bancorp, without admitting or

denying any factual allegations, consented to the SEC's issuance of an administrative order containing findings that the Bancorp did not properly account for a portion of its commercial real estate loan portfolio in its Form 10-Q for the third quarter of 2008 in violation of certain provisions of the securities laws, including Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934. The settlement also ordered the Bancorp to cease and desist from committing or causing any such violations in the future and to pay a civil penalty of $6.5 million. Daniel T. Poston, the Bancorp's interim chief financial officer during the relevant time, agreed to a separate settlement with the SEC staff pursuant to which Mr. Poston, without admitting or denying any factual allegations, consented to an administrative order containing similar findings and charges against him, a cease and desist order, a separate civil money penalty of $100,000, and a one-year ban from practicing before the SEC. The SEC approved the settlement on December 4, 2013 and this matter is now concluded.

The Bancorp is party to numerous claims and lawsuits as well as threatened or potential actions or claims concerning matters arising from the conduct of its business activities. The outcome of claims or litigation and the timing of ultimate resolution are inherently difficult to predict. The following factors, among others, contribute to this lack of predictability: plaintiff claims often include significant legal uncertainties, damages alleged by plaintiffs are often unspecified or overstated, discovery may not have started or may not be complete and material facts may be disputed or unsubstantiated. As a result of these factors, the Bancorp is not always able to provide an estimate of the range of reasonably possible outcomes for each claim. A reserve for a potential litigation loss is established when information related to the loss contingency indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such reserve is adjusted from time to time thereafter as appropriate to reflect changes in circumstances. The Bancorp also determines, when possible (due to the uncertainties described above), estimates of reasonably possible losses or ranges of reasonably possible losses, in excess of amounts reserved. Under U.S. GAAP, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Bancorp is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Bancorp believes the risk of loss is more than slight. For matters where the Bancorp is able to estimate such possible losses or ranges of possible losses, the Bancorp currently estimates that it is reasonably possible that it could incur losses related to legal proceedings including the matters discussed above in an aggregate amount up to approximately $113 million in excess of amounts reserved, with it also being reasonably possible that no losses will be incurred in these matters. The estimates included in this amount are based on the Bancorp's analysis of currently available information, and as new information is obtained the Bancorp may change its estimates.

For these matters and others where an unfavorable outcome is reasonably possible but not probable, there may be a range of possible losses in excess of the established reserve that cannot be estimated. Based on information currently available, advice of counsel, available insurance coverage and established reserves, the Bancorp believes that the eventual outcome of the actions against the Bancorp and/or its subsidiaries, including the matters described above, will not, individually or in the aggregate, have a material adverse effect on the Bancorp's consolidated financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of those matters, if unfavorable, may be material to the Bancorp's results of operations for any particular period, depending, in part, upon the size of the loss or liability imposed and the operating results for the applicable period.

19. RELATED PARTY TRANSACTIONS

The Bancorp maintains written policies and procedures covering related party transactions to principal shareholders, directors and executives of the Bancorp. These procedures cover transactions such as employee-stock purchase loans, personal lines of credit, residential secured loans, overdrafts, letters of credit and increases in indebtedness. Such transactions are subject to the Bancorp's normal underwriting and approval procedures. Prior to the closing of a loan to a related party, Compliance Risk Management must approve and determine whether the transaction requires approval from or a post notification be sent to the Bancorp's Board of Directors. At December 31, 2013 and 2012, certain directors, executive officers, principal holders of Bancorp common stock, associates of such persons, and affiliated companies of such persons were indebted, including undrawn commitments to lend, to the Bancorp's banking subsidiary.

The following table summarizes the Bancorp's activities with its principal shareholders, directors and executives at December 31:

($ in millions)		2013	2012
Commitments to lend, net of participations:			
Directors and their affiliated companies	$	586	364
Executive officers		2	3
Total	$	588	367
Outstanding balance on loans, net of participations and undrawn commitments	$	86	93

The commitments to lend are in the form of loans and guarantees for various business and personal interests. This indebtedness was incurred in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties. This indebtedness does not involve more than the normal risk of repayment or present other features unfavorable to the Bancorp.

On June 30, 2009, the Bancorp completed the sale of a majority interest in its processing business, Vantiv Holding, LLC. Advent International acquired an approximate 51% interest in Vantiv Holding, LLC for cash and a warrant. The Bancorp retained the remaining approximate 49% interest in Vantiv Holding, LLC.

During the first quarter of 2012, Vantiv, Inc. priced an IPO of its shares and contributed the net proceeds to Vantiv Holding, LLC for additional ownership interests. As a result of this offering, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 39%. The impact of the capital contributions to Vantiv Holding, LLC and the resulting dilution in the Bancorp's interest resulted in a gain of $115 million recognized by the Bancorp in the first quarter of 2012. The Bancorp's ownership share in Vantiv Holding, LLC was further reduced during the fourth quarter of 2012 when the Bancorp sold an approximate six percent interest and recognized a $157 million gain. The Bancorp's ownership of Vantiv Holding, LLC was reduced to 33% as a result of this sale and had a carrying value of $563 million as of December 31, 2012.

The Bancorp's ownership position in Vantiv Holding, LLC was reduced in the second quarter of 2013 when the Bancorp sold an approximate five percent interest and recognized a $242 million gain. The Bancorp's ownership percentage was further reduced in the third quarter of 2013 when the Bancorp sold an approximate three percent interest and recognized an $85 million gain. The Bancorp's remaining approximate 25% ownership in Vantiv Holding, LLC was accounted for as an equity method investment in the Bancorp's Consolidated Financial Statements and had a carrying value of $423 million as of December 31, 2013.

As of December 31, 2013, the Bancorp continued to hold approximately 48.8 million Class B units of Vantiv Holding, LLC and a warrant to purchase approximately 20.4 million Class C non-voting units of Vantiv Holding, LLC, both of which may be exchanged for Class A Common Stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 48.8 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

The Bancorp recognized $77 million, $61 million and $57 million respectively, in noninterest income as part of its equity method investment in Vantiv Holding, LLC for the years ended December 31, 2013, 2012 and 2011 and received cash distributions totaling $40 million and $30 million during 2013 and 2012, respectively.

The Bancorp and Vantiv Holding, LLC have various agreements in place covering services relating to the operations of Vantiv Holding, LLC. The services provided by the Bancorp to Vantiv Holding, LLC were initially required to support Vantiv Holding, LLC as a standalone entity during the deconversion period. The majority of services previously provided by the Bancorp to support Vantiv Holding, Inc. as a standalone entity are no longer necessary and are now limited to certain general business resources. Vantiv Holding, LLC paid the Bancorp $1 million for these services for the years ended December 31, 2013 and 2012 and $21 million for the year ended December 31, 2011. Other services provided to Vantiv Holding, LLC by the Bancorp, have continued beyond the deconversion period, include clearing, settlement and sponsorship. Vantiv Holding, LLC paid the Bancorp $34 million for these services for the years ended December 31, 2013 and 2012 and $37 million for the year ended December 31, 2011. In addition to the previously mentioned services, the Bancorp entered into an agreement under which Vantiv Holding, LLC will provide processing services to the Bancorp. The total amount of fees relating to the processing services provided to the Bancorp by Vantiv Holding, LLC totaled $88 million, $83 million and $74 million for the years ended December 31, 2013, 2012 and 2011, respectively.

As part of the sale, Vantiv Holding, LLC assumed loans totaling $1.25 billion owed to the Bancorp, which were refinanced in 2010 into a larger syndicated loan structure that included the Bancorp. The outstanding balance of loans to Vantiv Holding, LLC was $348 million and $325 million at December 31, 2013 and 2012, respectively. Interest income relating to the loans was $7 million, $11 million and $18 million, respectively, for the years ended December 31, 2013, 2012 and 2011 and is included in interest and fees on loans and leases in the Consolidated Statements of Income. Vantiv Holding, LLC's line of credit was $50 million as of

December 31, 2013 and 2012. Vantiv Holding, LLC did not draw upon its lines of credit during the years ended December 31, 2013 or 2012.

20. INCOME TAXES

The Bancorp and its subsidiaries file a consolidated federal income tax return. The following is a summary of applicable income taxes included in the Consolidated Statements of Income for the years ended December 31:

($ in millions)		2013	2012	2011
Current income tax expense (benefit):				
U.S. Federal income taxes	$	**494**	327	82
State and local income taxes		**23**	38	14
Foreign income taxes		**2**	-	-
Total current tax expense		**519**	365	96
Deferred income tax expense				
U.S. Federal income taxes		**232**	252	411
State and local income taxes		**23**	19	26
Foreign income taxes		**(2)**	-	-
Total deferred income tax expense		**253**	271	437
Applicable income tax expense	$	**772**	636	533

The following is a reconciliation between the statutory U.S. Federal income tax rate and the Bancorp's effective tax rate for the years ended December 31:

($ in millions)	2013	2012	2011
Statutory tax rate	**35.0 %**	35.0	35.0
Increase (decrease) resulting from:			
State taxes, net of federal benefit	**1.2**	1.7	1.4
Tax-exempt income	**(1.1)**	(2.1)	(1.4)
Credits	**(6.0)**	(6.7)	(7.3)
Unrealized stock-based compensation benefits	**0.3**	0.8	1.3
Other, net	**0.3**	0.1	0.1
Effective tax rate	**29.7 %**	28.8	29.1

Tax-exempt income in the rate reconciliation table includes interest on municipal bonds, interest on tax-exempt lending, income/charges on life insurance policies held by the Bancorp, and certain gains on sales of leases that are exempt from federal taxation.

The following table provides a summary of the Bancorp's unrecognized tax benefits as of December 31:

($ in millions)		2013	2012
Tax positions that would impact the effective tax rate, if recognized	$	**7**	18
Tax positions where the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of the deduction		**-**	-
Unrecognized tax benefits	$	**7**	18

The following table provides a reconciliation of the beginning and ending amounts of the Bancorp's unrecognized tax benefits:

($ in millions)		2013	2012	2011
Unrecognized tax benefits at January 1	$	**18**	14	16
Gross increases for tax positions taken during prior period		**1**	6	1
Gross decreases for tax positions taken during prior period		**(7)**	(3)	(2)
Gross increases for tax positions taken during current period		**1**	2	-
Settlements with taxing authorities		**(5)**	-	-
Lapse of applicable statute of limitations		**(1)**	(1)	(1)
Unrecognized tax benefits at December 31	$	**7**	18	14

The Bancorp's unrecognized tax benefits as of December 31, 2013, 2012, and 2011 relate largely to state income tax exposures from taking tax positions where the Bancorp believes it is likely that, upon examination, a state will take a position contrary to the position taken by the Bancorp.

While it is reasonably possible that the amount of the unrecognized tax benefits with respect to certain of the Bancorp's uncertain tax positions could increase or decrease during the next 12 months, the Bancorp believes it is unlikely that its unrecognized tax benefits will change by a material amount during the next 12 months.

Deferred income taxes are comprised of the following items at December 31:

($ in millions)		2013	2012
Deferred tax assets:			
Allowance for loan and lease losses	$	**554**	649
Deferred compensation		**109**	105
Reserves		**101**	63
Reserve for unfunded commitments		**57**	47
Impairment reserves		**31**	74
State net operating losses		**22**	33
Other		**149**	191
Total deferred tax assets	$	**1,023**	1,162
Deferred tax liabilities:			
Lease financing	$	**865**	844
Investments in joint ventures and partnership interests		**381**	470
MSRs		**254**	162
Bank premises and equipment		**114**	108
Qualifying hedges and free-standing derivatives		**97**	31
State deferred taxes		**76**	64
Other comprehensive income		**44**	202
Other		**130**	124
Total deferred tax liabilities	$	**1,961**	2,005
Total net deferred tax liability	$	**(938)**	(843)

At December 31, 2013 and 2012, the Bancorp had recorded deferred tax assets of $22 million and $33 million, respectively, related to state net operating loss carryforwards. The deferred tax assets relating to state net operating losses (primarily resulting from leasing operations) are presented net of specific valuation allowances of $19 million and $20 million at December 31, 2013 and 2012, respectively. If these carryforwards are not utilized, they will expire in varying amounts through 2030.

The Bancorp has determined that a valuation allowance is not needed against the remaining deferred tax assets as of December 31, 2013 or 2012. The Bancorp considered all of the positive and negative evidence available to determine whether it is more likely than not that the deferred tax assets will ultimately be realized and, based upon that evidence, the Bancorp believes it is more likely than not that the deferred tax assets recorded at December 31, 2013 and 2012 will ultimately be realized. The Bancorp reached this conclusion as the Bancorp has taxable income in the carryback period and it is expected that the Bancorp's remaining deferred tax assets will be realized through the reversal of its existing taxable temporary differences and its projected future taxable income.

The IRS concluded its audit for 2008 and 2009 during the first quarter of 2012. As a result, all issues have been resolved with the IRS through 2009. The IRS is currently examining the Bancorp's 2010 and 2011 federal income tax returns. The statute of limitations for the Bancorp's federal income tax returns remains open for tax years 2010-2013. On occasion, as various state and local taxing jurisdictions examine the returns of the Bancorp and its subsidiaries, the Bancorp may agree to extend the statute of limitations for a short period of time. Otherwise, with the exception of a few states with insignificant uncertain tax positions, the statutes of limitations for state income tax returns remain open only for tax years in accordance with each state's statutes.

Any interest and penalties incurred in connection with income taxes are recorded as a component of income tax expense in the Consolidated Financial Statements. During the years ended December 31, 2013, 2012 and 2011, the Bancorp recognized an immaterial amount of interest expense in connection with income taxes. At December 31, 2013 and 2012, the Bancorp had accrued interest liabilities, net of the related tax benefits, of $1 million and $3 million, respectively. No material liabilities were recorded for penalties.

Retained earnings at December 31, 2013 and 2012 included $157 million in allocations of earnings for bad debt deductions of former thrift subsidiaries for which no income tax has been provided. Under current tax law, if certain of the Bancorp's subsidiaries use these bad debt reserves for purposes other than to absorb bad debt losses, they will be subject to federal income tax at the current corporate tax rate.

21. RETIREMENT AND BENEFIT PLANS

The Bancorp's qualified defined benefit plan's benefits were frozen in 1998, except for grandfathered employees. The Bancorp's other retirement plans consist of nonqualified, supplemental retirement plans, which are funded on an as needed basis. A majority of these plans were obtained in acquisitions from prior years. The Bancorp recognizes the overfunded and underfunded status of its pension plans as an asset and liability in the Consolidated Balance Sheets.

The overfunded and underfunded amounts recognized in other assets and other liabilities, respectively, on the Consolidated Balance Sheets were as follows as of December 31:

($ in millions)		2013	2012
Prepaid benefit cost	$	**6**	-
Accrued benefit liability		**(27)**	(71)
Net underfunded status	$	**(21)**	(71)

The following tables summarize the defined benefit retirement plans as of and for the years ended December 31:

Plans with an Overfunded Status[(a)]

($ in millions)		2013	2012
Fair value of plan assets at January 1	$	**185**	-
Actual return on assets		**30**	-
Contributions		**5**	-
Settlement		**(13)**	-
Benefits paid		**(7)**	-
Fair value of plan assets at December 31	$	**200**	-
Projected benefit obligation at January 1	$	**224**	-
Service cost		**-**	-
Interest cost		**10**	-
Settlement		**(13)**	-
Actuarial gain		**(20)**	-
Benefits paid		**(7)**	-
Projected benefit obligation at December 31	$	**194**	-
Overfunded projected benefit obligation at December 31	$	**6**	-

(a) The Bancorp's defined benefit plan had an Overfunded status at December 31, 2013. The plan was Underfunded at December 31, 2012 and is reflected in the Underfunded Status table.

Plans with an Underfunded Status

($ in millions)		2013	2012
Fair value of plan assets at January 1	$	**-**	181
Actual return on assets		**-**	21
Contributions		**4**	4
Settlement		**-**	(10)
Benefits paid		**(4)**	(11)
Fair value of plan assets at December 31	$	**-**	185
Projected benefit obligation at January 1	$	**32**	253
Service cost		**-**	-
Interest cost		**1**	10
Settlement		**-**	(10)
Actuarial (gain)/loss		**(2)**	14
Benefits paid		**(4)**	(11)
Projected benefit obligation at December 31	$	**27**	256
Unfunded projected benefit obligation at December 31	$	**(27)**	(71)

The estimated net actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2014 is $7 million. The estimated net prior service cost for the defined benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2014 is immaterial to the Consolidated Financial Statements.

The following table summarizes net periodic benefit cost and other changes in plan assets and benefit obligations recognized in other comprehensive income for the years ended December 31:

($ in millions)		2013	2012	2011
Components of net periodic benefit cost:				
Service cost	$	-	-	-
Interest cost		10	10	11
Expected return on assets		(13)	(13)	(15)
Amortization of net actuarial loss		11	14	11
Amortization of net prior service cost		-	-	1
Settlement		5	6	6
Net periodic benefit cost	$	13	17	14
Other changes in plan assets and benefit obligations recognized in other comprehensive income:				
Net actuarial (gain)/loss	$	(38)	7	50
Net prior service cost		-	-	-
Amortization of net actuarial loss		(11)	(14)	(11)
Amortization of prior service cost		-	-	(1)
Settlement		(5)	(6)	(6)
Total recognized in other comprehensive income		(54)	(13)	32
Total recognized in net periodic benefit cost and other comprehensive income	$	(41)	4	46

Fair Value Measurements of Plan Assets

The following table summarizes plan assets measured at fair value on a recurring basis as of December 31:

	Fair Value Measurements Using[(a)]			
2013 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Equity securities:				
Equity securities (Value)	**$ 8**	**-**	**-**	**$ 8**
Equity securities (Blended)[(b)]	**40**	**-**	**-**	**40**
Total equity securities	**48**	**-**	**-**	**48**
Mutual and exchange traded funds:				
Money market funds	**7**	**-**	**-**	**7**
International funds	**-**	**43**	**-**	**43**
Domestic funds	**-**	**41**	**-**	**41**
Debt funds	**-**	**20**	**-**	**20**
Alternative strategies	**-**	**17**	**-**	**17**
Commodity funds	**6**	**-**	**-**	**6**
Total mutual and exchange traded funds	**13**	**121**	**-**	**134**
Debt securities:				
U.S. Treasury obligations	**3**	**-**	**-**	**3**
Agency mortgage backed	**-**	**13**	**-**	**13**
Non-agency mortgage backed	**-**	**2**	**-**	**2**
Corporate bonds[(c)]	**-**	**-**	**-**	**-**
Total debt securities	**3**	**15**	**-**	**18**
Total plan assets	**$ 64**	**136**	**-**	**$ 200**

	Fair Value Measurements Using[(a)]			
2012 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Equity Securities:				
Equity securities (Growth)[(b)]	$ 50	-	-	$ 50
Equity securities (Value)	52	-	-	52
Equity securities (Blended)	4	-	-	4
Total equity securities	106	-	-	106
Mutual and exchange traded funds:				
Money market funds	4	-	-	4
International funds	29	-	-	29
Commodity funds	9	-	-	9
Total mutual and exchange traded funds	42	-	-	42
Debt securities:				
U.S. Treasury obligations	13	-	-	13
Agency mortgage backed	-	21	-	21
Non-agency mortgage backed	-	2	-	2
Corporate bonds[(c)]	-	1	-	1
Total debt securities	13	24	-	37
Total plan assets	$ 161	24	-	$ 185

(a) *For further information on fair value hierarchy levels, see Note 1.*
(b) *Includes holdings in Bancorp common stock.*
(c) *Includes private label asset backed securities.*

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Equity securities

The plan measures common stock using quoted prices which are available in an active market and classifies these investments within Level 1 of the valuation hierarchy.

Mutual and exchange traded funds

All of the plan's mutual and exchange traded funds are publicly traded. The plan measures the value of these investments using the fund's quoted prices that are available in an active market and classifies these investments within Level 1 of the valuation hierarchy. Where quotes prices are not available, the plan measures the fair value of these investments based on the redemption price of units held, which is based on the current fair value of the fund's underlying assets. Unit values are determined by dividing the fund's net assets at fair value by its units outstanding at the valuation dates to obtain the investment's net asset value. Therefore, these investments are classified within Level 2 of the valuation hierarchy.

Debt securities

For certain U.S. Treasury obligations and federal agency securities, the plan measures the fair value based on quoted prices, which are available in an active market and classifies these investments within Level 1 of the valuation hierarchy. Where quoted prices are not available, the plan measures the fair value of these investments based on matrix pricing models that include the bid price, which factors in the yield curve and other characteristics of the security including the interest rate, prepayment speeds and length of maturity. Therefore, these investments are classified within Level 2 of the valuation hierarchy.

Plan Assumptions

The plan assumptions are evaluated annually and are updated as necessary. The discount rate assumption reflects the yield on a portfolio of high quality fixed-income instruments that have a similar duration to the plan's liabilities. The expected long-term rate of return assumption reflects the average return expected on the assets invested to provide for the plan's liabilities. In determining the expected long-term rate of return, the Bancorp evaluated actuarial and economic inputs, including long-term inflation rate assumptions and broad equity and bond indices long-term return projections, as well as actual long-term historical plan performance.

The following table summarizes the plan assumptions for the years ended December 31:

Weighted-Average Assumptions	**2013**	2012	2011
For measuring benefit obligations at year end:			
Discount rate	**4.72 %**	3.83	4.27
Rate of compensation increase	**4.00**	4.00	5.00
Expected return on plan assets	**7.50**	8.00	8.25
For measuring net periodic benefit cost:			
Discount rate	**3.83**	4.27	5.39
Rate of compensation increase	**4.00**	5.00	5.00
Expected return on plan assets	**7.50**	8.00	8.25

Lowering both the expected rate of return on the plan assets and the discount rate by 0.25% would have increased the 2013 pension expense by approximately $1 million. Lowering the rate of compensation increase by 0.25% would have an immaterial impact on the Bancorp's Consolidated Financial Statements.

Based on the actuarial assumptions, the Bancorp expects to contribute $4 million to the plan in 2014. Estimated pension benefit payments, which reflect expected future service, are $18 million in 2014, $18 million in 2015, $16 million in 2016, $15 million in 2017 and $14 million in 2018. The total estimated payments for the years 2019 through 2023 is $63 million.

Investment Policies and Strategies

The Bancorp's policy for the investment of plan assets is to employ investment strategies that achieve a range of weighted-average target asset allocations relating to equity securities (including the Bancorp's common stock), fixed income securities (including federal agency obligations, corporate bonds and notes), alternative strategies (including traditional mutual funds, precious metals and commodities) and cash.

The following table provides the Bancorp's targeted and actual weighted-average asset allocations by asset category for the years ended December 31:

Weighted-average asset allocation	Targeted range	**2013**	2012
Equity securities		**65** %	76
Bancorp common stock		**2**	1
Total equity securities[(a)]	39-78 %	**67**	77
Total fixed income securities	11-41	**22**	20
Alternative strategies	0-18	**7**	-
Cash[(b)]	0-10	**4**	3
Total		**100** %	100

(a) *Includes mutual and exchange traded funds*

(b) *Cash was held in a Federated Prime Cash Obligation Fund in 2013 and in a Fifth Third Money Market Fund in 2012.*

The risk tolerance for the plan is determined by management to be "moderate to aggressive", recognizing that higher returns involve some volatility and that periodic declines in the portfolio's value are tolerated in an effort to achieve real capital growth. There were no significant concentrations of risk associated with the investments of the Bancorp's benefit and retirement plan at December 31, 2013 and 2012.

Permitted asset classes of the plan include cash and cash equivalents, fixed income (domestic and non-U.S. bonds), equities (U.S., non-U.S., emerging markets and REITS), equipment leasing, precious metals, commodity transactions and mortgages. The plan utilizes derivative instruments including puts, calls, straddles or other option strategies, as approved by management. Per ERISA, the Bancorp's common stock cannot exceed ten percent of the fair value of plan assets.

Fifth Third Bank, as Trustee, is expected to manage the plan assets in a manner consistent with the plan agreement and other regulatory, federal and state laws. The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee (the "Committee") is the plan administrator. The Trustee is required to provide to the Committee monthly and quarterly reports covering a list of plan assets, portfolio performance, transactions and asset allocation. The Trustee is also required to keep the Committee apprised of any material changes in the Trustee's outlook and recommended investment policy.

Other Information on Retirement and Benefit Plans

The accumulated benefit obligation for all defined benefit plans was $221 million and $256 million at December 31, 2013 and 2012, respectively.

Amounts relating to the Bancorp's defined benefit plans with assets exceeding benefit obligations were as follows at December 31:

($ in millions)		2013	2012
Projected benefit obligation	$	**194**	-
Accumulated benefit obligation		**194**	-
Fair value of plan assets		**200**	-

Amounts relating to the Bancorp's defined benefit plans with benefit obligations exceeding assets were as follows at December 31:

($ in millions)		2013	2012
Projected benefit obligation	$	**27**	256
Accumulated benefit obligation		**27**	256
Fair value of plan assets		**-**	185

As of December 31, 2013 and 2012, $200 million and $123 million, respectively, of plan assets were managed by Fifth Third Bank, a subsidiary of the Bancorp. Plan assets included $4 million and $3 million of Bancorp common stock as of December 31, 2013 and 2012, respectively. Plan assets are not expected to be returned to the Bancorp during 2014.

The Bancorp's profit sharing plan expense was $32 million, $46 million and $35 million for the years ended December 31, 2013, 2012, and 2011, respectively. Expenses recognized for matching contributions to the Bancorp's defined contribution savings plans were $43 million, $42 million and $40 million for the years ended December 31, 2013, 2012, and 2011, respectively.

22. ACCUMULATED OTHER COMPREHENSIVE INCOME

The activity of the components of other comprehensive income and accumulated other comprehensive income for the years ended December 31:

	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
($ in millions)	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
2013						
Unrealized holding losses on available-for-sale securities arising during period	$ **(454)**	**159**	**(295)**			
Reclassification adjustment for net losses included in net income	**6**	**(2)**	**4**			
Net unrealized gains (losses) on available-for-sale securities	**(448)**	**157**	**(291)**	**412**	**(291)**	**121**
Unrealized holding losses on cash flow hedge derivatives arising during period	**(13)**	**5**	**(8)**			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	**(44)**	**15**	**(29)**			
Net unrealized gains (losses) on cash flow hedge derivatives	**(57)**	**20**	**(37)**	**50**	**(37)**	**13**
Net actuarial gain arising during the period	**38**	**(13)**	**25**			
Reclassification of amounts to net periodic benefit costs	**16**	**(6)**	**10**			
Defined benefit plans, net	**54**	**(19)**	**35**	**(87)**	**35**	**(52)**
Total	$ **(451)**	**158**	**(293)**	**375**	**(293)**	**82**
2012						
Unrealized holding losses on available-for-sale securities arising during period	$ (97)	34	(63)			
Reclassification adjustment for net gains included in net income	(15)	5	(10)			
Net unrealized gains (losses) on available-for-sale securities	(112)	39	(73)	485	(73)	412
Unrealized holding gains on cash flow hedge derivatives arising during period	37	(13)	24			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(83)	29	(54)			
Net unrealized gains (losses) on cash flow hedge derivatives	(46)	16	(30)	80	(30)	50
Net actuarial loss arising during the period	(7)	2	(5)			
Reclassification of amounts to net periodic benefit costs	20	(7)	13			
Defined benefit plans, net	13	(5)	8	(95)	8	(87)
Total	$ (145)	50	(95)	470	(95)	375
2011						
Unrealized holding gains on available-for-sale securities arising during period	$ 309	(108)	201			
Reclassification adjustment for net gains included in net income	(56)	19	(37)			
Net unrealized gains (losses) on available-for-sale securities	253	(89)	164	321	164	485
Unrealized holding gains on cash flow hedge derivatives arising during period	89	(31)	58			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(69)	24	(45)			
Net unrealized gains (losses) on cash flow hedge derivatives	20	(7)	13	67	13	80
Net actuarial loss arising during the period	(50)	17	(33)			
Reclassification of amounts to net periodic benefit costs	18	(6)	12			
Defined benefit plans, net	(32)	11	(21)	(74)	(21)	(95)
Total	$ 241	(85)	156	314	156	470

The table below presents reclassifications out of accumulated other comprehensive income for the year ended December 31, 2013:

Components of AOCI: ($ in millions)		Amount Reclassified from AOCI[(b)]	Affected Line Item in the Consolidated Statements of Income
Net unrealized gains on available-for-sale securities			
Net losses included in net income	$	(6)	Securities gains, net
		(6)	Income before income taxes
		2	Applicable income tax expense
		(4)	Net income
Net unrealized gains on cash flow hedge derivatives			
Interest rate contracts related to C&I loans		45	Interest and fees on loans and leases
Interest rate contracts related to long-term debt		(1)	Interest on long-term debt
		44	Income before income taxes
		(15)	Applicable income tax expense
		29	Net income
Net periodic benefit costs			
Amortization of net actuarial loss		(11)	Employee benefits expense *(a)*
Settlements		(5)	Employee benefits expense *(a)*
		(16)	Income before income taxes
		6	Applicable income tax expense
		(10)	Net income
Total reclassifications for the period	$	15	Net income

(a) This AOCI component is included in the computation of net periodic benefit cost. Refer to Note 21 for information on the computation of net periodic benefit cost.
(b) Amounts in parentheses indicate reductions to net income.

23. COMMON, PREFERRED AND TREASURY STOCK

The following is a summary of the share activity within common, preferred and treasury stock for the years ended:

	Common Stock		Preferred Stock		Treasury Stock	
($ in millions, except share data)	Value	Shares	Value	Shares	Value	Shares
December 31, 2010	$ 1,779	801,504,188	$ 3,654	152,771	$ 130	5,231,666
Issuance of common shares	272	122,388,393	-	-	-	-
Exchange of preferred shares, Series G	-	-	-	(1)	-	-
Redemption of preferred shares, Series F	-	-	(3,408)	(136,320)	-	-
Accretion from dividends on preferred shares, Series F	-	-	153	-	-	-
Impact of stock transactions under stock compensation plans, net	-	-	-	-	(65)	(1,093,116)
Other	-	-	(1)		(1)	(50,405)
December 31, 2011	$ 2,051	923,892,581	$ 398	16,450	$ 64	4,088,145
Shares acquired for treasury	-	-	-	-	627	42,424,014
Impact of stock transactions under stock compensation plans, net	-	-	-	-	(54)	(4,654,165)
Other	-	-	-	-	(3)	(117,470)
December 31, 2012	$ 2,051	923,892,581	$ 398	16,450	$ 634	41,740,524
Shares acquired for treasury	**-**	**-**	**-**	**-**	**1,242**	**65,516,126**
Issuance of preferred shares, Series I	**-**	**-**	**441**	**18,000**	**-**	**-**
Issuance of preferred shares, Series H	**-**	**-**	**593**	**24,000**	**-**	**-**
Redemption of preferred shares, Series G	**-**	**-**	**(398)**	**(16,450)**	**(540)**	**(35,529,018)**
Impact of stock transactions under stock compensation plans, net	**-**	**-**	**-**	**-**	**(38)**	**(3,697,042)**
Other	**-**	**-**	**-**	**-**	**(3)**	**556,246**
December 31, 2013	**$ 2,051**	**923,892,581**	**$ 1,034**	**42,000**	**$ 1,295**	**68,586,836**

Common Stock

On January 25, 2011, the Bancorp raised $1.7 billion in new common equity through the issuance of common stock in an underwritten offering with an initial price of $14.00 per share. 121,428,572 shares were issued, which included 12,142,857 shares issued to the underwriters, who exercised their option to purchase additional shares at the offering price of $14.00 per share on January 24, 2011. In connection with this exercise, the Bancorp entered into a forward sale agreement which resulted in a final net payment of 959,821 shares on February 4, 2011.

Preferred Stock—Series I

On December 9, 2013, the Bancorp issued, in a registered public offering, 18,000,000 depositary shares, representing 18,000 shares of 6.625% fixed-to-floating rate non-cumulative Series I perpetual preferred stock, for net proceeds of $441 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative quarterly basis, at an annual rate of 6.625% through but excluding December 31, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.71%. Subject to any required regulatory approval, the Bancorp may redeem the Series I preferred shares at its option in whole or in part, at any time on or after December 31, 2023 and may redeem in whole but not in part, following a regulatory capital event at any time prior to December 31, 2023. The Series I preferred shares are not convertible into Bancorp common shares or any other securities.

Preferred Stock—Series H

On May 16, 2013, the Bancorp issued, in a registered public offering, 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and may redeem in whole but not in part, following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities.

Preferred Stock—Series G

In 2008, the Bancorp issued 8.50% non-cumulative Series G convertible preferred stock. The depositary shares represented 1/250th of a share of Series G convertible preferred stock and had a liquidation preference of $25,000 per preferred share of Series G stock. The preferred stock was convertible at any time, at the option of the shareholder, into 2,159.8272 shares of common stock, representing a conversion price of approximately $11.575 per share of common stock.

On June 11, 2013, pursuant to the Amended Articles of Incorporation, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's Series G perpetual preferred stock. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with the Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

Preferred Stock—Series F

On December 31, 2008, the U.S. Treasury purchased $3.4 billion, or 136,320 shares, of the Bancorp's fixed rate cumulative perpetual preferred stock, Series F, with a liquidation preference of $25,000 per share and related 10-year warrant in the amount of 15% of the preferred stock investment. The warrant gave the U.S Treasury the right to purchase 43,617,747 shares of the Bancorp's common stock at $11.72 per share. The Series F senior preferred stock was issued complying with the terms established by the CPP. Per the program terms, the U.S. Treasury's investment consisted of senior preferred stock with a five percent dividend for each of the first five years of investment and nine percent thereafter, unless the shares were redeemed. The shares were callable by the Bancorp at par after three years and could be repurchased at any time under certain circumstances. The terms also included restrictions on the repurchase of common stock and increases in common stock dividends, which required the U.S. Treasury's consent, for a period of three years from the date of investment unless the preferred shares were redeemed in whole or the U.S. Treasury had transferred all of the preferred shares to a third party.

The proceeds from issuance of the Series F preferred stock were allocated to the preferred stock and to the warrant based on their relative fair values, which resulted in an initial book value of $3.2 billion for the preferred stock and $239 million for the warrant. The resulting discount to the preferred stock was being accreted over five years through retained earnings as a preferred stock dividend, resulting in an effective yield of 6.7% for the Series F preferred stock for the first five years.

On February 2, 2011, the Bancorp used proceeds from the issuance of common shares along with proceeds from a senior debt offering and other available resources to repurchase all 136,320 Series F preferred shares. In connection with the redemption of the Series F preferred stock, the Bancorp accelerated the accretion of the remaining issuance discount on the Series F preferred stock and recorded a reduction in retained earnings and a corresponding increase in preferred stock of $153 million in the Bancorp's Consolidated Balance Sheet. On March 16, 2011, the Bancorp repurchased the warrant issued to the U.S. Treasury in connection with the CPP preferred stock investment at an agreed upon price of $280 million, which was recorded as a reduction to capital surplus in the Bancorp's Consolidated Financial Statements.

Treasury Stock

On March 13, 2012, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2012 CCAR. The FRB indicated to the Bancorp that it did not object to the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. Following the Vantiv Inc. IPO, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 4,838,710 shares, or approximately $75 million, of its outstanding common stock on April 26, 2012. As part of this transaction and all subsequent accelerated share repurchase transactions in 2012 and 2013, the Bancorp entered into forward contracts in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction was based on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreements. Each of the accelerated share repurchases was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the April 2012 forward contract on June 1, 2012, the Bancorp received an additional 631,986 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On August 21, 2012, the Bancorp announced that the FRB did not object to its capital plan resubmitted under the 2012 CCAR process, which included the repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. As a result, on August 21, 2012, Fifth Third's Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization pursuant to which approximately 14 million shares remained available for repurchase by the Bancorp.

On August 23, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 21,531,100 shares, or approximately $350 million, of its outstanding common stock on August 28, 2012. At settlement of the forward contract on October 24, 2012, the Bancorp received an additional 1,444,047 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program. At settlement of the transaction on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares, or approximately $125 million, of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its previously announced Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On March 14, 2013, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2013 CCAR. The FRB indicated to the Bancorp that it did not object to the repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion, and the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common stock, which totaled $157 million and $55 million in after-tax gains during the second and third quarters of 2013, respectively.

On March 19, 2013, the Board of Directors authorized the Bancorp to repurchase up to 100 million common shares in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to effect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization from August of 2012.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million, of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 13, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 8,538,423 shares, or approximately $200 million, of its outstanding common stock on November 18, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before February 28, 2014.

On December 10, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 19,084,195 shares, or approximately $456 million, of its outstanding common stock on December 13, 2013. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

On January 28, 2014, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 3,950,705 shares, or approximately $99 million, of its outstanding common stock on January 31, 2014. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

During 2011, the Bancorp repurchased an immaterial amount of common stock.

24. STOCK-BASED COMPENSATION

The Bancorp has historically emphasized employee stock ownership. The following table provides detail of the number of shares to be issued upon exercise of outstanding stock-based awards and remaining shares available for future issuance under all of the Bancorp's equity compensation plans as of December 31, 2013:

Plan Category (shares in thousands)	Number of Shares to be Issued Upon Exercise	Weighted-Average Exercise Price	Shares Available for Future Issuance
Equity compensation plans approved by shareholders			5,393 *(a)*
SARs	*(b)*	*(b)*	*(a)*
Restricted stock	6,710	N/A	*(a)*
Stock options*(c)*	22	$45.82	*(a)*
Phantom stock units	*(d)*	N/A	N/A
Performance units	*(e)*	N/A	*(a)*
Employee stock purchase plan			8,030 *(f)*
Total shares	6,732		13,423

(a) Under the 2011 Incentive Compensation Plan, 39 million shares plus up to 4.5 million shares from the 2008 Incentive Compensation Plan (the Predecessor Plan) of stock were authorized for issuance as incentive and nonqualified stock options, SARs, restricted stock and restricted stock units, performance units and performance restricted stock awards.

(b) The number of shares to be issued upon exercise will be determined at vesting based on the difference between the grant price and the market price at the date of exercise.

(c) Excludes 0.5 million outstanding options awarded under plans assumed by the Bancorp in connection with certain mergers and acquisitions. The Bancorp has not made any awards under these plans and will make no additional awards under these plans. The weighted-average exercise price of the outstanding options is $19.69 per share.

(d) Phantom stock units are settled in cash.

(e) The number of shares to be issued is dependent upon the Bancorp achieving certain predefined performance targets and ranges from zero shares to approximately 2 million shares.

(f) Represents remaining shares of Fifth Third common stock under the Bancorp's 1993 Stock Purchase Plan, as amended and restated, including an additional 1.5 million shares approved by shareholders on March 28, 2007 and an additional 12 million shares approved by shareholders on April 21, 2009.

Stock-based awards are eligible for issuance under the Bancorp's Incentive Compensation Plan to key employees and directors of the Bancorp and its subsidiaries. The Incentive Compensation Plan was approved by shareholders on April 19, 2011, and authorized the issuance of up to 39 million shares plus up to 4.5 million shares under the Predecessor Plan for Full Value Awards as equity compensation and provides for incentive and nonqualified stock options, stock appreciation rights, restricted stock awards and restricted stock units, and performance shares. Full Value Awards are defined as awards with no cash outlay for the employee to obtain the full value. Based on total stock-based awards outstanding (including stock options, stock appreciation rights, restricted stock and performance units) and shares remaining for future grants under the 2011 Incentive Compensation Plan, the potential dilution to which the Bancorp's shareholders of common stock are exposed due to the potential that stock-based compensation will be awarded to executives, directors or key employees of the Bancorp is seven percent. SARs, restricted stock, stock options and performance units outstanding represent seven percent of the Bancorp's issued shares at December 31, 2013.

All of the Bancorp's stock-based awards are to be settled with stock with the exception of phantom stock units that are to be settled in cash. The Bancorp has historically used treasury stock to settle stock-based awards, when available. SARs, issued at fair value based on the closing price of the Bancorp's common stock on the date of grant, have up to ten-year terms and vest and become exercisable either ratably or fully over a four year period of continued employment. The Bancorp does not grant discounted SARs or stock options, re-price previously granted SARs or stock options, or grant reload stock options. Restricted stock grants vest after four years, or ratably over three or four years or ratably after three years of continued employment and include dividend and

voting rights. Stock options were previously issued at fair value based on the closing price of the Bancorp's common stock on the date of grant, have up to ten-year terms and vested and became fully exercisable ratably over a three or four year period of continued employment. Performance unit awards have three-year cliff vesting terms with market conditions as defined by the plan. All of the Bancorp's executive stock-based awards contain a performance hurdle of two percent return on tangible common equity. If this threshold is not met all awards that would vest in the next year are forfeited. The Bancorp met this threshold as of December 31, 2013.

Stock-based compensation expense was $78 million, $69 million and $59 million for the years ended December 31, 2013, 2012 and 2011, respectively, and is included in salaries, wages, and incentives in the Consolidated Statements of Income. The total related income tax benefit recognized was $28 million, $24 million and $21 million for the years ended December 31, 2013, 2012 and 2011, respectively.

Stock Appreciation Rights

The Bancorp uses assumptions, which are evaluated and revised as necessary, in estimating the grant-date fair value of each SAR grant.

The weighted-average assumptions were as follows for the years ended December 31:

	2013	2012	2011
Expected life (in years)	**6**	6	6
Expected volatility	**36%**	37%	35%
Expected dividend yield	**3.0%**	2.8%	2.0%
Risk-free interest rate	**1.0%**	1.2%	2.6%

The expected life is derived from historical exercise patterns and represents the amount of time that SARs granted are expected to be outstanding. The expected volatility is based on a combination of historical and implied volatilities of the Bancorp's common stock. The expected dividend yield is based on annual dividends divided by the Bancorp's stock price. Annual dividends are based on projected dividends, estimated using a historical long-term dividend payout ratio, over the estimated life of the awards. The risk-free interest rate for periods within the contractual life of the SARs is based on the U.S. Treasury yield curve in effect at the time of grant.

The grant-date fair value of SARs is measured using the Black-Scholes option-pricing model. The weighted-average grant-date fair value of SARs granted was $4.56, $4.23 and $4.29 per share for the years ended 2013, 2012 and 2011, respectively. The total grant-date fair value of SARs that vested during 2013, 2012 and 2011 was $29 million, $22 million, and $20 million, respectively.

At December 31, 2013, there was $68 million of stock-based compensation expense related to nonvested SARs not yet recognized. The expense is expected to be recognized over a remaining weighted-average period of approximately 2.6 years.

	2013		2012		2011	
SARs (Number of SARs in thousands)	Number of SARs	Weighted-Average Grant Price	Number of SARs	Weighted-Average Grant Price	Number of SARs	Weighted-Average Grant Price
Outstanding at January 1	**44,120**	**$ 20.41**	36,502	$ 22.20	31,152	$ 24.67
Granted	**10,267**	**16.16**	12,179	14.36	8,633	13.36
Exercised	**(2,904)**	**11.18**	(1,271)	6.29	(521)	3.96
Forfeited or expired	**(2,884)**	**21.78**	(3,290)	23.33	(2,762)	25.76
Outstanding at December 31	**48,599**	$ **19.98**	44,120	$ 20.41	36,502	$ 22.20
Exercisable at December 31	**26,462**	$ **24.14**	23,248	$ 26.76	20,070	$ 30.29

The following table summarizes outstanding and exercisable SARs by grant price at December 31, 2013:

	Outstanding SARs			Exercisable SARs		
Grant price per share	Number of SARs at Year End (000s)	Weighted-Average Grant Price	Weighted-Average Remaining Contractual Life (in years)	Number of SARs at Year End (000s)	Weighted-Average Grant Price	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	4,096	$ 4.08	5.3	4,096	$ 4.08	5.3
$10.01-$20.00	34,077	15.36	7.6	11,940	16.00	6.2
$20.01-$30.00	33	22.85	4.0	33	22.85	4.0
$30.01-$40.00	6,713	38.68	2.7	6,713	38.68	2.7
Over $40.00	3,680	46.32	1.2	3,680	46.32	1.2
All SARs	48,599	$ 19.98	6.2	26,462	$ 24.14	4.5

Restricted Stock Awards

The total grant-date fair value of RSAs that vested during 2013, 2012 and 2011 was $40 million, $32 million and $37 million, respectively. At December 31, 2013, there was $69 million of stock-based compensation expense related to nonvested restricted stock not yet recognized. The expense is expected to be recognized over a remaining weighted-average period of approximately 2.6 years.

RSAs (shares in thousands)	2013 Shares	2013 Weighted-Average Grant -Date Fair Value	2012 Shares	2012 Weighted-Average Grant -Date Fair Value	2011 Shares	2011 Weighted-Average Grant -Date Fair Value
Nonvested at January 1	**6,379**	**$ 14.32**	4,764	$ 15.95	5,158	$ 18.89
Granted	**3,583**	**16.21**	3,863	14.33	1,702	13.19
Exercised	**(2,720)**	**14.71**	(1,826)	18.37	(1,646)	22.52
Forfeited	**(532)**	**14.97**	(422)	15.35	(450)	15.34
Nonvested at December 31	**6,710**	**$ 15.11**	6,379	$ 14.32	4,764	$ 15.95

The following table summarizes unvested RSAs by grant-date fair value at December 31, 2013:

Grant-Date Fair Value Per Share	Nonvested RSAs: Number of RSAs at Year End (000s)	Nonvested RSAs: Weighted-Average Remaining Contractual Life (in years)
$5.01-$10.00	62	1.7
$10.01-$15.00	3,363	1.1
$15.01-$20.00	3,285	1.8
All RSAs	6,710	1.4

Stock options

The grant-date fair value of stock options is measured using the Black-Scholes option-pricing model. There were no stock options granted during 2013, 2012 and 2011.

The total intrinsic value of options exercised was $1 million in 2013 and 2012 and was immaterial to the Bancorp's Consolidated Financial Statements in 2011. Cash received from options exercised was $2 million in 2013 and 2012 and $1 million in 2011. The tax benefit realized from exercised options was immaterial to the Bancorp's Consolidated Financial Statements during 2013, 2012, and 2011. All stock options were vested as of December 31, 2008, therefore, no stock options vested during 2013, 2012, or 2011. As of December 31, 2013, the aggregate intrinsic value of both outstanding options and exercisable options was $3 million.

Stock Options (Number of Options in thousands)	2013 Number of Options	2013 Weighted-Average Exercise Price	2012 Number of Options	2012 Weighted-Average Exercise Price	2011 Number of Options	2011 Weighted-Average Grant Price
Outstanding at January 1	**3,877**	**$ 45.00**	7,584	$ 53.88	11,859	$ 52.01
Exercised	**(190)**	**11.88**	(205)	10.32	(96)	9.25
Forfeited or expired	**(3,141)**	**51.23**	(3,502)	66.25	(4,179)	49.61
Outstanding at December 31	**546**	$ **20.72**	3,877	$ 45.00	7,584	$ 53.88
Exercisable at December 31	**546**	$ **20.72**	3,877	$ 45.00	7,584	$ 53.88

The following table summarizes outstanding and exercisable stock options by exercise price at December 31, 2013:

Exercise price per share	Outstanding and Exercisable Stock Options: Number of Options at Year End (000s)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	1	$ 8.59	5.0
$10.01-$20.00	385	13.42	1.6
$20.01-$30.00	1	24.41	4.0
$30.01-$40.00	133	36.38	0.3
Over $40.00	26	49.46	1.1
All stock options	546	$ 20.72	1.3

Other stock-based compensation

The Bancorp's Board of Directors previously approved the use of phantom stock units as part of its compensation for executives in connection with changes made in reaction to the TARP compensation rules. On February 22, 2011, the Bancorp redeemed its Series F preferred stock held by the U.S. Treasury under the CPP. As a result of this redemption, the last payment of phantom stock occurred in April of 2011. The phantom stock units were issued under the Bancorp's 2008 Incentive Compensation Plan. The number of phantom stock units was determined each pay period by dividing the amount of salary to be paid in phantom stock units for that pay period, by the reported closing price of the Bancorp's common stock on the pay date for such pay period. The phantom stock units vested immediately on issuance. Phantom stock was

expensed based on the number of outstanding units multiplied by the closing price of the Bancorp's stock at period end. The phantom stock units did not include any rights to receive dividends or dividend equivalents. Phantom stock units issued on or before June 12, 2010 were settled in cash upon the earlier to occur of June 15, 2011 or the executive's death. Units issued thereafter were settled in cash with 50% settled on June 15, 2012 and 50% settled on June 15, 2013. The amount paid on settlement of the phantom stock units was equal to the total amount of phantom stock units settled at the reported closing price of the Bancorp's common stock on the settlement date. Under the phantom stock program, no phantom stock units were granted during the years ended December 31, 2013 and 2012, and phantom stock units of 132,649 were granted with a weighted average grant price of $14.40 during the year ended December 31, 2011. During 2013, 2012 and 2011, 200,130, 199,813, and 521,091 phantom stock units were settled, respectively.

Performance units are payable contingent upon the Bancorp achieving certain predefined performance targets over the three-year measurement period. Awards granted during 2013, 2012 and 2011 will be entirely settled in stock. The performance targets are based on the Bancorp's performance relative to a defined peer group. During 2013, 2012 and 2011, 348,595, 344,741, and 328,061 performance units, respectively, were granted by the Bancorp. These awards were granted at a weighted-average grant-date fair value of $16.15, $14.36 and $13.36 per unit during 2013, 2012 and 2011, respectively.

The Bancorp sponsors a stock purchase plan that allows qualifying employees to purchase shares of the Bancorp's common stock with a 15% match. During the years ended December 31, 2013, 2012 and 2011, there were 690,039, 827,709 and 886,447 shares, respectively, purchased by participants and the Bancorp recognized stock-based compensation expense of $1 million in each of the respective years.

25. OTHER NONINTEREST INCOME AND OTHER NONINTEREST EXPENSE

The following table presents the major components of other noninterest income and other noninterest expense for the years ended December 31:

($ in millions)		2013	2012	2011
Other noninterest income:				
Gain on Vantiv, Inc. IPO and sale of Vantiv, Inc. shares	$	**336**	272	-
Net gain from warrant and put option associated with sale of the processing business		**206**	67	39
Equity method income from interest in Vantiv Holding, LLC		**77**	61	57
Operating lease income		**75**	60	58
BOLI income		**52**	35	41
Cardholder fees		**47**	46	41
Banking center income		**34**	32	27
Consumer loan and lease fees		**27**	27	31
Insurance income		**25**	28	28
Gain on loan sales		**3**	20	37
TSA revenue		**1**	1	21
Loss on OREO		**(26)**	(57)	(71)
Loss on swap associated with the sale of Visa, Inc. class B shares		**(31)**	(45)	(83)
Other, net		**53**	27	24
Total	$	**879**	574	250
Other noninterest expense:				
Losses and adjustments	$	**221**	187	129
Loan and lease		**158**	183	195
FDIC insurance and other taxes		**127**	114	201
Marketing		**114**	128	115
Impairment of affordable housing investments		**108**	90	85
Professional services fees		**76**	56	58
Operating lease		**57**	43	41
Travel		**54**	52	52
Postal and courier		**48**	48	49
Data processing		**42**	40	29
Recruitment and education		**26**	28	31
Insurance		**17**	18	25
OREO expense		**16**	21	34
Supplies		**16**	17	18
Intangible asset amortization		**8**	13	22
Loss (gain) on debt extinguishment		**8**	169	(8)
Benefit from the reserve for unfunded commitments and letters of credit		**(17)**	(2)	(46)
Other, net		**185**	169	194
Total	$	**1,264**	1,374	1,224

26. EARNINGS PER SHARE

The calculation of earnings per share and the reconciliation of earnings per share and earnings per diluted share for the years ended December 31:

		2013			2012			2011		
(in millions, except per share data)		Income	Average Shares	Per Share Amount	Income	Average Shares	Per Share Amount	Income	Average Shares	Per Share Amount
Earnings per share:										
Net income attributable to Bancorp	$	**1,836**			1,576			1,297		
Dividends on preferred stock		**37**			35			203		
Net income available to common shareholders		**1,799**			1,541			1,094		
Less: Income allocated to participating securities		**14**			10			6		
Net income allocated to common shareholders	$	**1,785**	**869**	**2.05**	1,531	904	1.69	1,088	906	1.20
Earnings per diluted share:										
Net income available to common shareholders	$	**1,799**			1,541			1,094		
Effect of dilutive securities:										
Stock-based awards		**-**	**8**		-	6		-	6	
Series G convertible preferred stock		**18**	**18**		35	36		35	36	
Warrants related to Series F preferred stock		**-**	**-**		-	-		-	2	
Net income available to common shareholders plus assumed conversions		**1,817**			1,576			1,129		
Less: Income allocated to participating securities		**14**			10			6		
Net income allocated to common shareholders plus assumed conversions	$	**1,803**	**895**	**2.02**	1,566	946	1.66	1,123	950	1.18

Shares are excluded from the computation of net income per diluted share when their inclusion has an anti-dilutive effect on earnings per share. The diluted earnings per share computation for 2013, 2012, and 2011 excludes 24 million, 36 million, and 29 million, respectively, of stock appreciation rights and 1 million, 5 million, and 8 million, respectively, of stock options because their inclusion would have been anti-dilutive.

The diluted earnings per share computation for the year ended December 31, 2013 excludes the impact of the forward contracts related to the November 18, 2013 and December 13, 2013 accelerated share repurchase transactions. Based on the average daily volume-weighted average price of the Bancorp's common stock during the fourth quarter of 2013, the counterparty to the transactions would have been required to deliver approximately 5 million shares as of December 31, 2013, and thus the impact of the two accelerated share repurchase transactions would have been anti-dilutive to earnings per share. The diluted earnings per share computation for the year ended December 31, 2012 excludes the impact of the forward contracts related to the November 6, 2012 and December 14, 2012 accelerated share repurchase transactions because, based upon the average daily volume-weighted average price of the Bancorp's common stock during the fourth quarter of 2012, the counterparty to the transactions would have been required to deliver approximately 1 million shares as of December 31, 2012, and thus the impact of the two accelerated share repurchase transactions would have been anti-dilutive to earnings per share.

27. FAIR VALUE MEASUREMENTS

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. For more information regarding the fair value hierarchy and how the Bancorp measures fair value, see Note 1.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured at fair value on a recurring basis, including residential mortgage loans held for sale for which the Bancorp has elected the fair value option as of:

	Fair Value Measurements Using			
December 31, 2013 ($ in millions)	Level 1[c]	Level 2[c]	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	$ 26	-	-	26
U.S. Government sponsored agencies	-	1,644	-	1,644
Obligations of states and political subdivisions	-	192	-	192
Agency mortgage-backed securities	-	12,284	-	12,284
Other bonds, notes and debentures	-	3,582	-	3,582
Other securities[a]	89	29	-	118
Available-for-sale securities[a]	115	17,731	-	17,846
Trading securities:				
U.S. Treasury and Government agencies	1	-	-	1
U.S. Government sponsored agencies	-	4	-	4
Obligations of states and political subdivisions	-	12	1	13
Agency mortgage-backed securities	-	3	-	3
Other bonds, notes and debentures	-	7	-	7
Other securities	315	-	-	315
Trading securities	316	26	1	343
Residential mortgage loans held for sale	-	890	-	890
Residential mortgage loans[b]	-	-	92	92
Derivative assets:				
Interest rate contracts	13	802	12	827
Foreign exchange contracts	-	276	-	276
Equity contracts	-	-	384	384
Commodity contracts	18	48	-	66
Derivative assets	31	1,126	396	1,553
Total assets	$ 462	19,773	489	20,724
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 1	384	4	389
Foreign exchange contracts	-	252	-	252
Equity contracts	-	-	48	48
Commodity contracts	9	56	-	65
Derivative liabilities	10	692	52	754
Short positions	4	4	-	8
Total liabilities	$ 14	696	52	762

December 31, 2012 ($ in millions)	Fair Value Measurements Using Level 1[c]	Level 2[c]	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	$ 41	-	-	41
U.S. Government sponsored agencies	-	1,911	-	1,911
Obligations of states and political subdivisions	-	212	-	212
Agency mortgage-backed securities	-	8,730	-	8,730
Other bonds, notes and debentures	-	3,277	-	3,277
Other securities[a]	79	113	-	192
Available-for-sale securities[a]	120	14,243	-	14,363
Trading securities:				
U.S. Treasury and Government agencies	1	-	-	1
U.S. Government sponsored agencies	-	6	-	6
Obligations of states and political subdivisions	-	16	1	17
Agency mortgage-backed securities	-	7	-	7
Other bonds, notes and debentures	-	15	-	15
Other securities	161	-	-	161
Trading securities	162	44	1	207
Residential mortgage loans held for sale	-	2,856	-	2,856
Residential mortgage loans[b]	-	-	76	76
Derivative assets:				
Interest rate contracts	2	1,445	60	1,507
Foreign exchange contracts	-	201	-	201
Equity contracts	-	-	177	177
Commodity contracts	-	87	-	87
Derivative assets	2	1,733	237	1,972
Total assets	$ 284	18,876	314	19,474
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 14	600	3	617
Foreign exchange contracts	-	183	-	183
Equity contracts	-	-	33	33
Commodity contracts	-	82	-	82
Derivative liabilities	14	865	36	915
Short positions	8	2	-	10
Total liabilities	$ 22	867	36	925

(a) *Excludes FHLB and FRB restricted stock totaling **$402** and **$349**, respectively, at **December 31, 2013** and $497 and $347, respectively, at December 31, 2012.*
(b) *Includes residential mortgage loans originated as held for sale and subsequently transferred to held for investment.*
(c) *During the years ended December 31, 2013 and 2012, no assets or liabilities were transferred between Level 1 and Level 2.*

The following is a description of the valuation methodologies used for significant instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Available-for-sale and trading securities

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using quoted prices of securities with similar characteristics, or pricing models, such as discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Corporate bonds are included in other bonds, notes and debentures in the previous table. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics.

Residential mortgage loans held for sale

For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, DCF models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the DCF model. These observable inputs include interest rate spreads from agency

mortgage-backed securities market rates and observable discount rates.

Residential mortgage loans

Residential mortgage loans held for sale that are reclassified to held for investment are transferred from Level 2 to Level 3 of the fair value hierarchy. It is the Bancorp's policy to value any transfers between levels of the fair value hierarchy based on end of period fair values.

For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy. An adverse change in the loss rate or severity assumption would result in a decrease in fair value of the related loan. The Secondary Marketing Department, which reports to the Bancorp's Chief Operating Officer, in conjunction with the Consumer Credit Risk Department, which reports to the Bancorp's Chief Risk and Credit Officer, are responsible for determining the valuation methodology for residential mortgage loans held for investment. The Secondary Marketing Department reviews loss severity assumptions quarterly to determine if adjustments are necessary based on decreases in observable housing market data. This group also reviews trades in comparable benchmark securities and adjusts the values of loans as necessary. Consumer Credit Risk is responsible for the credit component of the fair value which is based on internally developed loss rate models that take into account historical loss rates and loss severities based on underlying collateral values.

Derivatives

Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At December 31, 2013 and 2012, derivatives classified as Level 3, which are valued using models containing unobservable inputs, consisted primarily of a warrant associated with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC to Advent International and a total return swap associated with the Bancorp's sale of Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

The warrant allows the Bancorp to purchase approximately 20 million incremental nonvoting units in Vantiv Holding, LLC under certain defined conditions involving change of control. The fair value of the warrant is calculated in conjunction with a third party valuation provider by applying Black-Scholes option valuation models using probability weighted scenarios which contain the following inputs: Vantiv, Inc. stock price, strike price per the Warrant Agreement and several unobservable inputs, such as expected term, expected volatility, and expected dividend rate.

For the warrant, an increase in the expected term (years) and the expected volatility assumptions would result in an increase in the fair value; correspondingly, a decrease in these assumptions would result in a decrease in the fair value. The Accounting and Treasury Departments, both of which report to the Bancorp's Chief Financial Officer, determined the valuation methodology for the warrant. Accounting and Treasury review changes in fair value on a quarterly basis for reasonableness based on changes in historical and implied volatilities, expected terms, probability weightings of the related scenarios, and other assumptions.

Under the terms of the total return swap, the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Visa, Inc. Class B shares into Class A shares. Additionally, the Bancorp will make a quarterly payment based on Visa's stock price and the conversion rate of the Visa, Inc. Class B shares into Class A shares until the date on which the Covered Litigation is settled. The fair value of the total return swap was calculated using a discounted cash flow model based on unobservable inputs consisting of management's estimate of the probability of certain litigation scenarios, the timing of the resolution of the Covered Litigation and Visa litigation loss estimates in excess, or shortfall, of the Bancorp's proportional share of escrow funds.

An increase in the loss estimate or a delay in the resolution of the Covered Litigation would result in an increase in fair value; correspondingly, a decrease in the loss estimate or an acceleration of the resolution of the Covered Litigation would result in a decrease in fair value. The Accounting and Treasury Departments determined the valuation methodology for the total return swap. Accounting and Treasury review the changes in fair value on a quarterly basis for reasonableness based on Visa stock price changes, litigation contingencies, and escrow funding.

The net fair value asset of the interest rate lock commitments at December 31, 2013 was $11 million. Immediate decreases in current interest rates of 25 bps and 50 bps would result in increases in the fair value of the interest rate lock commitments of approximately $8 million and $15 million, respectively. Immediate increases of current interest rates of 25 bps and 50 bps would result in decreases in the fair value of the interest rate lock commitments of approximately $9 million and $18 million, respectively. The decrease in fair value of interest rate lock commitments due to immediate 10% and 20% adverse changes in the assumed loan closing rates would be approximately $1 million and $2 million, respectively, and the increase in fair value due to immediate 10% and 20% favorable changes in the assumed loan closing rates would be approximately $1 million and $2 million, respectively. These sensitivities are hypothetical and should be used with caution, as changes in fair value based on a variation in assumptions typically cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear.

The Secondary Marketing Department and the Consumer Line of Business Finance Department, which reports to the Bancorp's Chief Financial Officer, are responsible for determining the valuation methodology for IRLCs. Secondary Marketing, in conjunction with a third party valuation provider, periodically review loan closing rate assumptions and recent loan sales to determine if adjustments are needed for current market conditions not reflected in historical data.

The following tables are a reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

For the year ended December 31, 2013 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net[(a)]	Equity Derivatives, Net[(a)]	Total Fair Value
Beginning balance	$ 1	76	57	144	$ 278
Total gains or losses (realized/unrealized):					
Included in earnings	**-**	**(1)**	**59**	**175**	**233**
Purchases	**-**	**-**	**(2)**	**-**	**(2)**
Settlements	**-**	**(17)**	**(106)**	**17**	**(106)**
Transfers into Level 3[(b)]	**-**	**34**	**-**	**-**	**34**
Ending balance	**$ 1**	**92**	**8**	**336**	**$ 437**
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2013[(c)]	**$ -**	**(1)**	**11**	**175**	**$ 185**

For the year ended December 31, 2012 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net[(a)]	Equity Derivatives, Net[(a)]	Total Fair Value
Beginning balance	$ 1	65	32	32	$ 130
Total gains or losses (realized/unrealized):					
Included in earnings	-	-	418	22	440
Settlements	-	(15)	(393)	90	(318)
Transfers into Level 3[(b)]	-	26	-	-	26
Ending balance	$ 1	76	57	144	$ 278
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012[(c)]	$ -	-	233	22	$ 255

For the year ended December 31, 2011 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net[(a)]	Equity Derivatives, Net[(a)]	Total Fair Value
Beginning balance	$ 6	46	2	53	$ 107
Total gains or losses (realized/unrealized):					
Included in earnings	-	4	205	(43)	166
Purchases	-	-	-	2	2
Sales	(5)	-	-	-	(5)
Settlements	-	(9)	(175)	20	(164)
Transfers into Level 3[(b)]	-	24	-	-	24
Ending balance	$ 1	65	32	32	$ 130
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2011[(c)]	$ -	4	32	(43)	$ (7)

*(a) Net interest rate derivatives include derivative assets and liabilities of **$12** and **$4**, respectively, as of **December 31, 2013**, $60 and $3, respectively as of December 31, 2012 and $34 and $2, respectively, as of December 31, 2011. Net equity derivatives include derivative assets and liabilities of **$384** and **$48**, respectively, as of **December 31, 2013,** $177 and $33, respectively, as of December 31, 2012, and $113 and $81, respectively, as of December 31, 2011.*

(b) Includes residential mortgage loans held for sale that were transferred to held for investment.

(c) Includes interest income and expense.

The total gains and losses included in earnings for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were recorded in the Consolidated Statements of Income as follows:

($ in millions)		**2013**	2012	2011
Mortgage banking net revenue		**57**	418	210
Corporate banking revenue		**1**	1	2
Other noninterest income		**175**	21	(46)
Total gains	**$**	**233**	440	166

The total gains and losses included in earnings attributable to changes in unrealized gains and losses related to Level 3 assets and liabilities still held at December 31, 2013, 2012 and 2011 were recorded in the Consolidated Statements of Income as follows:

($ in millions)		**2013**	2012	2011
Mortgage banking net revenue		**10**	233	37
Corporate banking revenue		**-**	1	1
Other noninterest income		**175**	21	(45)
Total (losses) gains	**$**	**185**	255	(7)

The following table presents information as of December 31, 2013 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a recurring basis:

($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	$ **92**	Loss rate model	Interest rate risk factor	**(23.7) - 16.5%**	**2.3%**
			Credit risk factor	**0 - 63.4%**	**2.6%**
IRLCs, net	**11**	Discounted cash flow	Loan closing rates	**14.9 - 98.7%**	**68.5%**
Stock warrant associated with Vantiv Holding, LLC	**384**	Black-Scholes option valuation model	Expected term (years)	**2.00 - 15.50**	**5.1**
			Expected volatility[(a)]	**18.5 - 33.2%**	**25.4%**
			Expected dividend rate	**-**	**-**
Swap associated with the sale of Visa, Inc. Class B shares	**(48)**	Discounted cash flow	Timing of the resolution of the Covered Litigation	**12/31/2014 - 12/31/2019**	**NM**

(a) Based on historical and implied volatilities of comparable companies assuming similar expected terms.

The following table presents information as of December 31, 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a recurring basis:

($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	$ 76	Loss rate model	Interest rate risk factor	(91.2) - 17.0%	5.8%
			Credit risk factor	0 - 68.4%	4.3%
IRLCs, net	60	Discounted cash flow	Loan closing rates	9.9 - 95.0%	58.3%
Stock warrant associated with Vantiv Holding, LLC	177	Black-Scholes option valuation model	Expected term (years)	2.00 - 16.50	6.2
			Expected volatility[(a)]	27.2 - 40.0%	33.8%
			Expected dividend rate	-	-
Swap associated with the sale of Visa, Inc. Class B shares	(33)	Discounted cash flow	Timing of the resolution of the Covered Litigation	12/31/2013 - 12/31/2016	NM

(a) Based on historical and implied volatilities of comparable companies assuming similar expected terms.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

The following tables represent those assets that were subject to fair value adjustments during the years ended December 31, 2013 and 2012 and still held as of the end of the period, and the related losses from fair value adjustments on assets sold during the period as well as assets still held as of the end of the period:

		Fair Value Measurements Using				Total Losses
As of December 31, 2013 ($ in millions)		Level 1	Level 2	Level 3	Total	**2013**
Commercial loans held for sale[(a)]	**$**	**-**	**-**	**3**	**3**	**(7)**
Commercial and industrial loans		**-**	**-**	**443**	**443**	**(281)**
Commercial mortgage loans		**-**	**-**	**61**	**61**	**(41)**
Commercial construction loans		**-**	**-**	**16**	**16**	**(10)**
MSRs		**-**	**-**	**967**	**967**	**192**
OREO		**-**	**-**	**87**	**87**	**(45)**
Private equity investment funds		**-**	**-**	**181**	**181**	**(4)**
Total	**$**	**-**	**-**	**1,758**	**1,758**	**(196)**

		Fair Value Measurements Using				Total Losses
As of December 31, 2012 ($ in millions)		Level 1	Level 2	Level 3	Total	2012
Commercial loans held for sale[(a)]	$	-	-	9	9	(13)
Commercial and industrial loans		-	-	83	83	(122)
Commercial mortgage loans		-	-	46	46	(50)
Commercial construction loans		-	-	4	4	(22)
MSRs		-	-	697	697	(103)
OREO		-	-	165	165	(74)
Total	$	-	-	1,004	1,004	(384)

(a) *Includes commercial nonaccrual loans held for sale.*

The following tables present information as of December 31, 2013 and 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a nonrecurring basis:

As of December 31, 2013 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	$ **3**	Appraised value	Appraised value	**NM**	**NM**
			Cost to sell	**NM**	**10.0%**
Commercial and industrial loans	**443**	Appraised value	Collateral value	**NM**	**NM**
Commercial mortgage loans	**61**	Appraised value	Collateral value	**NM**	**NM**
Commercial construction loans	**16**	Appraised value	Collateral value	**NM**	**NM**
MSRs	**967**	Discounted cash flow	Prepayment speed	**0 - 100%**	**(Fixed) 10.3%** **(Adjustable) 25.6%**
			Discount rates	**9.4 - 18.0%**	**(Fixed) 10.4%** **(Adjustable) 11.6%**
OREO	**87**	Appraised value	Appraised value	**NM**	**NM**
Private equity investment funds	**44**[(a)]	Liquidity discount applied to fund's net asset value	Liquidity discount	**0 - 18%**	**3.0%**

(a) *Includes funds the Bancorp will be prohibited from retaining after the July 21, 2015 end of the conformance period for the final rules, adopted under the Bank Holding Company Act, that implemented the provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as the Volcker Rule.*

As of December 31, 2012 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	$ 9	Appraised value	Appraised value	NM	NM
			Cost to sell	NM	10.0%
Commercial and industrial loans	83	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
Commercial mortgage loans	46	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
Commercial construction loans	4	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
MSRs	697	Discounted cash flow	Prepayment speed	0 - 100%	(Fixed) 16.1% (Adjustable) 26.9%
			Discount rates	9.4 - 18.0%	(Fixed) 10.5% (Adjustable) 11.7%
OREO	165	Appraised value	Appraised value	NM	NM

Commercial loans held for sale

During 2013 and 2012, the Bancorp transferred $5 million and $16 million, respectively, of commercial loans from the portfolio to loans held for sale that upon transfer were measured at fair value using significant unobservable inputs. These loans had fair value adjustments in 2013 and 2012 totaling $4 million and $1 million, respectively, and were generally based on appraisals of the underlying collateral and were therefore, classified within Level 3 of the valuation hierarchy. Additionally, during 2013 and 2012 there were fair value adjustments on existing commercial loans held for sale of $3 million and $12 million, respectively. The fair value adjustments were also based on appraisals of the underlying collateral and were therefore classified within Level 3 of the valuation hierarchy. An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The Accounting Department determines the procedures for valuation of commercial HFS loans which may include a comparison to recently executed transactions of similar type loans. A monthly review of the portfolio is performed for reasonableness. Quarterly, appraisals approaching a year old are updated and the Real Estate Valuation group, which reports to the Chief Risk and Credit Officer, in conjunction with the Commercial Line of Business review the third party appraisals for reasonableness. Additionally, the Commercial Line of Business Finance Department, which reports to the Bancorp Chief Financial Officer, in conjunction with Accounting review all loan appraisal values, carrying values and vintages.

Commercial loans held for investment

During 2013 and 2012, the Bancorp recorded nonrecurring impairment adjustments to certain commercial and industrial, commercial mortgage and commercial construction loans held for investment. Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure and other factors when evaluating whether an individual loan is impaired. When the loan is collateral dependent, the fair value of the loan is generally based on the fair value of the underlying collateral supporting the loan and therefore these loans were classified within Level 3 of the valuation hierarchy. In cases where the carrying value exceeds the fair value, an impairment loss is recognized.

An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The fair values and recognized impairment losses are reflected in the previous table. Commercial Credit Risk, which reports to the Chief Risk and Credit Officer, is responsible for preparing and reviewing the fair value estimates for commercial loans held for investment.

MSRs

Mortgage interest rates increased during the year ended December 31, 2013 and the Bancorp recognized a recovery of temporary impairment on servicing rights. The Bancorp recognized temporary impairments in certain classes of the MSR portfolio during the year ended December 31, 2012 and the carrying value was adjusted to the fair value. MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs do occur, the precise terms and conditions typically are not readily available. Accordingly, the Bancorp estimates the fair value of MSRs using internal discounted cash flow models with certain unobservable inputs, primarily prepayment speed assumptions, discount rates and weighted average lives, resulting in a classification within Level 3 of the valuation hierarchy. Refer to Note 11 for further information on the assumptions used in the valuation of the Bancorp's MSRs. The Secondary Marketing Department and Treasury Department are responsible for determining the valuation methodology for MSRs. Representatives from Secondary Marketing, Treasury, Accounting and Risk Management are responsible for reviewing key assumptions used in the internal discounted cash flow model. Two external valuations of the MSR portfolio are obtained from third parties that use valuation models in order to assess the reasonableness of the internal discounted cash flow model. Additionally, the Bancorp participates in peer surveys that provide additional confirmation of the reasonableness of key assumptions utilized in the MSR valuation process and the resulting MSR prices.

OREO

During 2013 and 2012, the Bancorp recorded nonrecurring adjustments to certain commercial and residential real estate properties classified as OREO and measured at the lower of carrying amount or fair value. These nonrecurring losses are primarily due to declines in real estate values of the properties recorded in OREO. For the years ended December 31, 2013 and 2012, these losses include $19 million and $17 million, respectively, recorded as charge-offs, on new OREO properties transferred from loans during the respective periods and $26 million and $57 million, respectively, recorded as negative fair value adjustments on OREO in other noninterest income subsequent to their transfer from loans. As discussed in the following paragraphs, the fair value amounts are generally based on appraisals of the property values, resulting in a

classification within Level 3 of the valuation hierarchy. In cases where the carrying amount exceeds the fair value, less costs to sell, an impairment loss is recognized. The previous tables reflect the fair value measurements of the properties before deducting the estimated costs to sell.

The Real Estate Valuation department, which reports to the Chief Risk and Credit Officer, is solely responsible for managing the appraisal process and evaluating the appraisal for all commercial properties transferred to OREO. All appraisals on commercial OREO properties are updated on at least an annual basis.

The Real Estate Valuation department reviews the BPO data and internal market information to determine the initial charge-off on residential real estate loans transferred to OREO. Once the foreclosure process is completed, the Bancorp performs an interior inspection to update the initial fair value of the property. These properties are reviewed at least every 30 days after the initial interior inspections are completed. The Asset Manager receives a monthly status report for each property which includes the number of showings, recently sold properties, current comparable listings and overall market conditions.

Private equity investment funds

The Volcker Rule, which was approved by the respective federal agencies on December 10, 2013 and becomes effective July 21, 2015, prohibits the Bancorp from retaining an interest in certain of its private equity fund investments. Therefore, while the Bancorp has not approved a formal plan to sell any of the private equity funds, the Bancorp has determined that it may be forced to sell certain of these funds prior to their scheduled redemption dates. As a result, the Bancorp has performed nonrecurring fair value measurements on a fund by fund basis to determine whether OTTI exists. The Bancorp estimated the fair value of a fund by using the net asset value reported by the fund manager, and in some cases, applying an estimated market discount to the reported net asset value of the fund. Because the length of time until the investment will become redeemable is generally not certain, these funds were classified within Level 3 of the valuation hierarchy. An adverse change in the reported net asset values or estimated market discounts where applicable, would result in a decrease in the fair value estimate. In cases where the carrying value exceeds the fair value, an impairment loss is recognized. The Bancorp's private equity department, which reports to the Chief Operating Officer, in conjunction with Accounting, is responsible for preparing and reviewing the fair value estimates.

Fair Value Option

The Bancorp elected to measure certain residential mortgage loans held for sale under the fair value option as allowed under U.S. GAAP. Electing to measure residential mortgage loans held for sale at fair value reduces certain timing differences and better matches changes in the value of these assets with changes in the value of derivatives used as economic hedges for these assets. Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and maintained in the Bancorp's loan portfolio. In such cases, the loans will continue to be measured at fair value.

Fair value changes recognized in earnings for instruments held at December 31, 2013 and 2012 for which the fair value option was elected as well as the changes in fair value of the underlying IRLCs, included gains of $20 million and $157 million, respectively. Additionally, fair value changes included in earnings for instruments for which the fair value option was elected but are no longer held by the Bancorp at December 31, 2013 and 2012 included gains of $451 million and $849 million during 2013 and 2012, respectively. These gains are reported in mortgage banking net revenue in the Consolidated Statements of Income.

Valuation adjustments related to instrument-specific credit risk for residential mortgage loans measured at fair value negatively impacted the fair value of those loans by $2 million and $3 million at December 31, 2013 and 2012, respectively. Interest on residential mortgage loans measured at fair value is accrued as it is earned using the effective interest method and is reported as interest income in the Consolidated Statements of Income.

The following table summarizes the difference between the fair value and the principal balance for residential mortgage loans measured at fair value as of:

($ in millions)		Aggregate Fair Value	Aggregate Unpaid Principal Balance	Difference
December 31, 2013				
Residential mortgage loans measured at fair value	**$**	**982**	**962**	**20**
Past due loans of 90 days or more		**1**	**2**	**(1)**
Nonaccrual loans		**2**	**2**	**-**
December 31, 2012				
Residential mortgage loans measured at fair value	$	2,932	2,775	157
Past due loans of 90 days or more		3	4	(1)
Nonaccrual loans		-	1	(1)

Fair Value of Certain Financial Instruments

The following tables summarize the carrying amounts and estimated fair values for certain financial instruments, excluding financial instruments measured at fair value on a recurring basis:

As of December 31, 2013 ($ in millions)		Net Carrying Amount	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
Financial assets:						
Cash and due from banks	$	**3,178**	**3,178**	**-**	**-**	**3,178**
Other securities		**751**	**-**	**751**	**-**	**751**
Held-to-maturity securities		**208**	**-**	**-**	**208**	**208**
Other short-term investments		**5,116**	**5,116**	**-**	**-**	**5,116**
Loans held for sale		**54**	**-**	**-**	**54**	**54**
Portfolio loans and leases:						
Commercial and industrial loans		**38,549**	**-**	**-**	**39,804**	**39,804**
Commercial mortgage loans		**7,854**	**-**	**-**	**7,430**	**7,430**
Commercial construction loans		**1,013**	**-**	**-**	**856**	**856**
Commercial leases		**3,572**	**-**	**-**	**3,261**	**3,261**
Residential mortgage loans[(a)]		**12,399**	**-**	**-**	**11,541**	**11,541**
Home equity		**9,152**	**-**	**-**	**9,181**	**9,181**
Automobile loans		**11,961**	**-**	**-**	**11,748**	**11,748**
Credit card		**2,202**	**-**	**-**	**2,380**	**2,380**
Other consumer loans and leases		**348**	**-**	**-**	**361**	**361**
Unallocated allowance for loan and lease losses		**(110)**	**-**	**-**	**-**	**-**
Total portfolio loans and leases, net[(a)]		**86,940**	**-**	**-**	**86,562**	**86,562**
Financial liabilities:						
Deposits		**99,275**	**-**	**99,288**	**-**	**99,288**
Federal funds purchased		**284**	**284**	**-**	**-**	**284**
Other short-term borrowings		**1,380**	**-**	**1,380**	**-**	**1,380**
Long-term debt		**9,633**	**9,645**	**577**	**-**	**10,222**

(a) *Excludes **$92** of residential mortgage loans measured at fair value on a recurring basis.*

As of December 31, 2012 ($ in millions)		Net Carrying Amount	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
Financial assets:						
Cash and due from banks	$	2,441	2,441	-	-	2,441
Other securities		844	-	844	-	844
Held-to-maturity securities		284	-	-	284	284
Other short-term investments		2,421	2,421	-	-	2,421
Loans held for sale		83	-	-	83	83
Portfolio loans and leases:						
Commercial and industrial loans		35,236	-	-	36,496	36,496
Commercial mortgage loans		8,770	-	-	8,020	8,020
Commercial construction loans		665	-	-	505	505
Commercial leases		3,481	-	-	3,310	3,310
Residential mortgage loans[(a)]		11,712	-	-	11,532	11,532
Home equity		9,875	-	-	9,798	9,798
Automobile loans		11,944	-	-	12,076	12,076
Credit card		2,010	-	-	2,139	2,139
Other consumer loans and leases		270	-	-	288	288
Unallocated allowance for loan and lease losses		(111)	-	-	-	-
Total portfolio loans and leases, net[(a)]		83,852	-	-	84,164	84,164
Financial liabilities:						
Deposits		89,517	-	85,592	-	85,592
Federal funds purchased		901	901	-	-	901
Other short-term borrowings		6,280	-	6,280	-	6,280
Long-term debt		7,085	6,925	884	-	7,809

(a) *Excludes $76 of residential mortgage loans measured at fair value on a recurring basis.*

Cash and due from banks, other securities, other short-term investments, deposits, federal funds purchased and other short-term borrowings

For financial instruments with a short-term or no stated maturity, prevailing market rates and limited credit risk, carrying amounts approximate fair value. Those financial instruments include cash and due from banks, FHLB and FRB restricted stock, other short-term investments, certain deposits (demand, interest checking, savings, money market and foreign office deposits), and federal funds purchased. Fair values for other time deposits, certificates of deposit $100,000 and over and other short-term borrowings were estimated using a discounted cash flow calculation that applied prevailing LIBOR/swap interest rates for the same maturities.

Held-to-maturity securities
The Bancorp's held-to-maturity securities are primarily composed of instruments that provide income tax credits as the economic return on the investment. The fair value of these instruments is estimated based on current U.S. Treasury tax credit rates.

Loans held for sale
Fair values for commercial loans held for sale were valued based on executable bids when available, or on discounted cash flow models incorporating appraisals of the underlying collateral, as well as assumptions about investor return requirements and amounts and timing of expected cash flows. Fair values for other consumer loans held for sale are based on contractual values upon which the loans may be sold to a third party, and approximate their carrying value.

Portfolio loans and leases, net
Fair values were estimated by discounting future cash flows using the current market rates of loans to borrowers with similar credit characteristics and similar remaining maturities.

Long-term debt
Fair values for long-term debt were based on quoted market prices, when available, or a discounted cash flow calculation using LIBOR/swap interest rates and, in some cases, a spread for new issuances with similar terms.

28. CERTAIN REGULATORY REQUIREMENTS AND CAPITAL RATIOS

The principal source of income and funds for the Bancorp (parent company) are dividends from its subsidiaries. The dividends paid by the Bancorp's banking subsidiary are subject to regulations and limitations prescribed by the appropriate state and federal supervisory authorities. The Bancorp's nonbank subsidiaries are also limited by certain federal and state statutory provisions and regulations covering the amount of dividends that may be paid in any given year.

The Bancorp's banking subsidiary must maintain cash reserve balances when total reservable deposit liabilities are greater than the regulatory exemption. These reserve requirements may be satisfied with vault cash and balances on deposit with the FRB. In 2013 and 2012, the banking subsidiary was required to maintain average cash reserve balances of $1.6 billion and $1.5 billion, respectively.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines pursuant to which it assesses the adequacy of capital in examining and supervising a bank holding company and in analyzing applications to it under the Bank Holding Company Act of 1956, as amended. These guidelines include quantitative measures that assign risk weightings to assets and off-balance sheet items, as well as define and set minimum regulatory capital requirements. All bank holding companies are required to maintain Tier I capital (core capital) of at least four percent of risk-weighted assets (Tier I capital ratio), total capital (Tier I plus Tier II capital) of at least eight percent of risk-weighted assets (Total risk-based capital ratio), and Tier I capital of at least three percent of adjusted quarterly average assets (Tier I leverage ratio). Failure to meet the minimum capital requirements can initiate certain actions by regulators that could have a direct material effect on the Consolidated Financial Statements of the Bancorp.

Tier I capital consists principally of shareholders' equity including Tier I qualifying TruPS. It excludes unrealized gains and losses on available-for-sale securities and unrecognized pension actuarial gains and losses and prior service cost, goodwill, certain other intangibles and unrealized gains and losses on cash flow hedges. The revised regulatory capital rules known as Basel III will phase out the inclusion of certain TruPS as a component of Tier I capital when the rules become effective for the Bancorp beginning January 1, 2015. Under these provisions, these TruPS would qualify as a component of Tier II capital. At December 31, 2013, the Bancorp's Tier I capital included $60 million of TruPS representing approximately 5 bps of risk-weighted assets.

Tier II capital consists principally of term subordinated debt, redeemable preferred stock and, subject to limitations, allowances for credit losses.

Assets and credit equivalent amounts of off-balance-sheet items are assigned to one of several broad risk categories, according to the obligor, guarantor or nature of collateral. The aggregate dollar value of the amount of each category is multiplied by the associated risk weighting of that category. The resulting weighted values from each of the risk categories in sum is the total risk-weighted assets. Quarterly average assets for this purpose do not include goodwill and any other intangible assets and other investments that the FRB determines should be deducted from Tier I capital.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines for banking subsidiaries substantially similar to those adopted for bank holding companies, as described previously. In addition, the federal banking agencies have issued substantially similar regulations to implement the system of prompt corrective action established by Section 38 of the Federal Deposit Insurance Act. Under the regulations, a bank generally shall be deemed to be well-capitalized if it has a Total risk-based capital ratio of 10% or more, a Tier I capital ratio of six percent or more, a Tier I leverage ratio of five percent or more and is not subject to any written capital order or directive. If an institution becomes undercapitalized, it would become subject to significant additional oversight, regulations and requirements as mandated by the Federal Deposit Insurance Act.

The Bancorp and its banking subsidiary, Fifth Third Bank, had Tier I capital, Total risk-based capital and Tier I leverage ratios above the well-capitalized levels at December 31, 2013 and 2012. As of December 31, 2013, the most recent notification from the FRB categorized the Bancorp and its banking subsidiary as well-capitalized under the regulatory framework for prompt corrective action. To continue to qualify for financial holding company status pursuant to the Gramm-Leach-Bliley Act of 1999, the Bancorp's banking subsidiary must, among other things, maintain "well-capitalized" capital ratios.

The following table presents capital and risk-based capital and leverage ratios for the Bancorp and its banking subsidiary at December 31:

	2013		2012	
($ in millions)	**Amount**	**Ratio**	Amount	Ratio
Tier I risk-based capital (to risk-weighted assets):				
Fifth Third Bancorp (Consolidated)	$ **12,094**	**10.36%**	$ 11,685	10.65%
Fifth Third Bank	**13,245**	**11.52**	12,145	11.28
Total risk-based capital (to risk-weighted assets):				
Fifth Third Bancorp (Consolidated)	**16,441**	**14.08**	15,816	14.42
Fifth Third Bank	**14,795**	**12.86**	13,721	12.74
Tier I leverage (to average assets):				
Fifth Third Bancorp (Consolidated)	**12,094**	**9.64**	11,685	10.05
Fifth Third Bank	**13,245**	**10.73**	12,145	10.65

29. PARENT COMPANY FINANCIAL STATEMENTS

Condensed Statements of Income (Parent Company Only) For the years ended December 31 ($ in millions)		2013	2012	2011
Income				
Dividends from subsidiaries:				
Consolidated bank subsidiaries[(a)]	$	-	-	-
Consolidated nonbank subsidiary		859	1,959	1,677
Interest on loans to subsidiaries		14	17	29
Total income		873	1,976	1,706
Expenses				
Interest		178	215	216
Other		36	61	25
Total expenses		214	276	241
Income Before Income Taxes and Change in Undistributed Earnings of Subsidiaries		659	1,700	1,465
Applicable income tax benefit		74	96	79
Income Before Change in Undistributed Earnings of Subsidiaries		733	1,796	1,544
Change in undistributed earnings		1,103	(220)	(247)
Net Income	$	1,836	1,576	1,297

*(a) The Bancorp's indirect banking subsidiary paid dividends to the Bancorp's direct nonbank subsidiary holding company of **$859 million**, $2.0 billion and $2.0 billion for the years ended **2013**, 2012, and 2011, respectively.*

Condensed Statements of Comprehensive Income (Parent Company Only) For the years ended December 31 ($ in millions)		2013	2012	2011
Net income	$	1,836	1,576	1,297
Other comprehensive income, net of tax:				
Unrealized gains on cash flow hedge derivatives		-	3	2
Other comprehensive income		-	3	2
Comprehensive income attributable to Parent	$	1,836	1,579	1,299

Condensed Balance Sheets (Parent Company Only) As of December 31 ($ in millions)		2013	2012
Assets			
Cash	$	-	-
Short-term investments		2,505	3,481
Loans to subsidiaries:			
Bank subsidiaries		-	-
Nonbank subsidiaries		974	1,021
Total loans to subsidiaries		974	1,021
Investment in subsidiaries			
Nonbank subsidiaries		16,254	15,376
Total investment in subsidiaries		16,254	15,376
Goodwill		80	80
Other assets		323	579
Total Assets	$	20,136	20,537
Liabilities			
Other short-term borrowings		311	566
Accrued expenses and other liabilities		442	456
Long-term debt (external)		4,757	5,751
Total Liabilities		5,510	6,773
Parent Company Shareholders' Equity		14,626	13,764
Total Liabilities and Parent Company Shareholders' Equity	$	20,136	20,537

Condensed Statements of Cash Flows (Parent Company Only) For the years ended December 31 ($ in millions)		2013	2012	2011
Operating Activities				
Net income	$	1,836	1,576	1,297
Adjustments to reconcile net income to net cash provided by operating activities:				
(Benefit from) provision for deferred income taxes		(1)	2	(3)
Net change in undistributed earnings		(1,103)	220	247
Net change in:				
Other assets		13	57	39
Accrued expenses and other liabilities		(28)	18	3
Net Cash Provided by Operating Activities		717	1,873	1,583
Investing Activities				
Net change in:				
Short-term investments		976	107	(635)
Loans to subsidiaries		47	11	489
Net Cash Provided by (Used in) Investing Activities		1,023	118	(146)
Financing Activities				
Net change in other short-term borrowings		(255)	(89)	241
Proceeds from issuance of long-term debt		750	500	1,000
Repayment of long-term debt		(1,500)	(1,440)	(400)
Dividends paid on common shares		(393)	(309)	(192)
Dividends paid on preferred shares		(37)	(35)	(50)
Issuance of common shares		-	-	1,648
Issuance of preferred stock		1,034	-	-
Repurchases of treasury shares and related forward contracts		(1,320)	(650)	-
Redemption of Series F preferred shares and related warrants		-	-	(3,688)
Other, net		(19)	(18)	(6)
Net Cash Used in Financing Activities		(1,740)	(2,041)	(1,447)
Net (Decrease) Increase in Cash		-	(50)	(10)
Cash at Beginning of Year		-	50	60
Cash at End of Year	$	-	-	50

30. BUSINESS SEGMENTS

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices are improved and businesses change.

The Bancorp manages interest rate risk centrally at the corporate level by employing an FTP methodology. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan originations and deposit taking. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of the estimated durations for the indeterminate-lived deposits. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2013 to reflect the current market rates and updated market assumptions. These rates were generally higher than those in place during 2012, thus net interest income for deposit providing businesses was positively impacted during 2013

The business segments are charged provision expense based on the actual net charge-offs experienced by the loans and leases owned by each segment. Provision expense attributable to loan and leases growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

Results of operations and assets by segment for each of the three years ended December 31 are:

2013 ($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$	1,487	1,461	312	154	147	-	3,561
Provision for loan and lease losses		187	217	92	2	(269)	-	229
Net interest income after provision for loan and lease losses		1,300	1,244	220	152	416	-	3,332
Noninterest income:								
Mortgage banking net revenue		-	12	687	1	-	-	700
Service charges on deposits		242	304	-	3	-	-	549
Corporate banking revenue		386	13	-	3	(2)	-	400
Investment advisory revenue		5	148	-	384	-	(144)(a)	393
Card and processing revenue		52	291	-	5	(76)	-	272
Other noninterest income		95	86	45	10	643	-	879
Securities gains, net		-	-	3	-	18	-	21
Securities gains, net - non-qualifying hedges on mortgage servicing rights		-	-	13	-	-	-	13
Total noninterest income		780	854	748	406	583	(144)	3,227
Noninterest expense:								
Salaries, wages and incentives		233	457	175	134	582	-	1,581
Employee benefits		40	127	40	25	125	-	357
Net occupancy expense		23	185	8	10	81	-	307
Technology and communications		11	4	1	-	188	-	204
Card and processing expense		7	126	-	-	1	-	134
Equipment expense		4	58	1	-	51	-	114
Other noninterest expense		825	748	460	284	(909)	(144)	1,264
Total noninterest expense		1,143	1,705	685	453	119	(144)	3,961
Income before income taxes		937	393	283	105	880	-	2,598
Applicable income tax expense		171	138	100	37	326	-	772
Net income		766	255	183	68	554	-	1,826
Less: Net income attributable to noncontrolling interests		-	-	-	-	(10)	-	(10)
Net income attributable to Bancorp		766	255	183	68	564	-	1,836
Dividends on preferred stock		-	-	-	-	37	-	37
Net income available to common shareholders	$	766	255	183	68	527	-	1,799
Total goodwill	$	613	1,655	-	148	-	-	2,416
Total assets	$	52,287	50,038	22,610	10,711	(5,203)	-	130,443

(a) *Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.*

2012 ($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$	1,432	1,362	314	117	370	-	3,595
Provision for loan and lease losses		223	294	176	10	(400)	-	303
Net interest income after provision for loan and lease losses		1,209	1,068	138	107	770	-	3,292
Noninterest income:								
Mortgage banking net revenue		-	14	830	1	-	-	845
Service charges on deposits		225	294	-	3	-	-	522
Corporate banking revenue		395	15	-	3	-	-	413
Investment advisory revenue		6	129	-	366	-	(127)[(a)]	374
Card and processing revenue		46	279	-	4	(76)	-	253
Other noninterest income		65	81	42	19	367	-	574
Securities gains, net		-	-	1	-	14	-	15
Securities gains, net - non-qualifying hedges on mortgage servicing rights		-	-	3	-	-	-	3
Total noninterest income		737	812	876	396	305	(127)	2,999
Noninterest expense:								
Salaries, wages and incentives		229	448	192	136	602	-	1,607
Employee benefits		39	125	39	25	143	-	371
Net occupancy expense		21	187	8	11	75	-	302
Technology and communications		10	3	1	-	182	-	196
Card and processing expense		5	115	-	-	1	-	121
Equipment expense		2	54	1	1	52	-	110
Other noninterest expense		800	660	429	264	(652)	(127)	1,374
Total noninterest expense		1,106	1,592	670	437	403	(127)	4,081
Income before income taxes		840	288	344	66	672	-	2,210
Applicable income tax expense		146	102	121	23	244	-	636
Net income		694	186	223	43	428	-	1,574
Less: Net income attributable to noncontrolling interests		-	-	-	-	(2)	-	(2)
Net income attributable to Bancorp		694	186	223	43	430	-	1,576
Dividends on preferred stock		-	-	-	-	35	-	35
Net income available to common shareholders	$	694	186	223	43	395	-	1,541
Total goodwill	$	613	1,655	-	148	-	-	2,416
Total assets	$	48,693	48,856	24,657	9,212	(9,524)	-	121,894

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

2011 ($ in millions)		Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$	1,357	1,423	343	113	321	-	3,557
Provision for loan and lease losses		490	393	261	27	(748)	-	423
Net interest income after provision for loan and lease losses		867	1,030	82	86	1,069	-	3,134
Noninterest income:								
Mortgage banking net revenue		-	11	585	1	-	-	597
Service charges on deposits		207	309	-	4	-	-	520
Corporate banking revenue		332	14	-	3	1	-	350
Investment advisory revenue		12	117	-	364	(1)	(117)(a)	375
Card and processing revenue		38	305	-	4	(39)	-	308
Other noninterest income		52	81	36	(3)	84	-	250
Securities gains, net		-	-	-	-	46	-	46
Securities gains, net - non-qualifying hedges on mortgage servicing rights		-	-	9	-	-	-	9
Total noninterest income		641	837	630	373	91	(117)	2,455
Noninterest expense:								
Salaries, wages and incentives		203	454	149	138	534	-	1,478
Employee benefits		37	127	34	26	106	-	330
Net occupancy expense		20	184	8	11	82	-	305
Technology and communications		11	5	1	1	170	-	188
Card and processing expense		5	114	-	-	1	-	120
Equipment expense		2	51	1	1	58	-	113
Other noninterest expense		795	640	433	244	(771)	(117)	1,224
Total noninterest expense		1,073	1,575	626	421	180	(117)	3,758
Income before income taxes		435	292	86	38	980	-	1,831
Applicable income tax expense (benefit)		(6)	102	30	14	393	-	533
Net income		441	190	56	24	587	-	1,298
Less: Net income attributable to noncontrolling interests		-	-	-	-	1	-	1
Net income attributable to Bancorp		441	190	56	24	586	-	1,297
Dividends on preferred stock		-	-	-	-	203	-	203
Net income available to common shareholders	$	441	190	56	24	383	-	1,094
Total goodwill	$	613	1,656	-	148	-	-	2,417
Total assets	$	45,864	46,703	24,325	7,670	(7,595)	-	116,967

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

31. SUBSEQUENT EVENTS

On February 20, 2014, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The primary purposes for which the VIE was created were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide the Bancorp with access to liquidity for its originated loans. The Bancorp retained residual interests in the VIE and, therefore, has an obligation to absorb losses and a right to receive benefits from the VIE that could potentially be significant to the VIE. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, holds the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE. As a result, the Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, will consolidate this VIE in the Bancorp's first quarter of 2014 Form 10-Q. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

On January 28, 2014, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 3,950,705 shares, or approximately $99 million, of its outstanding common stock on January 31, 2014. The Bancorp repurchased the shares of its common stock as part of its Board approved 100 million share repurchase program previously announced on March 19, 2013. The Bancorp expects the settlement of the transaction to occur on or before March 26, 2014.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2013

Commission file number 001-33653

Incorporated in the State of Ohio
I.R.S. Employer Identification No. 31-0854434
Address: 38 Fountain Square Plaza
Cincinnati, Ohio 45263
Telephone: (800) 972-3030

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Common Stock, Without Par Value	The NASDAQ Stock Market LLC
Depositary Shares Representing a 1/1000th Ownership Interest in a Share of 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I	The NASDAQ Stock Market LLC

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes: ☒ No: ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes: ☐ No: ☒

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ 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). Yes: ☒ No: ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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

There were 851,455,370 shares of the Bancorp's Common Stock, without par value, outstanding as of January 31, 2014. The Aggregate Market Value of the Voting Stock held by non-affiliates of the Bancorp was $15,298,734,875 as of June 30, 2013.

DOCUMENTS INCORPORATED BY REFERENCE
This report incorporates into a single document the requirements of the U.S. Securities and Exchange Commission (SEC) with respect to annual reports on Form 10-K and annual reports to shareholders. The Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders is incorporated by reference into Part III of this report.

Only those sections of this 2013 Annual Report to Shareholders that are specified in this Cross Reference Index constitute part of the Registrant's Form 10-K for the year ended December 31, 2013. No other information contained in this 2013 Annual Report to Shareholders shall be deemed to constitute any part of this Form 10-K nor shall any such information be incorporated into the Form 10-K and shall not be deemed "filed" as part of the Registrant's Form 10-K.

10-K Cross Reference Index

PART I

Item 1.	Business	16-20, 173-179
	Employees	41
	Segment Information	43-49, 168-171
	Average Balance Sheets	37
	Analysis of Net Interest Income and Net Interest Income Changes	36-49
	Investment Securities Portfolio	54-55, 102-103
	Loan and Lease Portfolio	53-54, 104-105
	Risk Elements of Loan and Lease Portfolio	58-75
	Deposits	55-57
	Return on Equity and Assets	15
	Short-term Borrowings	57, 128
Item 1A.	Risk Factors	27-35
Item 1B.	Unresolved Staff Comments	None
Item 2.	Properties	180
Item 3.	Legal Proceedings	135-136
Item 4.	Mine Safety Disclosures	N/A
	Executive Officers of the Bancorp	180

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	181
Item 6.	Selected Financial Data	15
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15-85
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	75-78
Item 8.	Financial Statements and Supplementary Data	88-171
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	None
Item 9A.	Controls and Procedures	86
Item 9B.	Other Information	None

PART III

Item 10.	Directors, Executive Officers and Corporate Governance	183
Item 11.	Executive Compensation	183
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	149-152, 183
Item 13.	Certain Relationships and Related Transactions, and Director Independence	183
Item 14.	Principal Accounting Fees and Services	183

PART IV
Item 15. Exhibits, Financial Statement Schedules 183-185
SIGNATURES 186

AVAILABILITY OF FINANCIAL INFORMATION

Fifth Third Bancorp (the "Bancorp") files reports with the SEC. Those reports include the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements, as well as any amendments to those reports. The public may read and copy any materials the Bancorp files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The Bancorp's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are accessible at no cost on the Bancorp's web site at www.53.com on a same day basis after they are electronically filed with or furnished to the SEC.

PART I

ITEM 1. BUSINESS

General Information

The Bancorp, an Ohio corporation organized in 1975, is a bank holding company as defined by the Bank Holding Company Act of 1956, as amended (the "BHCA"), and is registered as such with the Board of Governors of the Federal Reserve System (the "FRB"). The Bancorp's principal office is located in Cincinnati, Ohio.

The Bancorp's subsidiaries provide a wide range of financial products and services to the retail, commercial, financial, governmental, educational and medical sectors, including a wide variety of checking, savings and money market accounts, and credit products such as credit cards, installment loans, mortgage loans and leases. Fifth Third Bank has deposit insurance provided by the Federal Deposit Insurance Corporation (the "FDIC") through the Deposit Insurance Fund. Refer to Exhibit 21 filed as an attachment to this Annual Report on Form 10-K for a list of subsidiaries of the Bancorp as of December 31, 2013.

The Bancorp derives the majority of its revenues from the U.S. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Consolidated Financial Statements.

Additional information regarding the Bancorp's businesses is included in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Competition

The Bancorp competes for deposits, loans and other banking services in its principal geographic markets as well as in selected national markets as opportunities arise. In addition to the challenge of attracting and retaining customers for traditional banking services, the Bancorp's competitors include securities dealers, brokers, mortgage bankers, investment advisors and insurance companies. These competitors, with focused products targeted at highly profitable customer segments, compete across geographic boundaries and provide customers increasing access to meaningful alternatives to banking services in nearly all significant products. The increasingly competitive environment is a result primarily of changes in regulation, changes in technology, product delivery systems and the accelerating pace of consolidation among financial service providers. These competitive trends are likely to continue.

Acquisitions

The Bancorp's strategy for growth includes strengthening its presence in core markets, expanding into contiguous markets and broadening its product offerings while taking into account the integration and other risks of growth. The Bancorp evaluates strategic acquisition opportunities and conducts due diligence activities in connection with possible transactions. As a result, discussions, and in some cases, negotiations may take place and future acquisitions involving cash, debt or equity securities may occur. These typically involve the payment of a premium over book value and current market price, and therefore, some dilution of book value and net income per share may occur with any future transactions.

Regulation and Supervision

In addition to the generally applicable state and federal laws governing businesses and employers, the Bancorp and its banking subsidiary are subject to extensive regulation by federal and state laws and regulations applicable to financial institutions and their parent companies. Virtually all aspects of the business of the Bancorp and its banking subsidiary are subject to specific requirements or restrictions and general regulatory oversight. The

principal objectives of state and federal banking laws and regulations and the supervision, regulation and examination of banks and their parent companies (such as the Bancorp) by bank regulatory agencies are the maintenance of the safety and soundness of financial institutions, maintenance of the federal deposit insurance system and the protection of consumers or classes of consumers, rather than the specific protection of shareholders of a bank or the parent company of a bank. To the extent the following material describes statutory or regulatory provisions, it is qualified in its entirety by reference to the particular statute or regulation.

Regulators

The Bancorp and/or its banking subsidiary are subject to regulation and supervision primarily by the FRB, the Consumer Financial Protection Bureau (the "CFPB") and the Ohio Division of Financial Institutions (the "Division") and additionally by certain other functional regulators and self-regulatory organizations. The Bancorp is also subject to regulation by the SEC by virtue of its status as a public company and due to the nature of some of its businesses. The Bancorp's banking subsidiary is subject to regulation by the FDIC, which insures the bank's deposits as permitted by law.

The federal and state laws and regulations that are applicable to banks and to some extent bank holding companies regulate, among other matters, the scope of their business, their activities, their investments, their reserves against deposits, the timing of the availability of deposited funds, the amount of loans to individual and related borrowers and the nature, amount of and collateral for certain loans, and the amount of interest that may be charged on loans. Various federal and state consumer laws and regulations also affect the services provided to consumers.

The Bancorp and/or its subsidiary are required to file various reports with, and is subject to examination by regulators, including the FRB and the Division. The FRB, Division and the CFPB have the authority to issue orders to bank holding companies and/or banks to cease and desist from certain banking practices and violations of conditions imposed by, or violations of agreements with, the FRB, Division and CFPB. Certain of the Bancorp's and/or its banking subsidiary regulators are also empowered to assess civil money penalties against companies or individuals in certain situations, such as when there is a violation of a law or regulation. Applicable state and federal laws also grant certain regulators the authority to impose additional requirements and restrictions on the activities of the Bancorp and or its banking subsidiary and, in some situations, the imposition of such additional requirements and restrictions will not be publicly available information.

Acquisitions

The BHCA requires the prior approval of the FRB for a bank holding company to acquire substantially all the assets of a bank or to acquire direct or indirect ownership or control of more than 5% of any class of the voting shares of any bank, bank holding company or savings association, or to increase any such non-majority ownership or control of any bank, bank holding company or savings association, or to merge or consolidate with any bank holding company.

The BHCA prohibits a bank holding company from acquiring a direct or indirect interest in or control of more than 5% of any class of the voting shares of a company that is not a bank or a bank holding company and from engaging directly or indirectly in activities other than those of banking, managing or controlling banks or furnishing services to its banking subsidiaries, except that it may engage in and may own shares of companies engaged in certain activities the FRB has determined to be so closely related to banking or managing or controlling banks as to be proper incident thereto.

Financial Holding Companies

The Gramm-Leach-Bliley Act of 1999 ("GLBA") permits a qualifying bank holding company to become a financial holding company ("FHC") and thereby to engage directly or indirectly in a broader range of activities than those permitted for a bank holding company under the BHCA. Permitted activities for a FHC include securities underwriting and dealing, insurance underwriting and brokerage, merchant banking and other activities that are declared by the FRB, in cooperation with the Treasury Department, to be "financial in nature or incidental thereto" or are declared by the FRB unilaterally to be "complementary" to financial activities. In addition, a FHC is allowed to conduct permissible new financial activities or acquire permissible non-bank financial companies with after-the-fact notice to the FRB. A bank holding company may elect to become a FHC if each of its banking subsidiaries is well capitalized, is well managed and has at least a "Satisfactory" rating under the Community Reinvestment Act ("CRA"). The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") also extended the well capitalized and well managed requirement to the bank holding company. In 2000, the Bancorp elected and qualified for FHC status under the GLBA. To maintain FHC status, a holding company must continue to meet certain requirements. The failure to meet such requirements could result in restrictions on the activities of the FHC or loss of FHC status. If restrictions are imposed on the activities of an FHC, such information may not necessarily be available to the public.

Dividends

The Bancorp depends in part upon dividends received from its direct and indirect subsidiaries, including its indirect banking subsidiary, to fund its activities, including the payment of dividends. The Bancorp and its banking subsidiary are subject to various federal and state restrictions on their ability to pay dividends. The FRB has authority to prohibit bank holding companies from paying dividends if such payment is deemed to be an unsafe or unsound practice. The FRB has indicated generally that it may be an unsafe or unsound practice for bank holding companies to pay dividends unless a bank holding company's net income is sufficient to fund the dividends and the expected rate of earnings retention is consistent with the organization's capital needs, asset quality and overall financial condition. The ability to pay dividends may be further limited by provisions of the Dodd-Frank Act and implanting regulations (see the "Regulatory Reform" section).

Source of Strength

Under long-standing FRB policy and now as codified in the Dodd-Frank Act, a bank holding company is expected to act as a source of financial and managerial strength to each of its banking subsidiaries and to commit resources to their support. This support may be required at times when the bank holding company may not have the resources to provide it.

FDIC Assessments

As contemplated by the Dodd-Frank Act the FDIC has revised the framework by which insured depository institutions with more

than $10 billion in assets (“large IDIs”) are assessed for purposes of payments to the Deposit Insurance Fund (the “DIF”). The final rule implementing revisions to the assessment system took effect for the quarter beginning April 1, 2011.

Prior to the passage of the Dodd-Frank Act, a large IDI’s DIF premiums principally were based on the size of an IDI’s domestic deposit base. The Dodd-Frank Act changed the assessment base from a large IDI’s domestic deposit base to its total assets less tangible equity. In addition to potentially greatly increasing the size of a large IDI’s assessment base, the expansion of the assessment base affords the FDIC much greater flexibility to vary its assessment system based upon the different asset classes that large IDIs normally hold on their balance sheets.

To implement this provision, the FDIC created an assessment scheme vastly different from the deposit-based system. Under the new system, large IDIs are assessed under a complex “scorecard” methodology that seeks to capture both the probability that an individual large IDI will fail and the magnitude of the impact on the DIF if such a failure occurs.

Transactions with Affiliates

Sections 23A and 23B of the Federal Reserve Act, restrict transactions between a bank and its affiliates (as defined in Sections 23A and 23B of the Federal Reserve Act), including a parent bank holding company. The Bancorp’s banking subsidiary is subject to certain restrictions, including but not limited to restrictions on loans to its affiliates, on investments in the stock or securities thereof, on the taking of such stock or securities as collateral for loans to any borrower, and on the issuance of a guarantee or letter of credit on their behalf. Among other things, these restrictions limit the amount of such transactions, require collateral in prescribed amounts for extensions of credit, prohibit the purchase of low quality assets and require that the terms of such transactions be substantially equivalent to terms of comparable transactions with non-affiliates. Generally, the Bancorp’s banking subsidiary is limited in its extension of credit to any affiliate to 10% of the banking subsidiary’s capital stock and surplus and its extension of credit to all affiliates to 20% of the banking subsidiary’s capital stock and surplus.

Community Reinvestment Act

The CRA generally requires insured depository institutions to identify the communities they serve and to make loans and investments and provide services that meet the credit needs of those communities. Furthermore, the CRA requires the FRB to evaluate the performance of the Bancorp’s banking subsidiary in helping to meet the credit needs of its communities. As a part of the CRA program, the banking subsidiary is subject to periodic examinations by the FRB, and must maintain comprehensive records of their CRA activities for this purpose. During these examinations, the FRB rates such institutions’ compliance with the CRA as “Outstanding,” “Satisfactory,” “Needs to Improve” or “Substantial Noncompliance.” Failure of an institution to receive at least a “Satisfactory” rating could inhibit such institution or its holding company from undertaking certain activities, including engaging in activities permitted as a financial holding company under the GLBA and acquiring other financial institutions. The FRB must take into account the record of performance of banks in meeting the credit needs of the entire community served, including low- and moderate-income neighborhoods. Fifth Third Bank received a “Satisfactory” CRA rating in its most recent CRA examination.

Capital

The FRB has established capital guidelines for bank holding companies and FHCs. The FRB, the Division and the FDIC have also issued regulations establishing capital requirements for banks. Failure to meet capital requirements could subject the Bancorp and its banking subsidiary to a variety of restrictions and enforcement actions. In addition, as discussed previously, the Bancorp and its banking subsidiary must remain well capitalized and well managed for the Bancorp to retain its status as a FHC. See the “Regulatory Reform” section for additional information on capital requirements impacting the Bancorp.

Privacy

The FRB, FDIC and other bank regulatory agencies have adopted final guidelines (the “Guidelines) for safeguarding confidential, personal customer information. The Guidelines require each financial institution, under the supervision and ongoing oversight of its Board of Directors or an appropriate committee thereof, to create, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information and protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. The Bancorp has adopted a customer information security program that has been approved by the Bancorp’s Board of Directors.

The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to non-affiliated third parties. In general, the statute requires explanations to consumers on policies and procedures regarding the disclosure of such nonpublic personal information, and, except as otherwise required by law, prohibits disclosing such information except as provided in the banking subsidiary’s policies and procedures. The Bancorp’s banking subsidiary has implemented a privacy policy.

Anti-Money Laundering

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “Patriot Act”), designed to deny terrorists and others the ability to obtain access to the United States financial system, has significant implications for depository institutions, brokers, dealers and other businesses involved in the transfer of money. The Patriot Act, as implemented by various federal regulatory agencies, requires financial institutions, including the Bancorp and its subsidiaries, to implement new policies and procedures or amend existing policies and procedures with respect to, among other matters, anti-money laundering, compliance, suspicious activity and currency transaction reporting and due diligence on customers. The Patriot Act and its underlying regulations also permit information sharing for counter-terrorist purposes between federal law enforcement agencies and financial institutions, as well as among financial institutions, subject to certain conditions, and require the FRB (and other federal banking agencies) to evaluate the effectiveness of an applicant in combating money laundering activities when considering applications filed under Section 3 of the BHCA or the Bank Merger Act. The Bancorp’s Board has approved policies and procedures that are believed to be compliant with the Patriot Act.

Exempt Brokerage Activities
The GLBA amended the federal securities laws to eliminate the blanket exceptions that banks traditionally have had from the definition of "broker" and "dealer." The GLBA also required that there be certain transactional activities that would not be "brokerage" activities, which banks could effect without having to register as a broker. In September 2007, the FRB and SEC approved Regulation R to govern bank securities activities. Various exemptions permit banks to conduct activities that would otherwise constitute brokerage activities under the securities laws. Those exemptions include conducting brokerage activities related to trust, fiduciary and similar services, certain services and also conducting a de minimis number of riskless principal transactions, certain asset-backed transactions and certain securities lending transactions. The Bancorp only conducts non-exempt brokerage activities through its affiliated registered broker-dealer.

Regulatory Reform
On July 21, 2010, President Obama signed into law the Dodd-Frank Act, which is aimed, in part, at accountability and transparency in the financial system and includes numerous provisions that apply to and/or could impact the Bancorp and its banking subsidiary. The Dodd-Frank Act implements changes that, among other things, affect the oversight and supervision of financial institutions, provide for a new resolution procedure for large financial companies, create a new agency responsible for implementing and enforcing compliance with consumer financial laws, introduce more stringent regulatory capital requirements, effect significant changes in the regulation of over-the-counter derivatives, reform the regulation of credit rating agencies, implement changes to corporate governance and executive compensation practices, incorporate requirements on proprietary trading and investing in certain funds by financial institutions (known as the "Volcker Rule"), require registration of advisers to certain private funds, and effect significant changes in the securitization market. In order to fully implement many provisions of the Dodd-Frank Act, various government agencies, in particular banking and other financial services agencies are required to promulgate regulations. Set forth below is a discussion of some of the major sections the Dodd-Frank Act and implementing regulations that have or could have a substantial impact on the Bancorp and its banking subsidiary. Due to the volume of regulations required by the Dodd-Frank Act, not all proposed or final regulations that may have an impact on the Bancorp or its banking subsidiary are necessarily discussed.

Financial Stability Oversight Council
The Dodd-Frank Act created the Financial Stability Oversight Council ("FSOC"), which is chaired by the Secretary of the Treasury and composed of expertise from various financial services regulators. The FSOC has responsibility for identifying risks and responding to emerging threats to financial stability. On March 15, 2012, the Department of Treasury issued an interim final rule to establish an assessment schedule for the collection of fees from bank holding companies and foreign banks with at least $50 billion in assets to cover the expenses of the Office of Financial Research and FSOC. The fees would also cover certain expenses incurred by the FDIC. The Bancorp paid approximately $1 million for the initial assessment period which commenced July 21, 2012 and ended March 31, 2013 and was not assessed a fee in the first semiannual assessment which ended September 30, 2013.

On August 16, 2013, the FRB also adopted a final rule to implement an assessment provision under the Dodd-Frank Act equal to the expense and the FRB estimates are necessary or appropriate to supervise and regulate bank holding companies with $50 billion or more in assets. The Bancorp paid approximately $3 million for the first annual assessment under the FRB's rule.

Executive Compensation
The Dodd-Frank Act provides for a say on pay for shareholders of all public companies. Under the Dodd-Frank Act, each company must give its shareholders the opportunity to vote on the compensation of its executives at least once every three years. The Dodd-Frank Act also adds disclosure and voting requirements for golden parachute compensation that is payable to named executive officers in connection with sale transactions. The SEC adopted rules finalizing these say on pay provisions in January 2011.

Pursuant to the Dodd-Frank Act, in June 2012, the SEC adopted a final rule directing the stock exchanges to prohibit listing classes of equity securities if a company's compensation committee members are not independent. The rule also provides that a company's compensation committee may only select a compensation consultant, legal counsel or other advisor after taking into consideration factors to be identified by the SEC that affect the independence of a compensation consultant, legal counsel or other advisor.

The SEC is required under the Dodd-Frank Act to issue rules obligating companies to disclose in proxy materials for annual meetings of shareholders information that shows the relationship between executive compensation actually paid to their named executive officers and their financial performance, taking into account any change in the value of the shares of a company's stock and dividends or distributions. The Dodd-Frank Act also requires the SEC to propose rules requiring companies to disclose the ratio of the compensation of its chief executive officer to the median compensation of its employees. The SEC proposed rules implementing the pay ratio provisions in September 2013.

The Dodd-Frank Act provides that the SEC must issue rules directing the stock exchanges to prohibit listing any security of a company unless the company develops and implements a policy providing for disclosure of the policy of the company on incentive-based compensation that is based on financial information required to be reported under the securities laws and that, in the event the company is required to prepare an accounting restatement due to the material noncompliance of the company with any financial reporting requirement under the securities laws, the company will recover from any current or former executive officer of the company who received incentive-based compensation during the three-year period preceding the date on which the company is required to prepare the restatement based on the erroneous data, any exceptional compensation above what would have been paid under the restatement.

The Dodd-Frank Act requires the SEC to adopt a rule to require that each company disclose in the proxy materials for its annual meetings whether an employee or board member is permitted to purchase financial instruments designed to hedge or offset decreases in the market value of equity securities granted as compensation or otherwise held by the employee or board member.

Corporate Governance

The Dodd-Frank Act clarifies that the SEC may, but is not required to promulgate rules that would require that a company's proxy materials include a nominee for the board of directors submitted by a shareholder. Although the SEC promulgated rules to accomplish this, these rules were invalidated by a federal appeals court decision. The SEC has said that they will not challenge the ruling, but has not ruled out the possibility that new rules could be proposed.

The Dodd-Frank Act requires stock exchanges to have rules prohibiting their members from voting securities that they do not beneficially own (unless they have received voting instructions from the beneficial owner) with respect to the election of a member of the board of directors (other than an uncontested election of directors of an investment company registered under the Investment Company Act of 1940), executive compensation or any other significant matter, as determined by the SEC by rule.

Credit Ratings

The Dodd-Frank Act includes a number of provisions that are targeted at improving the reliability of credit ratings. The SEC has been charged with adopting various rules in this regard.

Consumer Issues

The Dodd-Frank Act created a new bureau, the CFPB, which has the authority to implement regulations pursuant to numerous consumer protection laws and has supervisory authority, including the power to conduct examination and take enforcement actions, with respect to depository institutions with more than $10 billion in consolidated assets. The CFPB also has authority, with respect to consumer financial services to, among other things, restrict unfair, deceptive or abusive acts or practices, enforce laws that prohibit discrimination and unfair treatment and to require certain consumer disclosures.

Debit Card Interchange Fees

The Dodd-Frank Act provides for a set of new rules requiring that interchange transaction fees for electric debit transactions be "reasonable" and proportional to certain costs associated with processing the transactions. The FRB was given authority to, among other things, establish standards for assessing whether interchange fees are reasonable and proportional. In June 2011, the FRB issued a final rule establishing certain standards and prohibitions pursuant to the Dodd-Frank Act, including establishing standards for debit card interchange fees and allowing for an upward adjustment if the issuer develops and implements policies and procedures reasonably designed to prevent fraud. The provisions regarding debit card interchange fees and the fraud adjustment became effective October 1, 2011. The rules impose requirements on the Bancorp and its banking subsidiary and may negatively impact our revenues and results of operations. On July 31, 2013 a United States District Court found that portions of the final interchange rules were contrary to the language of the Dodd-Frank Act. The Court held that, in adopting the final rules, the FRB violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore the rule's maximum permissible fees were too high. In addition, the Court held that the final rules' network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the final rule, but stayed its ruling to provide the FRB an opportunity to replace the invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge likely would be reduced.

FDIC Matters and Resolution Planning

Title II of the Dodd-Frank Act creates an orderly liquidation process that the FDIC can employ for failing systemically important financial companies. Additionally, the Dodd-Frank Act also codifies many of the temporary changes that had already been implemented, such as permanently increasing the amount of deposit insurance to $250,000.

In January 2012, the FDIC issued a final rule that requires an insured depository institution with $50 billion or more in total assets to submit periodic contingency plans to the FDIC for resolution in the event of the institution's failure. The rule became effective in January 2012, however, submission of plans will be staggered over a period of time. The Bancorp's banking subsidiary is subject to this rule and submitted its first resolution plan pursuant to this rule as of December 31, 2013.

In October 2011, the FRB and FDIC issued a final rule implementing the resolution planning requirements of Section165(d) of the Dodd-Frank Act. The final rule requires bank holding companies with assets of $50 billion or more and nonbank financial firms designated by FSOC for supervision by the FRB to annually submit resolution plans to the FDIC and FRB. Each plan shall describe the company's strategy for rapid and orderly resolution in bankruptcy during times of financial distress. Under the final rule, companies will submit their initial resolution plans on a staggered basis. The Bancorp submitted its first resolution plan pursuant to this rule as of December 31, 2013.

Proprietary Trading and Investing in Certain Funds

The Dodd-Frank Act sets forth new restrictions on banking organizations' ability to engage in proprietary trading and sponsors of or invest in private equity and hedge funds (the "Volcker Rule"). The final regulations implementing the Volcker Rule ("Final Rules") were adopted on December 10, 2013. The Volcker Rule generally prohibits any banking entity from (i) engaging in short-term proprietary trading for its own account and (ii) sponsoring or acquiring any ownership interest in a private equity or hedge fund. The Volcker Rule and Final Rules contain a number of exceptions. The Volcker Rule permits transactions in the securities of the U.S. government and its agencies, certain government-sponsored enterprises and states and their political subdivisions, as well as certain investments in small business investment companies. Transactions on behalf of customers and in connection with certain underwriting and market making activities, as well as risk-mitigating hedging activities and certain foreign banking activities are also permitted. The Final Rules exclude certain funds from the prohibition on fund ownership and sponsorship including wholly-owned subsidiaries, joint ventures, and acquisitions vehicles, as well as SEC registered investment companies. *De minimis* ownership of private equity or hedge funds is also permitted under the Final Rules. In addition to the general prohibition on sponsorship and investment, the Volcker rule contains additional requirements applicable to any private equity or hedge fund that is sponsored by the banking entity or for which it serves as investment manager or investment advisor. The Bancorp will be required under the Final Rules to demonstrate that it has a Volcker Rule compliance program. In connection with the issuance of the Final Rules, the Federal Reserve extended the conformance period generally until July 21, 2015. The Final Rules become effective April 2014, but because

of the FRB general extension, the Bancorp will have until July 21, 2015 to fully conform its activities and investments to the Final Rules. The FRB may extend the conformance period for two additional one-year periods. Further, with respect to covered funds that are "illiquid funds", the FRB has the authority to grant up to five more years for the Bancorp to conform to the final Volcker Rule with respect to such illiquid funds. The Bancorp does not know whether it will be granted any extension of time to conform its activities to the final Volcker Rule.

Derivatives

Title VII of the Dodd-Frank Act includes measures to broaden the scope of derivative instruments subject to regulation by requiring clearing and exchange trading of certain derivatives, imposing new capital and margin requirements for certain market participants and imposing position limits on certain over-the-counter derivatives. Certain affiliates of the Bancorp that engage in significant swaps activities may be required to register with the Commodity Futures Trading Commission or the SEC as a swap dealer, security0based swap dealer, major swap participant or major security-based swap participant. As with the Volcker Rule, the Bancorp will be required to demonstrate that it has a satisfactory compliance program to monitor the activities of any such entity registered under the new regulations. The ultimate impact of these derivatives regulations, and the time it will take to comply, continues to remain uncertain. The final regulations will impose additional operational and compliance costs on us and may require us to restructure certain businesses and negatively impact our revenues and results of operations.

Interstate Bank Branching

The Dodd-Frank Act includes provisions permitting national and insured state banks to engage in *de novo* interstate branching if, under the laws of the state where the new branch is to be established, a state bank chartered in that state would be permitted to establish a branch.

Systemically Significant Companies and Capital

Title I of the Dodd-Frank Act creates a new regulatory regime for large bank holding companies. U.S. bank holding companies with $50 billion or more in total consolidated assets, including Fifth Third, are subject to enhanced prudential standards and early remediation requirements under Title I. Title I of Dodd-Frank establishes a broad framework for identifying, applying heightened supervision and regulation to, and (as necessary) limiting the size and activities of systemically significant financial companies.

The Dodd-Frank Act requires the FRB to impose enhanced capital and risk-management standards on these firms and mandates the FRB to conduct annual stress tests on all bank holding companies with $50 billion or more in assets to determine whether they have the capital needed to absorb losses in baseline, adverse, and severely adverse economic conditions. In November 2011, the FRB adopted final rules requiring bank holding companies with $50 billion or more in consolidated assets to submit capital plans to the FRB on an annual basis. Under the final rules, the FRB annually will evaluate an institutions capital adequacy, internal capital adequacy, assessment processes and plans to make capital distributions such as dividend payments and stock repurchases.

In November 2013, the FRB provided instructions on the 2014 Comprehensive Capital Analysis and Review ("CCAR"). The 2014 CCAR required bank holding companies with consolidated assets of $50 billion or more to submit a capital plan to the FRB by January 6, 2014. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy.

In December 2011, the FRB issued proposed rules to strengthen regulation and supervision of large bank holding companies and systemically important nonbank financial firms. The proposed rules would generally apply to all U.S. bank holding companies with consolidated assets of $50 billion or more, such as the Bancorp, and any nonbank financial firms that may be designated by the FSOC as systemically important companies. The proposal, which is mandated by the Dodd-Frank Act, includes a wide range of measures addressing such issues as capital, liquidity, credit exposure, stress testing, risk management and early remediation requirements.

In December of 2010 and revised in June of 2011, the Basel Committee on Banking Supervision (the "Basel Committee") issued Basel III, a global regulatory framework, to enhance international capital standards. Basel III is designed to materially improve the quality of regulatory capital and introduces a new minimum common equity requirement. Basel III also raises the numerical minimum capital requirements and introduces capital conservation and countercyclical buffers to induce banking organizations to hold capital in excess of regulatory minimums. In addition, Basel III establishes an international leverage standard for internationally active banks.

In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved the final enhanced regulatory capital rules ("Final Capital Rules"), which included modifications to the proposed rules.

The Final Capital Rules, among other things, (i) introduce a new capital measure "Common Equity Tier 1" ("CET1"), (ii) specify that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting specified requirements, (iii) define CET1 narrowly by requiring that most adjustments to regulatory capital measures be made to CET1 and not to the other components of capital and (iv) expand the scope of the adjustments as compared to existing regulations. CET1 capital consists of common stock instruments that meet the eligibility criteria in the final rules, retained earnings, accumulated other comprehensive income and common equity Tier 1 minority interest.

When fully phased-in on January 1, 2019, the Final Capital Rules require banking organizations to maintain (i) a minimum ratio of CET1 to risk-weighted assets of at least 4.5%, plus a 2.5% "capital conservation buffer" (which is added to the 4.5% CET1 ratio as that buffer is phased-in, effectively resulting in a minimum ratio of CET1 to risk-weighted assets of at least 7.0% upon full implementation), (ii) a minimum ratio of Tier 1 capital to risk-weighted assets of at least 6.0%, plus the capital conservation buffer (which is added to the 6.0% Tier 1 capital ratio as that buffer is phased-in, effectively resulting in a minimum Tier 1 capital ratio of 8.5% upon full implementation),

(iii) a minimum ratio of total capital (that is, Tier 1 plus Tier 2 capital) to risk-weighted assets of at least 8.0%, plus the capital conservation buffer (which is added to the 8.0% total capital ratio as that buffer is phased-in, effectively resulting in a minimum total capital ratio of 10.5% upon full implementation) and (iv) as a newly adopted international standard, a minimum leverage ratio of 4.0%, calculated as the ratio of Tier 1 capital to adjusted average consolidated assets for large internationally active banks.

The Final Capital Rules also provide for a "countercyclical capital buffer" designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum but below the conservation buffer will face limitations on the payment of dividends, common stock repurchases and discretionary cash payments to executive officers based on the amount of the shortfall.

The Final Capital Rules provide for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing rights, deferred tax assets dependent upon future taxable income and significant investments in non-consolidated financial entities be deducted from CET1 to the extent that any one such category exceeds 10% of CET1 or all such categories in the aggregate exceed 15% of CET1. Under current capital standards, the effects of accumulated other comprehensive income items included in capital are excluded for the purposes of determining regulatory capital ratios. Under the Final Capital Rules, Bancorp has a one-time election (the "Opt-out Election") to filter certain accumulated other comprehensive income ("AOCI") components, comparable to the treatment under the current general risk-based capital rule.

The new capital rules are effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain of their components and other provisions. The Bancorp is in the process of evaluating the final rules and their potential impact.

ITEM 2. PROPERTIES

The Bancorp's executive offices and the main office of Fifth Third Bank are located on Fountain Square Plaza in downtown Cincinnati, Ohio in a 32-story office tower, a five-story office building with an attached parking garage and a separate ten-story office building known as the Fifth Third Center, the William S. Rowe Building and the 530 Building, respectively. The Bancorp's main operations center is located in Cincinnati, Ohio, in a three-story building with an attached parking garage known as the Madisonville Operations Center. The Bank owns 100% of these buildings.

At December 31, 2013, the Bancorp, through its banking and non-banking subsidiaries, operated 1,320 banking centers, of which 941 were owned, 264 were leased and 115 for which the buildings are owned but the land is leased. The banking centers are located in the states of Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, North Carolina, West Virginia, Pennsylvania, Missouri, and Georgia. The Bancorp's significant owned properties are owned free from mortgages and major encumbrances.

EXECUTIVE OFFICERS OF THE BANCORP

Officers are appointed annually by the Board of Directors at the meeting of Directors immediately following the Annual Meeting of Shareholders. The names, ages and positions of the Executive Officers of the Bancorp as of February 24, are listed below along with their business experience during the past 5 years:

Kevin T. Kabat, 57. Vice Chairman of the Bancorp since September 2012 and Chief Executive Officer of the Bancorp since April 2007. Previously, Mr. Kabat was President of the Bancorp from June 2006 to September 2012 and Chairman from June 2008 to June 2010. Prior to that, Mr. Kabat was Executive Vice President of the Bancorp since December 2003.

Steven Alonso, 53. Executive Vice President of the Bancorp since March 2012. Previously, Mr. Alonso was Executive Vice President of Fifth Third Bank since November 2008. Prior to that, Mr. Alonso served as founder, chairman and CEO of OakStreet Mortgage, LLC.

Greg D. Carmichael, 52. President of the Bancorp since September 2012 and Chief Operating Officer of the Bancorp since June 2006. Previously, Mr. Carmichael was the Executive Vice President and Chief Information Officer of the Bancorp since June 2003.

Frank R. Forrest, 59. Executive Vice President and Chief Risk and Credit Officer of the Bancorp since September 2013. Previously, Mr. Forrest served with Bank of America Merrill Lynch. From March 2012 until June 2013, Mr. Forrest served as Managing Director and Quality Control Executive for Legacy Asset Services, a division of Bank of America. From September 2008 until March 2012, Mr. Forrest was Managing Director and Global Debt Products Executive for Global Corporate and Investment Banking. Formerly from January 2007 to September 2008, Mr. Forrest was Risk Management Executive for Commercial Banking.

Mark D. Hazel, 48. Senior Vice President and Controller of the Bancorp since February 2010. Prior to that, Mr. Hazel was the Assistant Bancorp Controller since 2006 and was the Controller of Nonbank entities since 2003.

James R. Hubbard, 55. Senior Vice President and Chief Legal Officer of the Bancorp since February 2010. Prior to that, Mr. Hubbard was the Senior Vice President and Director of Legal Services since June 2001.

James C. Leonard, 44. Senior Vice President and Treasurer of the Bancorp since October 2013. Previously, Mr. Leonard was the Director of Business Planning and Analysis since 2006 and was the Chief Financial Officer of the Commercial Banking Division since 2001.

Gregory L. Kosch, 54. Executive Vice President of the Bancorp since June 2005. Previously, Mr. Kosch was Senior Vice President and head of the Bancorp's Commercial Division in the Chicago affiliate since June 2002.

Daniel T. Poston, 55. Executive Vice President of the Bancorp since June 2003, and Chief Strategy and Administrative Officer of the Bancorp since October 2013. Previously, Mr. Poston was the Chief Financial Officer of the Bancorp from September 2009 to October 2013. Previously, Mr. Poston was the Controller of the Bancorp from July 2007 to May 2008 and from November 2008 to September 2009. Previously, Mr. Poston was the Chief Financial Officer of the Bancorp from May 2008 to November 2008. Formerly, Mr. Poston was the Auditor of the Bancorp since October 2001 and was Senior Vice President of the Bancorp and Fifth Third Bank since January 2002.

Joseph R. Robinson, 46. Executive Vice President and Chief Information Officer and Director of Information Technology and Operations of the Bancorp since September 2009. Previously, Mr. Robinson was Executive Vice President and Chief Information Officer of the Bancorp since April 2008. Prior to that, he was Senior Vice President and Director of Central Operations since November 2006 and Senior Vice President of IT Enterprise Solutions since March 2004.

Robert A. Sullivan, 59. Senior Executive Vice President of the Bancorp since December 2002.

Teresa J. Tanner, 45. Executive Vice President and Chief Human Resources Officer of the Bancorp since February 2010. Previously, Ms. Tanner was Senior Vice President and Director of Enterprise Learning since September 2008. Prior to that, she was Human Resources Senior Vice President and Senior Business Partner for the Information Technology and Central Operations divisions since July 2006. Previously, she was Vice President and Senior Business Partner for Operations since September 2004.

Mary E. Tuuk, 49. Executive Vice President of Corporate Services & Board Secretary of the Bancorp since July 2013. Previously, Ms. Tuuk served as Affiliate President of Fifth Third Bank (Western Michigan) from November 2011 to June 2013. Prior to that, Ms. Tuuk was the Executive Vice President and Chief Risk Officer of the Bancorp from June 2007 to October 2011 and from July 2013 through September 2013. Ms. Tuuk was Senior Vice President of Fifth Third Bancorp since 2003.

Tayfun Tuzun, 49. Executive Vice President and Chief Financial Officer of the Bancorp since October 2013. Previously, Mr. Tuzun was the Senior Vice President and Treasurer of the Bancorp from December 2011 to October 2013. Prior to that, Mr. Tuzun was the Assistant Treasurer and Balance Sheet Manager of Fifth Third Bancorp. Previously, Mr. Tuzun was the Structured Finance Manager since 2007.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Bancorp's common stock is traded in the over-the-counter market and is listed under the symbol "FITB" on the NASDAQ® Global Select Market System.

High and Low Stock Prices and Dividends Paid Per Share

2013	High	Low	Dividends Paid Per Share
Fourth Quarter	$21.14	$17.49	$0.12
Third Quarter	$19.79	$17.80	$0.12
Second Quarter	$18.74	$15.62	$0.12
First Quarter	$16.77	$15.19	$0.11

2012	High	Low	Dividends Paid Per Share
Fourth Quarter	$16.16	$13.75	$0.10
Third Quarter	$15.95	$13.07	$0.10
Second Quarter	$14.67	$12.04	$0.08
First Quarter	$14.73	$12.78	$0.08

See a discussion of dividend limitations that the subsidiaries can pay to the Bancorp discussed in Note 3 of the Notes to the Consolidated Financial Statements. Additionally, as of December 31, 2013, the Bancorp had 49,524 shareholders of record.

Issuer Purchases of Equity Securities

Period	Shares Purchased[(a)]	Average Price Paid Per Share	Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Shares that May Be Purchased Under the Plans or Programs
October 2013	4,270,250	$18.39	4,270,250	70,694,231
November 2013	8,538,423	19.68	8,538,423	62,155,808
December 2013	19,084,195	20.33	19,084,195	43,071,613
Total	31,892,868	$19.90	31,892,868	43,071,613

(a) The Bancorp repurchased 66,283, 93,841 and 63,573 shares during October, November and December of 2013 in connection with various employee compensation plans of the Bancorp. These purchases are not included against the maximum number of shares that may yet be purchased under the Board of Directors authorization.

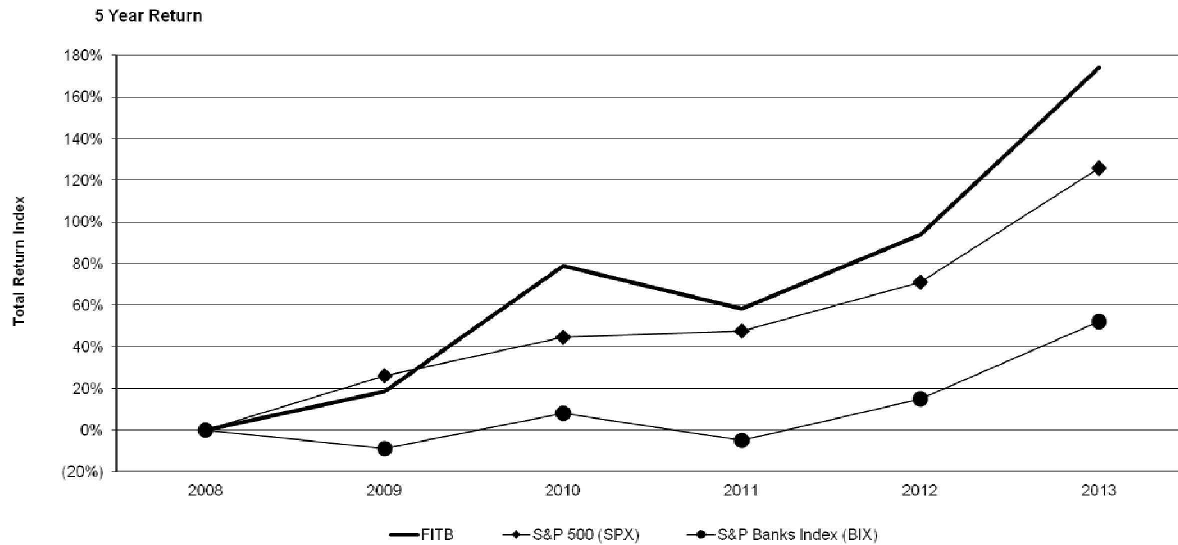
See further discussion of stock-based compensation in Note 24 of the Notes to the Consolidated Financial Statements.

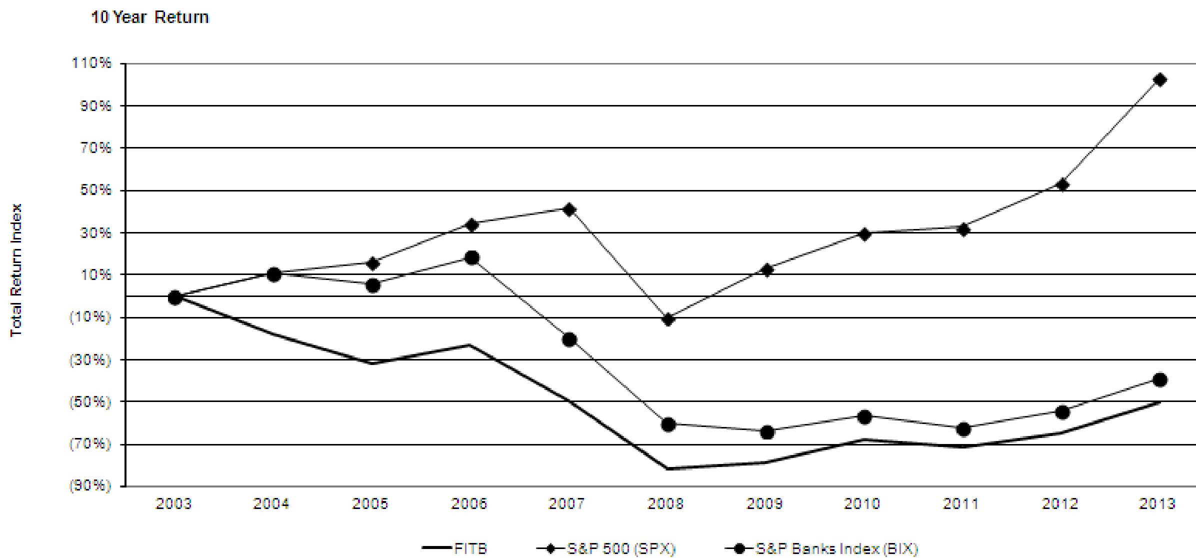
The following performance graphs do not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Bancorp specifically incorporates the performance graphs by reference therein.

Total Return Analysis

The graphs below summarize the cumulative return experienced by the Bancorp's shareholders over the years 2008 through 2013, and 2003 through 2013, respectively, compared to the S&P 500 Stock and the S&P Banks indices.

FIFTH THIRD BANCORP VS. MARKET INDICES





PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item relating to the Executive Officers of the Registrant is included in PART I under "EXECUTIVE OFFICERS OF THE BANCORP."

The information required by this item concerning Directors and the nomination process is incorporated herein by reference under the caption "ELECTION OF DIRECTORS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

The information required by this item concerning the Audit Committee and Code of Business Conduct and Ethics is incorporated herein by reference under the captions "CORPORATE GOVERNANCE" and "BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

The information required by this item concerning Section 16 (a) Beneficial Ownership Reporting Compliance is incorporated herein by reference under the caption "SECTION 16 (a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference under the captions "COMPENSATION DISCUSSION AND ANALYSIS," "COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS," "COMPENSATION COMMITTEE REPORT" and "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security ownership information of certain beneficial owners and management is incorporated herein by reference under the captions "CERTAIN BENEFICIAL OWNERS," "ELECTION OF DIRECTORS," "COMPENSATION DISCUSSION AND ANALYSIS" and "COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

The information required by this item concerning Equity Compensation Plan information is included in Note 24 of the Notes to the Consolidated Financial Statements.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference under the captions "CERTAIN TRANSACTIONS", "ELECTION OF DIRECTORS", "CORPORATE GOVERNANCE" and "BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference under the caption "PRINCIPAL INDEPENDENT EXTERNAL AUDIT FIRM FEES" of the Bancorp's Proxy Statement for the 2014 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

	Pages
Public Accounting Firm	87
Fifth Third Bancorp and Subsidiaries Consolidated Financial Statements	88-92
Notes to Consolidated Financial Statements	93-171

The schedules for the Bancorp and its subsidiaries are omitted because of the absence of conditions under which they are required, or because the information is set forth in the Consolidated Financial Statements or the notes thereto.

The following lists the Exhibits to the Annual Report on Form 10-K.

2.1 Master Investment Agreement (excluding exhibits and schedules) dated as of March 27, 2009 and amended as of June 30, 2009, among Fifth Third Bank, Fifth Third Financial Corporation, Advent-Kong Blocker Corp., FTPS Holding, LLC and Fifth Third Processing Solutions, LLC. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 2, 2009.

3.1 Amended Articles of Incorporation of Fifth Third Bancorp, as amended.

3.2 Code of Regulations of Fifth Third Bancorp, as Amended as of September 18, 2012. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on September 21, 2012.

4.1 Junior Subordinated Indenture, dated as of March 20, 1997 between Fifth Third Bancorp and Wilmington Trust Company, as Debenture Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 26, 1997.

4.2 Indenture, dated as of May 23, 2003, between Fifth Third Bancorp and Wilmington Trust Company, as Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2003.

4.3 Global security representing Fifth Third Bancorp's $500,000,000 4.50% Subordinated Notes due 2018. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2003.

4.4 First Supplemental Indenture, dated as of December 20, 2006, between Fifth Third Bancorp and Wilmington Trust Company, as Trustee. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.5 Global security representing Fifth Third Bancorp's $500,000,000 5.45% Subordinated Notes due 2017. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.6 Global security representing Fifth Third Bancorp's $250,000,000 Floating Rate Subordinated Notes due 2016. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.7 First Supplemental Indenture dated as of March 30, 2007 between Fifth Third Bancorp and Wilmington Trust Company, as trustee, to the Junior Subordinated Indenture dated as of May 20, 1997 between Fifth Third and the Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 30, 2007.

4.8 Global security dated as of March 4, 2008 representing Fifth Third Bancorp's $500,000,000 8.25% Subordinated Notes due 2038. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2008. (1)

4.9 Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third Bancorp and Wilmington Trust Company, as trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2008.

4.10 Supplemental Indenture dated as of January 25, 2011 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third and the Trustee. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011.

4.11 Global Security dated as of January 25, 2011 representing Fifth Third Bancorp's $500,000,000 3.625% Senior Notes due 2016. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011. (2)

4.12 Second Supplemental Indenture dated as of March 7, 2012 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third and the Trustee. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2012.

4.13 Global Security dated as of March 7, 2012 representing Fifth Third Bancorp's $500,000,000 3.500% Senior Notes due 2022. Incorporated by reference to the Registrant's Current Report on Form 8-K/A filed with the Securities and Exchange Commission on March 7, 2012.

4.14 Deposit Agreement dated May 16, 2013, between Fifth Third Bancorp, as issuer, Wilmington Trust, National Association, as depositary and calculation agent, American Stock Transfer & Trust Company, LLC, as transfer agent and registrar, and the holders from time to time of the depositary receipts issued thereunder. Incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 16, 2013.

4.15 Form of Certificate Representing the 5.10% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 16, 2013.

4.16 Form of Depositary Receipt for the 5.10% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series H, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 16, 2013.

4.17 Global Security dated as of November 20, 2013 representing Fifth Third Bancorp's $500,000,000 4.30% Subordinated Notes due 2024. Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 20, 2013.

4.18 Deposit Agreement dated December 9, 2013, between Fifth Third Bancorp, as issuer, Wilmington Trust, National Association, as depositary and calculation agent, American Stock Transfer & Trust Company, LLC as transfer agent and registrar, and the holders from time to time of the depositary receipts issued thereunder. Incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2013.

4.19 Form of Certificate Representing the 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2013.

4.20 Form of Depositary Receipt for the 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2013.

10.1 Fifth Third Bancorp Unfunded Deferred Compensation Plan for Non-Employee Directors, as Amended and Restated. Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013. *

10.2 Indenture effective November 19, 1992 between Fifth Third Bancorp, Issuer and NBD Bank, N.A., Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 1992 and as Exhibit 4.1 to the Registrant's Registration Statement on Form S-3, Registration No. 33-54134.

10.3 Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.4 First Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.5 Second Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to Exhibit 10.7 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012.*

10.6 Third Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.7 Fourth Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated.*

10.8 Fifth Third Bancorp Incentive Compensation Plan. Incorporated by reference to Registrant's Proxy Statement dated February 19, 2004.*

10.9 Fifth Third Bancorp 2008 Incentive Compensation Plan. Incorporated by reference to the Registrant's Proxy Statement dated March 6, 2008.*

10.10 Fifth Third Bancorp 2011 Incentive Compensation Plan. Incorporated by reference to the Registrant's Proxy Statement dated March 10, 2011.*

10.11 Amended and Restated Fifth Third Bancorp 1993 Stock Purchase Plan. Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.12 Fifth Third Bancorp Non-qualified Deferred Compensation Plan, as Amended and Restated.

10.13 Fifth Third Bancorp Stock Option Gain Deferral Plan. Incorporated by reference to Registrant's Proxy Statement dated February 9, 2001.*

10.14 Amendment No. 1 to Fifth Third Bancorp Stock Option Gain Deferral Plan. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2006. *

10.15 Notice of Grant of Performance Units and Award Agreement. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.16 Notice of Grant of Restricted Stock and Award Agreement (for Executive Officers). Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.17 Notice of Grant of Stock Appreciation Rights and Award Agreement. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.18 Notice of Grant of Restricted Stock and Award Agreement (for Directors). Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *

10.19 Amended and Restated First National Bankshares of Florida, Inc. 2003 Incentive Plan. Incorporated by reference to First National Bankshares of Florida, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003. *

10.20 Form of Executive Agreement effective December 31, 2008, between Fifth Third Bancorp and Kevin T. Kabat, Robert A. Sullivan and Greg D. Carmichael. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *

10.21 Form of Executive Agreement effective December 31, 2008, between Fifth Third Bancorp and Mary E. Tuuk. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *

10.22 Form of Executive Agreement effective February 3, 2014, between Fifth Third Bancorp and Tayfun Tuzun. Incorporated by reference to Exhibit 10.1 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 7, 2014.*

10.23 Form of Executive Agreement effective February 3, 2014, between Fifth Third Bancorp and Frank R. Forrest. Incorporated by reference to Exhibit 10.2 to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 7, 2014.*

10.24 Form of Amended Executive Agreement effective January 19, 2012, between Fifth Third Bancorp and Daniel T. Poston. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 24, 2012. *

10.25 Warrant dated June 30, 2009 issued by Vantiv Holding, LLC to Fifth Third Bank. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.26 Second Amended & Restated Limited Liability Company Agreement (excluding certain exhibits) dated as of March 21, 2012 by and among Vantiv, Inc., Fifth Third Bank, FTPS Partners, LLC, Vantiv Holding, LLC and each person who becomes a member after March 21, 2012. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.27 Amendment and Restatement Agreement and Reaffirmation (excluding certain schedules) dated as of June 30, 2009 among Fifth Third Processing Solutions, LLC, FTPS Holding, LLC, Card Management Company, LLC, Fifth Third Holdings, LLC and Fifth Third Bank. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 2, 2009.

10.28 Registration Rights Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Fifth Third Bank, FTPS Partners, LLC, JPDN Enterprises, LLC and certain stockholders of Vantiv, Inc. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.29 Exchange Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Vantiv Holding, LLC, Fifth Third Bank, FTPS Partners, LLC and such other holders of Class B Units and Class C Non-Voting Units that are from time to time parties of the Exchange Agreement. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.30 Recapitalization Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Vantiv Holding, LLC, Fifth Third Bank, FTPS Partners, LLC, JPDN Enterprises, LLC and certain stockholders of Vantiv, Inc. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.31 Description of Vantiv, Inc. Director Compensation for Greg D. Carmichael. Incorporated by reference to Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. On May 10, 2012, Daniel T. Poston was elected as a Class B Director of Vantiv, Inc. Mr. Poston is subject to a substantially similar compensation arrangement as described in Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.*

10.32 Stock Appreciation Right Award Agreement. Incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.33 Performance Share Award Agreement. Incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.34 Restricted Stock Award Agreement (for Directors). Incorporated by reference to Exhibit 10.4 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.35 Restricted Stock Award Agreement (for Executive Officers). Incorporated by reference to Exhibit 10.5 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.*

10.36 Separation Agreement dated July 25, 2013 between Paul Reynolds and Fifth Third Bancorp. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 30, 2013.*

10.37 Master Confirmation, as supplemented by a Supplemental Confirmation, for accelerated share repurchase transaction dated November 13, 2013 between Fifth Third Bancorp and Deutsche Bank AG, London Branch**

10.38 Master Confirmation, as supplemented by a Supplemental Confirmation, for accelerated share repurchase transaction dated December 10, 2013 between Fifth Third Bancorp and Deutsche Bank AG, London Branch**

12.1 Computations of Consolidated Ratios of Earnings to Fixed Charges.

12.2 Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements.

21 Fifth Third Bancorp Subsidiaries, as of December 31, 2014.

23 Consent of Independent Registered Public Accounting Firm-Deloitte & Touche LLP.

31(i) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.

31(ii) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

32(i) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.

32(ii) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

101 Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements tagged as blocks of text and in detail.

(1) Fifth Third Bancorp also entered into an identical security on March 4, 2008 representing an additional $500,000,000 of its 8.25% Subordinated Notes due 2038.

(2) Fifth Third Bancorp also entered into an identical security on January 25, 2011 representing an additional $500,000,000 of its 3.625% Senior Notes due 2016.

* *Denotes management contract or compensatory plan or arrangement.*

** *An application for confidential treatment for selected portions of this exhibit has been filed with the Securities and Exchange Commission.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIFTH THIRD BANCORP
Registrant

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and CEO
Principal Executive Officer
February 24, 2014

Pursuant to requirements of the Securities Exchange Act of 1934, this report has been signed on February 24, 2014 by the following persons on behalf of the Registrant and in the capacities indicated.

OFFICERS:

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and CEO
Principal Executive Officer

/s/ Tayfun Tuzun
Tayfun Tuzun
Executive Vice President and CFO
Principal Financial Officer

/s/ Mark D. Hazel
Mark D. Hazel
Senior Vice President and Controller
Principal Accounting Officer

DIRECTORS:

/s/ William M. Isaac
William M. Isaac
Chairman

/s/ James P. Hackett
James P. Hackett
Lead Director

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Darryl F. Allen
Darryl F. Allen

/s/ B. Evan Bayh III
B. Evan Bayh III

/s/ Ulysses L. Bridgeman, Jr.
Ulysses L. Bridgeman, Jr.

/s/ Emerson L. Brumback
Emerson L. Brumback

/s/ Gary R. Heminger
Gary R. Heminger

/s/ Jewell D. Hoover
Jewell D. Hoover

/s/ Kevin T. Kabat
Kevin T. Kabat

/s/ Mitchel D. Livingston, Ph.D.
Mitchel D. Livingston, Ph.D.

/s/ Michael B. McCallister
Michael B. McCallister

/s/ Hendrik G. Meijer
Hendrik G. Meijer

/s/ John J. Schiff, Jr.
John J. Schiff, Jr.

/s/ Marsha C. Williams
Marsha C. Williams

CONSOLIDATED TEN YEAR COMPARISON

AVERAGE ASSETS ($ IN MILLIONS)

	Interest-Earning Assets							
Year	Loans and Leases	Federal Funds Sold (a)	Interest-Bearing Deposits in Banks (a)	Securities	Total	Cash and Due from Banks	Other Assets	Total Average Assets
2013	**$ 89,093**	**1**	**2,416**	**16,444**	**$ 107,954**	**2,482**	**15,053**	**$ 123,732**
2012	84,822	2	1,493	15,319	101,636	2,355	15,695	117,614
2011	80,214	1	2,030	15,437	97,682	2,352	15,335	112,666
2010	79,232	11	3,317	16,371	98,931	2,245	14,841	112,434
2009	83,391	12	1,023	17,100	101,526	2,329	14,266	114,856
2008	85,835	438	183	13,424	99,880	2,490	13,411	114,296
2007	78,348	257	147	11,630	90,382	2,275	10,613	102,477
2006	73,493	252	144	20,910	94,799	2,477	8,713	105,238
2005	67,737	88	113	24,806	92,744	2,750	8,102	102,876
2004	57,042	120	195	30,282	87,639	2,216	5,763	94,896

AVERAGE DEPOSITS AND SHORT-TERM BORROWINGS ($ IN MILLIONS)

	Deposits									
Year	Demand	Interest Checking	Savings	Money Market	Other Time	Certificates $100,000 and Over	Foreign Office	Total	Short-Term Borrowings	Total
2013	**$ 29,925**	**23,582**	**18,440**	**9,467**	**3,760**	**6,339**	**1,518**	**$ 93,031**	**3,527**	**$ 96,558**
2012	27,196	23,096	21,393	4,903	4,306	3,102	1,555	85,551	4,806	90,357
2011	23,389	18,707	21,652	5,154	6,260	3,656	3,497	82,315	3,122	85,437
2010	19,669	18,218	19,612	4,808	10,526	6,083	3,361	82,277	1,926	84,203
2009	16,862	15,070	16,875	4,320	14,103	10,367	2,265	79,862	6,980	86,842
2008	14,017	14,191	16,192	6,127	11,135	9,531	4,220	75,413	10,760	86,173
2007	13,261	14,820	14,836	6,308	10,778	6,466	3,155	69,624	6,890	76,514
2006	13,741	16,650	12,189	6,366	10,500	5,795	3,711	68,952	8,670	77,622
2005	13,868	18,884	10,007	5,170	8,491	4,001	3,967	64,388	9,511	73,899
2004	12,327	19,434	7,941	3,473	6,208	2,403	4,449	56,235	13,539	69,774

INCOME ($ IN MILLIONS, EXCEPT PER SHARE DATA)

						Per Share (b)				
									Originally Reported	
Year	Interest Income	Interest Expense	Noninterest Income	Noninterest Expense	Net Income (Loss) Available to Common Shareholders	Earnings	Diluted Earnings	Dividends Declared	Earnings	Diluted Earnings
2013	**$ 3,973**	**412**	**3,227**	**3,961**	**1,799**	**2.05**	**2.02**	**0.47**	**2.05**	**$ 2.02**
2012	4,107	512	2,999	4,081	1,541	1.69	1.66	0.36	1.69	1.66
2011	4,218	661	2,455	3,758	1,094	1.20	1.18	0.28	1.20	1.18
2010	4,489	885	2,729	3,855	503	0.63	0.63	0.04	0.63	0.63
2009	4,668	1,314	4,782	3,826	511	0.73	0.67	0.04	0.73	0.67
2008	5,608	2,094	2,946	4,564	(2,180)	(3.91)	(3.91)	0.75	(3.94)	(3.94)
2007	6,027	3,018	2,467	3,311	1,075	1.99	1.98	1.70	2.00	1.99
2006	5,955	3,082	2,012	2,915	1,188	2.13	2.12	1.58	2.14	2.13
2005	4,995	2,030	2,374	2,801	1,548	2.79	2.77	1.46	2.79	2.77
2004	4,114	1,102	2,355	2,863	1,524	2.72	2.68	1.31	2.72	2.68

MISCELLANEOUS AT DECEMBER 31 ($ IN MILLIONS, EXCEPT PER SHARE DATA)

		Bancorp Shareholders' Equity								
Year	Common Shares Outstanding	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total	Book Value Per Share	Allowance for Loan and Leases Losses
2013	**855,305,745**	**$ 2,051**	**1,034**	**2,561**	**10,156**	**82**	**(1,295)**	**$ 14,589**	**15.85**	**$ 1,582**
2012	882,152,057	2,051	398	2,758	8,768	375	(634)	13,716	15.10	1,854
2011	919,804,436	2,051	398	2,792	7,554	470	(64)	13,201	13.92	2,255
2010	796,272,522	1,779	3,654	1,715	6,719	314	(130)	14,051	13.06	3,004
2009	795,068,164	1,779	3,609	1,743	6,326	241	(201)	13,497	12.44	3,749
2008	577,386,612	1,295	4,241	848	5,824	98	(229)	12,077	13.57	2,787
2007	532,671,925	1,295	9	1,779	8,413	(126)	(2,209)	9,161	17.18	937
2006	556,252,674	1,295	9	1,812	8,317	(179)	(1,232)	10,022	18.00	771
2005	555,623,430	1,295	9	1,827	8,007	(413)	(1,279)	9,446	16.98	744
2004	557,648,989	1,295	9	1,934	7,269	(169)	(1,414)	8,924	15.99	713

(a) *Federal funds sold and interest-bearing deposits in banks are combined in other short-term investments in the Consolidated Financial Statements.*
(b) *Adjusted for accounting guidance related to the calculation of earnings per share, which was adopted retroactively on January 1, 2009.*

FIFTH THIRD BANCORP DIRECTORS

William M. Isaac, Chairman
Senior Managing Director-Global Head of Financial Institutions
FTI Consulting

James P. Hackett, Lead Director
CEO & Director
Steelcase, Inc.

Nicholas K. Akins
President & CEO
American Electric Power Company

Darryl F. Allen
Retired Chairman
President & CEO
Aeroquip-Vickers, Inc.

B. Evan Bayh III
Partner
McGuireWoods LLP

Ulysses L. Bridgeman, Jr.
President
B.F. Companies

Emerson L. Brumback
Retired President & COO
M&T Bank

Gary R. Heminger
President, CEO & Director
Marathon Petroleum Corporation

Jewell D. Hoover
Principal & Bank Consultant
Hoover and Associates, LLC

Kevin T. Kabat
Vice Chairman & CEO
Fifth Third Bancorp

Mitchel D. Livingston, Ph.D.
Retired Vice President for Student Affairs & Chief Diversity Officer
University of Cincinnati

Michael B. McCallister
Retired Chairman & CEO
Humana Inc.

Hendrik G. Meijer
Co-Chairman, Director & Co-CEO
Meijer, Inc.

John J. Schiff, Jr.
Chairman of the Executive Committee & Director
Cincinnati Financial Corporation

Marsha C. Williams
Retired Senior Vice President & Chief Financial Officer
Orbitz Worldwide, Inc.

DIRECTORS EMERITI

Philip G. Barach
John F. Barrett
J. Kenneth Blackwell
Milton C. Boesel, Jr.
Douglas G. Cowan
Thomas L. Dahl
Ronald A. Dauwe
Gerald V. Dirvin
Thomas B. Donnell
Nicholas M. Evans
Richard T. Farmer
Louis R. Fiore
John D. Geary
Ivan W. Gorr
Joseph H. Head, Jr.
Allen M. Hill
William J. Keating
Jerry L. Kirby
Robert L. Koch II
Kenneth W. Lowe
Robert B. Morgan
Michael H. Norris
David E. Reese
James E. Rogers
George A. Schaefer, Jr.
Donald B. Shackelford
David B. Sharrock
Stephen Stranahan
Dennis J. Sullivan, Jr.
Dudley S. Taft
Alton C. Wendzel

FIFTH THIRD BANCORP OFFICERS

Kevin T. Kabat
Vice Chairman & CEO

Greg D. Carmichael
President & Chief Operating Officer

Steven Alonso
Executive Vice President

Frank R. Forrest
Executive Vice President, Chief Risk and Credit Officer

Mark D. Hazel
Senior Vice President & Controller

James R. Hubbard
Senior Vice President & Chief Legal Officer

Gregory L. Kosch
Executive Vice President

James C. Leonard
Senior Vice President & Treasurer

Daniel T. Poston
Executive Vice President & Chief Strategy and Administrative Officer

Joseph R. Robinson
Executive Vice President & Chief Information Officer

Robert A. Sullivan
Senior Executive Vice President

Teresa J. Tanner
Executive Vice President & Chief Human Resources Officer

Mary E. Tuuk
Executive Vice President of Corporate Services and Board Secretary

Tayfun Tuzun
Executive Vice President & Chief Financial Officer

AFFILIATE AND MARKET PRESIDENTS

Donald Abel, Jr.
David A. Call
John N. Daniel
Karen Dee
David Girodat
Shawn Hagan
Thomas Heiks
Nancy H. Huber
Julie Hughes
Jerry Kelsheimer
Randolph Koporc
Robert W. LaClair
Brian Lamb
Ralph S. Michael III
Jordan A. Miller, Jr.
Thomas Partridge
Robert A. Sullivan
Michelle L. VanDyke
Thomas G. Welch, Jr.

FIFTH THIRD BANCORP BOARD COMMITTEES

Finance Committee
William M. Isaac, Chair
Emerson L. Brumback
James P. Hackett
Gary R. Heminger
Kevin T. Kabat

Audit Committee
Darryl F. Allen, Chair
Emerson L. Brumback
Jewell D. Hoover
Michael B. McCallister
Marsha C. Williams

Human Capital and Compensation Committee
Gary R. Heminger, Chair
Emerson L. Brumback
Mitchel D. Livingston, Ph. D.
Hendrik G. Meijer
Marsha C. Williams

Nominating and Corporate Governance Committee
James P. Hackett, Chair
Darryl F. Allen
B. Evan Bayh III
Ulysses L. Bridgeman, Jr.

Risk and Compliance Committee
Marsha C. Williams, Chair
B. Evan Bayh III
Ulysses L. Bridgeman, Jr.
Jewell D. Hoover
Hendrik G. Meijer

Trust Committee
Mitchel D. Livingston, Ph.D., Chair
Kevin T. Kabat
John J. Schiff, Jr.

2013 Financial Highlights

FOR THE YEARS ENDED DECEMBER 31 $ IN MILLIONS, EXCEPT PER SHARE DATA	2013	2012	2011
EARNINGS AND DIVIDENDS			
Net income attributable to Bancorp	**$ 1,836**	$ 1,576	$ 1,297
Common dividends declared	**407**	325	257
Preferred dividends declared	**37**	35	50
PER COMMON SHARE			
Earnings	**$ 2.05**	$ 1.69	$ 1.20
Diluted earnings	**2.02**	1.66	1.18
Cash dividends	**0.47**	0.36	0.28
Book value per share	**15.85**	15.10	13.92
AT YEAR-END			
Total Assets	**$ 130,443**	$ 121,894	$ 116,967
Total Loans and Leases (incl. held-for-sale)	**89,558**	88,721	83,972
Deposits	**99,275**	89,517	85,710
Bancorp Shareholder's Equity	**14,589**	13,716	13,201
KEY RATIOS			
Net Interest Margin (FTE)	**3.32%**	3.55%	3.66%
Efficiency Ratio (FTE)	**58.2%**	61.7%	62.3%
Tier 1 Common Ratio*	**9.39%**	9.51%	9.35%
Tier 1 Ratio	**10.36%**	10.65%	11.91%
Total Capital Ratio	**14.08%**	14.42%	16.09%
ACTUALS			
Common Shares Outstanding (000's)	**855,306**	882,152	919,804
Banking Centers	**1,320**	1,325	1,316
ATMs	**2,586**	2,415	2,425
Full-Time Equivalent Employees	**19,446**	20,798	21,334

	2013			2012		
STOCK PERFORMANCE	HIGH	LOW	DIVIDENDS DECLARED PER SHARE	HIGH	LOW	DIVIDENDS DECLARED PER SHARE
Fourth Quarter	$ 21.14	$ 17.49	$ 0.12	$ 16.16	$ 13.75	$ 0.10
Third Quarter	19.79	17.80	0.12	15.95	13.07	0.10
Second Quarter	18.74	15.62	0.12	14.67	12.04	0.08
First Quarter	16.77	15.19	0.11	14.73	12.78	0.08

Fifth Third's common stock is traded on the NASDAQ® Global Select Market under the symbol "FITB."

* Non-GAAP measure. For further information, see the Non-GAAP Financial Measures section of MD&A.

CORPORATE ADDRESS

Fifth Third Bancorp
38 Fountain Square Plaza
Cincinnati, OH 45263

Website: www.53.com
Telephone: 1-800-972-3030

INVESTOR RELATIONS

(For Inquiries of Shareholders Only)

38 Fountain Square Plaza,
MD 1090QC
Cincinnati, OH 45263

Email: ir@53.com
Telephone: 513-534-4546

TRANSFER AGENT American Stock Transfer and Trust Company, LLC.

For Correspondence:

Website: www.amstock.com
Telephone: 1-888-294-8285

6201 15th Ave
Brooklyn, NY 11219

For Dividend Reinvestment and Direct Stock Purchase Plan Transaction Processing:

P.O. Box 922
Wall Street Station
New York, NY 10269-0560

www.53.com

Table of Contents

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

For the Quarterly Period Ended September 30, 2013
Commission File Number 001-33653

(Exact name of Registrant as specified in its charter)

Ohio	**31-0854434**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Fifth Third Center
Cincinnati, Ohio 45263
(Address of principal executive offices)

Registrant's telephone number, including area code: (800) 972-3030

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 (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ 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 definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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

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

There were 882,835,548 shares of the Registrant's common stock, without par value, outstanding as of October 31, 2013.

FINANCIAL CONTENTS

Part I. Financial Information

Glossary of Abbreviations and Acronyms 3
Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 2)
Selected Financial Data 4
Overview 5
Non-GAAP Financial Measures 10
Recent Accounting Standards 12
Critical Accounting Policies 12
Statements of Income Analysis 13
Balance Sheet Analysis 22
Business Segment Review 27
Risk Management—Overview 34
Credit Risk Management 35
Market Risk Management 49
Liquidity Risk Management 52
Capital Management 54
Off-Balance Sheet Arrangements 58
Quantitative and Qualitative Disclosures about Market Risk (Item 3) 59
Controls and Procedures (Item 4) 59
Condensed Consolidated Financial Statements and Notes (Item 1)
Balance Sheets (unaudited) 60
Statements of Income (unaudited) 61
Statements of Comprehensive Income (unaudited) 62
Statements of Changes in Equity (unaudited) 63
Statements of Cash Flows (unaudited) 64
Notes to Condensed Consolidated Financial Statements (unaudited) 65

Part II. Other Information
Legal Proceedings (Item 1) 119
Risk Factors (Item 1A) 119
Unregistered Sales of Equity Securities and Use of Proceeds (Item 2) 119
Exhibits (Item 6) 119
Signatures 120
Certifications

FORWARD-LOOKING STATEMENTS

This report contains statements that we believe are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as "will likely result," "may," "are expected to," "is anticipated," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar verbs. You should not place undue reliance on these statements, as they are subject to risks and uncertainties, including but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements we may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy, specifically the real estate market, either nationally or in the states in which Fifth Third, one or more acquired entities and/or the combined company do business, are less favorable than expected; (2) deteriorating credit quality; (3) political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment reduce interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions; (6) Fifth Third's ability to maintain required capital levels and adequate sources of funding and liquidity; (7) maintaining capital requirements may limit Fifth Third's operations and potential growth; (8) changes and trends in capital markets; (9) problems encountered by larger or similar financial institutions may adversely affect the banking industry and/or Fifth Third; (10) competitive pressures among depository institutions increase significantly; (11) effects of critical accounting policies and judgments; (12) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board (FASB) or other regulatory agencies; (13) legislative or regulatory changes or actions, or significant litigation, adversely affect Fifth Third, one or more acquired entities and/or the combined company or the businesses in which Fifth Third, one or more acquired entities and/or the

combined company are engaged, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; (14) ability to maintain favorable ratings from rating agencies; (15) fluctuation of Fifth Third's stock price; (16) ability to attract and retain key personnel; (17) ability to receive dividends from its subsidiaries; (18) potentially dilutive effect of future acquisitions on current shareholders' ownership of Fifth Third; (19) effects of accounting or financial results of one or more acquired entities; (20) difficulties from the separation of or the results of operations of Vantiv, LLC; (21) loss of income from any sale or potential sale of businesses that could have an adverse effect on Fifth Third's earnings and future growth; (22) ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; and (23) the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity.

Table of Contents

Glossary of Abbreviations and Acronyms

Fifth Third Bancorp provides the following list of abbreviations and acronyms as a tool for the reader that are used in Management's Discussion and Analysis of Financial Condition and Results of Operations, the Condensed Consolidated Financial Statements and the Notes to Condensed Consolidated Financial Statements.

ALCO: Asset Liability Management Committee
ALLL: Allowance for Loan and Lease Losses
AOCI: Accumulated Other Comprehensive Income
ARM: Adjustable Rate Mortgage
ATM: Automated Teller Machine
BCBS: Basel Committee on Banking Supervision
BHC: Bank Holding Company
BOLI: Bank Owned Life Insurance
bps: Basis points
BPO: Broker Price Opinion
CapPR: Capital Plan Review
CCAR: Comprehensive Capital Analysis and Review
CDC: Fifth Third Community Development Corporation
CFPB: United States Consumer Financial Protection Bureau
C&I: Commercial and Industrial
DCF: Discounted Cash Flow
ERISA: Employee Retirement Income Security Act
ERM: Enterprise Risk Management
ERMC: Enterprise Risk Management Committee
EVE: Economic Value of Equity
FASB: Financial Accounting Standards Board
FDIC: Federal Deposit Insurance Corporation
FHLB: Federal Home Loan Bank
FHLMC: Federal Home Loan Mortgage Corporation
FICO: Fair Isaac Corporation (credit rating)
FNMA: Federal National Mortgage Association
FRB: Federal Reserve Bank
FTAM: Fifth Third Asset Management, Inc.
FTE: Fully Taxable Equivalent
FTP: Funds Transfer Pricing
FTS: Fifth Third Securities
GNMA: Government National Mortgage Association
GSE: Government Sponsored Enterprise
HAMP: Home Affordable Modification Program
HARP: Home Affordable Refinance Program
HFS: Held for Sale
IPO: Initial Public Offering
IRC: Internal Revenue Code
IRLC: Interest Rate Lock Commitment
ISDA: International Swaps and Derivatives Association, Inc.
LCR: Liquidity Coverage Ratio
LIBOR: London InterBank Offered Rate
LLC: Limited Liability Company
LTV: Loan-to-Value
MD&A: Management's Discussion and Analysis of Financial Condition and Results of Operations
MSR: Mortgage Servicing Right
N/A: Not Applicable
NII: Net Interest Income
NM: Not Meaningful
NPR: Notice of Proposed Rulemaking
NSFR: Net Stable Funding Ratio
OCC: Office of the Comptroller of the Currency
OCI: Other Comprehensive Income
OIS: Overnight Index Swap Rate
OREO: Other Real Estate Owned
OTTI: Other-Than-Temporary Impairment
PMI: Private Mortgage Insurance
SBA: Small Business Administration
SCAP: Supervisory Capital Assessment Program
SEC: United States Securities and Exchange Commission
TBA: To Be Announced
TDR: Troubled Debt Restructuring
TruPS: Trust Preferred Securities
U.S.: United States of America
U.S. GAAP: Generally Accepted Accounting Principles in the United States of America
UST: United States Treasury
VaR: Value-at-Risk
VIE: Variable Interest Entity
VRDN: Variable Rate Demand Note

Table of Contents

Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 2)

The following is MD&A of certain significant factors that have affected Fifth Third Bancorp's (the "Bancorp" or "Fifth Third") financial condition and results of operations during the periods included in the Condensed Consolidated Financial Statements, which are a part of this filing. Reference to the Bancorp incorporates the parent holding company and all consolidated subsidiaries.

TABLE 1: Selected Financial Data

($ in millions, except for per share data)	For the three months ended September 30, 2013	2012	% Change	For the nine months ended September 30, 2013	2012	% Change
Income Statement Data						
Net interest income[(a)]	$ **898**	907	(1)	$ **2,675**	2,709	(1)
Noninterest income	**721**	671	7	**2,524**	2,119	19
Total revenue[(a)]	**1,619**	1,578	3	**5,199**	4,828	8
Provision for loan and lease losses	**51**	65	(22)	**176**	227	(22)
Noninterest expense	**959**	1,006	(5)	**2,972**	2,918	2
Net income attributable to Bancorp	**421**	363	16	**1,433**	1,178	22
Net income available to common shareholders	**421**	354	19	**1,415**	1,152	23
Common Share Data						
Earnings per share, basic	$ **0.47**	0.39	21	$ **1.62**	1.26	29
Earnings per share, diluted	**0.47**	0.38	24	**1.58**	1.23	29
Cash dividends per common share	**0.12**	0.10	20	**0.35**	0.26	35
Book value per share	**15.84**	14.84	7	**15.84**	14.84	7
Market value per share	**18.05**	15.51	16	**18.05**	15.51	16
Financial Ratios (%)						
Return on average assets	**1.35 %**	1.23	10	**1.57 %**	1.34	17
Return on average common equity	**12.1**	10.4	15	**13.9**	11.6	20
Dividend payout ratio	**25.5**	25.6	—	**21.6**	20.6	5
Average Bancorp shareholders' equity as a percent of average assets	**11.71**	11.82	(1)	**11.58**	11.65	(1)
Tangible common equity[(b)]	**9.27**	9.10	2	**9.27**	9.10	2
Net interest margin[(a)]	**3.31**	3.56	(7)	**3.35**	3.58	(6)
Efficiency[(a)]	**59.2**	63.7	(7)	**57.2**	60.4	(5)
Credit Quality						
Net losses charged off	$ **109**	156	(31)	$ **353**	557	(37)
Net losses charged off as a percent of average loans and leases	**0.49 %**	0.75	(34)	**0.54 %**	0.90	(40)
ALLL as a percent of portfolio loans and leases	**1.92**	2.32	(17)	**1.92**	2.32	(17)
Allowance for credit losses as a percent of portfolio loans and leases[(c)]	**2.11**	2.53	(16)	**2.11**	2.53	(16)
Nonperforming assets as a percent of portfolio loans, leases and other assets, including other real estate owned[(d)]	**1.16**	1.73	(33)	**1.16**	1.73	(33)
Average Balances						
Loans and leases, including held for sale	$ **89,154**	84,829	5	$ **89,170**	84,367	6
Total securities and other short-term investments	**18,528**	16,588	12	**17,452**	16,829	4
Total assets	**123,346**	117,521	5	**122,233**	117,168	4
Transaction deposits[(e)]	**83,245**	77,498	7	**81,962**	77,418	6
Core deposits[(f)]	**86,921**	81,722	6	**85,800**	81,795	5
Wholesale funding[(g)]	**16,924**	17,431	(3)	**17,369**	17,188	1
Bancorp shareholders' equity	**14,440**	13,887	4	**14,149**	13,650	4
Regulatory Capital Ratios (%)						
Tier I risk-based capital	**11.14 %**	10.85	3	**11.14 %**	10.85	3
Total risk-based capital	**14.35**	14.76	(3)	**14.35**	14.76	(3)
Tier I leverage	**10.58**	10.09	5	**10.58**	10.09	5
Tier I common equity[(b)]	**9.88**	9.67	2	**9.88**	9.67	2

(a) *Amounts presented on an FTE basis. The FTE adjustment for the three months ended* ***September 30, 2013*** *and 2012 was* ***$5*** *and $4, respectively, and for the nine months ended* ***September 30, 2013*** *and 2012 was* ***$15*** *and $13, respectively.*
(b) *The tangible common equity and Tier I common equity ratios are non-GAAP measures. For further information, see the Non-GAAP Financial Measures section of the MD&A.*
(c) *The allowance for credit losses is the sum of the ALLL and the reserve for unfunded commitments.*
(d) *Excludes nonaccrual loans held for sale.*
(e) *Includes demand, interest checking, savings, money market and foreign office deposits.*
(f) *Includes transaction deposits plus other time deposits.*
(g) *Includes certificates $100,000 and over, other deposits, federal funds purchased, other short-term borrowings and long-term debt.*

OVERVIEW

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. At September 30, 2013, the Bancorp had $125.7 billion in assets, operated 18 affiliates with 1,326 full-service Banking Centers, including 104 Bank Mart ® locations open seven days a week inside select grocery stores, and 2,374 ATMs in 12 states throughout the Midwestern and Southeastern regions of the U.S. The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. The Bancorp also has a 25% interest in Vantiv Holding, LLC. The carrying value of the Bancorp's investment in Vantiv Holding, LLC was $415 million as of September 30, 2013.

This overview of MD&A highlights selected information in the financial results of the Bancorp and may not contain all of the information that is important to you. For a more complete understanding of trends, events, commitments, uncertainties, liquidity, capital resources and critical accounting policies and estimates, you should carefully read this entire document as well as the 2012 Form 10-K. Each of these items could have an impact on the Bancorp's financial condition, results of operations and cash flows. In addition, see the Glossary of Abbreviations and Acronyms in this report for a list of terms included as a tool for the reader of this quarterly report on Form 10-Q. The abbreviations and acronyms identified therein are used throughout this MD&A, as well as the Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements.

The Bancorp believes that banking is first and foremost a relationship business where the strength of the competition and challenges for growth can vary in every market. The Bancorp believes its affiliate operating model provides a competitive advantage by emphasizing individual relationships. Through its affiliate operating model, individual managers at all levels within the affiliates are given the opportunity to tailor financial solutions for their customers.

Net interest income, net interest margin and the efficiency ratio are presented in MD&A on an FTE basis. The FTE basis adjusts for the tax-favored status of income from certain loans and securities held by the Bancorp that are not taxable for federal income tax purposes. The Bancorp believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison between taxable and non-taxable amounts.

The Bancorp's revenues are dependent on both net interest income and noninterest income. For the three months ended September 30, 2013, net interest income, on an FTE basis, and noninterest income provided 55% and 45% of total revenue, respectively. The Bancorp derives the majority of its revenues within the U.S. from customers domiciled in the U.S. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Condensed Consolidated Financial Statements. Changes in interest rates, credit quality, economic trends and the capital markets are primary factors that drive the performance of the Bancorp. As discussed later in the Risk Management section, risk identification, measurement, monitoring, control and reporting are important to the management of risk and to the financial performance and capital strength of the Bancorp.

Net interest income is the difference between interest income earned on assets such as loans, leases and securities, and interest expense incurred on liabilities such as deposits, short-term borrowings and long-term debt. Net interest income is affected by the general level of interest rates, the relative level of short-term and long-term interest rates, changes in interest rates and changes in the amount and composition of interest-earning assets and interest-bearing liabilities. Generally, the rates of interest the Bancorp earns on its assets and pays on its liabilities are established for a period of time. The change in market interest rates over time exposes the Bancorp to interest rate risk through potential adverse changes to net interest income and financial position. The Bancorp manages this risk by continually analyzing and adjusting the composition of its assets and liabilities based on their payment streams and interest rates, the timing of their maturities and their sensitivity to changes in market interest rates. Additionally, in the ordinary course of business, the Bancorp enters into certain derivative transactions as part of its overall strategy to manage its interest rate and prepayment risks. The Bancorp is also exposed to the risk of losses on its loan and lease portfolio, as a result of changing expected cash flows caused by borrower credit events, such as, loan defaults and inadequate collateral due to a weakened economy within the Bancorp's footprint.

Noninterest income is derived primarily from mortgage banking net revenue, service charges on deposits, corporate banking revenue, investment advisory revenue, card and processing revenue and other noninterest income. Noninterest expense is primarily driven by personnel costs, net occupancy expenses, and technology and communication costs.

Vantiv, Inc. Share Sales

The Bancorp's ownership position in Vantiv Holding, LLC was reduced in the second quarter of 2013 when the Bancorp sold an approximate five percent interest and recognized a $242 million gain. The Bancorp's ownership percentage was further reduced in the third quarter of 2013 when the Bancorp sold an approximate three percent interest and recognized an $85 million gain. The Bancorp's remaining approximate 25% ownership in Vantiv Holding, LLC continues to be accounted for as an equity method investment in the Bancorp's Condensed Consolidated Financial Statements and had a carrying value of $415 million as of September 30, 2013.

As of September 30, 2013, the Bancorp continued to hold approximately 48.8 million Class B units of Vantiv Holding, LLC and a warrant to purchase approximately 20.4 million Class C non-voting units of Vantiv Holding, LLC, both of which may be exchanged for Class A Common Stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 48.8 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

Accelerated Share Repurchase Transactions

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program announced in August of 2012. As part of this transaction and all subsequent accelerated share repurchases, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock in 2012, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program. At settlement of the transaction on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares, or approximately $125 million, of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its previously announced Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On March 19, 2013, the Board of Directors authorized the Bancorp to repurchase up to 100 million common shares in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to effect share repurchase transactions. This share repurchase authorization replaced the Board's previous authorization from August of 2012.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million, of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded in the fourth quarter of 2013 as an adjustment to the basis in the treasury shares purchased on the acquisition date. Approximately $650 million of potential share repurchases remain under the 2013 CCAR the Bancorp submitted, excluding any after-tax gains realized by the Bancorp from future sales of Vantiv, Inc. shares.

Preferred Stock Offering and Conversion

As contemplated by the 2013 CCAR, on May 13, 2013 the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities. Under the 2013 CCAR, the Bancorp has $450 million of remaining preferred stock available for issuance as of September 30, 2013.

On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G, which shares are represented by depositary shares each representing 1/250th of a share of Series G preferred stock, pursuant to the Amended Articles of Incorporation. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with the Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

Senior Notes Offering

On February 25, 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program. The amended global bank note program increased the Bank's capacity to issue its senior and subordinated unsecured bank notes from $20 billion to $25 billion. Additionally, on February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes, with a maturity of five

years, due on February 28, 2018; $400 million of 0.90% senior fixed rate notes with a maturity of three years, due on February 26, 2016; and $300 million of senior floating rate notes. Interest on the floating rate notes is 3-month LIBOR plus 41 bps, with a maturity of three years, due on February 26, 2016. The bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date.

Automobile Loan Securitizations

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million.

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. For additional information on the automobile loan securitizations, refer to the Liquidity Risk Management section of MD&A.

Legislative Developments

On July 21, 2010, the Dodd-Frank Act was signed into federal law. This act implements changes to the financial services industry and affects the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies. The legislation establishes a CFPB responsible for implementing and enforcing compliance with consumer financial laws, changes the methodology for determining deposit insurance assessments, gives the FRB the ability to regulate and limit interchange rates charged to merchants for the use of debit cards, enacts new limitations on proprietary trading, broadens the scope of derivative instruments subject to regulation, requires on-going stress tests and the submission of annual capital plans for certain organizations and requires changes to regulatory capital ratios. This act also calls for federal regulatory agencies to conduct multiple studies over the next several years in order to implement its provisions. While the total impact of the fully implemented Dodd-Frank Act on the Bancorp is not currently known, the impact is expected to be substantial and may have an adverse impact on the Bancorp's financial performance and growth opportunities.

The Bancorp was impacted by a number of components of the Dodd-Frank Act which were implemented in 2012 and 2013. On October 9, 2012, the FRB published final stress testing rules that implement section 165(i)(1) and (i)(2) of the Dodd-Frank Act. The bank holding companies that participated in the 2009 SCAP and subsequent CCAR, which includes the Bancorp, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

The FRB launched the 2013 capital planning and stress testing program on November 9, 2012. The program includes the CCAR, which included the 19 BHCs that participated in the 2009 SCAP, as well as the CapPR which includes an additional 11 BHCs with $50 billion or more of total consolidated assets. The mandatory elements of the capital plan were an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013. In March of 2013, the FRB disclosed its estimates of participating institutions results under the FRB supervisory stress scenario, including capital results, which assume all banks take certain consistently applied future capital actions. In addition, the FRB disclosed its estimates of participating institutions results under the FRB supervisory severe stress scenarios including capital results based on each company's own base scenario capital actions.

The FRB's review of the capital plan assessed the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB reviewed the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier I common ratio of five percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB assessed the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the BCBS and requirements arising from the Dodd-Frank Act.

On March 14, 2013, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2013 CCAR. The FRB indicated to the Bancorp that it did not object to the following capital actions for the period beginning April 1, 2013 and ending March 31, 2014: the potential increase in its quarterly common stock dividend to $0.12 per share; the potential repurchase of up to $750 million in TruPS, subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt; the potential conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders and the repurchase of the common shares issued in the conversion up to $550 million in market value, and the issuance of $550 million in preferred shares; the potential repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion and the potential issuance of an additional $500 million in preferred stock. In addition, the Bancorp intends to make incremental repurchases of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc. common stock. For more information on the 2013 CCAR results, refer to the Capital Management section of MD&A.

Beginning in 2013, the Bancorp and other large bank holding companies were required to conduct a separate mid-year stress test using financial data as of March 31st under three company-derived macro-economic scenarios (base, adverse and severely adverse). The Bancorp submitted the results of its mid-year stress test to the FRB in July of 2013 and the Bancorp published a summary of the results under the severely adverse scenario in September of 2013 which is available on Fifth Third's website at http://www.53.com. For further discussion on the 2013 Stress Tests and CCAR, see the Capital Management section in MD&A.

Management’s Discussion and Analysis of Financial Condition and Results of Operations (continued)

Fifth Third offers qualified deposit customers a deposit advance product if they choose to avail themselves of this service to meet short term, small-dollar financial needs. In April of 2013, the CFPB issued a “White Paper” which studied financial services industry offerings and customer use of deposit advance products as well as payday loans and is considering whether rules governing these products are warranted. At the same time, the OCC and FDIC each issued proposed supervisory guidance for public comment to institutions they supervise which supplements existing OCC and FDIC guidance, detailing the principles they expect financial institutions to follow in connection with deposit advance products and supervisory expectations for the use of deposit advance products. The Federal Reserve also issued a statement in April to state member banks like Fifth Third for whom the Federal Reserve is the primary regulator. This statement encouraged state member banks to respond to customers’ small-dollar credit needs in a responsible manner; emphasized that they should take into consideration the risks associated with deposit advance products, including potential consumer harm and potential elevated compliance risk; and reminded them that these product offerings must comply with applicable laws and regulations. Fifth Third’s deposit advance product was designed to fully comply with all applicable federal and state laws. Use of this product is subject to strict eligibility requirements and advance restriction guidelines to limit dependency on this product as a borrowing source. Fifth Third believes this product provides customers with a relatively low-cost alternative for such needs. Fifth Third is currently evaluating the Federal Reserve’s statement, the proposed guidance by other regulators, and the CFPB’s White Paper, to determine whether any changes need to be made to this offering and alternative methods, products and services to ensure that we are able to continue to meet our customers’ needs. As a result, we cannot at this time estimate the negative financial impact of any changes that may be required as a result of these or future developments. These advance balances are included in other consumer loans and leases on the Bancorp’s Condensed Consolidated Balance Sheets with revenue reported in interest and fees on loans and leases in the Bancorp’s Condensed Consolidated Statements of Income and in Tables 3 and 4 in the Statements of Income Analysis section of MD&A.

In December of 2010 and revised in June of 2011, the BCBS issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies’ rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved the final enhanced regulatory capital rules (Basel III), which included modifications to the proposed rules. The Bancorp continues to evaluate the final rules and their potential impact. For more information on the impact of the regulatory capital enhancements, refer to the Capital Management section of MD&A.

In October of 2011, the banking agencies issued an NPR that would implement the provisions of the Volcker Rule. These provisions prohibit banks and bank holding companies from engaging in certain types of proprietary trading. The scope of the proprietary trading prohibition, and its impact on Fifth Third, will depend on the definitions in the final rule, particularly those definitions related to statutory exemptions for risk-mitigating hedging activities, market-making and customer-related activities. The Volcker Rule and the rulemakings promulgated thereunder are also expected to restrict banks and their affiliated entities from investing in or sponsoring certain private equity and hedge funds. Fifth Third does not sponsor any private equity or hedge funds that, under the proposed rule, it is prohibited from sponsoring. As of September 30, 2013, the Bancorp had approximately $182 million in interests and approximately $84 million in binding commitments to invest in private equity funds likely to be affected by the Volcker Rule. It is expected that over time the Bancorp may need to eliminate these investments although it is likely that these amounts will be reduced over time in the ordinary course of business before compliance is required.

In November 2010, the FDIC implemented a final rule amending its deposit insurance regulations to implement section 343 of the Dodd-Frank Act providing for unlimited deposit insurance for noninterest-bearing transaction accounts for two years starting December 31, 2010. The FDIC did not charge a separate assessment for the insurance unlike the previous Transaction Account Guarantee Program. Beginning January 1, 2013, noninterest-bearing transaction accounts are no longer insured separately from depositors’ other accounts at the same insured depository institution.

On January 7, 2013, the BCBS issued a final standard for the LCR, which would phase in the LCR beginning in 2015 with full implementation in 2019. In addition, the BCBS plans on introducing the NSFR final standard in the next two years. On October 24, 2013, the U.S. banking agencies issued an NPR that would implement a LCR requirement that is generally consistent with the international LCR standards published by the BCBS for large, internationally active banking organizations and a Modified LCR for BHCs with at least $50 billion in total consolidated assets that are not internationally active. The NPR is open for public comment until January 31, 2014. Refer to the Liquidity Risk Management section in MD&A for further discussion on these ratios.

On July 31, 2013, the U.S. District Court for the District of Columbia issued an order granting summary judgment to the plaintiffs in a case challenging certain provisions of the FRB’s rule concerning electronic debit card transaction fees and network exclusivity arrangements (the “Current Rule”) that were adopted to implement Section 1075 of the Dodd-Frank Act, known as the Durbin Amendment. The Court held that, in adopting the Current Rule, the FRB violated the Durbin Amendment’s provisions concerning which costs are allowed to be taken into account for purposes of setting fees that are reasonable and proportional to the costs incurred by the issuer and therefore the Current Rule’s maximum permissible fees were too high. In addition, the Court held that the Current Rule’s network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the Current Rule, but stayed its ruling to provide the FRB an opportunity to replace the invalidated portions. The FRB has appealed this decision. If this decision is ultimately upheld and/or the FRB re-issues rules for purposes of implementing the Durbin Amendment in a manner consistent with this decision, the amount of debit card interchange fees the Bancorp would be permitted to charge likely would be reduced, thereby negatively affecting the Bancorp’s financial performance. Refer to the Noninterest Income subsection of the Statements of Income Analysis section of MD&A for further information regarding the Bancorp’s debit card interchange revenue.

Earnings Summary

The Bancorp’s net income available to common shareholders for the third quarter of 2013 was $421 million, or $0.47 per diluted share. The Bancorp’s net income available to common shareholders for the third quarter of 2012 was $354 million, or $0.38 per diluted share, which was net of $9 million in preferred stock dividends. The Bancorp’s net income available to common shareholders for the nine months ended September 30, 2013 was $1.4 billion, or $1.58 per diluted share, which was net of $18 million in preferred stock dividends. For the nine months ended September 30, 2012, the Bancorp’s net income available to common shareholders was $1.2 billion, or $1.23 per diluted share, which was net of $26 million in preferred stock dividends. Pre-provision net revenue was $655 million and $2.2 billion for the three and nine months ended September 30, 2013 compared to $568 million and $1.9 billion in the same periods in 2012. Pre-provision net revenue is a non-GAAP measure. For further information, see the Non-GAAP Financial Measures section in MD&A.

Net interest income was $898 million and $2.7 billion, respectively, for the three and nine months ended September 30, 2013 compared to $907 million and $2.7 billion, respectively, for the three and nine months ended September 30, 2012. For the three and nine months ended September 30, 2013, net interest income was negatively impacted by a decline of 35 bps and 36 bps, respectively, in yields on the Bancorp’s interest-earning assets, partially offset by a $4.3 billion and $4.8 billion, respectively, increase in average loans and leases due primarily to increases in average commercial and industrial loans and average residential mortgage loans. In addition, interest expense decreased for the three and nine months ended September 30, 2013 compared to the same periods in the prior year primarily due to a reduction in higher cost average long-term debt along with a decrease in the rates paid on average long-term debt. Net interest margin was 3.31% and 3.35% for the three and nine months ended September 30, 2013, respectively, compared to 3.56% and 3.58% for the same periods in the prior year.

Noninterest income increased $50 million, or seven percent, in the third quarter of 2013 compared to the same period in the prior year and increased $405 million, or 19%, for the nine months ended September 30, 2013 compared to the same period in the prior year. The increase for both periods was primarily due to increases in other noninterest income partially offset by decreases in mortgage banking net revenue. Other noninterest income increased $107 million and $349 million, respectively, for the three and nine months ended September 30, 2013 compared to the same periods in the prior year, primarily due to a $242 million gain and an $85 million gain, respectively, on the sale of Vantiv, Inc. shares recognized in the second and third quarters of 2013 compared to gains of $115 million related to the Vantiv, Inc. IPO recorded in the first quarter of 2012. Additionally, other noninterest income increased for the three and nine months ended September 30, 2013 compared to the same periods in the prior year due to an increase in the positive valuation adjustments on stock warrants associated with Vantiv Holding, LLC and a decrease in the loss related to the Visa total return swap. Mortgage banking net revenue decreased $79 million and $14 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012. The decrease in mortgage banking net revenue for both periods was primarily due to a decrease in origination fees and gains on loan sales partially offset by an increase in positive net valuation adjustments on mortgage servicing rights and free-standing derivatives entered into to economically hedge the MSR portfolio.

Noninterest expense decreased $47 million, or five percent, in the third quarter of 2013 compared to the same period in 2012. The decrease was primarily due to decreases in other noninterest expense of $47 million for the three months ended September 30, 2013 compared to the same period in the prior year primarily due to a decrease in the provision for representation and warranty claims and a decrease in debt extinguishment costs partially offset by an increase in legal settlements and reserves expense. Noninterest expense increased $54 million, or two percent, for the nine months ended September 30, 2013 compared to the same period in the prior year. The increase was primarily due to increases in other noninterest expense due to an increase in legal settlements and reserves expense and FDIC insurance and other taxes partially offset by a decrease in the provision for representation and warranty claims.

Credit Summary

The Bancorp does not originate subprime mortgage loans and does not hold asset-backed securities backed by subprime mortgage loans in its securities portfolio. However, the Bancorp has exposure to disruptions in the capital markets and weakened economic conditions. During the nine months ended September 30, 2013, credit trends have improved, and as a result, the provision for loan and lease losses decreased to $51 million and $176 million for the three and nine months ended September 30, 2013 compared to $65 million and $227 million, respectively, for the same periods in 2012. In addition, net charge-offs as a percent of average portfolio loans and leases decreased to 0.49% during the third quarter of 2013 compared to 0.75% during the third quarter of 2012 and decreased to 0.54% for the nine months ended September 30, 2013 compared to 0.90% for the nine months ended September 30, 2012. At September 30, 2013, nonperforming assets as a percent of portfolio loans, leases and other assets, including OREO (excluding nonaccrual loans held for sale) decreased to 1.16%, compared to 1.49% at December 31, 2012. For further discussion on credit quality, see the Credit Risk Management section in MD&A.

Capital Summary

The Bancorp’s capital ratios exceed the “well-capitalized” guidelines as defined by the Board of Governors of the Federal Reserve System. As of September 30, 2013, the Tier I risk-based capital ratio was 11.14%, the Tier I leverage ratio was 10.58% and the total risk-based capital ratio was 14.35%.

NON-GAAP FINANCIAL MEASURES

The Bancorp considers various measures when evaluating capital utilization and adequacy, including the tangible equity ratio, tangible common equity ratio and Tier I common equity ratio, in addition to capital ratios defined by banking regulators. These calculations are intended to complement the capital ratios defined by banking regulators for both absolute and comparative purposes. Because U.S. GAAP does not include capital ratio measures, the Bancorp believes there are no comparable U.S. GAAP financial measures to these ratios. These ratios are not formally defined by U.S. GAAP or codified in the federal banking regulations and, therefore, are considered to be non-GAAP financial measures. Since analysts and banking regulators may assess the Bancorp's capital adequacy using these ratios, the Bancorp believes they are useful to provide investors the ability to assess its capital adequacy on the same basis.

The Bancorp believes these non-GAAP measures are important because they reflect the level of capital available to withstand unexpected market conditions. Additionally, presentation of these measures allows readers to compare certain aspects of the Bancorp's capitalization to other organizations. However, because there are no standardized definitions for these ratios, the Bancorp's calculations may not be comparable with other organizations, and the usefulness of these measures to investors may be limited. As a result, the Bancorp encourages readers to consider its Condensed Consolidated Financial Statements in their entirety and not to rely on any single financial measure.

U.S. banking regulators approved final capital rules (Basel III) in July of 2013 that substantially amend the existing risk-based capital rules (Basel I) for banks. The Bancorp believes providing an estimate of its capital position based upon the final rules is important to complement the existing capital ratios and for comparability to other financial institutions. Since these rules are not effective for the Bancorp until January 1, 2015, they are considered non-GAAP measures and therefore are included in the following non-GAAP financial measures table.

Pre-provision net revenue is net interest income plus noninterest income minus noninterest expense. The Bancorp believes this measure is important because it provides a ready view of the Bancorp's earnings before the impact of provision expense.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table reconciles non-GAAP financial measures to U.S. GAAP as of or for the three and nine months ended:

TABLE 2: Non-GAAP Financial Measures

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Income before income taxes (U.S. GAAP)	$ **604**	503	**2,037**	1,670
Add: Provision expense (U.S. GAAP)	**51**	65	**176**	227
Pre-provision net revenue	**655**	568	**2,213**	1,897
Net income available to common shareholders (U.S. GAAP)	$ **421**	354	**1,415**	1,152
Add: Intangible amortization, net of tax	**1**	2	**4**	7
Tangible net income available to common shareholders	$ **422**	356	**1,419**	1,159

	September 30, 2013	December 31, 2012
Total Bancorp shareholders' equity (U.S. GAAP)	$ **14,641**	13,716
Less: Preferred stock	**(593)**	(398)
Goodwill	**(2,416)**	(2,416)
Intangible assets	**(21)**	(27)
Tangible common equity, including unrealized gains / losses	**11,611**	10,875
Less: Accumulated other comprehensive income	**(218)**	(375)
Tangible common equity, excluding unrealized gains / losses (1)	**11,393**	10,500
Add: Preferred stock	**593**	398
Tangible equity (2)	$ **11,986**	10,898
Total assets (U.S. GAAP)	$ **125,673**	121,894
Less: Goodwill	**(2,416)**	(2,416)
Intangible assets	**(21)**	(27)
Accumulated other comprehensive income, before tax	**(335)**	(577)
Tangible assets, excluding unrealized gains / losses (3)	$ **122,901**	118,874
Total Bancorp shareholders' equity (U.S. GAAP)	$ **14,641**	13,716
Less: Goodwill and certain other intangibles	**(2,492)**	(2,499)
Accumulated other comprehensive income	**(218)**	(375)
Add: Qualifying TruPS	**810**	810
Other	**21**	33
Tier I risk-based capital	**12,762**	11,685
Less: Preferred stock	**(593)**	(398)
Qualifying TruPS	**(810)**	(810)
Qualified noncontrolling interests in consolidated subsidiaries	**(39)**	(48)
Tier I common equity (4)	$ **11,320**	10,429
Risk-weighted assets *(a)* (5)	$ **114,544**	109,699
Ratios:		
Tangible equity (2) / (3)	**9.75 %**	9.17
Tangible common equity (1) / (3)	**9.27 %**	8.83
Tier I common equity (4) / (5)	**9.88 %**	9.51
Basel III—Estimated Tier I common equity ratio		
Tier I common equity (Basel I)	$ **11,320**	
Add: Adjustment related to capital components *(b)*	**88**	
Estimated Tier I common equity under final Basel III rules without AOCI (opt out) (6)	**11,408**	
Add: Adjustment related to AOCI *(c)*	**218**	
Estimated Tier I common equity under final Basel III rules with AOCI (non opt out) (7)	**11,626**	
Estimated risk-weighted assets under final Basel III rules *(d)* (8)	**120,447**	
Estimated Tier I common equity ratio under final Basel III rules (opt out) (6) / (8)	**9.47 %**	
Estimated Tier I common equity ratio under final Basel III rules (non opt out) (7) / (8)	**9.65 %**	

(a) *Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together, along with the measure for market risk, resulting in the Bancorp's total risk-weighted assets.*

(b) *Adjustments related to capital components include MSRs and deferred tax assets subject to threshold limitations and deferred tax liabilities related to intangible assets, which were deductions to capital under Basel I capital rules.*

(c) *Under final Basel III rules, non-advanced approach banks are permitted to make a one-time election to opt out of the requirement to include AOCI in Tier I common equity.*

(d) *Key differences under Basel III in the calculation of risk-weighted assets compared to Basel I include: (1) Risk weighting for commitments under 1 year; (2) Higher risk weighting for exposures to securitizations, past due loans, foreign banks and certain commercial real estate; (3) Higher risk weighting for MSRs and deferred tax assets that are under certain thresholds as a percent of Tier I capital; and (4) Derivatives are differentiated between exchange clearing and over-the-counter and the 50% risk-weight cap is removed.*

RECENT ACCOUNTING STANDARDS

Note 3 of the Notes to Condensed Consolidated Financial Statements provides a discussion of the significant new accounting standards applicable to the Bancorp and the expected impact of significant accounting standards issued, but not yet required to be adopted.

CRITICAL ACCOUNTING POLICIES

The Bancorp’s Condensed Consolidated Financial Statements are prepared in accordance with U.S. GAAP. Certain accounting policies require management to exercise judgment in determining methodologies, economic assumptions and estimates that may materially affect the Bancorp’s financial position, results of operations and cash flows. The Bancorp’s critical accounting policies include the accounting for the ALLL, reserve for unfunded commitments, income taxes, valuation of servicing rights, fair value measurements and goodwill. These accounting policies are discussed in detail in Management’s Discussion and Analysis – Critical Accounting Policies in the Bancorp’s Annual Report on Form 10-K for the year ended December 31, 2012. No material changes were made to the valuation techniques or models during the nine months ended September 30, 2013.

STATEMENTS OF INCOME ANALYSIS

Net Interest Income

Net interest income is the interest earned on securities, loans and leases (including yield-related fees) and other interest-earning assets less the interest paid for core deposits (includes transaction deposits and other time deposits) and wholesale funding (includes certificates of deposit $100,000 and over, other deposits, federal funds purchased, short-term borrowings and long-term debt). The net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest rate spread is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin is typically greater than net interest rate spread due to the interest income earned on those assets that are funded by noninterest-bearing liabilities, or free funding, such as demand deposits or shareholders' equity.

Tables 3 and 4 present the components of net interest income, net interest margin and net interest rate spread for the three and nine months ended September 30, 2013 and 2012, as well as the relative impact of changes in the balance sheet and changes in interest rates on net interest income. Nonaccrual loans and leases and loans held for sale have been included in the average loan and lease balances. Average outstanding securities balances are based on amortized cost with any unrealized gains or losses on available-for-sale securities included in other assets.

Net interest income was $898 million for the three months ended September 30, 2013, a decrease of $9 million compared to the three months ended September 30, 2012. Net interest income was $2.7 billion for the nine months ended September 30, 2013, a decrease of $34 million from the nine months ended September 30, 2012. Included within net interest income are amounts related to the accretion of discounts on acquired loans and deposits, primarily as a result of acquisitions in previous years, which increased net interest income by $4 million and $13 million during the three and nine months ended September 30, 2013, respectively, compared to $6 million and $25 million during the three and nine months ended September 30, 2012, respectively. The original purchase accounting discounts reflected the high discount rates in the market at the time of the acquisitions; the total loan discounts are being accreted into net interest income over the remaining period to maturity of the loans acquired. Based upon the remaining period to maturity, and excluding the impact of potential prepayments, the Bancorp anticipates recognizing approximately $2 million in additional net interest income during the remainder of 2013 as a result of the amortization and accretion of premiums and discounts on acquired loans and deposits.

For the three and nine months ended September 30, 2013, net interest income was negatively impacted by a 35 bps and 36 bps, respectively, decline in yields on the Bancorp's interest-earnings assets compared to the three and nine months ended September 30, 2012. The decrease in yields on interest-earning assets was partially offset by an increase in average loans and leases of $4.3 billion and $4.8 billion, respectively, for the three and nine months ended September 30, 2013 compared to the same periods in the prior year, as well as a decrease in interest expense compared to the prior year periods. The decrease in interest expense was primarily the result of a $1.4 billion and $1.9 billion, respectively, decrease in average long-term debt coupled with a 50 bps and 48 bps decrease in the rate paid on average long-term debt for the three and nine months ended September 30, 2013 compared to the three and nine months ended September 30, 2012. For the three and nine months ended September 30, 2013, the net interest rate spread decreased to 3.14% and 3.18%, respectively, from 3.36% and 3.37% in the same periods in 2012, as the benefit of the decreases in rates on interest-bearing liabilities was more than offset by a decrease in yields on average interest-earnings assets.

Net interest margin was 3.31% and 3.35% for the three and nine months ended September 30, 2013, respectively, compared to 3.56% and 3.58% for the three and nine months ended September 30, 2012, respectively. Net interest margin was impacted by the amortization and accretion of premiums and discounts on acquired loans and deposits that resulted in an increase in net interest margin of 1 bps and 2 bps during the three and nine months ended September 30, 2013 compared to a 2 bps and 3 bps increase during the three and nine months ended September 30, 2012. Exclusive of these amounts, net interest margin decreased 24 bps and 22 bps for the three and nine months ended September 30, 2013 compared to the same periods in the prior year. The decrease from both periods in 2012 was driven primarily by the previously mentioned decline in the yield on average interest-earning assets, partially offset by an increase in average loans and leases and a reduction in higher cost long-term debt coupled with a decrease in the rates paid on average long-term debt.

Interest income from loans and leases decreased $36 million, or four percent, compared to the three months ended September 30, 2012 and decreased $80 million, or three percent, compared to the nine months ended September 30, 2012. The decrease from the three and nine months ended September 30, 2012 was primarily the result of a decrease of 38 bps and 35 bps, respectively, in yields on average loans and leases partially offset by an increase of five percent and six percent, respectively, in average loans and leases for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year. The increase in average loans and leases for the three and nine months ended September 30, 2013 was driven primarily by an increase of 15% for both periods in average commercial and industrial loans and an increase in average residential mortgage loans of seven percent and 12%, respectively, for the three and nine months ended September 30, 2013 compared to the same periods in the prior year. For more information on the Bancorp's loan and lease portfolio, see the Loans and Leases section of the Balance Sheet Analysis section of MD&A. In addition, interest income from investment securities and other short-term investments increased $6 million, or five percent, compared to the three months ended September 30, 2012 primarily as the result of an increase in average taxable securities of $1.6 billion partially offset by 21 bps decrease in the average yield on taxable securities. Interest income from investment securities and other short-term investments decreased $39 million, or 10%, compared to the nine months ended September 30, 2012, primarily due to a 44 bps decrease in the average yield on taxable securities partially offset by an increase of $438 million in average taxable securities.

Average core deposits increased $5.2 billion, or six percent, compared to the three months ended September 30, 2012 and increased $4.0 billion, or five percent, compared to the nine months ended September 30, 2012. The increase from both periods was primarily due to an increase in average money market deposits and average demand deposits partially offset by decreases in average savings deposits and average other time deposits. The cost of average core deposits decreased to 17 bps and 18 bps for the three and nine months ended September 30, 2013, respectively, from 20 bps and 21 bps for the three and nine months ended September 30, 2012. This decrease was primarily the result

of a mix shift to lower cost core deposits as a result of run-off of higher priced CDs combined with decreases of 4 bps and 6 bps, respectively, in the rate paid on average savings deposits and decreases of 26 bps and 17 bps, respectively, on average other time deposits compared to the three and nine months ended September 30, 2012.

For the three and nine months ended September 30, 2013, interest expense on average wholesale funding decreased $17 million and $72 million, respectively, compared to the three and nine months ended September 30, 2012 primarily as a result of a $1.4 billion and $1.9 billion decrease in average long-term debt. In addition, the decrease in interest expense on average wholesale funding for both periods was also due to a decrease in the rates paid on average long-term debt of 50 bps and 48 bps for the three and nine months ended September 30, 2013 compared to the same periods in 2012, respectively. The reduction in higher cost long-term debt was primarily the result of the redemption of outstanding TruPS and FHLB debt in the second half of 2012. In the third quarter of 2012, the Bancorp redeemed $1.4 billion of outstanding TruPS which had a 7.25% distribution rate. Additionally, in the fourth quarter of 2012, the Bancorp terminated $1.0 billion of FHLB debt with a fixed rate of 4.56%. Refer to the Borrowings subsection of the Balance Sheet Analysis section of MD&A for additional information on the Bancorp's borrowings. During the three and nine months ended September 30, 2013, average wholesale funding represented 23% and 24%, respectively, of average interest-bearing liabilities compared to 24% during both periods in the prior year. For more information on the Bancorp's interest rate risk management, including estimated earnings sensitivity to changes in market interest rates, see the Market Risk Management section of MD&A.

Table of Contents

TABLE 3: Condensed Average Balance Sheets and Analysis of Net Interest Income

For the three months ended	September 30, 2013			September 30, 2012			Attribution of Change in Net Interest Income[a]		
($ in millions)	Average Balance	Revenue/ Cost	Average Yield/ Rate	Average Balance	Revenue/ Cost	Average Yield/ Rate	Volume	Yield/Rate	Total
Assets									
Interest-earning assets:									
Loans and leases:[b]									
Commercial and industrial loans	**$ 38,145**	**$ 336**	**3.49 %**	$ 33,124	$ 339	4.08 %	$ 50	(53)	(3)
Commercial mortgage	**8,280**	**75**	**3.60**	9,592	91	3.76	(12)	(4)	(16)
Commercial construction	**797**	**7**	**3.71**	751	5	2.83	—	2	2
Commercial leases	**3,574**	**29**	**3.22**	3,483	32	3.62	1	(4)	(3)
Subtotal – commercial	**50,796**	**447**	**3.49**	46,950	467	3.96	39	(59)	(20)
Residential mortgage loans	**14,333**	**140**	**3.87**	13,458	136	4.03	10	(6)	4
Home equity	**9,432**	**89**	**3.74**	10,312	98	3.78	(8)	(1)	(9)
Automobile loans	**12,083**	**92**	**3.02**	11,812	107	3.61	3	(18)	(15)
Credit card	**2,140**	**53**	**9.93**	1,971	49	9.82	3	1	4
Other consumer loans/leases	**370**	**40**	**42.84**	326	40	49.00	5	(5)	—
Subtotal – consumer	**38,358**	**414**	**4.29**	37,879	430	4.52	13	(29)	(16)
Total loans and leases	**89,154**	**861**	**3.83**	84,829	897	4.21	52	(88)	(36)
Securities:									
Taxable	**16,590**	**134**	**3.20**	15,005	129	3.41	14	(9)	5
Exempt from income taxes[b]	**44**	**1**	**5.08**	48	—	3.29	1	—	1
Other short-term investments	**1,894**	**1**	**0.26**	1,535	1	0.25	—	—	—
Total interest-earning assets	**107,682**	**997**	**3.68**	101,417	1,027	4.03	67	(97)	(30)
Cash and due from banks	**2,380**			2,368					
Other assets	**15,015**			15,749					
Allowance for loan and lease losses	**(1,731)**			(2,013)					
Total assets	**$123,346**			$117,521					
Liabilities and Equity									
Interest-bearing liabilities:									
Interest checking	**$ 23,116**	**$ 13**	**0.23 %**	$ 22,967	$ 12	0.21 %	$ (1)	2	1
Savings	**18,026**	**5**	**0.11**	21,283	8	0.15	(1)	(2)	(3)
Money market	**9,693**	**6**	**0.24**	4,776	3	0.22	3	—	3
Foreign office deposits	**1,755**	**1**	**0.29**	1,345	1	0.29	—	—	—
Other time deposits	**3,676**	**12**	**1.33**	4,224	17	1.59	(2)	(3)	(5)
Certificates - $100,000 and over	**7,315**	**14**	**0.74**	3,016	11	1.49	11	(8)	3
Other deposits	**17**	**—**	**0.08**	32	—	0.13	—	—	—
Federal funds purchased	**464**	**—**	**0.10**	664	—	0.13	—	—	—
Other short-term borrowings	**1,675**	**1**	**0.21**	4,856	3	0.19	(2)	—	(2)
Long-term debt	**7,453**	**47**	**2.47**	8,863	65	2.97	(8)	(10)	(18)
Total interest-bearing liabilities	**73,190**	**99**	**0.54**	72,026	120	0.67	—	(21)	(21)
Demand deposits	**30,655**			27,127					
Other liabilities	**5,023**			4,430					
Total liabilities	**108,868**			103,583					
Total equity	**14,478**			13,938					
Total liabilities and equity	**$123,346**			$117,521					
Net interest income		**$ 898**			$ 907		$ 67	(76)	(9)
Net interest margin			**3.31 %**			3.56 %			
Net interest rate spread			**3.14**			3.36			
Interest-bearing liabilities to interest-earning assets			**67.97**			71.02			

(a) Changes in interest not solely due to volume or yield/rate are allocated in proportion to the absolute dollar amount of change in volume and yield/rate.
*(b) The FTE adjustments included in the above table were **$5** and $4 for the three months ended **September 30, 2013** and 2012, respectively.*

TABLE 4: Condensed Average Balance Sheets and Analysis of Net Interest Income

For the nine months ended	September 30, 2013			September 30, 2012			Attribution of Change in Net Interest Income(a)		
($ in millions)	Average Balance	Revenue/ Cost	Average Yield Rate	Average Balance	Revenue/ Cost	Average Yield Rate	Volume	Yield/Rate	Total
Assets									
Interest-earning assets:									
Loans and leases:(b)									
Commercial and industrial loans	$ 37,407	$1,022	3.65 %	$ 32,440	$ 1,004	4.13 %	$ 143	(125)	18
Commercial mortgage	8,626	234	3.63	9,846	283	3.84	(34)	(15)	(49)
Commercial construction	738	19	3.45	881	19	2.98	(3)	3	—
Commercial leases	3,561	88	3.32	3,499	97	3.69	1	(10)	(9)
Subtotal – commercial	50,332	1,363	3.62	46,666	1,403	4.02	107	(147)	(40)
Residential mortgage loans	14,726	432	3.92	13,149	404	4.11	47	(19)	28
Home equity	9,641	270	3.75	10,449	298	3.81	(23)	(5)	(28)
Automobile loans	12,022	283	3.15	11,817	335	3.79	5	(57)	(52)
Credit card	2,094	154	9.86	1,937	141	9.72	11	2	13
Other consumer loans/leases	355	114	42.84	349	115	44.02	2	(3)	(1)
Subtotal – consumer	38,838	1,253	4.31	37,701	1,293	4.58	42	(82)	(40)
Total loans and leases	89,170	2,616	3.92	84,367	2,696	4.27	149	(229)	(80)
Securities:									
Taxable	15,725	364	3.09	15,287	404	3.53	11	(51)	(40)
Exempt from income taxes(b)	50	2	5.17	56	1	3.42	1	—	1
Other short-term investments	1,677	3	0.25	1,486	3	0.25	—	—	—
Total interest-earning assets	106,622	2,985	3.74	101,196	3,104	4.10	161	(280)	(119)
Cash and due from banks	2,322			2,326					
Other assets	15,076			15,772					
Allowance for loan and lease losses	(1,787)			(2,126)					
Total assets	$122,233			$117,168					
Liabilities and Equity									
Interest-bearing liabilities:									
Interest checking	$ 23,222	$ 40	0.23 %	$ 22,941	$ 37	0.22 %	$ (1)	4	3
Savings	18,816	17	0.12	21,788	30	0.18	(3)	(10)	(13)
Money market	8,854	16	0.24	4,527	7	0.22	8	1	9
Foreign office deposits	1,428	3	0.28	1,646	3	0.27	—	—	—
Other time deposits	3,838	41	1.44	4,377	53	1.61	(7)	(5)	(12)
Certificates - $100,000 and over	5,962	38	0.84	3,108	35	1.51	23	(20)	3
Other deposits	22	—	0.11	25	—	0.12	—	—	—
Federal funds purchased	571	1	0.12	481	—	0.13	1	—	1
Other short-term borrowings	3,310	4	0.18	4,142	6	0.17	(2)	—	(2)
Long-term debt	7,504	150	2.69	9,432	224	3.17	(43)	(31)	(74)
Total interest-bearing liabilities	73,527	310	0.56	72,467	395	0.73	(24)	(61)	(85)
Demand deposits	29,642			26,516					
Other liabilities	4,873			4,485					
Total liabilities	108,042			103,468					
Total equity	14,191			13,700					
Total liabilities and equity	$122,233			$117,168					
Net interest income		$2,675			$ 2,709		$ 185	(219)	(34)
Net interest margin			3.35 %			3.58 %			
Net interest rate spread			3.18			3.37			
Interest-bearing liabilities to interest-earning assets			68.96			71.61			

(a) *Changes in interest not solely due to volume or yield/rate are allocated in proportion to the absolute dollar amount of change in volume and yield/rate.*
(b) *The FTE adjustments included in the above table are **$15** and $13 for the nine months ended **September 30, 2013** and 2012, respectively.*

Provision for Loan and Lease Losses

The Bancorp provides as an expense an amount for probable loan and lease losses within the loan and lease portfolio that is based on factors previously discussed in the Critical Accounting Policies section of the Bancorp’s Annual Report on Form 10-K for the year ended December 31, 2012. The provision is recorded to bring the ALLL to a level deemed appropriate by the Bancorp to cover losses inherent in the portfolio. Actual credit losses on loans and leases are charged against the ALLL. The amount of loans actually removed from the Condensed Consolidated Balance Sheets is referred to as charge-offs. Net charge-offs include current period charge-offs less recoveries on previously charged-off loans and leases.

The provision for loan and lease losses was $51 million and $176 million for the three and nine months ended September 30, 2013, respectively, compared to $65 million and $227 million during the same periods in 2012. The decrease in provision expense for both periods was due to decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases, and improvement in underlying loss trends. The ALLL declined $177 million from $1.9 billion at December 31, 2012 to $1.7 billion at September 30, 2013. As of September 30, 2013, the ALLL as a percent of portfolio loans and leases decreased to 1.92%, compared to 2.16% at December 31, 2012.

Table of Contents

Refer to the Credit Risk Management section of the MD&A as well as Note 6 of the Notes to Condensed Consolidated Financial Statements for more detailed information on the provision for loan and lease losses, including an analysis of loan portfolio composition, nonperforming assets, net charge-offs, and other factors considered by the Bancorp in assessing the credit quality of the loan and lease portfolio and the ALLL.

Noninterest Income

Noninterest income increased $50 million, or seven percent, for the third quarter of 2013 compared to the third quarter of 2012 and increased $405 million, or 19%, for the nine months ended September 30, 2013 compared to the same period in the prior year.

The components of noninterest income for the three and nine months ended September 30, 2013 and 2012 are as follows:

TABLE 5: Noninterest Income

	For the three months ended September 30,			For the nine months ended September 30,		
($ in millions)	2013	2012	% Change	2013	2012	% Change
Mortgage banking net revenue	**$ 121**	200	(40)	**$ 574**	588	(2)
Service charges on deposits	**140**	128	10	**407**	387	5
Corporate banking revenue	**102**	101	1	**307**	299	2
Investment advisory revenue	**97**	92	6	**295**	281	5
Card and processing revenue	**69**	65	6	**201**	187	8
Other noninterest income	**185**	78	NM	**708**	359	97
Securities gains, net	**2**	2	56	**19**	13	49
Securities gains, net - non-qualifying hedges on mortgage servicing rights	**5**	5	5	**13**	5	NM
Total noninterest income	**$ 721**	671	7	**$2,524**	2,119	19

Mortgage banking net revenue

Mortgage banking net revenue decreased $79 million and $14 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012.

The components of mortgage banking net revenue are as follows:

TABLE 6: Components of Mortgage Banking Net Revenue

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2013	2012	2013	2012
Origination fees and gains on loan sales	**$ 74**	226	**$ 393**	583
Net mortgage servicing revenue:				
Gross mortgage servicing fees	**63**	62	**187**	186
Mortgage servicing rights amortization	**(39)**	(48)	**(143)**	(134)
Net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge MSR	**23**	(40)	**137**	(47)
Net mortgage servicing revenue	**47**	(26)	**181**	5
Mortgage banking net revenue	**$ 121**	200	**$ 574**	588

Origination fees and gains on loan sales decreased $152 million and $190 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012. The decrease for the three month period was primarily the result of an 18% decline in residential mortgage loan originations from the three months ended September 30, 2012 coupled with lower profit margins on sold residential mortgage loans. Residential mortgage loan originations decreased to $4.8 billion during the third quarter of 2013 compared to $5.8 billion during the third quarter of 2012 as fewer borrowers were able to achieve savings by refinancing their mortgage. The decrease in origination fees and gains on loan sales for the nine months ended September 30, 2013 was the result of lower profit margins on sold residential mortgage loans partially offset by an eight percent increase in originations. Residential mortgage loan originations increased to $19.7 billion during the nine months ended September 30, 2013 from $18.2 billion during the nine months ended September 30, 2012 due to strong refinancing activity that occurred in the first half of 2013.

Net mortgage servicing revenue is comprised of gross mortgage servicing fees and related mortgage servicing rights amortization as well as valuation adjustments on MSRs and mark-to-market adjustments on both settled and outstanding free-standing derivative financial instruments used to economically hedge the MSR portfolio. Net mortgage servicing revenue increased $73 million for the three months ended September 30, 2013 compared to the three months ended September 30, 2012 driven primarily by an increase of $63 million in net valuation adjustments and a decrease in mortgage servicing rights amortization of $9 million. Net mortgage servicing revenue increased $176 million for the nine months ended September 30, 2013 compared to the same period in the prior year driven primarily by an increase of $184 million in net valuation adjustments partially offset by an increase in mortgage servicing rights amortization of $9 million.

Servicing rights are deemed impaired when a borrower’s loan rate is distinctly higher than prevailing rates. Impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower’s loan rate. Further detail on the valuation of MSRs can be found in Note 10 of the Notes to Condensed Consolidated Financial Statements. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the valuation on the MSR portfolio. See Note 11 of the Notes to Condensed Consolidated Financial Statements for more information on the free-standing derivatives used to economically hedge the MSR portfolio. The net valuation adjustment gain of $23 million during the third quarter of 2013 included $24 million in gains from derivatives economically hedging the MSRs partially offset by temporary impairment of $1 million on the MSRs. The net valuation adjustment loss of $40 million during the third quarter of 2012 included $72 million in temporary impairment on the MSR portfolio partially offset by $32 million in gains from derivatives economically hedging the MSRs. The net valuation adjustment gain of $137 million for the nine months ended September 30, 2013 included a recovery of temporary impairment of $150 million on the MSRs partially offset by $13 million in losses from derivatives economically hedging the MSRs. Mortgage rates increased during the nine months ended September 30, 2013 which caused modeled prepayment speeds to slow, which led to the recovery of temporary impairment on servicing rights during the period. The net valuation adjustment loss of $47 million for the nine months ended September 30, 2012 included $122 million of temporary impairment on the MSR portfolio partially offset by $75 million in gains from derivatives economically hedging the MSR portfolio.

The Bancorp’s total residential loans serviced as of September 30, 2013 and 2012 were $82.8 billion and $75.9 billion, respectively, with $69.0 billion, and $62.4 billion, respectively, of residential mortgage loans serviced for others.

In addition to the derivative positions used to economically hedge the MSR portfolio, the Bancorp acquires various securities as a component of its non-qualifying hedging strategy. The Bancorp sold the securities related to the non-qualifying hedging strategy during the three months ended September 30, 2013 and recognized a gain of $5 million and $13 million, respectively, recorded in securities gains, net, non-qualifying hedges on mortgage servicing rights in the Bancorp’s Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2013. Net gains on sales of these securities were $5 million for both the three and nine months ended September 30, 2012.

Service charges on deposits

Service charges on deposits increased $12 million and $20 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year. Commercial deposit revenue increased $5 million and $13 million compared to the same periods in the prior year primarily due to increased treasury management fees as a result of a pricing change implemented in 2012 and the acquisition of new customers. For the three months ended September 30, 2013, consumer deposit revenue increased $7 million compared to the same period in the prior year due to an increase in consumer checking fees due to new deposit product offerings coupled with an increase in overdraft fees due to an increase in occurrences. For the nine months ended September 30, 2013, consumer deposit revenue increased $7 million compared to the nine months ended September 30, 2012 due to the previously mentioned increase in consumer checking fees partially offset by the elimination of daily overdraft fees on continuing consumer overdraft positions which took effect late in the second quarter of 2012.

Corporate banking revenue

Corporate banking revenue increased $1 million and $8 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012. The increase was primarily due to a $9 million and $13 million increase in syndication fees compared to the three and nine months ended September 30, 2012, respectively, partially offset by decreases in lease remarketing income and institutional sales revenue.

Investment advisory revenue

Investment advisory revenue increased $5 million and $14 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in 2012. The increase for both periods was primarily due to increased securities and brokerage fees due to an increase in equity and bond market values coupled with increased private client service fees, partially offset by a decrease in mutual fund fees. Due to the sale of certain FTAM funds during the third quarter of 2012, mutual fund fees decreased $3 million and $12 million for the three and nine months ended September 30, 2013 compared to the same prior year periods. The Bancorp had approximately $318.4 billion and $299.8 billion in total assets under care as of September 30, 2013 and 2012, respectively, and managed $27.4 billion and $26.2 billion in assets, respectively, for individuals, corporations and not-for-profit organizations for the same comparative periods.

Card and processing revenue

Card and processing revenue increased $4 million and $14 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012. The increase for both periods was primarily the result of higher transaction volumes. Debit card interchange revenue, included in card and processing revenue, was $31 million and $90 million for the three and nine months ended September 30, 2013, respectively compared to $30 million and $89 million for the same periods in the prior year.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Other noninterest income

The major components of other noninterest income are as follows:

TABLE 7: Components of Other Noninterest Income

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2013	2012	2013	2012
Gain on sale of Vantiv, Inc. shares and Vantiv, Inc. IPO	**$ 85**	—	**$ 327**	115
Valuation adjustments on stock warrants associated with Vantiv Holding, LLC	**6**	(16)	**116**	85
Equity method earnings from interest in Vantiv Holding, LLC	**18**	25	**54**	27
Operating lease income	**20**	15	**54**	44
BOLI income	**10**	7	**41**	26
Cardholder fees	**12**	12	**35**	34
Banking center income	**9**	9	**26**	24
Insurance income	**5**	7	**21**	21
Consumer loan and lease fees	**7**	7	**20**	21
Gain on loan sales	**1**	2	**3**	16
Loss on sale of OREO	**(5)**	(11)	**(20)**	(47)
Loss on swap associated with the sale of Visa, Inc. class B shares	**(2)**	(1)	**(13)**	(30)
Other, net	**19**	22	**44**	23
Total other noninterest income	**$ 185**	78	**$ 708**	359

Other noninterest income increased $107 million in the third quarter of 2013 compared to the third quarter of 2012 and $349 million for the nine months ended September 30, 2013 compared to the same period in the prior year. The increase for both periods was primarily due to gains of $242 million and $85 million on the sale of Vantiv, Inc. shares in the second and third quarters of 2013, respectively, compared to gains of $115 million related to the Vantiv, Inc. IPO recorded in the first quarter of 2012. In addition, the positive valuation adjustments on the stock warrants associated with Vantiv Holding, LLC increased $22 million and $31 million, respectively, for the three and nine months ended September 30, 2013 from the comparable prior year periods. Additionally, the equity method earnings from the Bancorp's interest in Vantiv Holding, LLC decreased $7 million compared to the three months ended September 30, 2012 and increased $27 million compared to the nine months ended September 30, 2012. The decrease for the three months ended September 30, 2013 was due to the decrease in the Bancorp's ownership percentage of Vantiv Holding, LLC from 39% as of September 30, 2012 to 25% as of September 30, 2013 primarily due to the previously mentioned share sales. The increase for the nine months ended September 30, 2013 was primarily due to $34 million in debt termination charges incurred in the first quarter of 2012 related to Vantiv Holding, LLC's debt refinancing which was included in equity method earnings.

BOLI income increased $15 million for the nine months ended September 30, 2013 compared to the same period in the prior year primarily due to a $10 million settlement in the second quarter of 2013 related to a previously surrendered BOLI policy. The "other" caption increased $21 million for the nine months ended September 30, 2013 compared to the prior year period, primarily due to $17 million in lower of cost or market adjustments associated with bank premises held-for-sale recorded in the second quarter of 2012. In addition, other noninterest income benefited from a $17 million decrease in the loss related to the Visa total return swap for nine months ended September 30, 2013 compared to the nine months ended September 30, 2012. For additional information on the valuation of the swap associated with the sale of Visa, Inc. Class B shares and the valuation of warrants associated with Vantiv Holding, LLC, see Note 21 of the Notes to Condensed Consolidated Financial Statements. For the nine months ended September 30, 2013 compared to the same period in the prior year, other noninterest income benefited from a decrease in losses on the sale of OREO of $27 million, which decreased primarily as a result of fewer new commercial OREO properties during 2013.

Noninterest Expense

Total noninterest expense decreased $47 million, or five percent, for the three months ended September 30, 2013, and increased $54 million, or two percent, for the nine months ended September 30, 2013 compared to the three and nine months ended September 30, 2012, respectively.

The major components of noninterest expense are as follows:

TABLE 8: Noninterest Expense

($ in millions)	For the three months ended September 30, 2013	2012	% Change	For the nine months ended September 30, 2013	2012	% Change
Salaries, wages and incentives	**$ 389**	399	(2)	**$1,193**	1,191	—
Employee benefits	**83**	79	4	**280**	274	2
Net occupancy expense	**75**	76	(1)	**230**	227	2
Technology and communications	**52**	49	6	**151**	144	5
Card and processing expense	**33**	30	9	**97**	90	8
Equipment expense	**29**	28	5	**85**	82	3
Other noninterest expense	**298**	345	(14)	**936**	910	3
Total noninterest expense	**$ 959**	1,006	(5)	**$2,972**	2,918	2
Efficiency ratio	**59.2 %**	63.7 %		**57.2 %**	60.4 %	

Total personnel costs (salaries, wages and incentives plus employee benefits) decreased $6 million and increased $8 million, respectively, for the three and nine months ended September 30, 2013 compared to the same periods in 2012. The decrease for the three month period is primarily due to a decrease in incentive compensation primarily in the mortgage business due to lower production levels in the current quarter partially offset by a $4 million expense related to a pension settlement which in the prior year was recorded in the fourth quarter. The increase for the nine month period is primarily due to the previously mentioned pension settlement. Full time equivalent employees totaled 20,256 at September 30, 2013 compared to 20,789 at September 30, 2012.

TABLE 9: Components of Other Noninterest Expense

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Losses and adjustments	**$ 35**	53	**$ 164**	122
Loan and lease	**39**	45	**125**	136
FDIC insurance and other taxes	**31**	32	**98**	77
Marketing	**32**	39	**91**	98
Affordable housing investments impairment	**29**	22	**77**	68
Professional service fees	**19**	14	**52**	39
Travel	**13**	13	**42**	38
Operating lease	**15**	11	**41**	31
Postal and courier	**11**	12	**36**	36
Data processing	**10**	10	**32**	29
Recruitment and education	**7**	7	**20**	21
Insurance	**4**	5	**13**	14
OREO expense	**5**	6	**12**	16
Intangible asset amortization	**2**	3	**6**	10
Provision (benefit) for unfunded commitments and letters of credit	**1**	(2)	**(13)**	(5)
Other, net	**45**	75	**140**	180
Total other noninterest expense	**$ 298**	345	**$ 936**	910

Total other noninterest expense decreased $47 million for the three months ended September 30, 2013 compared to the same period in 2012. Losses and adjustments decreased $18 million for the three months ended September 30, 2013 compared to the three months ended September 30, 2012 primarily due to a decrease in the provision for representation and warranty claims partially offset by an increase in legal settlements and reserves expense. The provision for representation and warranty claims decreased $38 million for the three months ended September 30, 2013 compared to the same period in the prior year as the Bancorp recorded significant additions to the reserve in the third quarter of 2012, due to additional information obtained from FHLMC regarding their file selection criteria which enabled the Bancorp to better estimate the losses that are probable on loans sold to FHLMC with representation and warranty provisions. In addition, the decrease in the representation and warranty reserve is due to improving underlying repurchase metrics in the current year. Litigation settlements and reserves expense increased $24 million for the three months ended September 30, 2013 compared to the same period in the prior year due to increased litigation and regulatory activity. Additionally, during the third quarter of 2012 the Bancorp incurred $26 million of debt extinguishment costs associated with the redemption of the outstanding TruPS issued by Fifth Third Capital Trust V and Fifth Third Capital Trust VI recorded in the “other” caption above.

Total other noninterest expense increased $26 million for the nine months ended September 30, 2013 compared to the same period in 2012. Losses and adjustments increased $42 million for the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 as an increase in litigation expense of $65 million due to the reason previously discussed was partially offset by a $29 million decrease in the provision for representation and warranty claims for the reason noted previously. Additionally, FDIC insurance and other taxes increased $21 million for the nine months ended September 30, 2013 compared to the same period in the prior year due to a $23 million expense reduction in the first quarter of 2012 from an agreement reached on certain outstanding disputes for non-income tax related assessments.

The Bancorp continues to focus on efficiency initiatives as part of its core emphasis on operating leverage and expense control. The efficiency ratio (noninterest expense divided by the sum of net interest income (FTE) and noninterest income) was 59.2% and 57.2% for the three and nine months ended September 30, 2013, respectively, compared to 63.7% and 60.4% for the three and nine months ended September 30, 2012.

Applicable Income Taxes

The Bancorp's income before income taxes, applicable income tax expense and effective tax rate are as follows:

TABLE 10: Applicable Income Taxes

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2013**	2012	**2013**	2012
Income before income taxes	**$ 604**	503	**$2,037**	1,670
Applicable income tax expense	**183**	139	**613**	491
Effective tax rate	**30.3 %**	27.7	**30.1 %**	29.4

Applicable income tax expense for all periods includes the benefit from tax-exempt income, tax-advantaged investments, and certain gains on sales of leases that are exempt from federal taxation and tax credits, partially offset by the effect of certain nondeductible expenses. The tax credits are associated with the Low-Income Housing Tax Credit program established under Section 42 of the IRC, the New Markets Tax Credit program established under Section 45D of the IRC, the Rehabilitation Investment Tax Credit program established under Section 47 of the IRC, and the Qualified Zone Academy Bond program established under Section 1397E of the IRC.

As required under U.S. GAAP, the Bancorp established a deferred tax asset for stock-based awards granted to its employees. When the actual tax deduction for these stock-based awards is less than the expense previously recognized for financial reporting or when the awards expire unexercised, the Bancorp is required to write-off the deferred tax asset previously established for these stock-based awards. As a result of the Bancorp's stock price as of September 30, 2013, it is probable that the Bancorp will be required to record an additional $2 million of income tax expense during the next twelve months, primarily in the second quarter of 2014. However, the Bancorp cannot predict its stock price or whether its employees will exercise other stock-based awards with lower exercise prices in the future; therefore, it is possible that the total impact to income tax expense will be greater than or less than this amount.

On September 13, 2013, the Internal Revenue Service released final tangible property regulations under Sections 162(a) and 263(a) of the IRC and proposed regulations under Section 168 of the IRC. These regulations generally apply to taxable years beginning on or after January 1, 2014 and will affect all taxpayers that acquire, produce, or improve tangible property. The Bancorp does not expect the adoption of these regulations to have a material impact on the Bancorp's Condensed Consolidated Financial Statements.

BALANCE SHEET ANALYSIS

Loans and Leases

The Bancorp classifies its loans and leases based upon the primary purpose of the loan. Table 11 summarizes end of period loans and leases, including loans held for sale and Table 12 summarizes average total loans and leases, including loans held for sale.

TABLE 11: Components of Total Loans and Leases (includes held for sale)

($ in millions)	September 30, 2013		December 31, 2012	
	Balance	% of Total	Balance	% of Total
Commercial:				
Commercial and industrial loans	**$ 38,260**	**43**	36,077	42
Commercial mortgage loans	**8,058**	**9**	9,116	10
Commercial construction loans	**879**	**1**	707	1
Commercial leases	**3,572**	**4**	3,549	4
Subtotal – commercial	**50,769**	**57**	49,449	57
Consumer:				
Residential mortgage loans	**13,832**	**16**	14,873	17
Home equity	**9,356**	**11**	10,018	11
Automobile loans	**12,072**	**14**	11,972	13
Credit card	**2,157**	**2**	2,097	2
Other consumer loans and leases	**375**	**—**	312	—
Subtotal – consumer	**37,792**	**43**	39,272	43
Total loans and leases	**$ 88,561**	**100**	88,721	100
Total portfolio loans and leases (excludes loans held for sale)	**$87,231**		85,782	

Loans and leases, including loans held for sale, decreased $160 million from December 31, 2012. The decrease from December 31, 2012 was comprised of a decrease of $1.5 billion, or four percent, in consumer loans and leases partially offset by an increase of $1.3 billion, or three percent, in commercial loans and leases.

Commercial loans and leases increased from December 31, 2012 primarily due to an increase in commercial and industrial loans partially offset by a decrease in commercial mortgage loans. Commercial and industrial loans increased $2.2 billion, or six percent, from December 31, 2012 as a result of an increase in new loan origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Commercial mortgage loans decreased $1.1 billion, or 12%, from December 31, 2012 due to continued runoff as the level of new originations was less than the repayments of the existing portfolio.

Consumer loans and leases decreased from December 31, 2012 primarily due to a decrease in residential mortgage loans and home equity, partially offset by an increase in automobile loans. Residential mortgage loans decreased $1.0 billion, or seven percent, primarily due to a decline in loans held for sale of $1.6 billion from reduced origination volume driven by higher mortgage rates. This decline was partially offset by an increase in portfolio residential mortgage loans which increased $517 million from December 31, 2012 due to the continued retention of certain shorter term residential mortgage loans originated through the Bancorp's retail branches. Home equity decreased $662 million, or seven percent, from December 31, 2012 as payoffs exceeded new loan production. Additionally, automobile loans increased $100 million, or one percent, from December 31, 2012 due to an increase in originations, partially offset by the securitization and sale in the first quarter of 2013 of $509 million of automobile loans.

TABLE 12: Components of Average Total Loans and Leases (includes held for sale)

For the three months ended ($ in millions)	September 30, 2013		September 30, 2012	
	Balance	% of Total	Balance	% of Total
Commercial:				
Commercial and industrial loans	**$ 38,145**	**43**	33,124	40
Commercial mortgage loans	**8,280**	**9**	9,592	11
Commercial construction loans	**797**	**1**	751	1
Commercial leases	**3,574**	**4**	3,483	4
Subtotal – commercial	**50,796**	**57**	46,950	56
Consumer:				
Residential mortgage loans	**14,333**	**16**	13,458	16
Home equity	**9,432**	**11**	10,312	12
Automobile loans	**12,083**	**14**	11,812	14
Credit card	**2,140**	**2**	1,971	2
Other consumer loans and leases	**370**	**—**	326	—
Subtotal – consumer	**38,358**	**43**	37,879	44
Total average loans and leases	**$ 89,154**	**100**	84,829	100
Total average portfolio loans and leases (excludes loans held for sale)	**$87,272**		82,888	

Table of Contents

Average loans and leases, including held for sale, increased $4.3 billion, or five percent, from September 30, 2012. The increase from September 30, 2012 was comprised of an increase of $3.8 billion, or eight percent, in average commercial loans and leases and an increase of $479 million, or one percent, in average consumer loans and leases.

Average commercial loans and leases increased from September 30, 2012 primarily due to an increase in average commercial and industrial loans partially offset by a decrease in average commercial mortgage loans. Average commercial and industrial loans increased $5.0 billion, or 15%, from September 30, 2012 due to an increase in new loan origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Average commercial mortgage loans decreased $1.3 billion, or 14%, from September 30, 2012 due to continued runoff as the level of new originations was less than the repayments on the current portfolio.

Average consumer loans and leases increased from September 30, 2012 due to an increase in average residential mortgage loans, average automobile loans, and average credit card loans, partially offset by a decrease in average home equity. Average residential mortgage loans increased $875 million, or seven percent, from September 30, 2012 due to strong refinancing activity in the first half of 2013 and due to the continued retention of certain shorter term residential mortgage loans originated through the Bancorp's retail branches. Average automobile loans increased $271 million, or two percent, from September 30, 2012 due to loan originations exceeding runoff, partially offset by the impact of the previously mentioned securitization and sale in the first quarter of 2013. Average credit card loans increased $169 million, or nine percent, from September 30, 2012 due to an increase in average balances per account and the volume of new customer accounts. Average home equity decreased $880 million, or nine percent, from September 30, 2012 as payoffs exceeded new loan production.

Investment Securities

The Bancorp uses investment securities as a means of managing interest rate risk, providing liquidity support and providing collateral for pledging purposes. Total investment securities were $18.6 billion at September 30, 2013 and $15.7 billion at December 31, 2012. The increase from December 31, 2012 was primarily driven by the Bancorp's decision to grow the securities portfolio in order to take advantage of an increase in rates throughout 2013 as well as the desire to return the portfolio to more normalized levels.

Securities are classified as trading when bought and held principally for the purpose of selling them in the near term. Securities are classified as available-for-sale when, in management's judgment, they may be sold in response to, or in anticipation of, changes in market conditions. Securities that management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost.

At September 30, 2013, the Bancorp's investment portfolio consisted primarily of AAA-rated available-for-sale securities. The Bancorp did not hold asset-backed securities backed by subprime mortgage loans in its investment portfolio. Additionally, securities classified as below investment grade had a carrying value of $1 million as of September 30, 2013, compared to $31 million as of December 31, 2012. The Bancorp's management has evaluated the securities in an unrealized loss position in the available-for-sale and held-to-maturity portfolios for OTTI. The Bancorp recognized $45 million and $57 million of OTTI on its available-for-sale and other debt securities during the three and nine months ended September 30, 2013 and $23 million and $39 million of OTTI during the three and nine months ended September 30, 2012, respectively. The Bancorp did not recognize any OTTI on any of its available-for-sale equity securities or held-to-maturity debt securities during the three and nine months ended September 30, 2013 and 2012. See Note 4 of the Notes to the Condensed Consolidated Financial Statements for further information on OTTI.

TABLE 13: Components of Investment Securities

($ in millions)	September 30, 2013	December 31, 2012
Available-for-sale and other: (amortized cost basis)		
U.S. Treasury and government agencies	**$ 26**	41
U.S. Government sponsored agencies	**1,524**	1,730
Obligations of states and political subdivisions	**201**	203
Agency mortgage-backed securities (a)	**11,149**	8,403
Other bonds, notes and debentures (b)	**3,773**	3,161
Other securities (c)	**992**	1,033
Total available-for-sale and other securities	**$ 17,665**	14,571
Held-to-maturity: (amortized cost basis)		
Obligations of states and political subdivisions	**$ 264**	282
Other bonds, notes and debentures	**1**	2
Total held-to-maturity	**$ 265**	284
Trading: (fair value)		
U.S. Treasury and government agencies	**$ 1**	1
U.S. Government sponsored agencies	**20**	6
Obligations of states and political subdivisions	**21**	17
Agency mortgage-backed securities	**1**	7
Other bonds, notes and debentures	**9**	15
Other securities	**194**	161
Total trading	**$ 246**	207

(a) *Includes interest-only mortgage backed securities of **$279** and $408 as of **September 30, 2013** and December 31, 2012, respectively, recorded at fair value with fair value changes recorded in securities gains, net and securities gains, net-non-qualifying hedges on mortgage servicing rights in the Condensed Consolidated Statements of Income.*

(b) Other bonds, notes, and debentures consist of non-agency mortgage-backed securities, certain other asset-backed securities (primarily automobile and commercial loan-backed securities) and corporate bond securities.

(c) Other securities consist of FHLB and FRB restricted stock holdings that are carried at par, FHLMC and FNMA preferred stock holdings and certain mutual fund holdings and equity security holdings.

Table of Contents

Available-for-sale securities on an amortized cost basis increased $3.1 billion, or 21%, from December 31, 2012 primarily due to an increase in agency mortgage-backed securities and other bonds, notes, and debentures partially offset by a decrease in U.S. Government sponsored agencies. Agency mortgage-backed securities increased $2.7 billion, or 33%, from December 31, 2012 due to $11.3 billion in purchases of agency mortgage-backed securities partially offset by $6.5 billion in sales and $2.1 billion in paydowns on the portfolio during the nine months ended September 30, 2013. Other bonds, notes, and debentures increased $612 million, or 19%, due to the purchase of $1.5 billion of asset backed securities, collateralized loan obligations and collateralized mortgage backed securities partially offset by the sale of $799 million of asset backed securities, collateralized loan obligations and corporate bonds and $128 million of paydowns and TruPS that were called during the nine months ended September 30, 2013. U.S. Government sponsored agencies securities decreased $206 million, or 12%, primarily due to approximately $204 million of agency debentures that were called in the second and third quarter of 2013.

Available-for-sale securities on an amortized cost basis were 16% and 14% of total interest-earning assets at September 30, 2013 and December 31, 2012, respectively. The estimated weighted-average life of the debt securities in the available-for-sale portfolio was 6.1 years at September 30, 2013 compared to 3.8 years at December 31, 2012. In addition, at September 30, 2013, the available-for-sale securities portfolio had a weighted-average yield of 3.24%, compared to 3.30% at December 31, 2012.

Information presented in Table 14 is on a weighted-average life basis, anticipating future prepayments. Yield information is presented on an FTE basis and is computed using historical cost balances. Maturity and yield calculations for the total available-for-sale portfolio exclude equity securities that have no stated yield or maturity. Total net unrealized gains on the available-for-sale securities portfolio were $415 million at September 30, 2013 compared to $636 million at December 31, 2012. The decrease from December 31, 2012 was primarily due to the sale of available-for-sale and other securities and an increase in interest rates during 2013. The fair value of investment securities is impacted by interest rates, credit spreads, market volatility and liquidity conditions. The fair value of investment securities generally decreases when interest rates increase or when credit spreads widen.

TABLE 14: Characteristics of Available-for-Sale and Other Securities

As of September 30, 2013 ($ in millions)	Amortized Cost	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield
U.S. Treasury and government agencies:				
Average life 1 – 5 years	$ 25	25	2.9	0.82 %
Average life 5 – 10 years	1	1	5.7	1.50
Total	26	26	3.0	0.83
U.S. Government sponsored agencies:				
Average life 1 – 5 years	1,524	1,653	3.3	3.65
Total	1,524	1,653	3.3	3.65
Obligations of states and political subdivisions: (a)				
Average life of one year or less	7	7	0.1	0.12
Average life 1 – 5 years	127	129	2.9	2.32
Average life 5 – 10 years	56	57	6.9	4.88
Average life greater than 10 years	11	12	11.1	5.02
Total	201	205	4.4	3.10
Agency mortgage-backed securities:				
Average life of one year or less	273	282	0.7	5.52
Average life 1 – 5 years	2,808	2,891	4.1	3.55
Average life 5 – 10 years	7,591	7,690	7.1	3.49
Average life greater than 10 years	477	490	12.9	3.96
Total	11,149	11,353	6.5	3.57
Other bonds, notes and debentures:				
Average life of one year or less	230	238	0.4	1.45
Average life 1 – 5 years	1,691	1,732	3.2	1.91
Average life 5 – 10 years	1,298	1300	7.2	2.60
Average life greater than 10 years	554	569	15.2	1.87
Total	3,773	3,839	6.2	2.11
Other securities	992	1,004		
Total available-for-sale and other securities	$ 17,665	18,080	6.1	3.24 %

(a) *Taxable-equivalent yield adjustments included in the above table are 0.03%, 0.01%, 0.89%, 1.74% and 0.35% for securities with an average life of one year or less, 1-5 years, 5-10 years, greater than 10 years and in total, respectively.*

Deposits

The Bancorp's deposit balances represent an important source of funding and revenue growth opportunity. The Bancorp continues to focus on core deposit growth in its retail and commercial franchises by improving customer satisfaction, building full relationships and offering competitive rates. Core deposits represented 69% and 71% of the Bancorp's asset funding base at September 30, 2013 and December 31, 2012, respectively.

Table of Contents

TABLE 15: Deposits

($ in millions)	September 30, 2013 Balance	September 30, 2013 % of Total	December 31, 2012 Balance	December 31, 2012 % of Total
Demand	**$30,153**	**32**	30,023	34
Interest checking	**23,527**	**25**	24,477	27
Savings	**17,583**	**19**	19,879	22
Money market	**10,433**	**11**	6,875	8
Foreign office	**1,409**	**1**	885	1
Transaction deposits	**83,105**	**88**	82,139	92
Other time	**3,524**	**4**	4,015	4
Core deposits	**86,629**	**92**	86,154	96
Certificates-$100,000 and over	**7,497**	**8**	3,284	4
Other	**—**	**—**	79	—
Total deposits	**$ 94,126**	**100**	89,517	100

Core deposits increased $475 million, or one percent, from December 31, 2012 driven by an increase of $966 million, or one percent, in transaction deposits, partially offset by a decrease of $491 million, or 12%, in other time deposits. Total transaction deposits increased from December 31, 2012 due to an increase in money market deposits and foreign office deposits partially offset by a decrease in interest checking deposits and saving deposits. Money market deposits increased $3.6 billion, or 52%, from December 31, 2012 partially driven by account migration from savings deposits which decreased $2.3 billion, or 12%. The remaining increase in money market deposits was due to an increase in consumer average balances per account. Interest checking deposits decreased $950 million, or four percent, primarily due to account migration to demand deposit accounts. Demand deposit accounts remained relatively flat increasing $130 million from December 31, 2012. The account migration from interest checking deposits to demand deposit accounts was offset by balance migration to foreign office deposits, which increased $524 million, or 59%, from December 31, 2012 and a decrease in commercial average interest checking balances per account from December 31, 2012. These balances were elevated as of December 31, 2012 due to uncertainty over tax increases and U.S. fiscal policy. The decrease in other time deposits from December 31, 2012 was primarily the result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts.

The Bancorp uses certificates $100,000 and over as a method to fund earning assets. At September 30, 2013, certificates $100,000 and over increased $4.2 billion compared to December 31, 2012 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits during 2013.

The following table presents average deposits for the three months ending:

TABLE 16: Average Deposits

($ in millions)	September 30, 2013 Balance	September 30, 2013 % of Total	September 30, 2012 Balance	September 30, 2012 % of Total
Demand	**$ 30,655**	**32**	27,127	32
Interest checking	**23,116**	**25**	22,967	27
Savings	**18,026**	**19**	21,283	25
Money market	**9,693**	**10**	4,776	6
Foreign office	**1,755**	**2**	1,345	1
Transaction deposits	**83,245**	**88**	77,498	91
Other time	**3,676**	**4**	4,224	5
Core deposits	**86,921**	**92**	81,722	96
Certificates-$100,000 and over	**7,315**	**8**	3,016	4
Other	**17**	**—**	32	—
Total average deposits	**$94,253**	**100**	84,770	100

On an average basis, core deposits increased $5.2 billion, or six percent, from September 30, 2012 due to an increase of $5.7 billion, or seven percent, in average transaction deposits partially offset by a decrease of $548 million, or 13%, in average other time deposits. The increase in average transaction deposits was driven by an increase in average demand deposits and average money market deposits partially offset by a decrease in average savings deposits. Average demand deposits increased $3.5 billion, or 13%, from September 30, 2012 due to an increase in average balances per account for consumer customers, new product offerings, and new commercial deposit growth. Average money market deposits increased $4.9 billion from September 30, 2012 primarily due to account migration from savings deposits which decreased $3.3 billion, or 15%, from September 30, 2012 and account migration from interest checking deposits. Despite the migration to money market deposits, average interest checking deposits remained relatively flat increasing $149 million, or one percent, from September 30, 2012, primarily due to new commercial customer accounts. The remaining increase in average money market deposits is due to an increase in the average balance per account. Average other time deposits decreased $548 million, or 13%, from September 30, 2012 primarily as a result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts. Average certificates $100,000 and over increased $4.3 billion from September 30, 2012 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits during 2013.

Other time deposits and certificates $100,000 and over totaled $11.0 billion and $7.3 billion at September 30, 2013 and December 31, 2012, respectively. All of these deposits were interest-bearing.

The contractual maturities of certificates $100,000 and over as of September 30, 2013 are summarized in the following table:

TABLE 17: Contractual Maturities of Certificates—$100,000 and over

($ in millions)	September 30, 2013
Three months or less	$ 3,151
After three months through six months	1,712
After six months through 12 months	1,728
After 12 months	906
Total	$ 7,497

The contractual maturities of other time deposits and certificates $100,000 and over as of September 30, 2013 are summarized in the following table:

TABLE 18: Contractual Maturities of Other Time Deposits and Certificates $100,000 and over

($ in millions)	September 30, 2013
Next 12 months	$ 8,713
13-24 months	1,408
25-36 months	395
37-48 months	238
49-60 months	211
After 60 months	56
Total	$ 11,021

Borrowings

Total borrowings decreased $2.5 billion, or 17%, from December 31, 2012. Table 19 summarizes the end of period components of total borrowings. As of September 30, 2013, total borrowings as a percentage of interest-bearing liabilities were 16% compared to 19% at December 31, 2012.

TABLE 19: Borrowings

($ in millions)	September 30, 2013	December 31, 2012
Federal funds purchased	**$ 225**	901
Other short-term borrowings	**3,487**	6,280
Long-term debt	**8,098**	7,085
Total borrowings	**$ 11,810**	14,266

Federal funds purchased decreased by $676 million, or 75%, from December 31, 2012 driven by a decrease in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings decreased $2.8 billion, or 44%, from December 31, 2012 driven by a decrease of $2.6 billion in short-term FHLB borrowings. The level of these borrowings can fluctuate significantly from period to period depending on funding needs and which sources are used to satisfy those needs. Long-term debt increased by $1.0 billion, or 14%, from December 31, 2012 primarily driven by the issuance of $1.3 billion of unsecured senior bank notes in the first quarter of 2013 and the issuance of asset-backed securities by a consolidated VIE of $1.3 billion related to an automobile loan securitization in the third quarter of 2013, partially offset by the maturity of $1.3 billion of senior notes in the second quarter of 2013 and $221 million of declines due to fair value adjustments on hedged subordinated debt. For additional information regarding long-term debt and the automobile securitization, see Note 9 and Note 13 of the Notes to Condensed Consolidated Financial Statements.

The following table presents average borrowings for the three months ending:

TABLE 20: Average Borrowings

($ in millions)	September 30, 2013	September 30, 2012
Federal funds purchased	**$ 464**	664
Other short-term borrowings	**1,675**	4,856
Long-term debt	**7,453**	8,863
Total average borrowings	**$ 9,592**	14,383

Average total borrowings decreased $4.8 billion, or 33%, compared to September 30, 2012, primarily due to decreases in average other short-term borrowings, average long-term debt and average federal funds purchased. The level of average other short-term borrowings and average federal funds purchased can fluctuate significantly from period to period depending on funding needs and which sources are used to satisfy those needs. The decrease in average long-term debt was driven by the redemption of certain TruPS and long-term FHLB borrowings in the third quarter of 2012 partially offset by the issuance of unsecured

senior bank notes. Information on the average rates paid on borrowings is discussed in the net interest income section of the MD&A. In addition, refer to the Liquidity Risk Management section for a discussion on the role of borrowings in the Bancorp's liquidity management.

BUSINESS SEGMENT REVIEW

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Additional detailed financial information on each business segment is included in Note 22 of the Notes to Condensed Consolidated Financial Statements. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices or businesses change.

The Bancorp manages interest rate risk centrally at the corporate level and employs a FTP methodology at the business segment level. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan and deposit products. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of the estimated durations for the indeterminate-lived deposits. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2013 to reflect the current market rates and updated duration assumptions. These rates were generally higher than those in place during 2012, thus net interest income for deposit providing businesses was positively impacted for the three and nine months ended September 30, 2013.

The business segments are charged provision expense based on the actual net charge-offs experienced on the loans and leases owned by each segment. Provision expense attributable to loan and lease growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations by accessing the capital markets as a collective unit.

Net income by business segment is summarized in the following table:

TABLE 21: Business Segment Net Income Available to Common Shareholders

($ in millions)	For the three months ended September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Income Statement Data				
Commercial Banking	**$ 206**	182	**$ 591**	486
Branch Banking	**71**	46	**180**	125
Consumer Lending	**15**	54	**151**	136
Investment Advisors	**20**	16	**45**	32
General Corporate & Other	**109**	66	**457**	400
Net income	**421**	364	**1,424**	1,179
Less: Net income attributable to noncontrolling interests	**—**	1	**(9)**	1
Net income attributable to Bancorp	**421**	363	**1,433**	1,178
Dividends on preferred stock	**—**	9	**18**	26
Net income available to common shareholders	**$ 421**	354	**$1,415**	1,152

Table of Contents

Commercial Banking

Commercial Banking offers credit intermediation, cash management and financial services to large and middle-market businesses and government and professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance.

The following table contains selected financial data for the Commercial Banking segment:

TABLE 22: Commercial Banking

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Income Statement Data				
Net interest income (FTE)(a)	**$ 379**	358	**$ 1,110**	1,062
Provision for loan and lease losses	**37**	45	**116**	181
Noninterest income:				
Corporate banking revenue	**98**	96	**295**	286
Service charges on deposits	**61**	57	**179**	166
Other noninterest income	**46**	30	**115**	85
Noninterest expense:				
Salaries, incentives and benefits	**63**	60	**207**	198
Other noninterest expense	**224**	211	**637**	631
Income before taxes	**260**	225	**739**	589
Applicable income tax expense(a)(b)	**54**	43	**148**	103
Net income	**$ 206**	182	**$ 591**	486
Average Balance Sheet Data				
Commercial loans, including held for sale	**$ 45,204**	41,463	**$ 44,760**	41,073
Demand deposits	**15,720**	14,796	**14,975**	14,706
Interest checking	**6,648**	7,094	**6,821**	7,729
Savings and money market	**4,170**	2,566	**4,017**	2,612
Certificates-$100,000 and over	**1,281**	1,782	**1,280**	1,829
Foreign office deposits and other deposits	**1,718**	1,316	**1,394**	1,329

(a) *Includes FTE adjustments of **$5** and $4 for the three months ended **September 30, 2013** and 2012, respectively, and **$15** and $13 for the nine months ended **September 30, 2013** and 2012, respectively.*
(b) *Applicable income tax expense for all periods includes the tax benefit from tax-exempt income and business tax credits, partially offset by the effect of certain nondeductible expenses. Refer to the Applicable Income Taxes section of MD&A for additional information.*

Net income was $206 million for the three months ended September 30, 2013, compared to net income of $182 million for the three months ended September 30, 2012. The increase was driven by increases in noninterest income and net interest income and a decrease in the provision for loan and lease losses, partially offset by an increase in noninterest expense. For the nine months ended September 30, 2013, net income was $591 million compared to $486 million for the same period of the prior year. The increase was driven by a decrease in the provision for loan and lease losses, increases in noninterest income and net interest income, partially offset by an increase in noninterest expense.

Net interest income increased $21 million and $48 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. The increases were primarily driven by growth in average commercial and industrial portfolio loans, a decrease in the FTP charges on loans and an increase in FTP credits due to an increase in savings and money market deposits, partially offset by a decline in yields of 32 bps and 28 bps on average commercial loans for the three and nine months ended September 30, 2013, respectively, compared to the same periods in 2012.

Provision for loan and lease losses decreased $8 million and $65 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 32 bps for the three months ended September 30, 2013 compared to 43 bps for the same period of the prior year and decreased to 35 bps for the nine months ended September 30, 2013 compared to 59 bps for the same period of the prior year.

Noninterest income increased $22 million and $52 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year due to increases in service charges on deposits, corporate banking revenue and other noninterest income. Service charges on deposits increased $4 million and $13 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year primarily driven by commercial deposit revenue which increased due to fee repricing and the acquisition of new customers. Corporate banking revenue increased $2 million and $9 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012. The increase compared to the three months ended September 30, 2012 was primarily due to a $9 million increase in syndication fees partially offset by a decrease of $5 million in lease remarketing fees. The increase compared to the nine months ended September 30, 2012 was primarily due to a $13 million increase in syndication fees partially offset by a $4 million decrease in letter of credit fees. The increases in other noninterest income were driven by increases in gains on private equity investments, decreases in valuation adjustments on OREO, increases in operating lease income and decreases in valuation adjustments on loans held for sale for the three and nine months ended September 30, 2013 compared to the same periods of the prior year, partially offset by decreases in gains on loan sales.

Noninterest expense increased $16 million for the three months ended September 30, 2013 compared to the same period of the prior year primarily driven by increases in other noninterest expense. The increase in other noninterest expense was primarily due to a $7 million increase in impairment on affordable housing investments and a $4 million increase in operating lease expense. Noninterest expense increased $15 million for the nine months ended September 30, 2013 compared to the same period of the prior year driven by increases in salaries, incentives and benefits and other noninterest expense. Salaries, incentives and benefits increased $9 million due to an increase in base and incentive compensation primarily driven by improved production levels. The increase in other noninterest expense was primarily due to a $9 million increase in both operating lease expense and impairment on affordable housing investments, partially offset by a decrease in corporate overhead allocations.

Average commercial loans increased $3.7 billion for both the three and nine months ended September 30, 2013 compared to the same periods of the prior year primarily due to an increase in average commercial and industrial loans, partially offset by a decrease in average commercial mortgage loans. Average commercial and industrial portfolio loans increased $4.9 billion for both the three and nine months ended September 30, 2013 compared to the same periods of the prior year as a result of an increase in new origination activity from an increase in demand due to a strengthening economy and targeted marketing efforts. Average commercial mortgage portfolio loans decreased $1.2 billion and $1.1 billion for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year due to continued run-off as the level of new originations was less than the repayments of the existing portfolio.

Average core deposits increased $2.5 billion and $829 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. The increase for the three months ended September 30, 2013 was primarily driven by strong growth in savings and money market deposits, which increased $1.6 billion, and demand deposits, which increased $924 million, compared to the same period of the prior year, partially offset by a decrease in interest checking deposits of $446 million. The increase for the nine months ended September 30, 2013 was primarily driven by strong growth in savings and money market deposits, which increased $1.4 billion, and demand deposits, which increased $269 million, compared to the same period of the prior year, partially offset by a decrease in interest checking deposits of $908 million.

Branch Banking

Branch Banking provides a full range of deposit and loan and lease products to individuals and small businesses through 1,326 full-service Banking Centers. Branch Banking offers depository and loan products, such as checking and savings accounts, home equity loans and lines of credit, credit cards and loans for automobiles and other personal financing needs, as well as products designed to meet the specific needs of small businesses, including cash management services.

The following table contains selected financial data for the Branch Banking segment:

TABLE 23: Branch Banking

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2013**	2012	**2013**	2012
Income Statement Data				
Net interest income	**$ 374**	344	**$ 1,079**	1,021
Provision for loan and lease losses	**52**	71	**162**	226
Noninterest income:				
Service charges on deposits	**78**	70	**226**	219
Card and processing revenue	**74**	72	**215**	202
Investment advisory revenue	**36**	33	**110**	96
Other noninterest income	**29**	28	**85**	81
Noninterest expense:				
Salaries, incentives and benefits	**146**	142	**442**	435
Net occupancy and equipment expense	**61**	61	**182**	180
Card and processing expense	**31**	29	**91**	86
Other noninterest expense	**192**	173	**560**	499
Income before taxes	**109**	71	**278**	193
Applicable income tax expense	**38**	25	**98**	68
Net income	**$ 71**	46	**$ 180**	125
Average Balance Sheet Data				
Consumer loans, including held for sale	**$15,317**	14,951	**$15,210**	14,879
Commercial loans, including held for sale	**4,556**	4,546	**4,538**	4,585
Demand deposits	**12,873**	10,289	**12,485**	9,796
Interest checking	**8,930**	9,272	**8,945**	9,286
Savings and money market	**22,747**	22,717	**22,848**	22,766
Other time and certificates-$100,000 and over	**4,635**	5,292	**4,821**	5,470

Net income was $71 million for the three months ended September 30, 2013, compared to net income of $46 million for the three months ended September 30, 2012. For the nine months ended September 30, 2013, net income was $180 million compared to $125 million for the same period of the prior year. Both increases were driven by an increase in net interest income and noninterest income and a decline in the provision for loan and lease losses, partially offset by an increase in noninterest expense.

Net interest income increased $30 million and $58 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. The primary drivers of the increases were decreases in the FTP charge rates on loans and leases, increases in the FTP credits for savings products, and a decline in interest expense on core deposits due to favorable shifts from certificates of deposit to lower cost transaction deposits. These increases were partially offset by lower yields on average commercial loans.

Provision for loan and lease losses for the three months ended September 30, 2013 decreased $19 million compared to the third quarter of 2012, and declined $64 million for the nine months ended September 30, 2013 compared to the same period of the prior year as a result of improved credit trends. Net charge-offs as a percent of average loans and leases decreased to 104 bps for the three months ended September 30, 2013 compared to 145 bps for the three months ended September 30, 2012 and decreased to 109 bps for the nine months ended September 30, 2013 compared to 156 bps for the same period of the prior year.

Noninterest income increased $14 million and $38 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. These increases were primarily driven by higher investment advisory revenue, higher card and processing revenue and higher service charges on deposits. Investment advisory revenue increased $3 million and $14 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in 2012 primarily due to increased securities and brokerage fees due to an increase in equity and bond market values coupled with increased private client service fees, partially offset by a decrease in mutual fund fees. Card and processing revenue increased $2 million and $13 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in 2012 primarily due to higher transaction volumes, higher levels of consumer spending and the benefit of new products. Service charges on deposits increased $8 million and $7 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in 2012 primarily due to an increase in account maintenance fees due to new deposit product offerings.

Noninterest expense increased $25 million and $75 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year, primarily driven by increases in other noninterest expense, which increased $19 million and $61 million, respectively. The increases in other noninterest expense for the three and nine months ended September 30, 2013 were primarily due to increases in corporate overhead allocations.

Average consumer loans increased $366 million for the three months ended 2013 and $331 million for the nine months ended September 30, 2013 compared to the same periods in the prior year. These increases were primarily due to increases in average residential mortgage portfolio loans of $1.0 billion and $984 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year due to an increase in originations due to a low interest rate environment in the first half of 2013. The increases in average residential mortgage portfolio loans were partially offset by decreases in average home equity portfolio loans of $793 million and $743 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year as payoffs exceeded new loan production.

Average core deposits increased $1.7 billion and $1.9 billion for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year as the growth in demand deposits due to excess customer liquidity and historically low interest rates outpaced the run-off of higher priced other time deposits.

Consumer Lending

Consumer Lending includes the Bancorp’s mortgage, home equity, automobile and other indirect lending activities. Mortgage and home equity lending activities include the origination, retention and servicing of mortgage and home equity loans or lines of credit, sales and securitizations of those loans, pools of loans or lines of credit, and all associated hedging activities. Indirect lending activities include extending loans to consumers through mortgage brokers and automobile dealers.

Table of Contents

The following table contains selected financial data for the Consumer Lending segment:

TABLE 24: Consumer Lending

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Income Statement Data				
Net interest income	**$ 76**	77	**$ 246**	234
Provision for loan and lease losses	**20**	38	**71**	140
Noninterest income:				
Mortgage banking net revenue	**118**	197	**563**	577
Other noninterest income	**18**	15	**52**	35
Noninterest expense:				
Salaries, incentives and benefits	**49**	58	**182**	169
Other noninterest expense	**119**	109	**374**	327
Income before taxes	**24**	84	**234**	210
Applicable income tax expense	**9**	30	**83**	74
Net income	**$ 15**	54	**$ 151**	136
Average Balance Sheet Data				
Residential mortgage loans, including held for sale	**$ 9,938**	10,163	**$10,613**	10,024
Home equity	**547**	633	**571**	652
Automobile loans, including held for sale	**11,474**	11,159	**11,402**	11,156
Other consumer loans and leases	**13**	11	**16**	37

Net income was $15 million and $151 million for the three and nine months ended September 30, 2013 compared to net income of $54 million and $136 million, respectively, for the same periods in the prior year. For the three months ended September 30, 2013, the decrease in net income was primarily driven by a decrease in noninterest income, partially offset by a decline in provision for loan and lease losses. For the nine months ended September 30, 2013, the increase in net income was driven by a decline in provision for loan and lease losses, and increases in net interest income and noninterest income, partially offset by an increase in noninterest expense.

Net interest income decreased $1 million and increased $12 million for the three and nine months ended September 30, 2013 compared to the same periods in the prior year. The decrease for the three months ended September 30, 2013 was primarily driven by lower yields on average automobile loans and average residential mortgage loans, and a decrease in average residential mortgage loans, partially offset by an increase in average automobile loans. The increase for the nine months ended September 30, 2013 was primarily driven by increases in average automobile loans and average residential mortgage loans, partially offset by lower yields on average residential mortgage loans and average automobile loans.

Provision for loan and lease losses decreased $18 million and $69 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year, as delinquency metrics and underlying loss trends improved across all consumer loan types. Net charge-offs as a percent of average loans and leases decreased to 40 bps for the three months ended September 30, 2013 compared to 75 bps for the same period of the prior year and decreased to 47 bps for the nine months ended September 30, 2013 compared to 94 bps for the same period of the prior year.

Noninterest income decreased $76 million for the three months ended September 30, 2013 and increased $3 million for the nine months ended September 30, 2013 compared to the same periods of the prior year. The decrease for the three month period was driven by a decrease in mortgage banking net revenue of $79 million, primarily due to a decrease in gains on loan sales of $151 million resulting from an 18% decline in residential mortgage loan originations coupled with lower profit margins on sold residential mortgage loans. The decrease was offset by an increase in net residential mortgage servicing revenue of $72 million, primarily driven by an increase in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs of $63 million and a decrease in servicing rights amortization of $9 million. The $3 million increase for the nine months ended September 30, 2013 was primarily due to an increase in other noninterest income of $17 million partially offset by a decrease of $14 million in mortgage banking net revenue. The increase in other noninterest income was primarily due to an $11 million increase in securities gains and a $6 million decrease in losses on the sale of OREO. The decrease in mortgage banking net revenue was primarily due to a decrease in gains on loan sales of $190 million, partially offset by a $176 million increase in net residential mortgage servicing revenue. The increase in net residential mortgage servicing revenue was driven by an increase of $184 million in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs, partially offset by an $8 million increase in servicing rights amortization.

Noninterest expense increased $1 million and $60 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. The $1 million increase for the three months ended September 30, 2013 was due to an increase of $10 million in other noninterest expense partially offset by a decrease of $9 million in salaries, incentives and benefits. The $60 million increase for the nine months ended September 30, 2013 was due to an increase of $47 million in other noninterest expense and an increase of $13 million in salaries, incentives and benefits. The decrease in salaries, incentives and benefits for the three months ended September 30, 2013 was due to a decline in mortgage loan originations during the period. The increase in salaries, incentives and benefits for the nine months ended September 30, 2013 was due to higher mortgage loan originations during the period. For both periods, the increases in other noninterest expense were primarily due to higher legal settlements and reserves expense and an increase in corporate overhead allocations.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Average consumer loans and leases increased $6 million and $733 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. Average residential mortgage loans, including held for sale, decreased $225 million for the three months ended September 30, 2013 due to a decrease in originations in the current quarter. Average residential mortgage loans, including held for sale, increased $589 million for the nine months ended September 30, 2013 due to the strong refinancing activity that occurred in the first half of 2013. Average automobile loans, including held for sale, increased $315 million and $246 million for the three and nine months ended September 30, 2013, respectively, compared to the three and nine months ended September 30, 2012 due to an increase in originations. Average home equity portfolio loans decreased $86 million and $81 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year as payoffs exceeded new loan production. Average other consumer loans and leases increased $2 million and decreased $21 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year. The increase for the three months ended September 30, 2013 was due to an increase in average other consumer loans partially offset by a decrease in average consumer leases due to run-off as the Bancorp discontinued automobile leasing in 2008. The decrease for the nine months ended September 30, 2013 was due to a decrease in average consumer leases due to the previously mentioned run-off in automobile leasing partially offset by an increase in average other consumer loans.

Investment Advisors

Investment Advisors provides a full range of investment alternatives for individuals, companies and not-for-profit organizations. Investment Advisors is made up of four main businesses: FTS, an indirect wholly-owned subsidiary of the Bancorp; FTAM, an indirect wholly-owned subsidiary of the Bancorp; Fifth Third Private Bank; and Fifth Third Institutional Services. FTS offers full service retail brokerage services to individual clients and broker dealer services to the institutional marketplace. FTAM provides asset management services and previously advised the Bancorp's proprietary family of mutual funds. Fifth Third Private Bank offers holistic strategies to affluent clients in wealth planning, investing, insurance and wealth protection. Fifth Third Institutional Services provides advisory services for institutional clients including states and municipalities.

The following table contains selected financial data for the Investment Advisors segment:

TABLE 25: Investment Advisors

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Income Statement Data				
Net interest income	**$ 38**	30	**$ 109**	87
Provision for loan and lease losses	**—**	3	**1**	9
Noninterest income:				
Investment advisory revenue	**95**	90	**289**	275
Other noninterest income	**4**	17	**16**	27
Noninterest expense:				
Salaries, incentives and benefits	**39**	39	**120**	123
Other noninterest expense	**68**	70	**224**	208
Income before taxes	**30**	25	**69**	49
Applicable income tax expense	**10**	9	**24**	17
Net income	**$ 20**	16	**$ 45**	32
Average Balance Sheet Data				
Loans and leases	**$2,026**	1,839	**$1,978**	1,883
Core deposits	**8,712**	7,714	**8,595**	7,527

Net income was $20 million for the three months ended September 30, 2013 compared to net income of $16 million for the three months ended September 30, 2012. The increase was driven primarily by an increase in net interest income and a decline in the provision for loan and lease losses, partially offset by a decrease in noninterest income. For the nine months ended September 30, 2013, net income was $45 million compared to $32 million for the same period of the prior year. The increase was driven by an increase in net interest income, a decline in the provision for loan and lease losses and an increase in noninterest income, partially offset by an increase in noninterest expense. Net interest income increased $8 million and $22 million for the three and nine months ended September 30, 2013 due to an increase in FTP credits resulting from an increase in interest checking deposits.

Provision for loan and leases losses decreased $3 million and $8 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year as a result of improved credit trends. Net charge-offs as a percent of average loans and leases decreased to 10 bps for the nine months ended September 30, 2013 compared to 63 bps for the same period of the prior year.

Noninterest income decreased $8 million and increased $3 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. The $8 million decrease for the three months ended September 30, 2013 was primarily due to the gain on the sale of contracts due to certain FTAM funds which were sold in the third quarter of 2012, partially offset by an increase in private client service fees and an increase in securities and brokerage fees due to an increase in equity and bond market values. The $3 million increase for the nine months ended September 30, 2013 was driven by an increase in securities and brokerage fees due to an increase in equity and bond market values and an increase in private client service fees. These increases were partially offset by the gain on the previously mentioned sale of certain FTAM funds in the third quarter of 2012.

Noninterest expense decreased $2 million and increased $13 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year. The decrease for the three months ended September 30, 2013 was primarily driven by a $4 million recovery of previously

recognized fraud losses partially offset by an increase in corporate overhead allocations. The increase for the nine months ended September 30, 2013 was primarily due to an increase in corporate overhead allocations and a $6 million increase in fraud loss.

Average loans and leases increased $187 million for the three months ended September 30, 2013 compared to the same period in 2012 primarily due to increases in commercial and industrial, residential mortgage and other consumer loans, partially offset by a decrease in commercial mortgage loans. Average loans and leases increased $95 million for the nine months ended September 30, 2013 compared to the same period in 2012 primarily due to increases in other consumer, commercial and industrial, residential mortgage and home equity loans, partially offset by a decrease in commercial mortgage loans. Average core deposits increased $998 million, or 13%, and $1.1 billion, or 14%, for the three and nine months ended September 30, 2013, respectively, compared to the same periods of the prior year primarily due to growth in interest checking as customers have opted to maintain excess funds in liquid transaction accounts as a result of the low interest rate environment. For the nine months ended September 30, 2013, the growth in interest checking was partially offset by account migration from foreign office deposits.

General Corporate and Other

General Corporate and Other includes the unallocated portion of the investment securities portfolio, securities gains and losses, certain non-core deposit funding, unassigned equity, provision expense in excess of net charge-offs or a benefit from the reduction of the ALLL, representation and warranty expense in excess of actual losses or a benefit from the reduction of representation and warranty reserves, the payment of preferred stock dividends and certain support activities and other items not attributed to the business segments.

Results for the three months and nine months ended September 30, 2013 were impacted by a benefit of $58 million and $174 million, respectively, due to reductions in the ALLL. The decrease in provision expense was due to a decrease in nonperforming loans and improvements in delinquency metrics and underlying loss trends. Net interest income for the three months ended September 30, 2013 was $31 million compared to $98 million in the same period of the prior year. Net interest income for the nine months ended September 30, 2013 was $132 million compared to $305 million in the same period of the prior year. Both decreases in net interest income were primarily due to an increase in the FTP charge on loans partially offset by a decrease in interest expense on long-term debt. The increase in noninterest income for both periods was primarily due to gains of $242 million and $85 million on the sale of Vantiv, Inc. shares in the second and third quarter of 2013, respectively, compared to a $115 million gain from the Vantiv, Inc. IPO recognized in the first quarter of 2012. In addition, the positive valuation adjustments on the stock warrants associated with Vantiv Holding, LLC increased $22 million and $31 million, respectively, for the three and nine months ended September 30, 2013 from the comparable prior year periods. Additionally, the equity method earnings from the Bancorp's interest in Vantiv Holding, LLC decreased $7 million compared to the three months ended September 30, 2012 and increased $27 million compared to the nine months ended September 30, 2012. The decrease for the three months ended September 30, 2013 was due to the decrease in the Bancorp's ownership percentage of Vantiv Holding, LLC from 39% as of September 30, 2012 to 25% as of September 30, 2013 primarily due to the previously mentioned share sales. The increase for the nine months ended September 30, 2013 was primarily due to $34 million in debt termination charges incurred in the first quarter of 2012 related to Vantiv Holding, LLC's debt refinancing which was included in equity method earnings.

RISK MANAGEMENT – OVERVIEW

Managing risk is an essential component of successfully operating a financial services company. The Bancorp's risk management approach includes processes for identifying, assessing, managing, monitoring and reporting risks. The ERM division and the Bancorp Credit division, led by the Bancorp's Chief Risk and Credit Officer, ensure the consistency and adequacy of the Bancorp's risk management approach within the structure of the Bancorp's affiliate operating model. In addition, the Internal Audit division provides an independent assessment of the Bancorp's internal control structure and related systems and processes.

The assumption of risk requires robust and active risk management practices that comprise an integrated and comprehensive set of activities, measures and strategies that apply to the entire organization. The Bancorp has established a Risk Appetite Framework that provides the foundations of corporate risk capacity, risk appetite and risk tolerances. The Bancorp's risk capacity is represented by its available financial resources. Risk capacity sets an absolute limit on risk-assumption in the Bancorp's annual and strategic plans. The Bancorp understands that not all financial resources may persist as viable loss buffers over time. Further, consideration must be given to planned or foreseeable events that would reduce risk capacity. Those factors take the form of capacity adjustments to arrive at an Operating Risk Capacity which represents the operating risk level the Bancorp can assume while maintaining its solvency standard. The Bancorp's policy currently discounts its Operating Risk Capacity by a minimum of five percent to provide a buffer; as a result, the Bancorp's risk appetite is limited by policy to, at most, 95% of its Operating Risk Capacity.

Economic capital is the amount of unencumbered financial resources required to support the Bancorp's risks. The Bancorp measures economic capital under the assumption that it expects to maintain debt ratings at strong investment grade levels over time. The Bancorp's capital policies require that the Operating Risk Capacity less the aforementioned buffer exceed the calculated economic capital required in its business.

Risk appetite is the aggregate amount of risk the Bancorp is willing to accept in pursuit of its strategic and financial objectives. By establishing boundaries around risk taking and business decisions, and by incorporating the needs and goals of its shareholders, regulators, rating agencies and customers, the Bancorp's risk appetite is aligned with its priorities and goals. Risk tolerance is the maximum amount of risk applicable to each of the eight specific risk categories included in its Enterprise Risk Management Framework. This is expressed primarily in qualitative terms. The Bancorp's risk appetite and risk tolerances are supported by risk targets and risk limits. Those limits are used to monitor the amount of risk assumed at a granular level.

The risks faced by the Bancorp include, but are not limited to, credit, market, liquidity, operational, regulatory compliance, legal, reputational and strategic. Each of these risks is managed through the Bancorp's risk program which includes the following key functions:

- Enterprise Risk Management Programs is responsible for developing and overseeing the implementation of risk programs and reporting that facilitate a broad integrated view of risk. The department also leads the continual fostering of a strong risk management culture and the framework, policies and committees that support effective risk governance, including the oversight of Sarbanes-Oxley compliance;
- Commercial Credit Risk Management provides safety and soundness within an independent portfolio management framework that supports the Bancorp's commercial loan growth strategies and underwriting practices, ensuring portfolio optimization and appropriate risk controls;
- Risk Strategies and Reporting is responsible for quantitative analysis needed to support the commercial dual rating methodology, ALLL methodology and analytics needed to assess credit risk and develop mitigation strategies related to that risk. The department also provides oversight, reporting and monitoring of commercial underwriting and credit administration processes. The Risk Strategies and Reporting department is also responsible for the economic capital program;
- Consumer Credit Risk Management provides safety and soundness within an independent management framework that supports the Bancorp's consumer loan growth strategies, ensuring portfolio optimization, appropriate risk controls and oversight, reporting, and monitoring of underwriting and credit administration processes;
- Operational Risk Management works with affiliates and lines of business to maintain processes to monitor and manage all aspects of operational risk, including ensuring consistency in application of operational risk programs;
- Bank Protection oversees and manages fraud prevention and detection and provides investigative and recovery services for the Bancorp;
- Capital Markets Risk Management is responsible for instituting, monitoring, and reporting appropriate trading limits, monitoring liquidity, interest rate risk and risk tolerances within Treasury, Mortgage, and Capital Markets groups and utilizing a value at risk model for Bancorp market risk exposure;
- Regulatory Compliance Risk Management ensures that processes are in place to monitor and comply with federal and state banking regulations, including processes related to fiduciary, community reinvestment act and fair lending compliance. The function also has the responsibility for maintenance of an enterprise-wide compliance framework; and
- The ERM division creates and maintains other functions, committees or processes as are necessary to effectively manage risk throughout the Bancorp.

Risk management oversight and governance is provided by the Risk and Compliance Committee of the Board of Directors and through multiple management committees whose membership includes a broad cross-section of line of business, affiliate and support representatives. The Risk and Compliance Committee of the Board of Directors consists of five outside directors and has the responsibility for the oversight of risk management for the Bancorp, as well as for the Bancorp's overall aggregate risk profile. The Risk and Compliance Committee of the Board of Directors has approved the formation of key management governance committees that are responsible for evaluating risks and controls. The primary committee responsible for the oversight of risk management is the ERMC. Committees

accountable to the ERMC, which support the core risk programs, are the Corporate Credit Committee, the Operational Risk Committee, the Management Compliance Committee, the Asset/Liability Committee and the Enterprise Marketing Committee. Other committees accountable to the ERMC oversee the ALLL, capital, liquidity, market risk and community reinvestment act/fair lending functions. There are also new products and initiatives processes applicable to every line of business to ensure an appropriate standard readiness assessment is performed before launching a new product or initiative. Significant risk policies approved by the management governance committees are also reviewed and approved by the Risk and Compliance Committee of the Board of Directors.

Credit Risk Review is an independent function responsible for evaluating the sufficiency of underwriting, documentation and approval processes for consumer and commercial credits; the accuracy of risk grades assigned to commercial credit exposure; nonaccrual status; specific reserves and monitoring of charge-offs. Credit Risk Review reports directly to the Risk and Compliance Committee of the Board of Directors and administratively to the Chief Auditor.

CREDIT RISK MANAGEMENT

The objective of the Bancorp's credit risk management strategy is to quantify and manage credit risk on an aggregate portfolio basis, as well as to limit the risk of loss resulting from an individual customer default. The Bancorp's credit risk management strategy is based on three core principles: conservatism, diversification and monitoring. The Bancorp believes that effective credit risk management begins with conservative lending practices. These practices include conservative exposure and counterparty limits and conservative underwriting, documentation and collection standards. The Bancorp's credit risk management strategy also emphasizes diversification on a geographic, industry and customer level as well as ongoing portfolio monitoring and timely management reviews of large credit exposures and credits experiencing deterioration of credit quality. Credit officers with the authority to extend credit are delegated specific authority amounts, the utilization of which is closely monitored. Underwriting activities are centrally managed, and ERM manages the policy and the authority delegation process directly. The Credit Risk Review function provides objective assessments of the quality of underwriting and documentation, the accuracy of risk grades and the charge-off, nonaccrual and reserve analysis process. The Bancorp's credit review process and overall assessment of the adequacy of the allowance for credit losses is based on quarterly assessments of the probable estimated losses inherent in the loan and lease portfolio. The Bancorp uses these assessments to promptly identify potential problem loans or leases within the portfolio, maintain an adequate reserve and take any necessary charge-offs. The Bancorp defines potential problem loans as those rated substandard that do not meet the definition of a nonperforming asset or a restructured loan. See Note 6 of the Notes to the Condensed Consolidated Financial Statements for further information on the Bancorp's credit grade categories, which are derived from standard regulatory rating definitions.

The following tables provide a summary of potential problem loans:

TABLE 26: Potential Problem Loans

As of September 30, 2013 ($ in millions)	Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$ 1,442	1,445	1,779
Commercial mortgage	592	595	594
Commercial construction	48	48	56
Commercial leases	41	41	41
Total	$2,123	2,129	2,470

TABLE 27: Potential Problem Loans

As of December 31, 2012 ($ in millions)	Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$ 1,015	1,017	1,212
Commercial mortgage	848	849	851
Commercial construction	87	87	100
Commercial leases	9	9	9
Total	$1,959	1,962	2,172

In addition to the individual review of larger commercial loans that exhibit probable or observed credit weaknesses, the commercial credit review process includes the use of two risk grading systems. The risk grading system currently utilized for reserve analysis purposes encompasses ten categories. The Bancorp also maintains a dual risk rating system for credit approval and pricing, portfolio monitoring and capital allocation that includes a "through-the-cycle" rating philosophy for modeling expected losses. The dual risk rating system includes thirteen probabilities of default grade categories and an additional six grade categories for estimating losses given an event of default. The probability of default and loss given default evaluations are not separated in the ten-category risk rating system. The Bancorp has completed significant validation and testing of the dual risk rating system as a commercial credit risk management tool. The Bancorp is assessing the necessary modifications to the dual risk rating system outputs to develop a U.S. GAAP compliant ALLL model and will make a decision on the use of modified dual risk ratings for purposes of determining the Bancorp's ALLL once the FASB has issued a final standard regarding proposed methodology changes to the determination of credit impairment as outlined in the FASB's Accounting Standard Update- Financial Instruments-Credit Losses (Subtopic 825-15) issued on December 20, 2012. Scoring systems, various analytical tools and delinquency monitoring are used to assess the credit risk in the Bancorp's homogenous consumer and small business loan portfolios.

Overview

The economy showed signs of modest improvement in the first half of 2013, however, the third quarter saw a slight reduction in that trend. Risks remain that could continue to impact the economy's growth rate. Domestic concerns are focused on the political issues surrounding raising the debt limit and authorizing spending measures to keep the government running, business uncertainty about the implementation of the Affordable Care Act and extended high unemployment. Global issues include: European sovereign debt concerns, slower growth in China and persistent fears regarding the Middle East. The U.S. housing industry is maintaining an upward course and is adding to overall job gains. Geographically, the Bancorp continues to experience the most stress in Michigan and Florida due to previous declines in real estate values. Real estate value deterioration, as measured by the Home Price Index, was most prevalent in Florida due to past real estate price appreciation and related over-development, and in Michigan due in part to cutbacks in automobile manufacturing and the state's economic downturn.

Among consumer portfolios, residential mortgage and brokered home equity portfolios exhibited the most stress. Management suspended homebuilder and developer lending in 2007 and new commercial non-owner occupied real estate lending in 2008, discontinued the origination of brokered home equity products at the end of 2007 and tightened underwriting standards across both the commercial and consumer loan product offerings. With the stabilization of certain real estate markets, the Bank began to selectively originate new homebuilder and developer lending and non-owner occupied commercial lending real estate in the third quarter of 2011. Since the fourth quarter of 2008, in an effort to reduce loan exposure to the real estate and construction industries, the Bancorp has sold certain consumer loans and sold or transferred to held for sale certain commercial loans. The Bancorp continues to aggressively engage in other loss mitigation strategies such as reducing credit commitments, restructuring certain commercial and consumer loans, as well as utilizing commercial and consumer loan workout teams. For commercial and consumer loans owned by the Bancorp, loan modification strategies are developed that are workable for both the borrower and the Bancorp when the borrower displays a willingness to cooperate. These strategies typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. For residential mortgage loans serviced for FHLMC and FNMA, the Bancorp participates in the HAMP and HARP 2.0 programs. For loans refinanced under the HARP 2.0 program, the Bancorp strictly adheres to the underwriting requirements of the program and promptly sells the refinanced loan back to the agencies. Loan restructuring under the HAMP program is performed on behalf of FHLMC or FNMA and the Bancorp does not take possession of these loans during the modification process. Therefore, participation in these programs does not significantly impact the Bancorp's credit quality statistics. The Bancorp participates in trial modifications in conjunction with the HAMP program for loans it services for FHLMC and FNMA. As these trial modifications relate to loans serviced for others, they are not included in the Bancorp's troubled debt restructurings as they are not assets of the Bancorp. In the event there is a representation and warranty violation on loans sold through the programs, the Bancorp may be required to repurchase the sold loan. As of September 30, 2013, repurchased loans restructured or refinanced under these programs were immaterial to the Bancorp's Condensed Consolidated Financial Statements. Additionally, as of September 30, 2013, $144 million of loans refinanced under HARP 2.0 were included in loans held for sale in the Bancorp's Condensed Consolidated Balance Sheets. For the three and nine months ended September 30, 2013, the Bancorp recognized $11 million and $89 million of noninterest income in mortgage banking net revenue in the Bancorp's Condensed Consolidated Statements of Income related to the sale of loans restructured or refinanced under the HAMP and HARP 2.0 programs.

In the financial services industry, there has been heightened focus on foreclosure activity and processes. The Bancorp actively works with borrowers experiencing difficulties and has regularly modified or provided forbearance to borrowers where a workable solution could be found. Foreclosure is a last resort, and the Bancorp undertakes foreclosures only when it believes they are necessary and appropriate and is careful to ensure that customer and loan data are accurate. Reviews of the Bancorp's foreclosure process and procedures conducted in 2010 did not reveal any material deficiencies. These reviews were expanded and extended in 2011 to improve the Bancorp's processes as additional aspects of the industry's foreclosure practices have come under intensified scrutiny and criticism. These reviews are complete and the Bancorp has enhanced some of its processes and procedures to address some concerns that were raised and to comply with changes in state laws.

Commercial Portfolio

The Bancorp's credit risk management strategy includes minimizing concentrations of risk through diversification. The Bancorp has commercial loan concentration limits based on industry, lines of business within the commercial segment, geography and credit product type.

The risk within the commercial loan and lease portfolio is managed and monitored through an underwriting process utilizing detailed origination policies, continuous loan level reviews, monitoring of industry concentration and product type limits and continuous portfolio risk management reporting. The origination policies for commercial real estate outline the risks and underwriting requirements for owner and non-owner occupied and construction lending. Included in the policies are maturity and amortization terms, maximum LTVs, minimum debt service coverage ratios, construction loan monitoring procedures, appraisal requirements, pre-leasing requirements (as applicable) and sensitivity and pro-forma analysis requirements. The Bancorp requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and on an as needed basis when market conditions justify. Although the Bancorp does not back test these collateral value assumptions, the Bancorp maintains an appraisal review department to order and review third-party appraisals in accordance with regulatory requirements. Collateral values on criticized assets with relationships exceeding $1 million are reviewed quarterly to assess the appropriateness of the value ascribed in the assessment of charge-offs and specific reserves. In addition, the Bancorp applies incremental valuation adjustments to older appraisals that relate to collateral dependent loans, which can currently be up to 20-30% of the appraised value based on the type of collateral. These incremental valuation adjustments generally reflect the age of the most recent appraisal as well as collateral type. Trends in collateral values, such as home price indices and recent asset dispositions, are monitored in order to determine whether changes to the appraisal adjustments are warranted. Other factors such as local market conditions or location may also be considered as necessary.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Bancorp assesses all real estate and non-real estate collateral securing a loan and considers all cross collateralized loans in the calculation of the LTV ratio. The following table provides detail on the most recent LTV ratios for commercial mortgage loans greater than $1 million, excluding impaired commercial mortgage loans individually evaluated. The Bancorp does not typically aggregate the LTV ratios for commercial mortgage loans less than $1 million.

TABLE 28: Commercial Mortgage Loans Outstanding by LTV, Loans Greater Than $1 Million

As of September 30, 2013 ($ in millions)	LTV > 100%	LTV 80-100%	LTV < 80%
Commercial mortgage owner occupied loans	$ 245	303	2,115
Commercial mortgage non-owner occupied loans	306	415	1,516
Total	$ 551	718	3,631

TABLE 29: Commercial Mortgage Loans Outstanding by LTV, Loans Greater Than $1 Million

As of December 31, 2012 ($ in millions)	LTV > 100%	LTV 80-100%	LTV < 80%
Commercial mortgage owner occupied loans	$ 390	302	2,325
Commercial mortgage non-owner occupied loans	450	605	1,955
Total	$ 840	907	4,280

The following table provides detail on commercial loans and leases by industry classification (as defined by the North American Industry Classification System), by loan size and by state, illustrating the diversity and granularity of the Bancorp's commercial loans and leases:

TABLE 30: Commercial Loan and Lease Portfolio (excluding loans held for sale)

	September 30, 2013			December 31, 2012		
($ in millions)	Outstanding	Exposure	Nonaccrual	Outstanding	Exposure	Nonaccrual
By industry:						
Manufacturing	$ 10,125	19,449	80	$ 9,982	18,414	58
Financial services and insurance	5,905	13,528	35	4,886	12,062	54
Real estate	4,877	6,691	94	5,588	6,840	198
Business services	4,759	7,168	65	4,600	6,917	56
Wholesale trade	4,257	7,977	18	4,042	7,401	26
Healthcare	4,062	6,045	28	4,079	6,094	14
Transportation and warehousing	3,189	4,478	1	3,105	4,222	3
Retail trade	3,011	6,466	21	2,624	5,699	38
Construction	1,902	3,105	47	1,995	3,254	105
Communication and information	1,745	3,123	4	1,547	2,631	19
Mining	1,575	3,121	42	1,683	2,767	—
Accommodation and food	1,562	2,369	9	1,478	2,160	17
Entertainment and recreation	1,135	1,833	7	914	1,393	11
Other services	996	1,406	29	1,156	1,517	42
Utilities	609	2,117	—	608	2,009	—
Public administration	519	766	—	441	693	—
Agribusiness	355	489	31	376	527	44
Individuals	165	198	10	281	335	12
Other	4	4	—	3	2	—
Total	$ 50,752	90,333	521	$ 49,388	84,937	697
By loan size:						
Less than $200,000	2 %	1	8	2 %	1	9
$200,000 to $1 million	5	4	20	6	5	22
$1 million to $5 million	13	11	23	15	12	28
$5 million to $10 million	10	8	14	11	9	13
$10 million to $25 million	26	24	29	27	25	24
Greater than $25 million	44	52	6	39	48	4
Total	100 %	100	100	100 %	100	100
By state:						
Ohio	20 %	22	12	20 %	24	13
Michigan	10	8	14	11	10	17
Illinois	7	8	8	8	8	8
Florida	7	6	17	7	6	19
Indiana	5	5	11	5	5	11
Kentucky	3	3	4	4	3	4
North Carolina	3	3	1	3	3	2

Tennessee	**3**	**3**	**1**	3	3	5
Pennsylvania	**3**	**3**	**6**	3	2	1
All other states	**39**	**39**	**26**	36	36	20
Total	**100 %**	**100**	**100**	100 %	100	100

Table of Contents

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Bancorp has identified certain categories of loans which it believes represent a higher level of risk compared to the rest of the Bancorp's loan portfolio, due to economic or market conditions within the Bancorp's key lending areas. The following tables provide analysis of each of the categories of loans (excluding loans held for sale) by state as of and for the three and nine months ended September 30, 2013 and 2012:

TABLE 31: Non-Owner Occupied Commercial Real Estate(a)

As of September 30, 2013 ($ in millions)					Net Charge-offs (Recoveries) for September 30, 2013	
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	**$ 1,037**	**1,250**	**—**	**20**	**(2)**	**12**
Michigan	**882**	**945**	**—**	**28**	**(1)**	**2**
Florida	**517**	**644**	**—**	**7**	**—**	**3**
Illinois	**378**	**595**	**—**	**11**	**(1)**	**1**
Indiana	**194**	**227**	**—**	**9**	**—**	**—**
North Carolina	**172**	**305**	**—**	**4**	**—**	**1**
All other states	**1,062**	**1,646**	**—**	**3**	**1**	**1**
Total	**$ 4,242**	**5,612**	**—**	**82**	**(3)**	**20**

(a) Included in commercial mortgage and commercial construction loans on the Condensed Consolidated Balance Sheets.

TABLE 32: Non-Owner Occupied Commercial Real Estate(a)

As of September 30, 2012 ($ in millions)					Net Charge-offs (Recoveries) for September 30, 2012	
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	$ 1,307	1,411	—	50	6	16
Michigan	1,203	1,238	—	66	5	27
Florida	619	651	—	49	7	20
Illinois	416	446	—	26	3	9
Indiana	307	311	—	12	1	2
North Carolina	217	271	1	13	—	3
All other states	863	1,062	—	37	1	(4)
Total	$ 4,932	5,390	1	253	23	73

(a) Included in commercial mortgage and commercial construction loans on the Condensed Consolidated Balance Sheets.

TABLE 33: Homebuilder and Developer(a)

As of September 30, 2013 ($ in millions)					Net Charge-offs (Recoveries) for September 30, 2013	
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	**$ 96**	**129**	**—**	**7**	**(1)**	**—**
Michigan	**37**	**44**	**—**	**4**	**—**	**(1)**
Illinois	**25**	**25**	**—**	**6**	**—**	**—**
North Carolina	**24**	**29**	**—**	**—**	**—**	**—**
Indiana	**15**	**16**	**—**	**6**	**—**	**—**
Florida	**4**	**17**	**—**	**—**	**—**	**—**
All other states	**25**	**86**	**—**	**1**	**—**	**1**
Total	**$ 226**	**346**	**—**	**24**	**(1)**	**—**

*(a) Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of **$57** and a total exposure of **$130** are also included in Table 31: Non-Owner Occupied Commercial Real Estate.*

TABLE 34: Homebuilder and Developer(a)

As of September 30, 2012 ($ in millions)					Net Charge-offs for September 30, 2012	
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	$ 170	226	—	9	1	7
Michigan	64	77	—	3	1	6
Illinois	29	32	—	9	1	3
North Carolina	17	25	—	5	—	1
Indiana	20	22	—	9	—	—
Florida	38	61	—	5	—	11

All other states	38	40	—	6	—	—
Total	$ 376	483	—	46	3	28

(a) Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $151 and a total exposure of $236 are also included in Table 32: Non-Owner Occupied Commercial Real Estate.

Consumer Portfolio

The Bancorp's consumer portfolio is materially comprised of three categories of loans: residential mortgage, home equity, and automobile. The Bancorp has identified certain categories within these loan types which it believes represent a higher level of risk compared to the rest of the consumer loan portfolio due to high loan amount to collateral value. The Bancorp does not update LTV ratios for the consumer portfolio subsequent to origination except as part of the charge-off process for real estate secured loans.

Residential Mortgage Portfolio

The Bancorp manages credit risk in the residential mortgage portfolio through conservative underwriting and documentation standards and geographic and product diversification. The Bancorp may also package and sell loans in the portfolio.

The Bancorp does not originate mortgage loans that permit customers to defer principal payments or make payments that are less than the accruing interest. The Bancorp originates both fixed and adjustable rate residential mortgage loans. Resets of rates on adjustable rate mortgages are not expected to have a material impact on credit costs in the current interest rate environment, as approximately $1.1 billion of adjustable rate residential mortgage loans will have rate resets during the next twelve months, with less than one percent of those resets expected to experience an increase in monthly payments in comparison to the monthly payment at the time of origination.

Certain residential mortgage products have contractual features that may increase credit exposure to the Bancorp in the event of a decline in housing values. These types of mortgage products offered by the Bancorp include loans with high LTV ratios, multiple loans on the same collateral that when combined result in an LTV greater than 80% and interest-only loans. The Bancorp monitors residential mortgage loans with greater than 80% LTV ratios and no mortgage insurance as it believes these loans represent a higher level of risk.

The following table provides an analysis of the residential mortgage portfolio loans outstanding by LTV at origination:

TABLE 35: Residential Mortgage Portfolio Loans by LTV at Origination

	September 30, 2013		December 31, 2012	
($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV ≤ 80%	**$ 9,430**	**65.1 %**	$ 8,993	65.8 %
LTV > 80%, with mortgage insurance	**1,195**	**93.8**	1,165	93.6
LTV > 80%, no mortgage insurance	**1,909**	**95.9**	1,859	95.6
Total	**$ 12,534**	**72.6 %**	$ 12,017	73.1 %

The following tables provide analysis of the residential mortgage portfolio loans outstanding with a greater than 80% LTV ratio and no mortgage insurance:

TABLE 36: Residential Mortgage Portfolio Loans, LTV Greater Than 80%, No Mortgage Insurance

As of September 30, 2013 ($ in millions)				**Net Charge-offs for September 30, 2013**	
By State:	Outstanding	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	**$ 588**	**3**	**20**	**3**	**8**
Michigan	**305**	**1**	**8**	**1**	**4**
Florida	**257**	**1**	**10**	**1**	**3**
Illinois	**223**	**1**	**4**	**—**	**1**
Indiana	**117**	**1**	**3**	**—**	**1**
North Carolina	**98**	**—**	**2**	**—**	**1**
Kentucky	**84**	**—**	**4**	**—**	**2**
All other states	**237**	**—**	**2**	**—**	**—**
Total	**$ 1,909**	**7**	**53**	**5**	**20**

TABLE 37: Residential Mortgage Portfolio Loans, LTV Greater Than 80%, No Mortgage Insurance

As of September 30, 2012 ($ in millions)				Net Charge-offs for September 30, 2012	
By State:	Outstanding	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	$ 611	3	23	3	11
Michigan	313	1	11	3	9
Florida	260	1	17	3	12
Illinois	181	2	4	1	2
North Carolina	116	—	5	1	3
Indiana	115	1	4	—	1
Kentucky	89	—	2	—	1

All other states	174	1	5	1	3
Total	$ 1,859	9	71	12	42

Home Equity Portfolio

The Bancorp's home equity portfolio is primarily comprised of home equity lines of credit. Beginning in the first quarter of 2013, the Bancorp's newly originated home equity lines of credit have a 10-year interest only draw period followed by a 20-year amortization period. The home equity line of credit previously offered by the Bancorp was a revolving facility with a 20-year term, minimum payments of interest only and a balloon payment of principal at maturity.

The ALLL provides coverage for probable and estimable losses in the home equity portfolio. The allowance attributable to the portion of the home equity portfolio that has not been restructured in a TDR is calculated on a pooled basis with senior lien and junior-lien categories segmented in the determination of the probable credit losses in the home equity portfolio. The modeled loss factor for the home equity portfolio is based on the trailing twelve month historical loss rate for each category, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors to reflect risks associated with current conditions and trends. The prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix. The qualitative factors include adjustments for credit administration and portfolio management, credit policy and underwriting and the national and local economy. The Bancorp considers home price index trends when determining the national and local economy qualitative factor.

The home equity portfolio is managed in two primary groups: loans outstanding with a LTV greater than 80% and those loans with a LTV 80% or less based upon appraisals at origination. The carrying value of the greater than 80% LTV home equity loans and 80% or less LTV home equity loans were $3.3 billion and $6.0 billion, respectively, as of September 30, 2013. Of the total outstanding home equity loans:

- 82% reside within the Bancorp's Midwest footprint of Ohio, Michigan, Kentucky, Indiana and Illinois;
- 33% are in senior lien positions and 67% are in junior lien positions at September 30, 2013;
- Over 80% of non-delinquent borrowers made at least one payment greater than the minimum payment during the three months ended September 30, 2013; and
- The portfolio had an average refreshed FICO score of 735 at September 30, 2013 and December 31, 2012.

The Bancorp actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation. The Bancorp does not routinely obtain appraisals on performing loans to update LTV ratios after origination. However, the Bancorp monitors the local housing markets by reviewing various home price indices and incorporates the impact of the changing market conditions in its on-going credit monitoring processes. For junior lien home equity loans, the Bancorp is unable to track the performance of the senior lien loans if it does not service the senior lien loan, but instead monitors the refreshed FICO scores as part of its assessment of the home equity portfolio.

The following table provides an analysis of home equity loans outstanding disaggregated based upon refreshed FICO score:

TABLE 38: Home Equity Loans Outstanding by Refreshed FICO Score

	September 30, 2013		December 31, 2012	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
Senior Liens:				
FICO < 620	**$ 212**	**2 %**	$ 224	2 %
FICO 621-719	**632**	**7**	653	6
FICO > 720	**2,259**	**24**	2,374	24
Total Senior Liens	**3,103**	**33**	3,251	32
Junior Liens:				
FICO < 620	**594**	**6**	661	7
FICO 621-719	**1,716**	**19**	1,817	18
FICO > 720	**3,943**	**42**	4,289	43
Total Junior Liens	**6,253**	**67**	6,767	68
Total	**$ 9,356**	**100 %**	$ 10,018	100 %

The Bancorp believes that home equity loans with a greater than 80% combined LTV ratio present a higher level of risk. The following table provides an analysis of the home equity loans outstanding in a first and second lien position by LTV at origination:

TABLE 39: Home Equity Loans Outstanding by LTV at Origination

	September 30, 2013		December 31, 2012	
($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
Senior Liens:				
LTV ≤ 80%	**$ 2,650**	**54.9 %**	$ 2,763	54.9 %
LTV > 80%	**453**	**88.9**	488	88.9
Total Senior Liens	**3,103**	**60.0**	3,251	60.2
Junior Liens:				
LTV ≤ 80%	**3,374**	**67.4**	3,602	67.3

LTV > 80%	**2,879**	**91.4**	3,165	91.6
Total Junior Liens	**6,253**	**80.3**	6,767	80.5
Total	**$ 9,356**	**73.0 %**	$ 10,018	73.4 %

The following tables provide analysis of home equity loans by state with LTV greater than 80%:

TABLE 40: Home Equity Loans Outstanding with LTV Greater than 80%

As of September 30, 2013 ($ in millions)					Net Charge-offs for September 30, 2013	
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	**$ 1,176**	**1,875**	**7**	**6**	**3**	**12**
Michigan	**720**	**1,013**	**4**	**3**	**3**	**11**
Illinois	**394**	**566**	**3**	**2**	**2**	**6**
Indiana	**307**	**467**	**2**	**2**	**1**	**3**
Kentucky	**287**	**448**	**1**	**1**	**1**	**3**
Florida	**119**	**160**	**1**	**2**	**—**	**3**
All other states	**329**	**440**	**2**	**2**	**1**	**5**
Total	**$ 3,332**	**4,969**	**20**	**18**	**11**	**43**

TABLE 41: Home Equity Loans Outstanding with LTV Greater than 80%

As of September 30, 2012 ($ in millions)					Net Charge-offs for September 30, 2012	
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	$ 1,294	1,972	8	6	6	20
Michigan	818	1,135	7	4	5	19
Illinois	437	620	6	2	4	13
Indiana	359	535	3	2	1	4
Kentucky	339	514	2	1	1	4
Florida	134	178	3	2	2	7
All other states	383	504	3	4	4	13
Total	$ 3,764	5,458	32	21	23	80

The following table provides an analysis of home equity loans by lien position:

TABLE 42: Home Equity Loans by Lien Position

As of September 30, 2013 ($ in millions)	Outstanding	90 Days Past Due	Nonaccrual
Senior Lien Home Equity	$ 3,103	12	19
Junior Lien Home Equity behind Fifth Third Serviced or Owned Senior Lien	2,282	8	7
Junior Lien Home Equity behind Third Party Serviced Senior Lien	3,971	26	22
Total	$ 9,356	46	48

Typically, home equity loans are reported on nonaccrual status if principal or interest has been in default for 180 days or more or if the loan has been modified in a TDR and subsequently becomes past due 90 days or more unless the loan is both well secured and in the process of collection. The Bancorp's policy does not place on nonaccrual status, junior lien home equity loans that are behind delinquent senior lien loans. At September 30, 2013, the Bancorp had $7 million of nonaccrual junior lien home equity loans behind Fifth Third serviced or owned senior lien loans and $16 million of performing junior lien home equity loans behind senior lien loans serviced or owned by Fifth Third which were 90 days or more past due. For junior lien home equity loans, the Bancorp is unable to track the performance of the senior lien loan if it does not service or own the senior lien loan.

Table of Contents

Automobile Portfolio

The automobile portfolio is characterized by direct and indirect lending products to consumers. As of September 30, 2013, 51% of the automobile loan portfolio is comprised of new automobiles. It is a common practice to advance on automobile loans an amount in excess of the automobile value due to the inclusion of taxes, title, and other fees paid at closing. The Bancorp monitors its exposure to these higher risk loans.

The following table provides an analysis of automobile loans outstanding by LTV at origination:

TABLE 43: Automobile Loans Outstanding with LTV at Origination

	September 30, 2013		December 31, 2012	
($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV ≤ 100%	**$ 8,340**	**81.4 %**	$ 8,123	81.5 %
LTV > 100%	**3,732**	**110.7**	3,849	110.8
Total	**$ 12,072**	**90.8 %**	$11,972	91.2 %

The following tables provide analysis of the Bancorp's automobile loans with a LTV at origination greater than 100%:

TABLE 44: Automobile Loans Outstanding with LTV Greater than 100%

As of September 30, 2013 ($ in millions)				**Net Charge-offs for September 30, 2013**	
By State:	Outstanding	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	**$ 382**	**1**	**—**	**—**	**1**
Illinois	**209**	**—**	**—**	**—**	**—**
Michigan	**195**	**—**	**—**	**—**	**1**
Florida	**186**	**—**	**—**	**1**	**1**
Indiana	**151**	**—**	**—**	**—**	**—**
Kentucky	**125**	**—**	**—**	**—**	**—**
All other states	**2,484**	**3**	**1**	**3**	**7**
Total	**$ 3,732**	**4**	**1**	**4**	**10**

TABLE 45: Automobile Loans Outstanding with LTV Greater than 100%

As of September 30, 2012 ($ in millions)				Net Charge-offs for September 30, 2012	
By State:	Outstanding	90 Days Past Due	Nonaccrual	Three Months Ended	Nine Months Ended
Ohio	$ 410	1	—	1	2
Illinois	242	1	—	—	1
Michigan	223	—	—	1	1
Florida	191	—	—	—	—
Indiana	159	—	—	—	1
Kentucky	145	—	—	—	1
All other states	2,507	3	2	2	12
Total	$ 3,877	5	2	4	18

European Exposure

The Bancorp has no direct sovereign exposure to any European nation as of September 30, 2013. In providing services to our customers, the Bancorp routinely enters into financial transactions with foreign domiciled and U.S. subsidiaries of foreign businesses as well as foreign financial institutions. These financial transactions are in the form of loans, loan commitments, letters of credit, derivatives and securities. The Bancorp's risk appetite for foreign country exposure is managed by having established country exposure limits. The Bancorp's total exposure to European domiciled or owned businesses and European financial institutions was $3.1 billion and funded exposure was $1.8 billion as of September 30, 2013. Additionally, the Bancorp was within its established country exposure limits for all European countries.

Certain European countries have been experiencing increased levels of stress throughout 2012 and during the nine months ended September 30, 2013 including Greece, Ireland, Italy, Portugal and Spain. The Bancorp's total exposure to businesses domiciled or owned by companies and financial institutions in these countries was approximately $193 million and funded exposure was $107 million as of September 30, 2013.

The following table provides detail about the Bancorp's exposure to all European domiciled and owned businesses and financial institutions as of September 30, 2013:

TABLE 46: European Exposure

	Sovereigns		Financial Institutions		Non-Financial Institutions		Total	
($ in millions)	Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure(a)	Funded Exposure
Peripheral Europe(b)	$ —	—	10	—	183	107	193	107
Other Eurozone(c)	—	—	45	25	1,847	1,107	1,892	1,132
Total Eurozone	—	—	55	25	2,030	1,214	2,085	1,239
Other Europe(d)	—	—	118	14	879	522	997	536
Total Europe	$ —	—	173	39	2,909	1,736	3,082	1,775

(a) *Total exposure includes funded exposure and unfunded commitments, reported net of collateral.*
(b) *Peripheral Europe includes Greece, Ireland, Italy, Portugal and Spain.*
(c) *Eurozone includes countries participating in the European common currency (Euro).*
(d) *Other Europe includes European countries not part of the Euro (primarily the United Kingdom and Switzerland).*

Analysis of Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; restructured commercial and credit card loans which have not yet met the requirements to be classified as a performing asset; restructured consumer loans which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. A summary of nonperforming assets is included in Table 47.

Residential mortgage loans are typically placed on nonaccrual status when principal and interest payments have become past due 150 days unless such loans are both well secured and in the process of collection. Residential mortgage loans may stay on nonaccrual status for an extended time as the foreclosure process typically lasts longer than 180 days. Typically home equity loans are reported on nonaccrual status if principal or interest has been in default for 180 days or more unless the loan is both well secured and in the process of collection. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have a sustained repayment performance of six months or greater and the Bancorp is reasonably assured of repayment in accordance with the restructured terms. Well-secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance. When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premiums, accretion of loan discounts and amortization or accretion of deferred net loan fees or costs are discontinued and previously accrued, but unpaid interest is reversed. Commercial loans on nonaccrual status are reviewed for impairment at least quarterly. If the principal or a portion of the principal is deemed a loss, the loss amount is charged off to the ALLL.

Total nonperforming assets, including loans held for sale, were $1.0 billion at September 30, 2013 compared to $1.3 billion at December 31, 2012. At September 30, 2013, $11 million of nonaccrual loans, consisting primarily of real estate secured loans, were held for sale, compared to $29 million at December 31, 2012.

Total nonperforming assets, including loans held for sale, as a percentage of total loans, leases and other assets, including OREO as of September 30, 2013 were 1.15%, compared to 1.48% as of December 31, 2012. Excluding nonaccrual loans held for sale, nonperforming assets as a percentage of portfolio loans, leases and other assets, including OREO were 1.16% as of September 30, 2013, compared to 1.49% as of December 31, 2012. The composition of nonaccrual loans and leases continues to be concentrated in real estate as 59% of nonaccrual loans and leases were secured by real estate as of September 30, 2013 compared with 67% as of December 31, 2012.

Commercial nonperforming loans and leases were $532 million at September 30, 2013, a decrease of $194 million from December 31, 2012 due primarily to the impact of loss mitigation actions and modest improvement in general economic conditions. Excluding commercial nonperforming loans and leases held for sale, commercial nonperforming loans and leases at September 30, 2013 decreased $176 million compared to December 31, 2012.

Consumer nonperforming loans and leases were $249 million at September 30, 2013, a decrease of $83 million from December 31, 2012. The decrease is due to a decline in new nonaccrual levels due to modest improvement in general economic conditions in the first nine months of 2013. Home equity nonaccrual levels remain modest as the Bancorp continues to fully charge-off a high proportion of the severely delinquent loans at 180 days past due. Geographical market conditions continue to be a large driver of nonaccrual activity as Florida properties represent approximately 13% and 8% of residential mortgage and home equity balances, respectively, but represent 41% and 18% of nonaccrual loans for each category. Refer to Table 48 for a rollforward of the nonperforming loans and leases.

OREO and other repossessed property was $244 million at September 30, 2013, compared to $257 million at December 31, 2012. The decrease from December 31, 2012 was primarily due to the sale of OREO properties coupled with a decrease in new OREO properties reflecting the impact of changes made to the Bancorp's underwriting of real estate loans in prior periods as well as improvements in general

Table of Contents

economic conditions during 2013. The Bancorp recognized $8 million and $16 million in losses on the sale or write-down of OREO properties for the three months ended September 30, 2013 and 2012, respectively and $37 million and $60 million for the nine months ended September 30, 2013 and 2012, respectively. These losses are primarily reflective of the continued stress in the Michigan and Florida markets for commercial real estate and residential mortgage loans as Michigan and Florida represented 10% and 20%, respectively, of total OREO losses for the nine months ended September 30, 2013 compared with 10% and 16%, respectively, for the nine months ended September 30, 2012. Properties in Michigan and Florida accounted for 35% of OREO at September 30, 2013, compared to 38% at December 31, 2012.

For the three and nine months ended September 30, 2013 approximately $17 million and $55 million, respectively, of interest income would have been recognized if the nonaccrual and renegotiated loans and leases on nonaccrual status had been current in accordance with their original terms. For the three and nine months ended September 30, 2012 approximately $25 million and $79 million, respectively, of interest income would have been recognized. Although these values help demonstrate the costs of carrying nonaccrual credits, the Bancorp does not expect to recover the full amount of interest as nonaccrual loans and leases are generally carried below their principal balance.

TABLE 47: Summary of Nonperforming Assets and Delinquent Loans

($ in millions)	September 30, 2013	December 31, 2012
Nonaccrual loans and leases:		
Commercial and industrial loans	$ **146**	234
Commercial mortgage loans	**106**	215
Commercial construction loans	**27**	70
Commercial leases	**1**	1
Residential mortgage loans	**83**	114
Home equity	**28**	30
Other consumer loans and leases	—	1
Restructured loans and leases:		
Commercial and industrial loans	**162**	96
Commercial mortgage loans(f)	**76**	67
Commercial construction loans	**3**	6
Commercial leases	—	8
Residential mortgage loans	**83**	123
Home equity	**20**	23
Automobile loans	**1**	2
Credit card	**34**	39
Total nonperforming loans and leases(d)	**770**	1,029
OREO and other repossessed property(c)	**244**	257
Total nonperforming assets	**1,014**	1,286
Nonaccrual loans held for sale	**11**	29
Total nonperforming assets including loans held for sale	$ **1,025**	1,315
Loans and leases 90 days past due and accruing		
Commercial and industrial loans	$ **3**	1
Commercial mortgage loans	—	22
Commercial construction loans	—	1
Residential mortgage loans(b)	**73**	75
Home equity	**46**	58
Automobile loans	**8**	8
Credit card	**26**	30
Total loans and leases 90 days past due and accruing(e)	$ **156**	195
Nonperforming assets as a percent of portfolio loans, leases and other assets, including OREO (a)	**1.16%**	1.49
Allowance for loan and lease losses as a percent of nonperforming assets (a)	**165**	144

(a) Excludes nonaccrual loans held for sale.
*(b) Information for all periods presented excludes advances made pursuant to servicing agreements to GNMA mortgage loan pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. These advances were **$379** as of **September 30, 2013** and $414 as of December 31, 2012. The Bancorp recognized **$1** and **$2** of losses for the three and nine months ended **September 30, 2013**, respectively, due to claim denials and curtailments associated with these advances. The Bancorp recognized immaterial credit losses for the three months ended September 30, 2012 and $2 of credit losses for the nine months ended September 30, 2012.*
*(c) Excludes **$75** and $72 of OREO related to government insured loans at **September 30, 2013** and December 31, 2012, respectively.*
*(d) Includes **$11** and $10 of nonaccrual government insured commercial loans whose repayments are insured by the SBA at **September 30, 2013** and December 31, 2012, respectively, and **$2** and $1 of restructured nonaccrual government insured loans at **September 30, 2013** and December 31, 2012, respectively.*
*(e) Includes an immaterial amount of government insured commercial loans 90 days past due and accruing whose repayments are insured by the SBA at **September 30, 2013** and December 31, 2012.*
*(f) Excludes **$22** of restructured nonaccrual loans at **September 30, 2013** associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*

Table of Contents

The following table provides a rollforward of portfolio nonperforming loans and leases, by portfolio segment:

TABLE 48: Rollforward of Portfolio Nonperforming Loans and Leases

For the nine months ended September 30, 2013 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Beginning Balance	**$ 697**	**237**	**95**	**1,029**
Transfers to nonperforming	**302**	**148**	**189**	**639**
Transfers to performing	**(8)**	**(41)**	**(46)**	**(95)**
Transfers to performing (restructured)	**(13)**	**(33)**	**(48)**	**(94)**
Transfers to held for sale	**(3)**	**—**	**—**	**(3)**
Loans sold from portfolio	**(19)**	**—**	**—**	**(19)**
Loan paydowns/payoffs	**(234)**	**(90)**	**(9)**	**(333)**
Transfers to other real estate owned	**(69)**	**(58)**	**(8)**	**(135)**
Charge-offs	**(143)**	**3**	**(92)**	**(232)**
Draws/other extensions of credit	**11**	**—**	**2**	**13**
Ending Balance	**$ 521**	**166**	**83**	**770**
For the nine months ended September 30, 2012 ($ in millions)				
Beginning Balance	$ 1,058	275	105	1,438
Transfers to nonperforming	491	254	272	1,017
Transfers to performing	(18)	(33)	(57)	(108)
Transfers to performing (restructured)	(26)	(42)	(71)	(139)
Transfers to held for sale	(13)	—	—	(13)
Loans sold from portfolio	(30)	(4)	—	(34)
Loan paydowns/payoffs	(376)	(88)	(9)	(473)
Transfers to other real estate owned	(86)	(54)	—	(140)
Charge-offs	(242)	(53)	(152)	(447)
Draws/other extensions of credit	48	—	4	52
Ending Balance	$ 806	255	92	1,153

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Typically, these modifications reduce the loan interest rate, extend the loan term, reduce the accrued interest or in limited circumstances, reduce the principal balance of the loan. These modifications are classified as TDRs.

At the time of modification, the Bancorp maintains certain consumer loan TDRs (including residential mortgage loans, home equity loans, and other consumer loans) on accrual status, provided there is reasonable assurance of repayment and performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified terms are reasonably assured of collection. TDRs of commercial loans and credit card loans that do not have a sustained payment history of six months or greater in accordance with the modified terms remain on nonaccrual status until a six-month payment history is sustained.

Consumer restructured loans on accrual status totaled $1.7 billion at September 30, 2013 and December 31, 2012. As of September 30, 2013, the percentage of restructured residential mortgage loans, home equity loans, and credit card loans that are past due 30 days or more were 23%, 11% and 15%, respectively.

The following table summarizes TDRs by loan type and delinquency status:

TABLE 49: Performing and Nonperforming TDRs

	Performing				
As of September 30, 2013 ($ in millions)	Current	30-89 Days Past Due	90 Days or More Past Due	Nonaccrual	Total
Commercial(b)(c)	$ 499	—	—	241	740
Residential mortgages(a)	1,044	72	117	83	1,316
Home equity	379	25	—	20	424
Automobile and other consumer loans and leases	26	2	—	1	29
Credit card	29	—	—	34	63
Total	$1,977	99	117	379	2,572

(a) *Information includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of September 30, 2013, these advances represented $157 of current loans, $33 of 30-89 days past due loans and $90 of 90 days or more past due loans.*

(b) *Excludes $8 of restructured accruing loans and $22 of restructured nonaccrual loans associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*

(c) *Excludes restructured nonaccrual loans held for sale.*

Table of Contents

During the third quarter of 2012, the OCC, a national bank regulatory agency, issued interpretive guidance that requires non-reaffirmed loans included in Chapter 7 bankruptcy filings to be accounted for as nonperforming TDRs and collateral dependent loans regardless of their payment history and capacity to pay in the future. The Bancorp's banking subsidiary is a state chartered bank which therefore is not subject to guidance of the OCC; however, the Bancorp is closely following these developments and is in communication with its regulators to evaluate their position on this new guidance. At September 30, 2013, the Bancorp had loans with unpaid principal balances totaling approximately $171 million that could potentially be impacted by this guidance, of which approximately 89% are current with their original contractual payments and approximately $66 million are already classified as TDRs. This guidance, if fully adopted by the Bancorp's regulators, would result in additional charge-offs of approximately $69 million as well as additional TDRs and possible increases to nonperforming assets.

Analysis of Net Loan Charge-offs

Net charge-offs were 49 bps and 75 bps of average portfolio loans and leases for the three months ended September 30, 2013 and 2012, respectively, and were 54 bps and 90 bps for the nine months ended September 30, 2013 and 2012, respectively. Table 50 provides a summary of credit loss experience and net charge-offs as a percentage of average loans and leases outstanding by loan category.

The ratio of commercial loan and lease net charge-offs to average portfolio commercial loans and leases decreased to 35 bps and 38 bps during the three and nine months ended September 30, 2013 compared to 53 bps and 69 bps during the three and nine months ended September 30, 2012, respectively. The decreases are a result of decreases in net charge-offs of $18 million and $99 million for the three and nine months ended September 30, 2013, respectively, from the same periods in the prior year coupled with an increase in the average commercial loan and lease balances of $3.9 billion and $3.7 billion, respectively. Decreases in net charge-offs were realized across all commercial loan types, excluding commercial and industrial loans, and were primarily due to improvements in general economic conditions and previous actions taken by the Bancorp to address problem loans. Actions taken by the Bancorp included suspending homebuilder and developer lending in 2007 and non-owner occupied commercial real estate lending in 2008 and tightened underwriting standards across all commercial loan product offerings. The Bancorp resumed homebuilder and developer lending and non-owner occupied commercial real estate lending in the third quarter of 2011. Net recoveries for the three months ended September 30, 2013 related to non-owner occupied commercial real estate were $3 million compared to net charge-offs of $23 million for the three months ended September 30, 2012. Net charge-offs for the nine months ended September 30, 2013 related to non-owner occupied commercial real estate were $20 million compared to $73 million for the nine months ended September 30, 2012. Net charge-offs related to non-owner occupied commercial real estate are recorded in the commercial mortgage loans and commercial construction loans captions in Table 50. Net charge-offs on these loans represented 14% and 30% of total commercial loan and lease net charge-offs for the nine months ended September 30, 2013 and 2012, respectively.

The ratio of consumer loan and lease net charge-offs to average portfolio consumer loans and leases decreased to 70 bps and 77 bps during the three and nine months ended September 30, 2013, respectively, compared to 104 bps and 118 bps during the three and nine months ended September 30, 2012. Net charge-offs on residential mortgage loans, which typically involve partial charge-offs based upon appraised values of underlying collateral, decreased $14 million and $52 million for the three and nine months ended September 30, 2013, respectively, compared to the same periods in the prior year as a result of improvements in delinquencies and a decrease in the average loss recorded per charge-off. The Bancorp's Florida market, in aggregate, accounted for 23% and 30% of net charge-offs on residential mortgage loans in the portfolio during the three and nine months ended September 30, 2013, respectively. Fifth Third expects the composition of the residential mortgage portfolio to improve as it continues to retain high quality, shorter duration residential mortgage loans that are originated through its branch network as a low-cost, refinance product of conforming residential mortgage loans.

Home equity net charge-offs decreased $18 million and $51 million compared to the three and nine months ended September 30, 2012, primarily due to improvements in loss severities and delinquencies. In addition, management actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation.

Automobile loan net charge-offs decreased $1 million and $8 million compared to the three and nine months ended September 30, 2012, due to higher resale on automobiles sold at auction.

Credit card and other consumer loan net charge-offs increased $4 million and $6 million for the three and nine months ended September 30, 2013 compared to the same periods in the prior year. Credit card net charge-offs remained relatively flat during the three and nine months ended September 30, 2013. Other consumer loan net charge-offs increased $3 million and $5 million for the three and nine months ended September 30, 2013 compared to the same periods in 2012 due to an increase in charge-offs and a decrease in recoveries for both periods in the current year. The Bancorp utilizes a risk-adjusted pricing methodology to ensure adequate compensation is received for those products that have higher credit costs.

TABLE 50: Summary of Credit Loss Experience

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Losses charged off:				
Commercial and industrial loans	**$ (52)**	(39)	**(129)**	(151)
Commercial mortgage loans	**(8)**	(32)	**(53)**	(98)
Commercial construction loans	**(1)**	(4)	**(5)**	(31)
Commercial leases	**—**	(1)	**(2)**	(9)
Residential mortgage loans	**(15)**	(28)	**(55)**	(104)
Home equity	**(23)**	(41)	**(84)**	(133)
Automobile loans	**(10)**	(13)	**(33)**	(42)
Credit card	**(22)**	(21)	**(68)**	(69)
Other consumer loans and leases	**(10)**	(9)	**(25)**	(23)
Total losses	**(141)**	(188)	**(454)**	(660)
Recoveries of losses previously charged off:				
Commercial and industrial loans	**8**	10	**27**	22
Commercial mortgage loans	**6**	4	**14**	15
Commercial construction loans	**3**	—	**4**	9
Commercial leases	**—**	—	**1**	1
Residential mortgage loans	**3**	2	**8**	5
Home equity	**4**	4	**13**	11
Automobile loans	**4**	6	**18**	19
Credit card	**3**	3	**11**	13
Other consumer loans and leases	**1**	3	**5**	8
Total recoveries	**32**	32	**101**	103
Net losses charged off:				
Commercial and industrial loans	**(44)**	(29)	**(102)**	(129)
Commercial mortgage loans	**(2)**	(28)	**(39)**	(83)
Commercial construction loans	**2**	(4)	**(1)**	(22)
Commercial leases	**—**	(1)	**(1)**	(8)
Residential mortgage loans	**(12)**	(26)	**(47)**	(99)
Home equity	**(19)**	(37)	**(71)**	(122)
Automobile loans	**(6)**	(7)	**(15)**	(23)
Credit card	**(19)**	(18)	**(57)**	(56)
Other consumer loans and leases	**(9)**	(6)	**(20)**	(15)
Total net losses charged off	**$ (109)**	(156)	**(353)**	(557)
Net charge-offs as a percent of average loans and leases (excluding held for sale):				
Commercial and industrial loans	**0.46 %**	0.36	**0.36**	0.53
Commercial mortgage loans	**0.14**	1.15	**0.62**	1.12
Commercial construction loans	**(1.16)**	2.29	**0.01**	3.39
Commercial leases	**(0.02)**	0.11	**0.06**	0.33
Total commercial loans	**0.35**	0.53	**0.38**	0.69
Residential mortgage loans	**0.39**	0.90	**0.52**	1.18
Home equity	**0.79**	1.43	**0.99**	1.57
Automobile loans	**0.19**	0.22	**0.17**	0.26
Credit card	**3.52**	3.49	**3.67**	3.81
Other consumer loans and leases	**9.09**	9.11	**6.95**	6.15
Total consumer loans and leases	**0.70**	1.04	**0.77**	1.18
Total net losses charged off	**0.49 %**	0.75	**0.54**	0.90

Allowance for Credit Losses

The allowance for credit losses is comprised of the ALLL and the reserve for unfunded commitments. The ALLL provides coverage for probable and estimable losses in the loan and lease portfolio. The Bancorp evaluates the ALLL each quarter to determine its adequacy to cover inherent losses. Several factors are taken into consideration in the determination of the overall ALLL, including an unallocated component. These factors include, but are not limited to, the overall risk profile of the loan and lease portfolios, net charge-off experience, the extent of impaired loans and leases, the level of nonaccrual loans and leases, the level of 90 days past due loans and leases and the overall percentage level of the ALLL. The Bancorp also considers overall asset quality trends, credit administration and portfolio management practices, risk identification practices, credit policy and underwriting practices, overall portfolio growth, portfolio concentrations and current national and local economic conditions that might impact the portfolio. More information on the ALLL can be found in Management's Discussion and Analysis — Critical Accounting Policies in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2012.

During the nine months ended September 30, 2013, the Bancorp did not substantively change any material aspect of its overall approach in the determination of the ALLL and there have been no material changes in assumptions or estimation techniques as compared to prior periods that impacted the determination of the current period allowance. In addition to the ALLL, the Bancorp maintains a reserve for unfunded commitments recorded in other liabilities in the Condensed Consolidated Balance Sheets. The methodology used to determine the adequacy of this reserve is similar to the Bancorp's methodology for determining the ALLL. The provision for unfunded commitments is included in other noninterest expense in the Condensed Consolidated Statements of Income.

The ALLL attributable to the portion of the residential mortgage and consumer loan and lease portfolio that has not been restructured is determined on a pooled basis with the segmentation being based on the similarity of credit risk characteristics. Loss factors for real estate backed consumer loans are developed for each pool based on the trailing twelve month historical loss rate, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors. The prescriptive loss rate factors and qualitative adjustments are designed to reflect risks associated with current conditions and trends which are not believed to be fully reflected in the trailing twelve month historical loss rate. For real estate backed consumer loans, the prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix, and the qualitative factors include adjustments for credit administration and portfolio management practices, credit policy and underwriting practices and the national and local economy. The Bancorp considers home price index trends in its footprint when determining the national and local economy qualitative factor. The Bancorp also considers the volatility of collateral valuation trends when determining the unallocated component of the ALLL.

The Bancorp's determination of the ALLL for commercial loans is sensitive to the risk grades it assigns to these loans. In the event that 10% of commercial loans in each risk category would experience a downgrade of one risk category, the allowance for commercial loans would increase by approximately $172 million at September 30, 2013. In addition, the Bancorp's determination of the allowance for residential and consumer loans is sensitive to changes in estimated loss rates. In the event that estimated loss rates would increase by 10%, the allowance for residential and consumer loans would increase by approximately $43 million at September 30, 2013. As several qualitative and quantitative factors are considered in determining the ALLL, these sensitivity analyses do not necessarily reflect the nature and extent of future changes in the ALLL. They are intended to provide insights into the impact of adverse changes to risk grades and estimated loss rates and do not imply any expectation of future deterioration in the risk ratings or loss rates. Given current processes employed by the Bancorp, management believes the risk grades and estimated loss rates currently assigned are appropriate.

TABLE 51: Changes in Allowance for Credit Losses

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2013**	2012	**2013**	2012
ALLL:				
Balance, beginning of period	**$1,735**	2,016	**1,854**	2,255
Losses charged off	**(141)**	(188)	**(454)**	(660)
Recoveries of losses previously charged off	**32**	32	**101**	103
Provision for loan and lease losses	**51**	65	**176**	227
Balance, end of period	**$1,677**	1,925	**1,677**	1,925
Reserve for unfunded commitments:				
Balance, beginning of period	**$ 166**	178	**179**	181
Provision (benefit) for unfunded commitments	**1**	(2)	**(12)**	(5)
Balance, end of period	**$ 167**	176	**167**	176

Certain inherent but unconfirmed losses are probable within the loan and lease portfolio. The Bancorp's current methodology for determining the level of losses is based on historical loss rates, current credit grades, specific allocation on impaired commercial credits above specified thresholds and restructured residential mortgage and consumer loans and other qualitative adjustments. Due to the heavy reliance on realized historical losses and the credit grade rating process, the model-derived estimate of ALLL tends to slightly lag behind the deterioration in the portfolio in a stable or deteriorating credit environment, and tend not to be as responsive when improved conditions have presented themselves. Given these model limitations, the qualitative adjustment factors may be incremental or decremental to the quantitative model results.

An unallocated component to the ALLL is maintained to recognize the imprecision in estimating and measuring loss. The unallocated allowance as a percent of total portfolio loans and leases was 0.12% and 0.13% at September 30, 2013 and December 31, 2012, respectively. The unallocated allowance was six percent of the total allowance as of September 30, 2013 and December 31, 2012.

As shown in Table 52, the ALLL as a percent of portfolio loan and leases was 1.92% at September 30, 2013 compared to 2.16% at December 31, 2012. The ALLL was $1.7 billion as of September 30, 2013 compared to $1.9 billion as of December 31, 2012. The decrease from December 31, 2012 is reflective of a number of factors including decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases and improvement in underlying loss trends.

Table of Contents

TABLE 52: Attribution of Allowance for Loan and Lease Losses to Portfolio Loans and Leases

($ in millions)	September 30, 2013	December 31, 2012
Allowance attributed to:		
Commercial and industrial loans	$ **813**	802
Commercial mortgage loans	**239**	333
Commercial construction loans	**32**	33
Commercial leases	**63**	68
Residential mortgage loans	**194**	229
Home equity	**105**	143
Automobile loans	**26**	28
Credit card	**87**	87
Other consumer loans and leases	**17**	20
Unallocated	**101**	111
Total ALLL	$ **1,677**	1,854
Portfolio loans and leases:		
Commercial and industrial loans	$ **38,253**	36,038
Commercial mortgage loans	**8,052**	9,103
Commercial construction loans	**875**	698
Commercial leases	**3,572**	3,549
Residential mortgage loans	**12,534**	12,017
Home equity	**9,356**	10,018
Automobile loans	**12,072**	11,972
Credit card	**2,157**	2,097
Other consumer loans and leases	**360**	290
Total portfolio loans and leases	$ **87,231**	85,782
Attributed allowance as a percent of respective portfolio loans and leases:		
Commercial and industrial loans	**2.13 %**	2.23
Commercial mortgage loans	**2.97**	3.66
Commercial construction loans	**3.66**	4.73
Commercial leases	**1.76**	1.92
Residential mortgage loans	**1.55**	1.91
Home equity	**1.12**	1.43
Automobile loans	**0.22**	0.23
Credit card	**4.03**	4.15
Other consumer loans and leases	**4.72**	6.90
Unallocated (as a percent of total portfolio loans and leases)	**0.12**	0.13
Attributed allowance as a percent of total portfolio loans and leases	**1.92 %**	2.16

MARKET RISK MANAGEMENT

Market risk arises from the potential for market fluctuations in interest rates, foreign exchange rates and equity prices that may result in potential reductions in net income. Interest rate risk, a component of market risk, is the exposure to adverse changes in net interest income or financial position due to changes in interest rates. Management considers interest rate risk a prominent market risk in terms of its potential impact on earnings. Interest rate risk can occur for any one or more of the following reasons:

- Assets and liabilities may mature or reprice at different times;
- Short-term and long-term market interest rates may change by different amounts; or
- The expected maturity of various assets or liabilities may shorten or lengthen as interest rates change.

In addition to the direct impact of interest rate changes on net interest income, interest rates can indirectly impact earnings through their effect on loan demand, credit losses, mortgage originations, the value of servicing rights and other sources of the Bancorp's earnings. Stability of the Bancorp's net income is largely dependent upon the effective management of interest rate risk. Management continually reviews the Bancorp's balance sheet composition and earnings flows and models the interest rate risk, and possible actions to reduce this risk, given numerous possible future interest rate scenarios.

Net Interest Income Simulation Model

The Bancorp utilizes a variety of measurement techniques to identify and manage its interest rate risk, including the use of an NII simulation model to analyze the sensitivity of net interest income to changing interest rates. The model is based on contractual and assumed cash flows and repricing characteristics for all of the Bancorp's financial instruments and incorporates market-based assumptions regarding the effect of changing interest rates on the prepayment rates of certain assets and liabilities. The model also includes senior management's projections of the future volume and pricing of each of the product lines offered by the Bancorp as well as other pertinent assumptions. Actual results may differ from these simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and management strategies.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Bancorp's Executive ALCO, which includes senior management representatives and is accountable to the ERM Committee, monitors and manages interest rate risk within Board approved policy limits. In addition to the risk management activities of ALCO, the Bancorp has a Market Risk Management function as part of ERM that provides independent oversight of market risk activities. In 2012, the NII and EVE ALCO policy limits were lowered to reflect the Bancorp's current risk appetite and due to significant uncertainty with respect to the economic environment, market interest rates and balance sheet and deposit pricing behaviors. The policy limits were updated in conjunction with the Market Risk Management group and were approved by ALCO.

The Bancorp's interest rate risk exposure is currently evaluated by measuring the anticipated change in net interest income over 12 month and 24 month horizons assuming a 100 bps and 200 bps parallel ramped increase in interest rates. The Fed Funds interest rate, targeted by the Federal Reserve at a range of 0% to 0.25%, is currently set at a level that would be negative in parallel ramped decrease scenarios; therefore, those scenarios were omitted from the interest rate risk analyses at September 30, 2013 and 2012. In accordance with the current policy, the rate movements are assumed to occur over one year and are sustained thereafter.

The following table shows the Bancorp's estimated net interest income sensitivity profile and ALCO policy limits as of:

TABLE 53: Estimated NII Sensitivity Profile

	September 30, 2013				September 30, 2012			
	% Change in NII (FTE)		ALCO Policy Limits		% Change in NII (FTE)		ALCO Policy Limits	
Change in Interest Rates (bps)	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months
+ 200	**1.14 %**	**6.14**	**(4.00)**	**(6.00)**	2.34 %	8.84	(5.00)	(7.00)
+ 100	**0.50**	**3.01**	**—**	**—**	1.00	4.30	—	—

At September 30, 2013, the Bancorp's interest rate risk profile reflects a change to a less asset sensitive position in year one and year two compared to September 30, 2012. The lower asset sensitivity at September 30, 2013 compared to September 30, 2012 is the result of an increase in the levels of market interest rates and mortgage rates and increases in fixed-rate loan and security balances. These impacts are partially offset by an increase in actual and projected fixed-rate borrowing balances.

Economic Value of Equity

The Bancorp also utilizes EVE as a measurement tool in managing interest rate risk. Whereas the NII simulation model highlights exposures over a relatively short time horizon, the EVE analysis incorporates all cash flows over the estimated remaining life of all balance sheet and derivative positions. The EVE of the balance sheet, at a point in time, is defined as the discounted present value of asset and net derivative cash flows less the discounted value of liability cash flows. The sensitivity of EVE to changes in the level of interest rates is a measure of longer-term interest rate risk. EVE values only the current balance sheet and does not incorporate the growth assumptions used in the NII simulation model. As with the NII simulation model, assumptions about the timing and variability of existing balance sheet cash flows are critical in the EVE analysis. Particularly important are assumptions driving loan and security prepayments and the expected balance attrition and pricing of transaction deposit portfolios.

The following table shows the Bancorp's EVE sensitivity profile as of:

TABLE 54: Estimated EVE Sensitivity Profile

	September 30, 2013		September 30, 2012	
Change in Interest Rates (bps)	Change in EVE	ALCO Policy Limit	Change in EVE	ALCO Policy Limit
+ 200	**(6.25)%**	**(12.00)**	1.59 %	(15.00)
+ 100	**(3.03)**		1.12	
+ 25	**(0.70)**		0.29	
- 25	**0.44**		(0.42)	

The September 30, 2013 EVE at risk profile suggests a negative impact from market rate increases of +25 bps through the +200 bps scenarios. This EVE at risk profile reflects a shift to liability sensitivity from asset sensitivity as reported at September 30, 2012. The primary factors contributing to the change are an increase in the levels of market interest rates and mortgage rates, growth in fixed-rate loan and securities balances, and a less asset sensitive MSR risk profile.

While an instantaneous shift in interest rates is used in this analysis to provide an estimate of exposure, the Bancorp believes that a gradual shift in interest rates would have a much more modest impact. Since EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (e.g., the current fiscal year). Further, EVE does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships and changing product spreads that could mitigate or exacerbate the impact of changes in interest rates. The NII simulations and EVE analyses do not necessarily include certain actions that management may undertake to manage risk in response to anticipated changes in interest rates.

The Bancorp regularly evaluates its exposures to LIBOR and Prime basis risks, nonparallel shifts in the yield curve and embedded options risk. In addition, the impact on NII and EVE of extreme changes in interest rates is modeled, wherein the Bancorp employs the use of yield curve shocks and environment-specific scenarios.

Use of Derivatives to Manage Interest Rate Risk

An integral component of the Bancorp's interest rate risk management strategy is its use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options, swaptions and TBA securities.

Table of Contents

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp enters into forward contracts accounted for as free-standing derivatives to economically hedge interest rate lock commitments that are also considered free-standing derivatives. Additionally, the Bancorp economically hedges its exposure to mortgage loans held for sale through the use of forward contracts and mortgage options.

The Bancorp also establishes derivative contracts with major financial institutions to economically hedge significant exposures assumed in commercial customer accommodation derivative contracts. Generally, these contracts have similar terms in order to protect the Bancorp from market volatility. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts, which the Bancorp minimizes through collateral arrangements, approvals, limits and monitoring procedures. For further information including the notional amount and fair values of these derivatives, see Note 11 of the Notes to Condensed Consolidated Financial Statements.

Portfolio Loans and Leases and Interest Rate Risk

Although the Bancorp's portfolio loans and leases contain both fixed and floating/adjustable rate products, the rates of interest earned by the Bancorp on the outstanding balances are generally established for a period of time. The interest rate sensitivity of loans and leases is directly related to the length of time the rate earned is established. The following table summarizes the expected principal cash flows of the Bancorp's portfolio loans and leases as of September 30, 2013:

TABLE 55: Portfolio Loan and Lease Expected Maturities

As of September 30, 2013 ($ in millions)	Less than 1 year	1-5 years	Over 5 years	Total
Commercial and industrial loans	$ 9,410	26,059	2,784	38,253
Commercial mortgage loans	3,305	4,062	685	8,052
Commercial construction loans	312	536	27	875
Commercial leases	668	1,577	1,327	3,572
Subtotal - commercial loans and leases	13,695	32,234	4,823	50,752
Residential mortgage loans	2,541	4,362	5,631	12,534
Home equity	1,368	5,155	2,833	9,356
Automobile loans	4,824	7,011	237	12,072
Credit card	619	1,538	—	2,157
Other consumer loans and leases	304	53	3	360
Subtotal - consumer loans and leases	9,656	18,119	8,704	36,479
Total	$ 23,351	50,353	13,527	87,231

Additionally, the following table displays a summary of expected principal cash flows occurring after one year for both fixed and floating/adjustable rate loans as of September 30, 2013:

TABLE 56: Portfolio Loan and Lease Principal Cash Flows Occurring After One Year

	Interest Rate	
As of September 30, 2013 ($ in millions)	Fixed	Floating or Adjustable
Commercial and industrial loans	$ 4,852	23,991
Commercial mortgage loans	1,271	3,476
Commercial construction loans	17	546
Commercial leases	2,904	—
Subtotal - commercial loans and leases	9,044	28,013
Residential mortgage loans	7,417	2,576
Home equity	894	7,094
Automobile loans	7,200	48
Credit card	624	914
Other consumer loans and leases	32	24
Subtotal - consumer loans and leases	16,167	10,656
Total	$25,211	38,669

Residential Mortgage Servicing Rights and Interest Rate Risk

The net carrying amount of the residential MSR portfolio was $915 million and $697 million as of September 30, 2013 and December 31, 2012, respectively. The value of servicing rights can fluctuate sharply depending on changes in interest rates and other factors. Generally, as interest rates decline and loans are prepaid to take advantage of refinancing, the total value of existing servicing rights declines because no further servicing fees are collected on repaid loans. The Bancorp maintains a non-qualifying hedging strategy relative to its mortgage banking activity in order to manage a portion of the risk associated with changes in the value of its MSR portfolio as a result of changing interest rates.

Mortgage rates increased during the nine months ended September 30, 2013 and decreased during the three months ended September 30, 2013 and during the three and nine months ended September 30, 2012. The increase in interest rates during the nine months ended September 30, 2013 caused modeled

prepayments speeds to slow, which led to a recovery of temporary impairment of $150 million on servicing rights during the nine months ended September 30, 2013. The decrease in interest rates during the three months ended September 30, 2013 caused

modeled prepayments speeds to increase, which led to $1 million in temporary impairment on servicing rights during the three months ended September 30, 2013 compared to $72 million and $122 million in temporary impairment during the three and nine months ended September 30, 2012, respectively. Servicing rights are deemed temporarily impaired when a borrower's loan rate is distinctly higher than prevailing rates. Temporary impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower's loan rate. In addition to the mortgage servicing rights valuation, the Bancorp recognized net gains of $24 million and net losses of $13 million on its non-qualifying hedging strategy for the three and nine months ended September 30, 2013, respectively, compared to net gains of $32 million and $75 million for the three and nine months ended September 30, 2012, respectively. The Bancorp recognized net gains on securities related to the Bancorp's non-qualifying hedging strategy of $5 million and $13 million during the three and nine months ended September 30, 2013, respectively, compared to net gains of $5 million during the three and nine months ended September 30, 2012. The Bancorp may adjust its hedging strategy to reflect its assessment of the composition of its MSR portfolio, the cost of hedging and the anticipated effectiveness of the hedges given the economic environment. See Note 10 of the Notes to Condensed Consolidated Financial Statements for further discussion on servicing rights and the instruments used to hedge interest rate risk on MSRs.

Foreign Currency Risk

The Bancorp may enter into foreign exchange derivative contracts to economically hedge certain foreign denominated loans. The derivatives are classified as free-standing instruments with the revaluation gain or loss being recorded in other noninterest income in the Condensed Consolidated Statements of Income. The balance of the Bancorp's foreign denominated loans at September 30, 2013 and December 31, 2012 was $575 million and $549 million, respectively. The Bancorp also enters into foreign exchange contracts for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations. The Bancorp has internal controls in place to help ensure excessive risk is not being taken in providing this service to customers. These controls include an independent determination of currency volatility and credit equivalent exposure on these contracts, counterparty credit approvals and country limits.

LIQUIDITY RISK MANAGEMENT

The goal of liquidity management is to provide adequate funds to meet changes in loan and lease demand, unexpected levels of deposit withdrawals and other contractual obligations. Mitigating liquidity risk is accomplished by maintaining liquid assets in the form of investment securities, maintaining sufficient unused borrowing capacity in the debt markets and delivering consistent growth in core deposits. A summary of certain obligations and commitments to make future payments under contracts is included in Note 15 of the Notes to Condensed Consolidated Financial Statements.

The Bancorp maintains a contingency funding plan that assesses the liquidity needs under various scenarios of market conditions, asset growth and credit rating downgrades. The plan includes liquidity stress testing which measures various sources and uses of funds under the different scenarios. The contingency plan provides for ongoing monitoring of unused borrowing capacity and available sources of contingent liquidity to prepare for unexpected liquidity needs and to cover unanticipated events that could affect liquidity.

Sources of Funds

The Bancorp's primary sources of funds relate to cash flows from loan and lease repayments, payments from securities related to sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of public and private debt offerings.

Projected contractual maturities from loan and lease repayments are included in Table 55 of the Market Risk Management section of MD&A. Of the $18.1 billion of securities in the Bancorp's available-for-sale portfolio at September 30, 2013, $3.3 billion in principal and interest is expected to be received in the next 12 months and an additional $2.0 billion is expected to be received in the next 13 to 24 months. For further information on the Bancorp's securities portfolio, see the Investment Securities subsection of the Balance Sheet Analysis section of MD&A.

Asset-driven liquidity is provided by the Bancorp's ability to sell or securitize loans and leases. In order to reduce the exposure to interest rate fluctuations and to manage liquidity, the Bancorp has developed securitization and sale procedures for several types of interest-sensitive assets. A majority of the long-term, fixed-rate single-family residential mortgage loans underwritten according to FHLMC or FNMA guidelines are sold for cash upon origination. Additional assets such as certain other residential mortgages, certain commercial loans, home equity loans, automobile loans and other consumer loans are also capable of being securitized or sold. The Bancorp sold or securitized loans totaling $6.4 billion and $21.0 billion, respectively, for the three and nine months ended September 30, 2013 compared to $5.0 billion and $16.5 billion, respectively, for the three and nine months ended September 30, 2012. For further information on the transfer of financial assets, see Note 10 of the Notes to Condensed Consolidated Financial Statements.

Core deposits have historically provided the Bancorp with a sizeable source of relatively stable and low cost funds. The Bancorp's average core deposits and shareholders' equity funded 82% of its average total assets for the third quarter of 2013 and 81% for the third quarter of 2012. In addition to core deposit funding, the Bancorp also accesses a variety of other short-term and long-term funding sources, which include the use of the FHLB system. Certificates of deposit carrying a balance of $100,000 or more and deposits in the Bancorp's foreign branch located in the Cayman Islands are wholesale funding tools utilized to fund asset growth. Management does not rely on any one source of liquidity and manages availability in response to changing balance sheet needs.

As of September 30, 2013, $5.0 billion of debt or other securities were available for issuance under the current Bancorp's Board of Directors' authorizations and the Bancorp is authorized to file any necessary registration statements with the SEC to permit ready access to the public securities markets; however, access to these markets may depend on market conditions. Additionally, the Bancorp has approximately $36.5 billion of borrowing capacity available through secured borrowing sources including the FHLB and FRB.

In February of 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program to increase the capacity from $20 billion to $25 billion. On February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes with a maturity of five years due February 28, 2018; $400 million of 0.90% senior fixed rate notes with a maturity of three years due February 26, 2016; and $300 million of senior floating rate notes. Interest on the floating rate notes is 3-month LIBOR plus 41 basis points, with a maturity of three years due February 26, 2016. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date. In the second quarter of 2013, $500 million of senior bank notes matured. The Bancorp has $23.2 billion of funding available for issuance under the global bank note program as of September 30, 2013.

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due.

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. The primary purposes for which the VIE was created were to issue asset backed securities with varying levels of credit subordination and payment priority and to provide the Bancorp with access to liquidity for its originated loans. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

Liquidity Coverage Ratio and Net Stable Funding Ratio

Section 165 of the Dodd-Frank Act requires the FRB to establish enhanced liquidity standards for BHCs with total assets of $50 billion or greater. The BCBS' key reform within the Basel III framework to strengthen liquidity standards was the introduction of the LCR and NSFR. On January 7, 2013, the BCBS issued a final standard for the LCR, which would phase in the LCR beginning in 2015 upon with full implementation in 2019. The BCBS plans on introducing the NSFR final standard in the next two years.

The BCBS' LCR would promote the short-term resilience of a bank's liquidity profile by ensuring an adequate level of unencumbered high-quality liquid assets that can be converted into cash easily and immediately in private markets to meet its liquidity needs within 30 calendar days. Financial institutions subject to the LCR generally would be expected to hold unencumbered high-quality assets of at least 100% of net cash flows over the next 30 calendar days upon full implementation in 2019.

The BCBS' NSFR is intended to promote medium and long-term funding of the assets and activities of financial institutions. This ratio would establish a minimum acceptable amount of stable funding based on the liquidity characteristics of a financial institution's assets and activities over a one year horizon. Management is currently monitoring the progress of the BCBS' work on the NSFR.

On October 24, 2013, the U.S. Banking Agencies issued an NPR that would implement a LCR requirement that is generally consistent with the international LCR standards published by the BCBS for large internationally active banking organizations. Additionally, a Modified LCR requirement was proposed for BHC's with total consolidated assets of at least $50 billion that are not internationally active, like Fifth Third. The Modified LCR requirement incorporates a shorter (21-calendar days) stress scenario for calculating total net cash outflows than the LCR's 30 calendar day requirement. Therefore, the estimated net cash outflows for the Modified LCR generally would be 70% of the LCR's estimated net cash outflows. The NPR's transition period begins on January 1, 2015 whereby LCR and Modified LCR entities must comply with a minimum ratio of 80%. On January 1, 2016 and 2017 the minimum ratio increases to 90% and 100%, respectively. The NPR is open for public comment until January 31, 2014. Management is currently reviewing the NPR and evaluating its impact upon the Bancorp's Condensed Consolidated Financial Statements.

Credit Ratings

The cost and availability of financing to the Bancorp are impacted by its credit ratings. A downgrade to the Bancorp's credit ratings could affect its ability to access the credit markets and increase its borrowing costs, thereby adversely impacting the Bancorp's financial condition and liquidity. Key factors in maintaining high credit ratings include a stable and diverse earnings stream, strong credit quality, strong capital ratios and diverse funding sources, in addition to disciplined liquidity monitoring procedures.

The Bancorp's credit ratings are summarized in Table 57. The ratings reflect the ratings agencies view on the Bancorp's capacity to meet financial commitments. *

* *As an investor, you should be aware that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organization and that each rating should be evaluated independently of any other rating. Additional information on the credit rating ranking within the overall classification system is located on the website of each credit rating agency.*

TABLE 57: Agency Ratings

As of November 6, 2013	Moody's	Standard and Poor's	Fitch	DBRS
Fifth Third Bancorp:				
Short-term	No rating	A-2	F1	R-1 (low)
Senior debt	Baa1	BBB+	A	A (low)
Subordinated debt	Baa2	BBB	A-	BBBH
Fifth Third Bank:				
Short-term	P-2	A-2	F1	R-1 (low)
Long-term deposit	A3	No rating	A+	A
Senior debt	A3	A-	A	A
Subordinated debt	Baa1	BBB+	A-	A (low)

CAPITAL MANAGEMENT

Management regularly reviews the Bancorp's capital levels to help ensure it is appropriately positioned under various operating environments. The Bancorp has established a Capital and Liquidity Committee, which is responsible for all capital related decisions. The Capital and Liquidity Committee makes recommendations to management involving capital actions. These recommendations are reviewed and approved by the ERMC.

Capital Ratios

The U.S banking agencies established quantitative measures that assign risk weightings to assets and off-balance sheet items and also define and set minimum regulatory capital requirements. The U.S. banking agencies define "well capitalized" ratios for Tier I and total risk-based capital as 6% and 10%, respectively. The Bancorp exceeded these "well-capitalized" ratios for all periods presented.

The Basel II advanced approach framework was finalized by U.S. banking agencies in 2007. Core banks, defined as those with consolidated total assets in excess of $250 billion or on balance sheet foreign exposures of $10 billion were required to adopt the advanced approach effective April 1, 2008. The Bancorp does not meet these thresholds and, therefore, is not subject to the requirements of Basel II.

The Dodd-Frank Act requires more stringent prudential standards, including capital and liquidity requirements, for larger institutions. It addresses the quality of capital components by limiting the degree to which certain hybrid instruments can be included. The Dodd-Frank Act will phase out the inclusion of certain TruPS as a component of Tier I risk-based capital when the banking agencies implement the proposed enhancement to the regulatory capital framework. At September 30, 2013, the Bancorp's Tier I risk-based capital included $810 million of TruPS representing approximately 71 bps of risk-weighted assets.

In December of 2010 and revised in June of 2011, the BCBS issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. In July of 2013, U.S. banking regulators approved final enhanced regulatory capital requirements, which included modifications to the proposed rules. These modifications provide for certain banks, including the Bancorp, to opt out of including AOCI in Tier 1 capital and retain the treatment of residential mortgage exposures consistent with the current Basel I capital rules. The new capital rules are effective for the Bancorp on January 1, 2015, subject to phase-in periods for certain of their components and other provisions. The Bancorp is in the process of evaluating the final rules and their potential impact. The Bancorp's current estimate of the pro-forma fully phased in Tier I common equity ratio at September 30, 2013 under the final capital rules is approximately 9.47% compared with 9.88% as calculated under the existing Basel I capital framework. The primary drivers of the change from the existing Basel I capital framework to the Basel III final rules are an increase in Tier I common equity of approximately 8 bps (primarily from the elimination of the current 10% deduction of mortgage servicing rights from capital), which would be more than offset by the impact of increases in risk-weighted assets (primarily from the treatment of securitizations and commitments with an original maturity of one year or less). If the Bancorp elects to include AOCI components in capital, the September 30, 2013 pro forma Basel III Tier 1 common ratio would be increased by approximately 18 bps. The pro-forma Tier I common equity ratio exceeds the proposed minimum Tier I common equity ratio of 7% comprised of a minimum of 4.5% plus a capital conservation buffer of 2.5%. The pro-forma Tier I common equity ratio does not include the effect of any mitigating actions the Bancorp may undertake to offset the impact of the proposed capital enhancements. Additionally, pursuant to the final rules, the minimum capital ratios as of January 1, 2015 will be 6% for the Tier I capital ratio, 8% for the total risk-based capital ratio and 4% for the Tier I capital to average consolidated assets (leverage ratio). For further discussion on the Basel I and Basel III Tier I common equity ratios, see the Non-GAAP Financial Measures section of MD&A.

Market Risk Rule

On June 7, 2012, banking agencies approved a final rule effective January 1, 2013, titled as "Risk-Based Capital Guidelines: Market Risk," to implement enhancements to the market risk framework adopted by the BCBS. The final rule, to which the Bancorp is subject, requires banking organizations with significant trading activities to adjust their capital requirements to better account for the market risks of those activities. The rule introduces new measures of market risk, establishes a charge related to stressed VaR for covered trading positions and replaces references to credit ratings in the market risk rules with alternative methodologies for assessing risk. The intention of the rule is to better capture positions for which the market risk capital rule is appropriate, reduce procyclicality in market risk capital requirements, enhance sensitivity to risks that are not adequately captured by the current regulatory methodologies and increase transparency through enhanced disclosures. Upon the adoption of the market risk final rule in the first quarter of 2013, the Bancorp's Tier I and Total risk-based capital ratios decreased 1 bp and adoption had an immaterial impact to the Tier I common equity ratio.

TABLE 58: Capital Ratios

($ in millions)	September 30, 2013	December 31, 2012
Average equity as a percent of average assets	**11.71 %**	11.65
Tangible equity as a percent of tangible assets[(a)]	**9.75**	9.17
Tangible common equity as a percent of tangible assets[(a)]	**9.27**	8.83
Tier I capital	**$ 12,762**	11,685
Total risk-based capital	**16,436**	15,816
Risk-weighted assets[(b)]	**114,544**	109,699
Regulatory capital ratios:		
Tier I risk-based capital	**11.14 %**	10.65
Total risk-based capital	**14.35**	14.42
Tier I leverage	**10.58**	10.05
Tier I common equity[(a)]	**9.88**	9.51

(a) For further information on these ratios, see the Non-GAAP Financial Measures section of MD&A.
(b) Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together resulting in the Bancorp's total risk-weighted assets.

2013 Stress Tests and CCAR

The FRB launched the 2013 stress testing program and CCAR on November 9, 2012. The CCAR requires bank holding companies to submit a capital plan in addition to their stress testing results. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013 covering the period from April 1, 2013 to March 31, 2014.

The FRB assessed the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan and reviewed the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratio and above a Tier I common ratio of five percent on a pro forma basis under expected and stressful conditions throughout the planning horizon.

On March 14, 2013 the Bancorp announced the FRB's response to the capital plan it submitted as part of the 2013 CCAR. The FRB indicated that it did not object to the following capital actions for the period beginning April 1, 2013 and ending March 31, 2014:

- Increase in the quarterly common stock dividend to $0.12 per share;
- Repurchase of up to $750 million in TruPS subject to the determination of a regulatory capital event and replacement with the issuance of a similar amount of Tier II-qualifying subordinated debt;
- Conversion of the $398 million in outstanding Series G 8.5% convertible preferred stock into approximately 35.5 million common shares issued to the holders. If this conversion were to occur, the Bancorp would intend to repurchase the common shares issued in the conversion up to $550 million in market value, and issue $550 million in preferred stock;
- Repurchase of common shares in an amount up to $984 million, including any shares issued in a Series G preferred stock conversion; and
- Issuance of an additional $500 million in preferred stock.

The capital plan also included the assumption that the Bancorp would issue approximately 3.5 million shares in restricted stock under employee compensation plans in 2013. In addition, the Bancorp intends to make incremental repurchases of common shares in the amount of any after-tax gains from the sale of Vantiv, Inc. common stock. The above potential capital actions are subject to Board approval and other factors including regulatory developments and market conditions.

Additionally, as a CCAR institution, the Bancorp is required to disclose its own estimates of results under the supervisory severely adverse scenario, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. On March 14, 2013 the Bancorp publicly disclosed the results of its company-run stress test in a Form 8-K as required by the Dodd-Frank Act stress testing rules.

Beginning in 2013, the Bancorp and other large bank holding companies were required to conduct a separate mid-year stress test using financial data as of March 31st under three company-derived macro-economic scenarios (base, adverse and severely adverse). The Bancorp submitted the results of its mid-year stress test to the FRB in July of 2013 and the Bancorp published a summary of the results under the severely adverse scenario in September of 2013. These results represented estimates of the Bancorp's results from the second quarter of 2013 through the second quarter of 2015 under the severely adverse scenario, which is considered highly unlikely to occur.

Preferred Stock Offering and Conversion

As contemplated by the 2013 CCAR, on May 13, 2013 the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities. Under the 2013 CCAR, the Bancorp has $450 million of remaining preferred stock available for issuance as of September 30, 2013.

On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G, which shares are represented by depositary shares each representing 1/250th of a share of Series G preferred stock, pursuant to the Amended Articles of Incorporation. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

Dividend Policy and Stock Repurchase Program

The Bancorp's common stock dividend policy and stock repurchase program reflect its earnings outlook, desired payout ratios, the need to maintain adequate capital levels, the ability of its subsidiaries to pay dividends, the need to comply with safe and sound banking practices as well as meet regulatory requirements and expectations. The Bancorp declared dividends per common share of $0.12 and $0.10 for the three months ended September 30, 2013 and 2012, respectively, and $0.35 and $0.26 for the nine months ended September 30, 2013 and 2012, respectively.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. The Bancorp repurchased the shares as part of its 100 million share repurchase program announced in August of 2012. As part of this transaction and all subsequent accelerated share repurchases, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program in August of 2012. At settlement of the forward contract on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares, or approximately $125 million of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its previously announced Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

As a result of the FRB's non-objection to the Bancorp's capital plan under the 2013 CCAR process, on March 19, 2013, Fifth Third's Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions. This share repurchase authorization replaces the Board's previous authorization.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded in the fourth quarter of 2013 as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 59: Share Repurchases

Period	Total Number of Shares Purchased[(a)]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs
July 1, 2013 - July 31, 2013	—	$ —	—	74,964,481
August 1, 2013 - August 31, 2013	—	—	—	74,964,481
September 1, 2013 - September 30, 2013	—	—	—	74,964,481
Total	—	$ —	—	74,964,481

(a) The Bancorp repurchased 195,772 shares during the third quarter of 2013 in connection with various employee compensation plans. These purchases are not included in the calculation for average price paid per share and do not count against the maximum number of shares that may yet be purchased under the Board of Directors' authorization.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, the Bancorp enters into financial transactions to extend credit and various forms of commitments and guarantees that may be considered off-balance sheet arrangements. These transactions involve varying elements of market, credit and liquidity risk. Refer to Note 15 of the Notes to Condensed Consolidated Financial Statements for additional information. A discussion of these transactions is as follows:

Residential Mortgage Loan Sales

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. Such provisions include the loan's compliance with applicable loan criteria, including certain documentation standards per agreements with unrelated third parties. Additional reasons for the Bancorp having to repurchase the loans include compliance with collateral appraisal standards, fraud related to the loan application and the rescission of mortgage insurance. Under these provisions, the Bancorp is required to repurchase any previously sold loan for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading. As of September 30, 2013 and December 31, 2012, the Bancorp maintained reserves related to these loans sold with the representation and warranty provisions totaling $103 million and $110 million, respectively, which were included in other liabilities in the Bancorp's Condensed Consolidated Balance Sheets.

For the three months ended September 30, 2013 and 2012, the Bancorp paid $9 million and $8 million, respectively, in the form of make whole payments and repurchased $19 million and $29 million, respectively, in outstanding principal of loans to satisfy investor demands. For the nine months ended September 30, 2013 and 2012, the Bancorp paid $33 million and $25 million, respectively, in the form of make whole payments and repurchased $70 million and $94 million, respectively, of loans to satisfy investor demands. Total repurchase demand requests during the three months ended September 30, 2013 and 2012 were $62 million and $70 million, respectively. Total repurchase demand requests during the nine months ended September 30, 2013 and 2012 were $191 million and $280 million, respectively. Total outstanding repurchase demand inventory was $49 million at September 30, 2013 compared to $67 million at December 31, 2012.

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. The outstanding balances on these loans sold with credit recourse were $589 million and $662 million at September 30, 2013 and December 31, 2012, respectively. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $18 million at September 30, 2013, and $20 million at December 31, 2012, recorded in other liabilities in the Condensed Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Private Mortgage Insurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage.

The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $40 million at September 30, 2013 and $58 million at December 31, 2012. As of September 30, 2013 and December 31, 2012, the Bancorp maintained a reserve of $13 million and $18 million, respectively, related to exposures within the reinsurance portfolio which was included in other liabilities in the Condensed Consolidated Balance Sheets. In 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans.

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million. For further information on this automobile securitization, see Note 9 of the Notes to Condensed Consolidated Financial Statements.

Quantitative and Qualitative Disclosure about Market Risk (Item 3)

Information presented in the Market Risk Management section of Management's Discussion and Analysis of Financial Condition and Results of Operations is incorporated herein by reference.

Controls and Procedures (Item 4)

The Bancorp conducted an evaluation, under the supervision and with the participation of the Bancorp's management, including the Bancorp's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Bancorp's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act). Based on the foregoing, as of the end of the period covered by this report, the Bancorp's Chief Executive Officer and Chief Financial Officer concluded that the Bancorp's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Bancorp files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required and information is accumulated and communicated to the Bancorp's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Bancorp's management also conducted an evaluation of internal control over financial reporting to determine whether any changes occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Bancorp's internal control over financial reporting. Based on this evaluation, there has been no such change during the period covered by this report.

[Table of Contents](#)

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (Item 1)

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

($ in millions, except share data)	As of September 30, 2013	December 31, 2012
Assets		
Cash and due from banks(a)	**$ 2,887**	2,441
Available-for-sale and other securities(b)	**18,080**	15,207
Held-to-maturity securities(c)	**265**	284
Trading securities	**246**	207
Other short-term investments	**2,622**	2,421
Loans held for sale(d)	**1,330**	2,939
Portfolio loans and leases:		
Commercial and industrial loans	**38,253**	36,038
Commercial mortgage loans(a)	**8,052**	9,103
Commercial construction loans	**875**	698
Commercial leases	**3,572**	3,549
Residential mortgage loans(e)	**12,534**	12,017
Home equity	**9,356**	10,018
Automobile loans(a)	**12,072**	11,972
Credit card	**2,157**	2,097
Other consumer loans and leases	**360**	290
Portfolio loans and leases	**87,231**	85,782
Allowance for loan and lease losses(a)	**(1,677)**	(1,854)
Portfolio loans and leases, net	**85,554**	83,928
Bank premises and equipment	**2,528**	2,542
Operating lease equipment	**707**	581
Goodwill	**2,416**	2,416
Intangible assets	**21**	27
Servicing rights	**919**	697
Other assets(a)	**8,098**	8,204
Total Assets	**$ 125,673**	121,894
Liabilities		
Deposits:		
Demand	**$ 30,153**	30,023
Interest checking	**23,527**	24,477
Savings	**17,583**	19,879
Money market	**10,433**	6,875
Other time	**3,524**	4,015
Certificates - $100,000 and over	**7,497**	3,284
Foreign office and other	**1,409**	964
Total deposits	**94,126**	89,517
Federal funds purchased	**225**	901
Other short-term borrowings	**3,487**	6,280
Accrued taxes, interest and expenses	**1,692**	1,708
Other liabilities(a)	**3,365**	2,639
Long-term debt(a)	**8,098**	7,085
Total Liabilities	**110,993**	108,130
Equity		
Common stock(f)	**2,051**	2,051
Preferred stock(g)	**593**	398
Capital surplus	**2,565**	2,758
Retained earnings	**9,876**	8,768
Accumulated other comprehensive income	**218**	375
Treasury stock(f)	**(662)**	(634)
Total Bancorp shareholders' equity	**14,641**	13,716
Noncontrolling interests	**39**	48
Total Equity	**14,680**	13,764
Total Liabilities and Equity	**$ 125,673**	121,894

(a) *Includes **$53** and $0 of cash and due from banks, **$50** and $50 of commercial mortgage loans, **$1,145** and $0 of automobile loans, **$(16)** and $(5) of ALLL, **$12** and $3 of other assets, **$2** and $0 of other liabilities, and **$1,198** and $0 of long-term debt from consolidated VIEs that are included in their respective captions above at **September 30, 2013** and December 31, 2012, respectively. See Note 9.*

(b) *Amortized cost of **$17,665** and $14,571 at **September 30, 2013** and December 31, 2012, respectively.*

(c) *Fair value of **$265** and $284 at **September 30, 2013** and December 31, 2012, respectively.*
(d) *Includes **$1,298** and $2,856 of residential mortgage loans held for sale measured at fair value at **September 30, 2013** and December 31, 2012, respectively.*
(e) *Includes **$89** and $76 of residential mortgage loans measured at fair value at **September 30, 2013** and December 31, 2012, respectively.*
(f) *Common shares: Stated value $2.22 per share; authorized 2,000,000,000; outstanding at **September 30, 2013 – 887,029,539** (excludes **36,863,042** treasury shares), December 31, 2012 – 882,152,057 (excludes 41,740,524 treasury shares).*
(g) *476,000 shares of undesignated no par value preferred stock are authorized and unissued at September 30, 2013; fixed-to-floating rate non-cumulative Series H perpetual preferred stock with a $25,000 liquidation preference: **24,000** authorized, issued and outstanding at **September 30, 2013** and 8.5% non-cumulative Series G convertible (into 2,159.8272 common shares) perpetual preferred stock with a $25,000 liquidation preference: 46,000 authorized and 16,450 issued and outstanding at December 31, 2012.*

See Notes to Condensed Consolidated Financial Statements.

Table of Contents

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)

($ in millions, except per share data)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Interest Income				
Interest and fees on loans and leases	$ **857**	893	**2,603**	2,683
Interest on securities	**134**	129	**365**	405
Interest on other short-term investments	**1**	1	**3**	3
Total interest income	**992**	1,023	**2,971**	3,091
Interest Expense				
Interest on deposits	**51**	52	**154**	165
Interest on other short-term borrowings	**1**	3	**5**	6
Interest on long-term debt	**47**	65	**151**	224
Total interest expense	**99**	120	**310**	395
Net Interest Income	**893**	903	**2,661**	2,696
Provision for loan and lease losses	**51**	65	**176**	227
Net Interest Income After Provision for Loan and Lease Losses	**842**	838	**2,485**	2,469
Noninterest Income				
Mortgage banking net revenue	**121**	200	**574**	588
Service charges on deposits	**140**	128	**407**	387
Corporate banking revenue	**102**	101	**307**	299
Investment advisory revenue	**97**	92	**295**	281
Card and processing revenue	**69**	65	**201**	187
Other noninterest income	**185**	78	**708**	359
Securities gains, net	**2**	2	**19**	13
Securities gains, net - non-qualifying hedges on mortgage servicing rights	**5**	5	**13**	5
Total noninterest income	**721**	671	**2,524**	2,119
Noninterest Expense				
Salaries, wages and incentives	**389**	399	**1,193**	1,191
Employee benefits	**83**	79	**280**	274
Net occupancy expense	**75**	76	**230**	227
Technology and communications	**52**	49	**151**	144
Card and processing expense	**33**	30	**97**	90
Equipment expense	**29**	28	**85**	82
Other noninterest expense	**298**	345	**936**	910
Total noninterest expense	**959**	1,006	**2,972**	2,918
Income Before Income Taxes	**604**	503	**2,037**	1,670
Applicable income tax expense	**183**	139	**613**	491
Net Income	**421**	364	**1,424**	1,179
Less: Net income attributable to noncontrolling interests	**—**	1	**(9)**	1
Net Income Attributable to Bancorp	**421**	363	**1,433**	1,178
Dividends on preferred stock	**—**	9	**18**	26
Net Income Available to Common Shareholders	$ **421**	354	**1,415**	1,152
Earnings Per Share	$ **0.47**	0.39	**1.62**	1.26
Earnings Per Diluted Share	$ **0.47**	0.38	**1.58**	1.23
Average common shares - basic	**880,182,513**	904,474,989	**869,930,016**	911,056,331
Average common shares - diluted	**888,111,269**	944,820,608	**900,541,471**	952,258,953
Cash dividends declared per common share	$ **0.12**	0.10	**0.35**	0.26

See Notes to Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2013**	2012	**2013**	2012
Net income	**$ 421**	364	**1,424**	1,179
Other comprehensive income (loss), net of tax:				
Unrealized gains (losses) on available-for-sale securities:				
Unrealized holding gains (losses) on available-for-sale securities arising during period	**69**	22	**(178)**	19
Reclassification adjustment for net (gains) losses included in net income	**(4)**	(4)	**34**	(10)
Unrealized gains on cash flow hedge derivatives:				
Unrealized holding gains on cash flow hedge derivatives arising during period	**6**	8	**5**	23
Reclassification adjustment for net gains included in net income	**(4)**	(14)	**(24)**	(41)
Defined benefit pension plans:				
Net actuarial loss arising during period	**2**	2	**6**	7
Other comprehensive income (loss)	**69**	14	**(157)**	(2)
Comprehensive income	**490**	378	**1,267**	1,177
Less: Comprehensive income attributable to noncontrolling interests	**—**	1	**(9)**	1
Comprehensive income attributable to Bancorp	**$ 490**	377	**1,276**	1,176

See Notes to Condensed Consolidated Financial Statements.

Table of Contents

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)

	Bancorp Shareholders' Equity								
($ in millions, except per share data)	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Bancorp Shareholders' Equity	Non-Controlling Interests	Total Equity
Balance at December 31, 2011	$2,051	398	2,792	7,554	470	(64)	13,201	50	13,251
Net income				1,178			1,178	1	1,179
Other comprehensive loss					(2)		(2)		(2)
Cash dividends declared:									
Common stock at $0.26 per share				(237)			(237)		(237)
Preferred stock				(26)			(26)		(26)
Shares acquired for treasury			(34)			(391)	(425)		(425)
Impact of stock transactions under stock compensation plans, net			(26)			53	27		27
Other			1	(3)		4	2		2
Balance at September 30, 2012	2,051	398	2,733	8,466	468	(398)	13,718	51	13,769
Balance at December 31, 2012	2,051	398	2,758	8,768	375	(634)	13,716	48	13,764
Net income				1,433			1,433	(9)	1,424
Other comprehensive loss					(157)		(157)		(157)
Cash dividends declared:									
Common stock at $0.35 per share				(305)			(305)		(305)
Preferred stock				(18)			(18)		(18)
Shares acquired for treasury			(58)			(606)	(664)		(664)
Issuance of preferred stock		593					593		593
Redemption of preferred stock		(398)	(142)			540	—		—
Impact of stock transactions under stock compensation plans, net			7			35	42		42
Other				(2)		3	1		1
Balance at September 30, 2013	$ 2,051	593	2,565	9,876	218	(662)	14,641	39	14,680

See Notes to Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

($ in millions)	For the nine months ended September 30, 2013	2012
Operating Activities		
Net income	**$ 1,424**	1,179
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan and lease losses	**176**	227
Depreciation, amortization and accretion	**410**	388
Stock-based compensation expense	**60**	54
Provision for deferred income taxes	**195**	133
Securities gains	**(152)**	(50)
Securities gains – non-qualifying hedges on mortgage servicing rights	**(13)**	(10)
Securities losses	**133**	37
Securities losses – non-qualifying hedges on mortgage servicing rights	**—**	5
(Recovery of) provision for MSR impairment	**(150)**	122
Net gains on sales of loans and fair value adjustments on loans held for sale	**(391)**	(164)
Bank premises and equipment impairment	**2**	19
Capitalized servicing rights	**(217)**	(254)
Loss on extinguishment on TruPS redemptions	**—**	26
Proceeds from sales of loans held for sale	**19,615**	16,955
Loans originated for sale, net of repayments	**(16,991)**	(15,469)
Dividends representing return on equity method investments	**37**	27
Gain on sales of Vantiv, Inc. shares and Vantiv, Inc. IPO	**(327)**	(115)
Net change in:		
Trading securities	**(35)**	(26)
Other assets	**(288)**	(203)
Accrued taxes, interest and expenses	**(117)**	8
Other liabilities	**456**	(153)
Net Cash Provided by Operating Activities	**3,827**	2,736
Investing Activities		
Sales:		
Available-for-sale securities	**7,146**	2,282
Loans	**619**	209
Disposal of bank premises and equipment	**27**	5
Repayments / maturities:		
Available-for-sale securities	**2,657**	3,111
Held-to-maturity securities	**18**	33
Purchases:		
Available-for-sale securities	**(12,780)**	(5,291)
Bank premises and equipment	**(198)**	(271)
Proceeds from sales and dividends representing return of equity method investments	**644**	116
Net change in:		
Other short-term investments	**(201)**	496
Loans and leases	**(3,125)**	(2,925)
Operating lease equipment	**(167)**	(76)
Net Cash Used in Investing Activities	**(5,360)**	(2,311)
Financing Activities		
Net change in:		
Core deposits	**475**	(992)
Certificates - $100,000 and over, including other foreign office	**4,134**	(29)
Federal funds purchased	**(676)**	340
Other short-term borrowings	**(2,793)**	2,264
Dividends paid on common shares	**(286)**	(221)
Dividends paid on preferred shares	**(18)**	(17)
Proceeds from issuance of long-term debt	**2,548**	516
Repayment of long-term debt	**(1,317)**	(2,015)
Repurchase of treasury shares and related forward contract	**(664)**	(425)
Issuance of preferred shares	**593**	—
Other	**(17)**	(19)

Net Cash Provided by (Used in) Financing Activities	**1,979**	(598)
Increase (Decrease) in Cash and Due from Banks	**446**	(173)
Cash and Due from Banks at Beginning of Period	**2,441**	2,663
Cash and Due from Banks at End of Period	**$ 2,887**	2,490

See Notes to Condensed Consolidated Financial Statements. Note 2 contains cash payments related to interest and income taxes in addition to noncash investing and financing activities.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation

The Condensed Consolidated Financial Statements include the accounts of the Bancorp and its majority-owned subsidiaries and VIEs in which the Bancorp has been determined to be the primary beneficiary. Other entities, including certain joint ventures, in which the Bancorp has the ability to exercise significant influence over operating and financial policies of the investee, but upon which the Bancorp does not possess control, are accounted for by the equity method and not consolidated. The investments in those entities in which the Bancorp does not have the ability to exercise significant influence are generally carried at the lower of cost or fair value. Intercompany transactions and balances have been eliminated.

In the opinion of management, the unaudited Condensed Consolidated Financial Statements include all adjustments, which consist of normal recurring accruals, necessary to present fairly the results for the periods presented. In accordance with U.S. GAAP and the rules and regulations of the SEC for interim financial information, these statements do not include certain information and footnote disclosures required for complete annual financial statements and it is suggested that these Condensed Consolidated Financial Statements be read in conjunction with the latest annual financial statements. The results of operations and comprehensive income for the three and nine months ended September 30, 2013 and 2012 and the cash flows and changes in equity for the nine months ended September 30, 2013 and 2012 are not necessarily indicative of the results to be expected for the full year. Financial information as of December 31, 2012 has been derived from the annual audited Consolidated Financial Statements of the Bancorp.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Supplemental Cash Flow Information

Cash payments related to interest and income taxes in addition to noncash investing and financing activities are presented in the following table for the nine months ended September 30:

($ in millions)	2013	2012
Cash payments:		
Interest	**$343**	417
Income taxes	**386**	262
Transfers:		
Portfolio loans to loans held for sale	**603**	29
Loans held for sale to portfolio loans	**36**	72
Portfolio loans to OREO	**167**	219
Loans held for sale to OREO	**4**	23

3. Accounting and Reporting Developments

Disclosures about Offsetting Assets and Liabilities

In December 2011, and clarified in January 2013, the FASB issued amended guidance related to disclosures about offsetting assets and liabilities. The amended guidance requires the Bancorp to disclose both gross information and net information about financial instruments, including derivatives, and transactions eligible for offset in the Condensed Consolidated Balance Sheets as well as financial instruments and transactions subject to agreements similar to a master netting arrangement. The amended guidance is required to be applied retrospectively and is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013. The amended guidance was adopted by the Bancorp on January 1, 2013 and the required disclosures are included in Note 12.

Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income

In February 2013, the FASB issued amended guidance related to amounts reclassified out of AOCI. The amended guidance requires the Bancorp to present, either on the face of the Condensed Consolidated Statements of Income or in the Notes to Condensed Consolidated Financial Statements, significant amounts reclassified out of AOCI by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required to be reclassified in their entirety, the Bancorp is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The amended guidance is effective prospectively for reporting periods beginning after December 15, 2012 and was adopted by the Bancorp on January 1, 2013. The required disclosures are included in Note 19.

Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date

In February 2013, the FASB issued amended guidance relating to the measurement of obligations resulting from joint and several liability arrangements for which the total amount under the arrangement is fixed at the reporting date. For the total amount of an obligation under an arrangement to be considered fixed at the reporting date, there can be no measurement uncertainty relating to the total amount of the obligation. The obligation resulting from joint and several liability arrangements would be measured initially as the sum of 1) the amount the Bancorp has agreed to pay on the basis of its arrangement among its co-obligors and 2) any additional amount the Bancorp expects to pay on behalf of its co-obligors. The amended guidance also would require the Bancorp to disclose the nature and amount of the obligation as well as information about the risks that such obligations pose to future cash flows. The amended guidance is effective for reporting periods beginning after December 15, 2013 and will be applied retrospectively to all prior periods presented for those obligations resulting from joint

and several liability arrangements that exist at the beginning of the fiscal year of adoption. The Bancorp is currently in the process of evaluating the impact of adopting the amended guidance, but does not expect the impact to be material to the Bancorp's Condensed Consolidated Financial Statements.

Table of Contents

Inclusion of the Fed Funds Effective Swap Rate (or Overnight Index Swap Rate) as a Benchmark Interest Rate for Hedge Accounting Purposes

In July 2013, the FASB issued amended guidance which permits the OIS to be used as a U.S. benchmark interest rate for hedge accounting purposes, in addition to UST and LIBOR. The amended guidance also removed a previous scope reference that required the same benchmark interest rate be used for similar hedges and that using different rates be rare and justified. The amended guidance is effective prospectively for qualifying new or redesignated hedging relationships entered into on or after July 17, 2013 (i.e., the issuance date). The Bancorp's adoption of the amended guidance in the third quarter of 2013 did not have a material impact on the Bancorp's Condensed Consolidated Financial Statements.

Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists

In July 2013, the FASB issued amended guidance to clarify that an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date. The amended guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, with early adoption permitted. The Bancorp will adopt the amended guidance on January 1, 2014 and the adoption of the amended guidance is not expected to have a material impact on the presentation of the Bancorp's Condensed Consolidated Financial Statements.

4. Securities

The following table provides the amortized cost, fair value and unrealized gains and losses for the major categories of the available-for-sale and other and held-to-maturity securities portfolios as of:

September 30, 2013 ($ in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale and other:				
U.S. Treasury and government agencies	**$ 26**	**—**	**—**	**26**
U.S. Government sponsored agencies	**1,524**	**129**	**—**	**1,653**
Obligations of states and political subdivisions	**201**	**4**	**—**	**205**
Agency mortgage-backed securities (a)	**11,149**	**229**	**(25)**	**11,353**
Other bonds, notes and debentures	**3,773**	**82**	**(16)**	**3,839**
Other securities (b)	**992**	**13**	**(1)**	**1,004**
Total	**$ 17,665**	**457**	**(42)**	**18,080**
Held-to-maturity:				
Obligations of states and political subdivisions	**$ 264**	**—**	**—**	**264**
Other debt securities	**1**	**—**	**—**	**1**
Total	**$ 265**	**—**	**—**	**265**

December 31, 2012 ($ in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale and other:				
U.S. Treasury and government agencies	$ 41	—	—	41
U.S. Government sponsored agencies	1,730	181	—	1,911
Obligations of states and political subdivisions	203	9	—	212
Agency mortgage-backed securities (a)	8,403	345	(18)	8,730
Other bonds, notes and debentures	3,161	119	(3)	3,277
Other securities (b)	1,033	3	—	1,036
Total	$14,571	657	(21)	15,207
Held-to-maturity:				
Obligations of states and political subdivisions	$ 282	—	—	282
Other debt securities	2	—	—	2
Total	$ 284	—	—	284

(a) *Includes interest-only mortgage backed securities of **$279** and $408 as of **September 30, 2013** and December 31, 2012, respectively, recorded at fair value with fair value changes recorded in securities gains, net and securities gains, net-non-qualifying hedges on mortgage servicing rights in the Condensed Consolidated Statements of Income.*

(b) *Other securities consist of FHLB and FRB restricted stock holdings of **$497** and **$349**, respectively, at **September 30, 2013** and $497 and $347, respectively, at December 31, 2012, that are carried at cost, and certain mutual fund and equity security holdings.*

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table presents realized gains and losses that were recognized in income from available-for-sale securities:

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Realized gains	**$ 14**	29	**54**	57
Realized losses	**(4)**	—	**(90)**	(2)
OTTI	**(45)**	(23)	**(57)**	(39)
Net realized (losses) gains(a)	**$ (35)**	6	**(93)**	16

(a) Excludes net gains on interest-only mortgage-backed securities of $40 for the three months ended September 30, 2013 and net gains on interest-only mortgage backed securities of $121 for the nine months ended September 30, 2013, respectively.

Trading securities totaled $246 million as of September 30, 2013, compared to $207 million at December 31, 2012. Gross realized gains were immaterial for the three months ended September 30, 2013 and 2012, respectively, and were $1 million for the nine months ended September 30, 2013 and 2012, respectively. Gross realized losses on trading securities were immaterial for the three and nine months ended September 30, 2013 and 2012, respectively. Net unrealized gains on trading securities were $2 million and immaterial for the three months ended September 30, 2013 and 2012, respectively, and $3 million and $1 million for the nine months ended September 30, 2013 and 2012, respectively.

At September 30, 2013 and December 31, 2012, securities with a fair value of $8.9 billion and $12.6 billion, respectively, were pledged to secure borrowings, public deposits, trust funds, derivative contracts and for other purposes as required or permitted by law.

The expected maturity distribution of the Bancorp's agency mortgage-backed securities and the contractual maturity distribution of the Bancorp's available-for-sale and other and held-to-maturity securities as of September 30, 2013 are shown in the following table:

($ in millions)	Available-for-Sale & Other: Amortized Cost	Fair Value	Held-to-Maturity: Amortized Cost	Fair Value
Debt securities:(a)				
Under 1 year	$ 282	291	72	72
1-5 years	4,984	5,215	174	174
5-10 years	7,806	7,906	18	18
Over 10 years	3,601	3,664	1	1
Other securities	992	1,004	—	—
Total	$ 17,665	18,080	265	265

(a) Actual maturities may differ from contractual maturities when there exists a right to call or prepay obligations with or without call or prepayment penalties.

The following table provides the fair value and gross unrealized losses on available-for-sale and other securities in an unrealized loss position, aggregated by investment category and length of time the individual securities have been in a continuous unrealized loss position as of:

($ in millions)	Less than 12 months: Fair Value	Unrealized Losses	12 months or more: Fair Value	Unrealized Losses	Total: Fair Value	Unrealized Losses
September 30, 2013						
Obligations of states and political subdivisions	**$ 31**	**—**	**—**	**—**	**31**	**—**
Agency mortgage-backed securities	**2,276**	**(25)**	**2**	**—**	**2,278**	**(25)**
Other bonds, notes and debentures	**1,048**	**(13)**	**100**	**(3)**	**1,148**	**(16)**
Other securities	**37**	**(1)**	**—**	**—**	**37**	**(1)**
Total	**$ 3,392**	**(39)**	**102**	**(3)**	**3,494**	**(42)**
December 31, 2012						
Agency mortgage-backed securities	$ 1,784	(18)	—	—	1,784	(18)
Other bonds, notes and debentures	454	(3)	—	—	454	(3)
Other securities	1	—	—	—	1	—
Total	$2,239	(21)	—	—	2,239	(21)

Other-Than-Temporary Impairments

The Bancorp recognized $45 million and $57 million in OTTI, included in securities gains, net, in the Bancorp's Condensed Consolidated Statements of Income, on its available-for-sale and other debt securities for the three and nine months ended September 30, 2013. During the three and nine months ended September 30, 2012, the Bancorp recognized $23 million and $39 million of OTTI on its available-for-sale and other debt securities. The Bancorp did not recognize OTTI on any of its available-for-sale equity securities or held-to-maturity debt securities during the three and nine months ended September 30, 2013 and 2012. Less than one percent of unrealized losses in the available-for-sale securities portfolio were represented by non-rated securities at September 30, 2013 and December 31, 2012.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

5. Loans and Leases

The Bancorp diversifies its loan and lease portfolio by offering a variety of loan and lease products with various payment terms and rate structures. Lending activities are concentrated within those states in which the Bancorp has banking centers and are primarily located in the Midwestern and Southeastern regions of the United States. The Bancorp's commercial loan portfolio consists of lending to various industry types. Management periodically reviews the performance of its loan and lease products to evaluate whether they are performing within acceptable interest rate and credit risk levels and changes are made to underwriting policies and procedures as needed. The Bancorp maintains an allowance to absorb loan and lease losses inherent in the portfolio. For further information on credit quality and the ALLL, see Note 6.

The following table provides a summary of the total loans and leases classified by primary purpose as of:

($ in millions)	September 30, 2013	December 31, 2012
Loans and leases held for sale:		
Commercial and industrial loans	$ 7	39
Commercial mortgage loans	6	13
Commercial construction loans	4	9
Residential mortgage loans	1,298	2,856
Other consumer loans and leases	15	22
Total loans and leases held for sale	$ 1,330	2,939
Portfolio loans and leases:		
Commercial and industrial loans	$ 38,253	36,038
Commercial mortgage loans	8,052	9,103
Commercial construction loans	875	698
Commercial leases	3,572	3,549
Total commercial loans and leases	50,752	49,388
Residential mortgage loans	12,534	12,017
Home equity	9,356	10,018
Automobile loans	12,072	11,972
Credit card	2,157	2,097
Other consumer loans and leases	360	290
Total consumer loans and leases	36,479	36,394
Total portfolio loans and leases	$ 87,231	85,782

Total portfolio loans and leases are recorded net of unearned income, which totaled $711 million as of September 30, 2013 and $758 million as of December 31, 2012. Additionally, portfolio loans and leases are recorded net of unamortized premiums and discounts, deferred loan fees and costs, and fair value adjustments (associated with acquired loans or loans designated at fair value upon origination) which totaled a net premium of $111 million and $73 million as of September 30, 2013 and December 31, 2012, respectively.

The Bancorp's FHLB and FRB advances are generally secured by loans. The Bancorp had loans of $11.2 billion and $12.7 billion at September 30, 2013 and December 31, 2012, respectively, pledged at the FHLB, and loans of $33.0 billion and $30.9 billion at September 30, 2013 and December 31, 2012, respectively, pledged at the FRB.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table presents a summary of the total loans and leases owned by the Bancorp as of:

	Balance		90 Days Past Due and Still Accruing	
($ in millions)	September 30, 2013	December 31, 2012	September 30, 2013	December 31, 2012
Commercial and industrial loans	$ 38,260	36,077	$ 3	1
Commercial mortgage loans	8,058	9,116	—	22
Commercial construction loans	879	707	—	1
Commercial leases	3,572	3,549	—	—
Residential mortgage loans	13,832	14,873	73	75
Home equity	9,356	10,018	46	58
Automobile loans	12,072	11,972	8	8
Credit card	2,157	2,097	26	30
Other consumer loans and leases	375	312	—	—
Total loans and leases	$ 88,561	88,721	$ 156	195
Less: Loans held for sale	$ 1,330	2,939		
Total portfolio loans and leases	$ 87,231	85,782		

The following table presents a summary of net charge-offs:

	For the nine months ended September 30,	
($ in millions)	2013	2012
Commercial and industrial loans	$ 102	129
Commercial mortgage loans	39	83
Commercial construction loans	1	22
Commercial leases	1	8
Residential mortgage loans	47	99
Home equity	71	122
Automobile loans	15	23
Credit card	57	56
Other consumer loans and leases	20	15
Total	$ 353	557

Table of Contents

6. Credit Quality and the Allowance for Loan and Lease Losses

The Bancorp disaggregates ALLL balances and transactions in the ALLL by portfolio segment. Credit quality related disclosures for loans and leases are further disaggregated by class.

The following tables summarize transactions in the ALLL by portfolio segment:

For the three months ended September 30, 2013 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance, beginning of period	$ 1,183	201	247	104	1,735
Losses charged off	(61)	(15)	(65)	—	(141)
Recoveries of losses previously charged off	17	3	12	—	32
Provision for loan and lease losses	8	5	41	(3)	51
Balance, end of period	$ 1,147	194	235	101	1,677

For the three months ended September 30, 2012 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance, beginning of period	$ 1,347	232	316	121	2,016
Losses charged off	(76)	(28)	(84)	—	(188)
Recoveries of losses previously charged off	14	2	16	—	32
Provision for loan and lease losses	2	26	42	(5)	65
Balance, end of period	$ 1,287	232	290	116	1,925

For the nine months ended September 30, 2013 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance, beginning of period	$ 1,236	229	278	111	1,854
Losses charged off	(189)	(55)	(210)	—	(454)
Recoveries of losses previously charged off	46	8	47	—	101
Provision for loan and lease losses	54	12	120	(10)	176
Balance, end of period	$ 1,147	194	235	101	1,677

For the nine months ended September 30, 2012 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance, beginning of period	$ 1,527	227	365	136	2,255
Losses charged off	(289)	(104)	(267)	—	(660)
Recoveries of losses previously charged off	47	5	51	—	103
Provision for loan and lease losses	2	104	141	(20)	227
Balance, end of period	$ 1,287	232	290	116	1,925

The following tables provide a summary of the ALLL and related loans and leases classified by portfolio segment:

As of September 30, 2013 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:(a)					
Individually evaluated for impairment	$ 164(c)	135	54	—	353
Collectively evaluated for impairment	983	59	181	—	1,223
Loans acquired with deteriorated credit quality	—	—	—	—	—
Unallocated	—	—	—	101	101
Total ALLL	$ 1,147	194	235	101	1,677
Loans and leases:(b)					
Individually evaluated for impairment	$ 1,396(c)	1,316	516	—	3,228
Collectively evaluated for impairment	49,356	11,124	23,429	—	83,909
Loans acquired with deteriorated credit quality	—	5	—	—	5
Total portfolio loans and leases	$ 50,752	12,445	23,945	—	87,142

(a) *Includes **$10** related to leveraged leases.*
(b) *Excludes **$89** of residential mortgage loans measured at fair value, and includes **$875** of leveraged leases, net of unearned income.*
(c) *Includes five restructured nonaccrual loans at **September 30, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with a recorded investment of **$29** and an allowance of **$11**.*

As of December 31, 2012 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:(a)					
Individually evaluated for impairment	$ 95	137	62	—	294
Collectively evaluated for impairment	1,140	91	216	—	1,447
Loans acquired with deteriorated credit quality	1	1	—	—	2
Unallocated	—	—	—	111	111
Total ALLL	$ 1,236	229	278	111	1,854
Loans and leases:(b)					
Individually evaluated for impairment	$ 980	1,298	544	—	2,822
Collectively evaluated for impairment	48,407	10,637	23,833	—	82,877
Loans acquired with deteriorated credit quality	1	6	—	—	7
Total portfolio loans and leases	$ 49,388	11,941	24,377	—	85,706

(a) Includes $11 related to leveraged leases.
(b) Excludes $76 of residential mortgage loans measured at fair value, and includes $862 of leveraged leases, net of unearned income.

CREDIT RISK PROFILE

Commercial Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its commercial portfolio segment, the Bancorp disaggregates the segment into the following classes: commercial and industrial, commercial mortgage owner-occupied, commercial mortgage non-owner occupied, commercial construction and commercial leasing.

To facilitate the monitoring of credit quality within the commercial portfolio segment, and for purposes of analyzing historical loss rates used in the determination of the ALLL for the commercial portfolio segment, the Bancorp utilizes the following categories of credit grades: pass, special mention, substandard, doubtful or loss. The five categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers that do not have identified potential or well defined weaknesses and for which there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on a quarterly basis during the month preceding the end of the calendar quarter.

The Bancorp assigns a special mention rating to loans and leases that have potential weaknesses that deserve management’s close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or lease or the Bancorp’s credit position.

The Bancorp assigns a substandard rating to loans and leases that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans and leases have well defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases in this grade also are characterized by the distinct possibility that the Bancorp will sustain some loss if the deficiencies noted are not addressed and corrected.

The Bancorp assigns a doubtful rating to loans and leases that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.

Loans and leases classified as loss are considered uncollectible and are charged off in the period in which they are determined to be uncollectible. Because loans and leases in this category are fully charged down, they are not included in the following tables.

The following table summarizes the credit risk profile of the Bancorp’s commercial portfolio segment, by class:

As of September 30, 2013 ($ in millions)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	**$35,499**	**903**	**1,828**	**23**	**38,253**
Commercial mortgage owner occupied loans	**3,889**	**214**	**469**	—	**4,572**
Commercial mortgage non-owner occupied loans	**2,693**	**268**	**519**	—	**3,480**
Commercial construction loans	**678**	**35**	**162**	—	**875**
Commercial leases	**3,480**	**50**	**42**	—	**3,572**
Total	**$46,239**	**1,470**	**3,020**	**23**	**50,752**

As of December 31, 2012 ($ in millions)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	$33,521	1,113	1,379	25	36,038
Commercial mortgage owner occupied loans	3,934	338	603	1	4,876
Commercial mortgage non-owner occupied loans	2,958	449	815	5	4,227
Commercial construction loans	444	59	195	—	698
Commercial leases	3,483	48	18	—	3,549
Total	$ 44,340	2,007	3,010	31	49,388

Consumer Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its consumer portfolio segment, the Bancorp disaggregates the segment into the following classes: home equity, automobile loans, credit card, and other consumer loans and leases. The Bancorp's residential mortgage portfolio segment is also a separate class.

The Bancorp considers repayment performance as the best indicator of credit quality for residential mortgage and consumer loans, which includes both the delinquency status and performing versus nonperforming status of the loans. The delinquency status of all residential mortgage and consumer loans is presented by class in the age analysis section below while the performing versus nonperforming status is presented in the table below. Residential mortgage loans that have principal and interest payments that have become past due 150 days and home equity loans with principal and interest payments that have become past due 180 days are classified as nonperforming unless such loans are both well secured and in the process of collection. Residential mortgage, home equity, automobile, and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are classified as nonperforming unless the loan is both well secured and in the process of collection. Credit card loans that have been modified in a TDR are classified as nonperforming unless such loans have a sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

The following table presents a summary of the Bancorp's residential mortgage and consumer portfolio segments disaggregated into performing versus nonperforming status as of:

	September 30, 2013		December 31, 2012	
($ in millions)	Performing	Nonperforming	Performing	Nonperforming
Residential mortgage loans (a)	**$12,279**	**166**	11,704	237
Home equity	**9,308**	**48**	9,965	53
Automobile loans	**12,071**	**1**	11,970	2
Credit card	**2,123**	**34**	2,058	39
Other consumer loans and leases	**360**	**—**	289	1
Total	**$36,141**	**249**	35,986	332

*(a) Excludes **$89** and $76 of loans measured at fair value at **September 30, 2013** and December 31, 2012, respectively.*

Table of Contents

Age Analysis of Past Due Loans and Leases

The following tables summarize the Bancorp's recorded investment in portfolio loans and leases by age and class:

As of September 30, 2013 ($ in millions)	Current Loans and Leases(c)	Past Due 30-89 Days(c)	Past Due 90 Days and Greater(c)	Past Due Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:						
Commercial and industrial loans	**$ 38,083**	**36**	**134**	**170**	**38,253**	**3**
Commercial mortgage owner occupied loans	**4,492**	**8**	**72**	**80**	**4,572**	**—**
Commercial mortgage non-owner occupied loans	**3,423**	**11**	**46**	**57**	**3,480**	**—**
Commercial construction loans	**844**	**—**	**31**	**31**	**875**	**—**
Commercial leases	**3,571**	**—**	**1**	**1**	**3,572**	**—**
Residential mortgage loans(a) (b)	**12,142**	**69**	**234**	**303**	**12,445**	**73**
Consumer:						
Home equity	**9,166**	**96**	**94**	**190**	**9,356**	**46**
Automobile loans	**12,016**	**47**	**9**	**56**	**12,072**	**8**
Credit card	**2,092**	**35**	**30**	**65**	**2,157**	**26**
Other consumer loans and leases	**358**	**2**	**—**	**2**	**360**	**—**
Total portfolio loans and leases(a)	**$ 86,187**	**304**	**651**	**955**	**87,142**	**156**

(a) *Excludes* ***$89*** *of loans measured at fair value.*
(b) *Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of* ***September 30, 2013***, ***$83*** *of these loans were 30-89 days past due and* ***$379*** *were 90 days or more past due. The Bancorp recognized* ***$1*** *and* ***$2*** *of losses during the three and nine months ended* ***September 30, 2013***, *respectively, due to claim denials and curtailments associated with these advances.*
(c) *Includes accrual and nonaccrual loans and leases.*

As of December 31, 2012 ($ in millions)	Current Loans and Leases(c)	Past Due 30-89 Days(c)	Past Due 90 Days and Greater(c)	Past Due Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:						
Commercial and industrial loans	$35,826	46	166	212	36,038	1
Commercial mortgage owner occupied loans	4,752	29	95	124	4,876	22
Commercial mortgage non-owner occupied loans	4,094	21	112	133	4,227	—
Commercial construction loans	622	—	76	76	698	1
Commercial leases	3,546	2	1	3	3,549	—
Residential mortgage loans(a) (b)	11,547	87	307	394	11,941	75
Consumer:						
Home equity	9,782	126	110	236	10,018	58
Automobile loans	11,900	62	10	72	11,972	8
Credit card	2,025	38	34	72	2,097	30
Other consumer loans and leases	287	2	1	3	290	—
Total portfolio loans and leases(a) (d)	$ 84,381	413	912	1,325	85,706	195

(a) *Excludes $76 of loans measured at fair value.*
(b) *Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2012, $80 of these loans were 30-89 days past due and $414 were 90 days or more past due. The Bancorp recognized $2 of losses for the year ended December 31, 2012 due to claim denials and curtailments associated with these advances.*
(c) *Includes accrual and nonaccrual loans and leases.*
(d) *Includes an immaterial amount of government insured commercial loans 30-89 and 90 days past due and accruing whose repayments are insured by the SBA at December 31, 2012.*

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Impaired Loans and Leases

Larger commercial loans and leases included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp also performs an individual review on loans and leases that are restructured in a troubled debt restructuring. The Bancorp considers the current value of collateral, credit quality of any guarantees, the loan structure, and other factors when evaluating whether an individual loan or lease is impaired. Other factors may include the geography and industry of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. Smaller-balance homogenous loans or leases that are collectively evaluated for impairment are not included in the following tables.

The following tables summarize the Bancorp's impaired loans and leases (by class) that were subject to individual review, which includes all loans and leases restructured in a troubled debt restructuring:

As of September 30, 2013 ($ in millions)	Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 675	578	122
Commercial mortgage owner occupied loans (b)	71	59	11
Commercial mortgage non-owner occupied loans	117	86	13
Commercial construction loans	59	47	7
Commercial leases	1	1	—
Restructured residential mortgage loans	1,079	1,047	135
Restructured consumer:			
Home equity	390	386	41
Automobile loans	24	24	3
Credit card	63	63	10
Other consumer loans and leases	2	2	—
Total impaired loans and leases with a related allowance	$2,481	2,293	342
With no related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 261	207	—
Commercial mortgage owner occupied loans	107	97	—
Commercial mortgage non-owner occupied loans	268	243	—
Commercial construction loans	74	46	—
Commercial leases	3	3	—
Restructured residential mortgage loans	311	269	—
Restructured consumer:			
Home equity	42	38	—
Automobile loans	3	3	—
Total impaired loans and leases with no related allowance	1,069	906	—
Total impaired loans and leases	$3,550	3,199(a)	342

(a) *Includes **$499**, **$1,233** and **$461**, respectively, of commercial, residential mortgage and consumer TDRs on accrual status; **$241**, **$83** and **$55**, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

(b) *Excludes five restructured nonaccrual loans at **September 30, 2013** associated with a consolidated variable interest entity, in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with an unpaid principal balance of **$29**, a recorded investment of **$29**, and an allowance of **$11**.*

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

As of December 31, 2012 ($ in millions)	Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 263	194	65
Commercial mortgage owner occupied loans	54	43	5
Commercial mortgage non-owner occupied loans	215	160	16
Commercial construction loans	48	37	5
Commercial leases	8	8	5
Restructured residential mortgage loans	1,067	1,023	137
Restructured consumer:			
Home equity	400	396	46
Automobile loans	31	30	4
Credit card	74	74	12
Other consumer loans and leases	2	2	—
Total impaired loans and leases with a related allowance	$2,162	1,967	295
With no related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 207	169	—
Commercial mortgage owner occupied loans	107	99	—
Commercial mortgage non-owner occupied loans	209	199	—
Commercial construction loans	109	67	—
Commercial leases	5	5	—
Restructured residential mortgage loans	326	275	—
Restructured consumer:			
Home equity	40	39	—
Automobile loans	3	3	—
Total impaired loans and leases with no related allowance	1,006	856	—
Total impaired loans and leases	$3,168	2,823(a)	295

(a) *Includes $431, $1,175 and $480, respectively, of commercial, residential mortgage and consumer TDRs on accrual status;$177, $123 and $64, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

The following table summarizes the Bancorp's average impaired loans and leases and interest income by class:

($ in millions)	For the three months ended September 30, 2013		For the nine months ended September 30, 2013	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Commercial:				
Commercial and industrial loans	**$ 553**	**7**	**$ 403**	**11**
Commercial mortgage owner occupied loans (a)	**145**	**1**	**140**	**3**
Commercial mortgage non-owner occupied loans	**322**	**2**	**326**	**6**
Commercial construction loans	**103**	**1**	**109**	**3**
Commercial leases	**8**	**—**	**10**	**—**
Restructured residential mortgage loans	**1,311**	**13**	**1,308**	**39**
Restructured consumer:				
Home equity	**426**	**6**	**433**	**17**
Automobile loans	**27**	**1**	**29**	**1**
Credit card	**66**	**1**	**69**	**3**
Other consumer loans and leases	**2**	**—**	**2**	**—**
Total impaired loans and leases	**$ 2,963**	**32**	**$ 2,829**	**83**

(a) *Excludes five restructured nonaccrual loans, associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party, with an average recorded investment of **$29** and **$30** and an immaterial amount of interest income recognized for the three and nine months ended **September 30, 2013**, respectively.*

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

($ in millions)	For the three months ended September 30, 2012		For the nine months ended September 30, 2012	
	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
Commercial:				
Commercial and industrial loans	$ 439	1	$ 467	3
Commercial mortgage owner occupied loans	168	1	157	3
Commercial mortgage non-owner occupied loans	387	3	356	7
Commercial construction loans	149	—	176	2
Commercial leases	10	—	10	—
Restructured residential mortgage loans	1,276	13	1,269	38
Restructured consumer:				
Home equity	438	19	440	37
Automobile loans	37	1	39	2
Credit card	78	1	81	3
Other consumer loans and leases	2	—	2	—
Total impaired loans and leases	$ 2,984	39	$ 2,997	95

Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; restructured commercial and credit card loans which have not yet met the requirements to be classified as a performing asset; restructured consumer loans which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. The following table summarizes the Bancorp's nonperforming loans and leases, by class, as of:

($ in millions)	**September 30, 2013**	December 31, 2012
Commercial:		
Commercial and industrial loans	**$ 308**	330
Commercial mortgage owner occupied loans (a)	**112**	125
Commercial mortgage non-owner occupied loans	**70**	157
Commercial construction loans	**30**	76
Commercial leases	**1**	9
Total commercial loans and leases	**521**	697
Residential mortgage loans	**166**	237
Consumer:		
Home equity	**48**	53
Automobile loans	**1**	2
Credit card	**34**	39
Other consumer loans and leases	**—**	1
Total consumer loans and leases	**83**	95
Total nonperforming loans and leases (b) (c)	**$ 770**	1,029
OREO and other repossessed property (d)	**244**	257

(a) *Excludes* ***$22*** *of restructured nonaccrual loans at* ***September 30, 2013*** *associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party.*
(b) *Excludes* ***$11*** and *$29 of nonaccrual loans held for sale at* ***September 30, 2013*** *and December 31, 2012, respectively.*
(c) *Includes* ***$11*** *and $10 of nonaccrual government insured commercial loans whose repayments are insured by the SBA at* ***September 30, 2013*** *and December 31, 2012, respectively, and* ***$2*** *and $1 of restructured nonaccrual government insured commercial loans at* ***September 30, 2013*** *and December 31, 2012, respectively.*
(d) *Excludes* ***$75*** *and $72 of OREO related to government insured loans at* ***September 30, 2013*** *and December 31, 2012, respectively.*

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Within each of the Bancorp's loan classes, TDRs typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. Modifying the terms of loans may result in an increase or decrease to the ALLL depending upon the terms modified, the method used to measure the ALLL for a loan prior to modification, and whether any charge-offs were recorded on the loan before or at the time of modification. Refer to the ALLL section of Note 1 in the Bancorp's Form 10-K for the year ended December 31, 2012 for information on the Bancorp's ALLL methodology. Upon modification of a loan, the Bancorp measures the related impairment as the difference between the estimated future cash flows, discounted at the original effective yield of the loan, expected to be collected on the modified loan and the carrying value of the loan. The resulting measurement may result in the need for minimal or no valuation allowance because it is probable that all cash flows will be collected under the modified terms of the loan. In addition, if the stated interest rate was increased in a TDR, the cash flows on the modified loan, using the pre-modification interest rate as the discount rate, often exceed the recorded investment of the loan. Conversely, the Bancorp often recognizes an impairment loss as an increase to the ALLL upon a modification that reduces the stated interest rate on a loan.

Table of Contents

If a TDR involves a reduction of the principal balance of the loan or the loan's accrued interest, that amount is charged off to the ALLL. As of September 30, 2013 and December 31, 2012, the Bancorp had $41 million and $28 million in line of credit commitments and $23 million and $25 million in letter of credit commitments, respectively, to lend additional funds to borrowers whose terms have been modified in a TDR.

The following table provides a summary of loans modified in a TDR by the Bancorp during the three months ended:

September 30, 2013 ($ in millions)[(a)]	Number of loans modified in a TDR during the period[(b)]	Recorded investment in loans modified in a TDR during the period	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	**56**	**$ 79**	**(13)**	**—**
Commercial mortgage owner occupied loans[(c)]	**32**	**7**	**—**	**—**
Commercial mortgage non-owner occupied loans	**16**	**11**	**(2)**	**—**
Commercial construction loans	**1**	**9**	**—**	**—**
Residential mortgage loans	**452**	**65**	**8**	**—**
Consumer:				
Home equity	**117**	**6**	**—**	**—**
Automobile loans	**115**	**2**	**—**	**—**
Credit card	**1,950**	**12**	**2**	**—**
Total portfolio loans and leases	**2,739**	**$ 191**	**(5)**	**—**

September 30, 2012 ($ in millions)[(a)]	Number of loans modified in a TDR during the period[(b)]	Recorded investment in loans modified in a TDR during the period	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	20	$ 20	—	5
Commercial mortgage owner occupied loans	16	29	(3)	2
Commercial mortgage non-owner occupied loans	12	11	(3)	—
Commercial construction loans	3	—	—	—
Commercial leases	6	3	—	—
Residential mortgage loans	505	90	7	—
Consumer:				
Home equity	364	21	1	—
Automobile loans	213	3	—	—
Credit card	2,231	13	2	—
Total portfolio loans and leases	3,370	$ 190	4	7

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.
(b) Represents number of loans post-modification.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table provides a summary of loans modified in a TDR by the Bancorp during the nine months ended:

September 30, 2013 ($ in millions)[(a)]	Number of loans modified in a TDR during the period[(b)]	Recorded investment in loans modified in a TDR during the period	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	**119**	**$ 201**	**(13)**	**1**
Commercial mortgage owner-occupied loans[(c)]	**56**	**16**	**(1)**	**—**
Commercial mortgage nonowner-occupied loans	**50**	**65**	**(7)**	**—**
Commercial construction loans	**3**	**16**	**(1)**	**—**
Residential mortgage loans	**1,266**	**194**	**24**	**—**
Consumer:				
Home equity	**621**	**33**	**—**	**—**
Automobile loans	**363**	**11**	**1**	**—**
Credit card	**6,442**	**39**	**5**	**—**
Total portfolio loans and leases	**8,920**	**$ 575**	**8**	**1**

September 30, 2012 ($ in millions)[(a)]	Number of loans modified in a TDR during the period[(b)]	Recorded investment in loans modified in a TDR during the period	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:				
Commercial and industrial loans	61	$ 45	(10)	5
Commercial mortgage owner-occupied loans	52	45	(6)	2
Commercial mortgage nonowner-occupied loans	52	78	(8)	—
Commercial construction loans	14	36	(4)	—
Commercial leases	6	3	—	—
Residential mortgage loans	1,542	259	22	—
Consumer:				
Home equity	1,034	63	3	—
Automobile loans	774	12	2	—
Credit card	7,963	51	7	—
Total portfolio loans and leases	11,498	$ 592	6	7

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.
(b) Represents number of loans post-modification.
(c) Excludes five loans modified in a TDR during the nine months ended ***September 30, 2013*** *associated with a consolidated variable interest entity in which the Bancorp has no continuing credit risk due to the risk being assumed by a third party. The TDR has a recorded investment of* ***$29****, ALLL increased* ***$7*** *upon modification, and a charge-off of* ***$2*** *was recognized upon modification.*

The Bancorp considers TDRs that become 90 days or more past due under the modified terms as subsequently defaulted. For commercial loans not subject to individual review for impairment, the historical loss rates that are applied to such commercial loans for purposes of determining the allowance include historical losses associated with subsequent defaults on loans previously modified in a TDR. For consumer loans, the Bancorp performs a qualitative assessment of the adequacy of the consumer ALLL by comparing the consumer ALLL to forecasted consumer losses over the projected loss emergence period (the forecasted losses include the impact of subsequent defaults of consumer TDRs). When a residential mortgage, home equity, auto or other consumer loan that has been modified in a TDR subsequently defaults, the present value of expected cash flows used in the measurement of the potential impairment loss is generally limited to the expected net proceeds from the sale of the loan's underlying collateral and any resulting impairment loss is reflected as a charge-off or an increase in ALLL. When a credit card loan that has been modified in a TDR subsequently defaults, the calculation of the impairment loss is consistent with the Bancorp's calculation for other credit card loans that have become 90 days or more past due.

Table of Contents

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table provides a summary of subsequent defaults of TDRs that occurred during the three months ended September 30, 2013 and 2012 and within 12 months of the restructuring date:

September 30, 2013 ($ in millions)[(a)]	Number of Contracts	Recorded Investment
Commercial:		
Commercial and industrial loans	**1**	**$ 5**
Commercial mortgage owner-occupied loans	**2**	**—**
Residential mortgage loans	**78**	**11**
Consumer:		
Home equity	**21**	**1**
Credit card	**380**	**2**
Total portfolio loans and leases	**482**	**$ 19**

September 30, 2012 ($ in millions)[(a)]	Number of Contracts	Recorded Investment
Commercial:		
Commercial mortgage owner-occupied loans	1	$ 1
Residential mortgage loans	98	16
Consumer:		
Home equity	19	2
Automobile loans	15	—
Credit card	376	3
Total portfolio loans and leases	509	$ 22

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.

The following table provides a summary of subsequent defaults that occurred during the nine months ended September 30, 2013 and 2012 and within 12 months of the restructuring date:

September 30, 2013 ($ in millions)[(a)]	Number of Contracts	Recorded Investment
Commercial:		
Commercial and industrial loans	**3**	**$ 6**
Commercial mortgage owner-occupied loans	**6**	**1**
Residential mortgage loans	304	47
Consumer:		
Home equity	**55**	**3**
Automobile loans	**3**	**—**
Credit card	**1,306**	**8**
Total portfolio loans and leases	**1,677**	**$ 65**

September 30, 2012 ($ in millions)[(a)]	Number of Contracts	Recorded Investment
Commercial:		
Commercial mortgage owner-occupied loans	3	$ 2
Commercial mortgage nonowner-occupied loans	2	1
Commercial construction loans	2	3
Residential mortgage loans	224	41
Consumer:		
Home equity	67	5
Automobile loans	36	—
Credit card	1,385	10
Total portfolio loans and leases	1,719	$ 62

(a) Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.

7. Goodwill

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. Acquisition activity includes acquisitions in the respective period, in addition to purchase accounting adjustments related to previous acquisitions. During the fourth quarter of 2008, the Bancorp determined that the Commercial Banking and Consumer Lending segments' goodwill carrying amounts exceeded their associated implied fair values by $750 million and $215 million, respectively. The resulting $965 million goodwill impairment charge was recorded in the fourth quarter of 2008 and represents the total amount of accumulated impairment losses as of September 30, 2013.

Changes in the net carrying amount of goodwill, by reporting unit, for the nine months ended September 30, 2013 and 2012 were as follows:

($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	Total
Net carrying value as of December 31, 2012	$ 613	1,655	—	148	2,416
Acquisition activity	—	—	—	—	—
Net carrying value as of September 30, 2013	**$ 613**	**1,655**	**—**	**148**	**2,416**
Net carrying value as of December 31, 2011	613	1,656	—	148	2,417
Acquisition activity	—	—	—	—	—
Net carrying value as of September 30, 2012	$ 613	1,656	—	148	2,417

The Bancorp evaluates goodwill at the business segment level for impairment as the Bancorp's segments have been determined to be reporting units under U.S. GAAP. The Bancorp conducts its evaluation of goodwill impairment as of September 30th each year, and more frequently if events or circumstances indicate that there may be impairment. At September 30, 2013, the Bancorp performed a qualitative assessment of goodwill at the reporting unit level to determine whether any indicators of impairment existed. In performing this qualitative assessment, the Bancorp evaluated events and circumstances since the date of the last quantitative impairment test including the results of that test, macroeconomic conditions, banking industry and market conditions, key financial metrics of the Bancorp as well as segment and overall Bancorp financial performance. After assessing the totality of the events and circumstances, the Bancorp determined that it was not more likely than not that the fair value of each of its reporting units was less than their carrying amounts and, therefore, the first and second steps of the quantitative goodwill impairment test were deemed unnecessary.

8. Intangible Assets

Intangible assets consist of servicing rights, core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives. Intangible assets, excluding servicing rights, have an estimated remaining weighted-average life at September 30, 2013 of 4.1 years. The Bancorp reviews intangible assets for possible impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. For more information on servicing rights, see Note 10.

The details of the Bancorp's intangible assets are shown in the following table:

($ in millions)	Gross Carrying Amount	Accumulated Amortization	Valuation Allowance	Net Carrying Amount
As of September 30, 2013				
Mortgage servicing rights	**$ 3,036**	**(1,610)**	**(511)**	**915**
Automobile servicing rights	**6**	**(2)**	**—**	**4**
Core deposit intangibles	**154**	**(139)**	**—**	**15**
Other	**45**	**(39)**	**—**	**6**
Total intangible assets	**$ 3,241**	**(1,790)**	**(511)**	**940**
As of December 31, 2012				
Mortgage servicing rights	$ 2,825	(1,467)	(661)	697
Core deposit intangibles	180	(160)	—	20
Other	44	(37)	—	7
Total intangible assets	$ 3,049	(1,664)	(661)	724

As of September 30, 2013, all of the Bancorp's intangible assets were being amortized. Amortization expense recognized on intangible assets, including servicing rights, for the three months ended September 30, 2013 and 2012 was $42 million and $51 million, respectively. For the nine months ended September 30, 2013 and 2012, amortization expense was $152 million and $145 million, respectively.

The Bancorp's projections of amortization expense shown below are based on existing asset balances as of September 30, 2013. Future amortization expense may vary from these projections. Estimated amortization expense for the remainder of 2013 through 2017 is as follows:

($ in millions)	Servicing Rights	Other Intangible Assets	Total
Remainder of 2013	$ 29	2	31
2014	110	5	115
2015	101	2	103
2016	92	2	94
2017	85	2	87

9. Variable Interest Entities

The Bancorp, in the normal course of business, engages in a variety of activities that involve VIEs, which are legal entities that lack sufficient equity to finance their activities, or the equity investors of the entities as a group lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the economic performance of the VIE and the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. For certain investment funds, the primary beneficiary is the enterprise that will absorb a majority of the fund's expected losses or receive a majority of the fund's expected residual returns. The Bancorp evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Bancorp is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Bancorp is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate.

Consolidated VIEs

The following table provides a summary of the classifications of consolidated VIE assets, liabilities and noncontrolling interests included in the Bancorp's Condensed Consolidated Balance Sheets as of:

September 30, 2013 ($ in millions)	Automobile Loan Securitization	CDC Investments	Total
Assets:			
Cash and due from banks	**$ 53**	**—**	**53**
Commercial mortgage loans	**—**	**50**	**50**
Automobile loans[(a)]	**1,145**	**—**	**1,145**
ALLL	**(3)**	**(13)**	**(16)**
Other assets	**10**	**2**	**12**
Total assets	**1,205**	**39**	**1,244**
Liabilities:			
Other liabilities	**$ 2**	**—**	**2**
Long-term debt	**1,198**	**—**	**1,198**
Total liabilities	**$ 1,200**	**—**	**1,200**
Noncontrolling interests	**—**	**39**	**39**

(a) Net of $56 of unamortized fees and discounts.

December 31, 2012 ($ in millions)	CDC Investments	Total
Assets:		
Commercial mortgage loans	$ 50	50
ALLL	(5)	(5)
Other assets	3	3
Total assets	48	48
Noncontrolling interests	48	48

Automobile Loan Securitization

In August of 2013, the Bancorp transferred approximately $1.3 billion in fixed-rate consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. The primary purposes for which the VIE was created were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide the Bancorp with access to liquidity for its originated loans. The Bancorp retained residual interests in the VIE and, therefore, has an obligation to absorb losses and a right to receive benefits from the VIE that could potentially be significant to the VIE. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, holds the power to direct the activities of the VIE that most significantly impact the economic performance of the VIE. As a result, the Bancorp concluded that it is the primary beneficiary of the VIE and, therefore, has consolidated this VIE. The assets of the VIE are restricted to the settlement of the notes and other obligations of the VIE. Third-party holders of the notes do not have recourse to the general assets of the Bancorp.

The economic performance of the VIE is most significantly impacted by the performance of the underlying loans. The principal risks to which the VIE are exposed include credit risk and prepayment risk. The credit and prepayment risks are managed through credit enhancements in the form of reserve accounts, overcollateralization, excess interest on the loans and the subordination of certain classes of asset-backed securities to other classes.

CDC Investments

CDC, a wholly-owned indirect subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks. CDC generally co-invests with other unrelated companies and/or individuals and typically makes investments in a separate legal entity that owns the property under development. The entities are usually formed as limited partnerships and LLCs, and CDC typically invests

as a limited partner/investor member in the form of equity contributions. The economic performance of the VIEs is driven by the performance of their underlying investment projects as well as the VIEs’ ability to operate in

compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. Typically, the general partner or managing member will be the party that has the right to make decisions that will most significantly impact the economic performance of the entity. The Bancorp's subsidiaries serve as the managing member of certain LLCs invested in business revitalization projects. The Bancorp has provided an indemnification guarantee to the investor member of these LLCs related to the qualification of tax credits generated by the investor member's investment. Accordingly, the Bancorp concluded that it is the primary beneficiary and, therefore, has consolidated these VIEs. As a result, the investor members' interests in these VIEs are presented as noncontrolling interests in the Bancorp's Condensed Consolidated Financial Statements. This presentation includes reporting separately the equity attributable to the noncontrolling interests in the Condensed Consolidated Balance Sheets and Condensed Consolidated Statements of Changes in Equity and reporting separately the comprehensive income attributable to the noncontrolling interests in the Condensed Consolidated Statements of Comprehensive Income and the net income attributable to the noncontrolling interests in the Condensed Consolidated Statements of Income. The Bancorp's maximum exposure related to these indemnifications at September 30, 2013 and December 31, 2012 was $20 million and $18 million, respectively, which is based on an amount required to meet the investor member's defined target rate of return.

Non-consolidated VIEs

The following tables provide a summary of assets and liabilities carried on the Bancorp's Condensed Consolidated Balance Sheets related to non-consolidated VIEs for which the Bancorp holds an interest, but is not the primary beneficiary of the VIE, as well as the Bancorp's maximum exposure to losses associated with its interests in the entities:

As of September 30, 2013 ($ in millions)	Total Assets	Total Liabilities	Maximum Exposure
CDC investments	**$ 1,420**	**421**	**1,420**
Private equity investments	**207**	**—**	**303**
Loans provided to VIEs	**1,837**	**—**	**3,783**
Automobile loan securitization	**4**	**—**	**4**
Restructured loans	**1**	**—**	**1**

As of December 31, 2012 ($ in millions)	Total Assets	Total Liabilities	Maximum Exposure
CDC investments	$ 1,442	394	1,442
Private equity investments	189	—	310
Loans provided to VIEs	1,622	—	2,465
Restructured loans	2	—	2

CDC Investments

As noted previously, CDC typically invests in VIEs as a limited partner or investor member in the form of equity contributions. The Bancorp has determined that it is not the primary beneficiary of these VIEs because it lacks the power to direct the activities that most significantly impact the economic performance of the underlying project or the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. This power is held by the general partners/managing members who exercise full and exclusive control of the operations of the VIEs. Accordingly, the Bancorp accounts for these investments under the equity method of accounting.

The Bancorp's funding requirements are limited to its invested capital and any additional unfunded commitments for future equity contributions. The Bancorp's maximum exposure to loss as a result of its involvement with the VIEs is limited to the carrying amounts of the investments, including the unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Condensed Consolidated Balance Sheets, and the liabilities related to the unfunded commitments, which are included in other liabilities in the Condensed Consolidated Balance Sheets, are included in the previous tables for all periods presented. The Bancorp has no other liquidity arrangements or obligations to purchase assets of the VIEs that would expose the Bancorp to a loss. In certain arrangements, the general partner/managing member of the VIE has guaranteed a level of projected tax credits to be received by the limited partners/investor members, thereby minimizing a portion of the Bancorp's risk.

Private Equity Investments

The Bancorp invests as a limited partner in private equity funds which provide the Bancorp an opportunity to obtain higher rates of return on invested capital, while also creating cross-selling opportunities for the Bancorp's commercial products. Each of the limited partnerships has an unrelated third-party general partner responsible for appointing the fund manager. The Bancorp has not been appointed fund manager for any of these private equity funds. The funds finance primarily all of their activities from the partners' capital contributions and investment returns. Under the VIE consolidation guidance still applicable to the funds, the Bancorp has determined that it is not the primary beneficiary of the funds because it does not absorb a majority of the funds' expected losses or receive a majority of the funds' expected residual returns. Therefore, the Bancorp accounts for its investments in these limited partnerships under the equity method of accounting.

The Bancorp is exposed to losses arising from negative performance of the underlying investments in the private equity funds. As a limited partner, the Bancorp's maximum exposure to loss is limited to the carrying amounts of the investments plus unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Condensed Consolidated Balance Sheets, are included in the above tables. Also, as of September 30, 2013 and December 31, 2012, the unfunded commitment amounts to the funds were $96 million and $121 million, respectively. The Bancorp made capital contributions of $11 million to private equity funds during the three months ended September 30, 2013 and 2012. The Bancorp made capital contributions of

$25 million and $35 million, respectively, to private equity funds during the nine months ended September 30, 2013 and 2012.

Loans Provided to VIEs

The Bancorp has provided funding to certain unconsolidated VIEs sponsored by third parties. These VIEs are generally established to finance certain consumer and small business loans originated by third parties. The entities are primarily funded through the issuance of a loan from the Bancorp or a syndication through which the Bancorp is involved. The sponsor/administrator of the entities is responsible for servicing the underlying assets in the VIEs. Because the sponsor/administrator, not the Bancorp, holds the servicing responsibilities, which include the establishment and employment of default mitigation policies and procedures, the Bancorp does not hold the power to direct the activities most significant to the economic performance of the entity and, therefore, is not the primary beneficiary.

The principal risk to which these entities are exposed is credit risk related to the underlying assets. The Bancorp's maximum exposure to loss is equal to the carrying amounts of the loans and unfunded commitments to the VIEs. The Bancorp's outstanding loans to these VIEs, included in commercial loans in the Condensed Consolidated Balance Sheets, are included in the previous tables for all periods presented. Also, as of September 30, 2013 and December 31, 2012 the Bancorp's unfunded commitments to these entities were $1.9 billion and $843 million, respectively. The loans and unfunded commitments to these VIEs are included in the Bancorp's overall analysis of the ALLL and reserve for unfunded commitments, respectively. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The securitization and the resulting sale of all underlying securities qualified for sale accounting. The Bancorp has concluded that it is not the primary beneficiary of the trust because it has neither the obligation to absorb losses of the entity that could potentially be significant to the VIE nor the right to receive benefits from the entity that could potentially be significant to the VIE. The Bancorp is not required to provide any additional financial support to the trust. Investors and creditors only have recourse to the assets held by the trust. The interest the Bancorp holds in the VIE relates to servicing rights which are included in the Bancorp's Condensed Consolidated Balance Sheets. The maximum exposure to loss is equal to the carrying value of the servicing asset.

Restructured Loans

As part of loan restructuring efforts, the Bancorp received equity capital from certain borrowers to facilitate the restructuring of the borrower's debt. These borrowers meet the definition of a VIE because the Bancorp was involved in their refinancing and because their equity capital is insufficient to fund ongoing operations. These restructurings were intended to provide the VIEs with serviceable debt levels while providing the Bancorp an opportunity to maximize the recovery of the loans. The VIEs finance their operations from earned income, capital contributions, and through restructured debt agreements. Assets of the VIEs are used to settle their specific obligations, including loan payments due to the Bancorp. The Bancorp continues to maintain its relationship with these VIEs as a lender and minority shareholder; however, it is not involved in management decisions and does not have sufficient voting rights to control the membership of the respective boards. Therefore, the Bancorp accounts for its equity investments in these VIEs under the equity method or cost method based on its percentage of ownership and ability to exercise significant influence.

The Bancorp's maximum exposure to loss as a result of its involvement with these VIEs is limited to the equity investments, the principal and accrued interest on the outstanding loans, and any unfunded commitments. Due to the VIEs' short-term cash deficit projections at the restructuring dates, the Bancorp determined that the initial fair value of its equity investments in these VIEs was zero. As of September 30, 2013 and December 31, 2012, the Bancorp's carrying value of these equity investments was immaterial to the Bancorp's Condensed Consolidated Balance Sheets. Additionally, the Bancorp had outstanding loans to these VIEs, included in commercial loans in the Condensed Consolidated Balance Sheets, which are included in the above tables for all periods presented. The Bancorp had no unfunded loan commitments to these VIEs as of September 30, 2013 and December 31, 2012. The loans to these VIEs are included in the Bancorp's overall analysis of the ALLL. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

10. Sales of Receivables and Servicing Rights

Automobile Loan Securitization

In March of 2013, the Bancorp recognized an immaterial loss on the securitization and sale of certain automobile loans with a carrying amount of approximately $509 million. The Bancorp utilized a securitization trust to facilitate the securitization process. The trust issued asset-backed securities in the form of notes and equity certificates, with varying levels of credit subordination and payment priority. The Bancorp does not hold any of the notes or equity certificates issued by the trust, and the investors in these securities have no credit recourse to the Bancorp's assets for failure of debtors to pay when due. As part of the sale, the Bancorp obtained servicing responsibilities and recognized a servicing asset with an initial fair value of $6 million.

Residential Mortgage Loan Sales

The Bancorp sold fixed and adjustable rate residential mortgage loans during the three and nine months ended September 30, 2013 and 2012. In those sales, the Bancorp obtained servicing responsibilities and the investors have no recourse to the Bancorp's other assets for failure of debtors to pay when due. The Bancorp receives annual servicing fees based on a percentage of the outstanding balance. The Bancorp identifies classes of servicing assets based on financial asset type and interest rates.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Information related to residential mortgage loan sales and the Bancorp's mortgage banking activity, which is included in mortgage banking net revenue in the Condensed Consolidated Statements of Income, is as follows:

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Residential mortgage loan sales	**$5,105**	5,002	**$19,115**	16,650
Origination fees and gains on loan sales	**74**	226	**393**	583
Servicing fees	**63**	62	**187**	186

Servicing Assets

The following table presents changes in the servicing assets related to residential mortgage and automobile loans for the nine months ended September 30:

($ in millions)	2013	2012
Carrying amount before valuation allowance as of the beginning of the period	**$1,358**	1,239
Servicing rights that result from the transfer of residential mortgage loans	**211**	254
Servicing rights that result from the transfer of automobile loans	**6**	—
Amortization	**(145)**	(134)
Carrying amount before valuation allowance	**1,430**	1,359
Valuation allowance for servicing assets:		
Beginning balance	**(661)**	(558)
Recovery of (provision for) MSR impairment	**150**	(122)
Ending balance	**(511)**	(680)
Carrying amount as of the end of the period	**$ 919**	679

Temporary impairment or impairment recovery, affected through a change in the MSR valuation allowance, was captured as a component of mortgage banking net revenue in the Condensed Consolidated Statements of Income. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the value of the MSR portfolio. This strategy includes the purchase of free-standing derivatives and various available-for-sale securities. The interest income, mark-to-market adjustments and gain or loss from sale activities associated with these portfolios are expected to economically hedge a portion of the change in value of the MSR portfolio caused by fluctuating discount rates, earnings rates and prepayment speeds. The fair value of the servicing asset is based on the present value of expected future cash flows.

The following table displays the beginning and ending fair value of the servicing assets for the nine months ended September 30:

($ in millions)	2013	2012
Fixed rate residential mortgage loans:		
Beginning balance	**$ 664**	649
Ending balance	**876**	645
Adjustable rate residential mortgage loans:		
Beginning balance	**33**	32
Ending balance	**39**	34
Fixed rate automobile loans:		
Beginning balance	**—**	—
Ending balance	**4**	—

The following table presents activity related to valuations of the MSR portfolio and the impact of the non-qualifying hedging strategy, which is included in the Condensed Consolidated Statements of Income:

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Securities gains, net - non-qualifying hedges on MSRs	**$ 5**	5	**13**	5
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio (Mortgage banking net revenue)	**24**	32	**(13)**	75
(Provision for) recovery of MSR impairment (Mortgage banking net revenue)	**(1)**	(72)	**150**	(122)

As of September 30, 2013 and 2012, the key economic assumptions used in measuring the interests in residential mortgage loans that continued to be held by the Bancorp at the date of sale or securitization resulting from transactions completed during the three months ended:

		September 30, 2013				September 30, 2012			
	Rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate
Residential mortgage loans:									
Servicing assets	Fixed	**7.7**	**8.5 %**	**10.2 %**	**N/A**	6.3	11.0 %	10.3 %	N/A
Servicing assets	Adjustable	**3.7**	**22.4**	**11.5**	**N/A**	3.8	21.7	11.4	N/A

Based on historical credit experience, expected credit losses for residential mortgage loan servicing assets have been deemed immaterial, as the Bancorp sold the majority of the underlying loans without recourse. At September 30, 2013 and December 31, 2012, the Bancorp serviced $69.0 billion and $62.5 billion, respectively, of residential mortgage loans for other investors. The value of MSRs that continue to be held by the Bancorp is subject to credit, prepayment and interest rate risks on the sold financial assets.

At September 30, 2013, the sensitivity of the current fair value of residual cash flows to immediate 10%, 20% and 50% adverse changes in prepayment speed assumptions and immediate 10% and 20% adverse changes in other assumptions are as follows:

				Prepayment Speed Assumption				Residual Servicing Cash Flows		
					Impact of Adverse Change on Fair Value				Impact of Adverse Change on Fair Value	
($ in millions)[(a)]	Rate	Fair Value	Weighted-Average Life (in years)	Rate	10%	20%	50%	Discount Rate	10%	20%
Residential mortgage loans:										
Servicing assets	Fixed	$876	6.4	11.4 %	$(36)	(70)	(158)	10.4 %	$ (34)	(65)
Servicing assets	Adjustable	39	3.2	25.7	(2)	(3)	(7)	11.6	(1)	(2)

(a) The impact of the weighted-average default rate on the current fair value of residual cash flows for all scenarios is immaterial.

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on these variations in the assumptions typically cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. The Bancorp believes variations of these levels are reasonably possible; however, there is the potential that adverse changes in key assumptions could be even greater. Also, in the previous table, the effect of a variation in a particular assumption on the fair value of the interests that continue to be held by the Bancorp is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments), which might magnify or counteract these sensitivities.

11. Derivative Financial Instruments

The Bancorp maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate, prepayment and foreign currency volatility. Additionally, the Bancorp holds derivative instruments for the benefit of its commercial customers and for other business purposes. The Bancorp does not enter into unhedged speculative derivative positions.

The Bancorp's interest rate risk management strategy involves modifying the repricing characteristics of certain financial instruments so that changes in interest rates do not adversely affect the Bancorp's net interest margin and cash flows. Derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options and swaptions. Interest rate swap contracts are exchanges of interest payments, such as fixed-rate payments for floating-rate payments, based on a stated notional amount and maturity date. Interest rate floors protect against declining rates, while interest rate caps protect against rising interest rates. Forward contracts are contracts in which the buyer agrees to purchase, and the seller agrees to make delivery of, a specific financial instrument at a predetermined price or yield. Options provide the purchaser with the right, but not the obligation, to purchase or sell a contracted item during a specified period at an agreed upon price. Swaptions are financial instruments granting the owner the right, but not the obligation, to enter into or cancel a swap.

Prepayment volatility arises mostly from changes in fair value of the largely fixed-rate MSR portfolio, mortgage loans and mortgage-backed securities. The Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge prepayment volatility. Principal-only swaps are total return swaps based on changes in the value of the underlying mortgage principal-only trust. TBAs are a forward purchase agreement for a mortgage-backed securities trade whereby the terms of the security are undefined at the time the trade is made.

Foreign currency volatility occurs as the Bancorp enters into certain loans denominated in foreign currencies. Derivative instruments that the Bancorp may use to economically hedge these foreign denominated loans include foreign exchange swaps and forward contracts.

The Bancorp also enters into derivative contracts (including foreign exchange contracts, commodity contracts and interest rate contracts) for the benefit of commercial customers and other business purposes. The Bancorp may economically hedge significant exposures related to these free-standing derivatives by entering into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. The Bancorp's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. Credit risk is minimized through credit approvals, limits, counterparty collateral and monitoring procedures.

The Bancorp's derivative assets include certain contractual features in which the Bancorp requires the counterparties to provide collateral in the form of cash and securities to offset changes in the fair value of the derivatives, including changes in the fair value due to credit risk of the counterparty. As of September 30, 2013 and December 31, 2012, the balance of collateral held by the Bancorp for derivative assets was $534 million and $927 million, respectively. The credit component negatively impacting the fair value of derivative assets associated with customer accommodation contracts as of September 30, 2013 and December 31, 2012 was $16 million and $18 million, respectively.

In measuring the fair value of derivative liabilities, the Bancorp considers its own credit risk, taking into consideration collateral maintenance requirements of certain derivative counterparties and the duration of instruments with counterparties that do not require collateral maintenance. When necessary, the Bancorp posts collateral primarily in the form of cash and securities to offset changes in fair value of the derivatives, including changes in fair value due to the Bancorp's credit risk. As of September 30, 2013 and December 31, 2012, the balance of collateral posted by the Bancorp for derivative liabilities was $648 million and $785 million, respectively. Certain of the Bancorp's derivative liabilities contain credit-risk related contingent features that could result in the requirement to post additional collateral upon the occurrence of specified events. As of September 30, 2013, the fair value of the additional collateral that could be required to be posted as a result of the credit-risk related contingent features being triggered was not material to the Bancorp's Condensed Consolidated Financial Statements. The posting of collateral has been determined to remove the need for further consideration of credit risk. As a result, the Bancorp determined that the impact of the Bancorp's credit risk to the valuation of its derivative liabilities was immaterial to the Bancorp's Condensed Consolidated Financial Statements.

The Bancorp holds certain derivative instruments that qualify for hedge accounting treatment and are designated as either fair value hedges or cash flow hedges. Derivative instruments that do not qualify for hedge accounting treatment, or for which hedge accounting is not established, are held as free-standing derivatives. All customer accommodation derivatives are held as free-standing derivatives.

The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements. Derivative instruments with a positive fair value are reported in other assets in the Condensed Consolidated Balance Sheets while derivative instruments with a negative fair value are reported in other liabilities in the Condensed Consolidated Balance Sheets. Cash collateral payables and receivables associated with the derivative instruments are not added to or netted against the fair value amounts. For further information on offsetting derivatives, see Note 12 of the Notes to Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following tables reflect the notional amounts and fair values for all derivative instruments included in the Condensed Consolidated Balance Sheets as of:

September 30, 2013 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	**$ 3,205**	**345**	**11**
Total fair value hedges		**345**	**11**
Cash flow hedges:			
Interest rate swaps related to C&I loans	**1,000**	**45**	**—**
Total cash flow hedges		**45**	**—**
Total derivatives designated as qualifying hedging instruments		**390**	**11**
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives - risk management and other business purposes			
Interest rate contracts related to MSRs	**2,992**	**147**	**8**
Forward contracts related to held for sale mortgage loans	**4,068**	**12**	**44**
Stock warrants associated with Vantiv Holding, LLC	**569**	**293**	**—**
Swap associated with the sale of Visa, Inc. Class B shares	**812**	**—**	**35**
Total free-standing derivatives - risk management and other business purposes		**452**	**87**
Free-standing derivatives - customer accommodation:			
Interest rate contracts for customers	**29,128**	**399**	**412**
Interest rate lock commitments	**1,433**	**25**	**1**
Commodity contracts	**3,330**	**83**	**82**
Foreign exchange contracts	**18,299**	**237**	**214**
Total free-standing derivatives - customer accommodation		**744**	**709**
Total derivatives not designated as qualifying hedging instruments		**1,196**	**796**
Total		**$ 1,586**	**807**

December 31, 2012 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 2,880	558	—
Total fair value hedges		558	—
Cash flow hedges:			
Interest rate floors related to C&I loans	1,500	22	—
Interest rate swaps related to C&I loans	1,000	60	—
Interest rate caps related to long-term debt	500	—	—
Interest rate swaps related to long-term debt	250	—	1
Total cash flow hedges		82	1
Total derivatives designated as qualifying hedging instruments		640	1
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives - risk management and other business purposes			
Interest rate contracts related to MSRs	10,177	219	—
Forward contracts related to held for sale mortgage loans	5,322	2	14
Stock warrants associated with Vantiv Holding, LLC	416	177	—
Swap associated with the sale of Visa, Inc. Class B shares	644	—	33
Total free-standing derivatives - risk management and other business purposes		398	47
Free-standing derivatives - customer accommodation:			
Interest rate contracts for customers	27,354	586	602
Interest rate lock commitments	4,894	60	—
Commodity contracts	3,084	87	82
Foreign exchange contracts	17,297	201	183
Derivative instruments related to equity linked CDs	5	—	—
Total free-standing derivatives - customer accommodation		934	867
Total derivatives not designated as qualifying hedging instruments		1,332	914
Total		$1,972	915

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Fair Value Hedges

The Bancorp may enter into interest rate swaps to convert its fixed-rate funding to floating-rate. Decisions to convert fixed-rate funding to floating are made primarily through consideration of the asset/liability mix of the Bancorp, the desired asset/liability sensitivity and interest rate levels. As of September 30, 2013 and December 31, 2012, certain interest rate swaps met the criteria required to qualify for the shortcut method of accounting. Based on this shortcut method of accounting treatment, no ineffectiveness is assumed. For interest rate swaps that do not meet the shortcut requirements, an assessment of hedge effectiveness using regression analysis was performed and such swaps were accounted for using the "long-haul" method. The long-haul method requires a quarterly assessment of hedge effectiveness and measurement of ineffectiveness. For interest rate swaps accounted for as a fair value hedge using the long-haul method, ineffectiveness is the difference between the changes in the fair value of the interest rate swap and changes in fair value of the related hedged item attributable to the risk being hedged. The ineffectiveness on interest rate swaps hedging fixed-rate funding is reported within interest expense in the Condensed Consolidated Statements of Income.

The following table reflects the change in fair value of interest rate contracts, designated as fair value hedges, as well as the change in fair value of the related hedged items attributable to the risk being hedged, included in the Condensed Consolidated Statements of Income:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Interest rate contracts:					
Change in fair value of interest rate swaps hedging long-term debt	Interest on long-term debt	**$ (30)**	(35)	**(223)**	(56)
Change in fair value of hedged long-term debt attributable to the risk being hedged	Interest on long-term debt	**30**	44	**220**	59

Cash Flow Hedges

The Bancorp may enter into interest rate swaps to convert floating-rate assets and liabilities to fixed rates or to hedge certain forecasted transactions. The assets or liabilities may be grouped in circumstances where they share the same risk exposure for which the Bancorp desires to hedge. The Bancorp may also enter into interest rate caps and floors to limit cash flow variability of floating rate assets and liabilities. As of September 30, 2013, all hedges designated as cash flow hedges were assessed for effectiveness using regression analysis. Ineffectiveness is generally measured as the amount by which the cumulative change in the fair value of the hedging instrument exceeds the present value of the cumulative change in the hedged item's expected cash flows attributable to the risk being hedged. Ineffectiveness is reported within other noninterest income in the Condensed Consolidated Statements of Income. The effective portion of the cumulative gains or losses on cash flow hedges are reported within accumulated other comprehensive income and are reclassified from accumulated other comprehensive income to current period earnings when the forecasted transaction affects earnings. As of September 30, 2013, the maximum length of time over which the Bancorp is hedging its exposure to the variability in future cash flows is 29 months.

Reclassified gains and losses on interest rate contracts related to commercial and industrial loans are recorded within interest income while reclassified gains and losses on interest rate contracts related to long-term debt are recorded within interest expense in the Condensed Consolidated Statements of Income. As of September 30, 2013 and December 31, 2012, $31 million and $50 million, respectively, of deferred gains, net of tax, on cash flow hedges were recorded in accumulated other comprehensive income in the Condensed Consolidated Balance Sheets. As of September 30, 2013, approximately $18 million of net deferred gains, net of tax, recorded in accumulated other comprehensive income are expected to be reclassified into earnings during the next twelve months. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations, and the addition of other hedges subsequent to September 30, 2013.

During the three and nine months ended September 30, 2013 and 2012, there were no gains or losses reclassified from accumulated other comprehensive income into earnings associated with the discontinuance of cash flow hedges because it was probable that the original forecasted transaction would not occur by the end of the originally specified time period or within the additional period of time as defined by U.S. GAAP.

The following table presents the net gains recorded in the Condensed Consolidated Statements of Income and accumulated other comprehensive income in the Condensed Consolidated Statements of Comprehensive Income relating to derivative instruments designated as cash flow hedges:

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Amount of net gains recognized in OCI	**$ 9**	10	**8**	35
Amount of net gains reclassified from OCI into net income	**6**	22	**37**	63

Free-Standing Derivative Instruments – Risk Management and Other Business Purposes

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge changes in fair value of its largely fixed-rate MSR portfolio. Principal-only swaps hedge the mortgage-LIBOR spread because these swaps appreciate in value as a result of tightening spreads. Principal-only swaps also provide prepayment protection by increasing in value when prepayment speeds increase, as opposed to MSRs that lose value in a faster prepayment environment. Receive fixed/pay floating interest rate swaps and swaptions increase in value when interest rates do not increase as quickly as expected.

The Bancorp enters into forward contracts and mortgage options to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. Interest rate lock commitments issued on residential mortgage loan commitments that will be held for sale are also considered free-standing derivative instruments and the interest rate exposure on these commitments is economically hedged primarily with forward contracts. Revaluation gains and losses from free-standing derivatives related to mortgage banking activity are recorded as a component of mortgage banking net revenue in the Condensed Consolidated Statements of Income.

Additionally, as part of the Bancorp's overall risk management strategy with respect to minimizing significant fluctuations in earnings and cash flows caused by interest rate and prepayment volatility, the Bancorp may enter into free-standing derivative instruments (options, swaptions and interest rate swaps). The gains and losses on these derivative contracts are recorded within other noninterest income in the Condensed Consolidated Statements of Income.

In conjunction with the sale of the Bancorp's 51% interest in Vantiv Holding, LLC, the Bancorp received warrants and issued put options, which are accounted for as free-standing derivatives. The put options expired as a result of the Vantiv, Inc. initial public offering in March of 2012. Refer to Note 21 for further discussion of significant inputs and assumptions used in the valuation of the warrants.

In conjunction with the sale of Visa, Inc. Class B shares in 2009, the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. This total return swap is accounted for as a free-standing derivative. See Note 21 for further discussion of significant inputs and assumptions used in the valuation of this instrument.

The net gains (losses) recorded in the Condensed Consolidated Statements of Income relating to free-standing derivative instruments used for risk management and other business purposes are summarized in the following table:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Interest rate contracts:					
Forward contracts related to mortgage loans held for sale	Mortgage banking net revenue	**$(191)**	(59)	**(20)**	(42)
Interest rate contracts related to MSR portfolio	Mortgage banking net revenue	**24**	32	**(13)**	75
Interest rate swaps related to long-term debt	Other noninterest income	**—**	1	**—**	2
Foreign exchange contracts:					
Foreign exchange contracts for trading purposes	Other noninterest income	**(2)**	(1)	**3**	(1)
Equity contracts:					
Stock warrants associated with Vantiv Holding, LLC	Other noninterest income	**6**	(16)	**116**	85
Put options associated with sale of the processing business	Other noninterest income	**—**	—	**—**	1
Swap associated with sale of Visa, Inc. Class B shares	Other noninterest income	**(2)**	(1)	**(13)**	(30)

Free-Standing Derivative Instruments – Customer Accommodation

The majority of the free-standing derivative instruments the Bancorp enters into are for the benefit of its commercial customers. These derivative contracts are not designated against specific assets or liabilities on the Bancorp's Condensed Consolidated Balance Sheets or to forecasted transactions and, therefore, do not qualify for hedge accounting. These instruments include foreign exchange derivative contracts entered into for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations and commodity contracts to hedge such items as natural gas and various other derivative contracts. The Bancorp may economically hedge significant exposures related to these derivative contracts entered into for the benefit of customers by entering into offsetting contracts with approved, reputable, independent counterparties with substantially matching terms. The Bancorp hedges its interest rate exposure on commercial customer transactions by executing offsetting swap agreements with primary dealers. Revaluation gains and losses on interest rate, foreign exchange, commodity and other commercial customer derivative contracts are recorded as a component of corporate banking revenue in the Condensed Consolidated Statements of Income.

The Bancorp enters into risk participation agreements, under which the Bancorp assumes credit exposure relating to certain underlying interest rate derivative contracts. The Bancorp only enters into these risk participation agreements in instances in which the Bancorp has participated in the loan that the underlying interest rate derivative contract was designed to hedge. The Bancorp will make payments under these agreements if a customer defaults on its obligation to perform under the terms of the underlying interest rate derivative contract. As of September 30, 2013 and December 31, 2012, the total notional amount of the risk participation agreements was $1.2 billion and $1.0 billion, respectively, and the fair value was a liability of $3 million at September 30, 2013 and $2 million at December 31, 2012, respectively, which is included in interest rate contracts for customers. As of September 30, 2013, the risk participation agreements had an average remaining life of 3.9 years.

The Bancorp's maximum exposure in the risk participation agreements is contingent on the fair value of the underlying interest rate derivative contracts in an asset position at the time of default. The Bancorp monitors the credit risk associated with the underlying customers in the risk participation agreements through the same risk grading system currently utilized for establishing loss reserves in its loan and lease portfolio.

Risk ratings of the notional amount of risk participation agreements under this risk rating system are summarized in the following table:

As of ($ in millions)	September 30, 2013	December 31, 2012
Pass	$ **1,157**	993
Special mention	**37**	—
Substandard	**13**	13
Doubtful	**—**	—
Total	$ **1,207**	1,006

The net gains (losses) recorded in the Condensed Consolidated Statements of Income relating to free-standing derivative instruments used for customer accommodation are summarized in the following table:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Interest rate contracts:					
Interest rate contracts for customers (contract revenue)	Corporate banking revenue	$ **8**	7	**22**	20
Interest rate contracts for customers (credit losses)	Other noninterest expense	**—**	(1)	**(3)**	(2)
Interest rate contracts for customers (credit portion of fair value adjustment)	Other noninterest expense	**—**	2	**4**	5
Interest rate lock commitments	Mortgage banking net revenue	**43**	166	**41**	341
Commodity contracts:					
Commodity contracts for customers (contract revenue)	Corporate banking revenue	**1**	1	**5**	6
Commodity contracts for customers (credit portion of fair value adjustment)	Other noninterest expense	**—**	1	**—**	1
Foreign exchange contracts:					
Foreign exchange contracts - customers (contract revenue)	Corporate banking revenue	**14**	16	**52**	49
Foreign exchange contracts - customers (credit portion of fair value adjustment)	Other noninterest expense	**—**	1	**(2)**	2

12. Offsetting Derivative Financial Instruments

The Bancorp's derivative transactions are generally governed by ISDA Master Agreements and similar arrangements, which include provisions governing the setoff of assets and liabilities between the parties. When the Bancorp has more than one outstanding derivative transaction with a single counterparty, the setoff provisions contained within these agreements generally allow the non-defaulting party the right to reduce its liability to the defaulting party by amounts eligible for setoff, including the collateral received as well as eligible offsetting transactions with that counterparty, irrespective of the currency, place of payment, or booking office. The Bancorp's policy is to present its derivative assets and derivative liabilities on the Condensed Consolidated Balance Sheets on a gross basis, even when provisions allowing for setoff are in place.

Collateral amounts included in the table below consist primarily of cash and highly-rated government-backed securities.

September 30, 2013 ($ in millions)	Amount Recognized in the Condensed Consolidated Balance Sheet[(a)]	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheet: Derivatives	Collateral[(b)]	Net Amount
Assets				
Derivatives	$ **1,268**	**(322)**	**(430)**	$ **516**
Total assets	**1,268**	**(322)**	**(430)**	**516**
Liabilities				
Derivatives	**806**	**(322)**	**(360)**	**124**
Total liabilities	$ **806**	**(322)**	**(360)**	$ **124**

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

December 31, 2012 ($ in millions)	Amount Recognized in the Condensed Consolidated Balance Sheet[(a)]	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheet		Net Amount
		Derivatives	Collateral[(b)]	
Assets				
Derivatives	$ 1,735	(291)	(794)	$ 650
Total assets	1,735	(291)	(794)	650
Liabilities				
Derivatives	915	(291)	(505)	119
Total liabilities	$ 915	(291)	(505)	$ 119

(a) *Amount does not include stock warrants associated with Vantiv Holding, LLC and interest rate lock commitments because these instruments are not subject to master netting or similar arrangement.*
(b) *Amount of collateral received as an offset to asset positions or pledged as an offset to liability positions. Collateral values in excess of related derivative amounts recognized in the Condensed Consolidated Balance Sheets were excluded from this table.*

13. Long-Term Debt

On February 25, 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program. The amended global bank note program increased the Bank's capacity to issue its senior and subordinated unsecured bank notes from $20 billion to $25 billion. Additionally, on February 28, 2013, the Bank issued and sold, under its amended bank notes program, $1.3 billion in aggregate principal amount of unsecured senior bank notes. The bank notes consisted of: $600 million of 1.45% senior fixed rate notes, with a maturity of five years, due on February 28, 2018; $400 million of 0.90% senior fixed rate notes with a maturity of three years, due on February 26, 2016; and $300 million of senior floating rate notes with a maturity of three years, due on February 26, 2016. Interest on the floating rate notes is 3-month LIBOR plus 41 basis points. These bank notes will be redeemable by the Bank, in whole or in part, on or after the date that is 30 days prior to the maturity date at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest through the redemption date.

As previously discussed in Note 9, the Bancorp was determined to be the primary beneficiary of a VIE associated with an automobile loan securitization completed in the third quarter of 2013. As such, $1.2 billion of long-term debt related to this VIE was consolidated in the Bancorp's Condensed Consolidated Financial Statements as of September 30, 2013. Third-party holders of this debt do not have recourse to the general assets of the Bancorp.

14. Capital Actions

Accelerated Share Repurchase Transactions

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program announced in August of 2012. As part of this transaction and all subsequent accelerated share repurchases, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,914 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares or approximately $100 million of its outstanding common stock on December 19, 2012. The Bancorp repurchased the shares of its common stock as part of its previously announced 100 million share repurchase program. At settlement of the forward contract on February 27, 2013, the Bancorp received an additional 127,760 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 6,953,028 shares or approximately $125 million of its outstanding common stock on January 31, 2013. The Bancorp repurchased the shares of its common stock as part of its previously announced Board approved 100 million share repurchase program. This repurchase transaction concluded the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. At settlement of the forward contract on April 5, 2013, the Bancorp received an additional 849,037 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On March 19, 2013, the Bancorp's Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to effect share repurchase transactions (including without limitation, accelerated share repurchase contracts, equity forward transactions, equity option transactions, equity swap transactions, cap transactions, collar transactions, floor transactions or other similar transactions or any combination of the foregoing transactions). This share repurchase authorization replaces the Board's previous authorization from August of 2012.

On May 21, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 25,035,519 shares, or approximately $539 million, of its outstanding common stock on May 24, 2013. The Bancorp repurchased the shares of its common stock as part of its 100 million share repurchase program previously announced on March 19, 2013. At settlement of the forward contract on October 1, 2013, the Bancorp received an additional 4,270,250 shares which were recorded in the fourth quarter of 2013 as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Preferred Stock Offering and Conversion

On May 13, 2013, the Bancorp issued in a registered public offering 600,000 depositary shares, representing 24,000 shares of 5.10% fixed-to-floating rate non-cumulative Series H perpetual preferred stock, for net proceeds of $593 million. Each preferred share has a $25,000 liquidation preference. The preferred stock accrues dividends, on a non-cumulative, semi-annual basis, at an annual rate of 5.10% through but excluding June 30, 2023, at which time it converts to a quarterly floating rate dividend of three-month LIBOR plus 3.033%. Subject to any required regulatory approval, the Bancorp may redeem the Series H preferred shares at its option in whole or in part, at any time on or after June 30, 2023 and following a regulatory capital event at any time prior to June 30, 2023. The Series H preferred shares are not convertible into Bancorp common shares or any other securities. Under the 2013 CCAR, the Bancorp has $450 million of remaining preferred stock available for issuance as of September 30, 2013.

On June 11, 2013, the Bancorp's Board of Directors authorized the conversion into common stock, no par value, of all outstanding shares of the Bancorp's 8.50% non-cumulative convertible perpetual preferred stock, Series G, which shares are represented by depositary shares each representing 1/250th of a share of Series G preferred stock, pursuant to the Amended Articles of Incorporation. The Articles grant the Bancorp the right, at its option, to convert all outstanding shares of Series G preferred stock if the closing price of common stock exceeded 130% of the applicable conversion price for 20 trading days within any period of 30 consecutive trading days. The closing price of shares of common stock satisfied such threshold for the 30 trading days ended June 10, 2013, and the Bancorp gave the required notice of its exercise of its conversion right.

On July 1, 2013, the Bancorp converted the remaining 16,442 outstanding shares of Series G preferred stock, which represented 4,110,500 depositary shares, into shares of Fifth Third's common stock. Each share of Series G preferred stock was converted into 2,159.8272 shares of common stock, representing a total of 35,511,740 issued shares. The common shares issued in the conversion are exempt securities pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended, as the securities exchanged were exclusively with the Bancorp's existing security holders where no commission or other remuneration was paid. Upon conversion, the depositary shares were delisted from the NASDAQ Global Select Market and withdrawn from the Exchange.

15. Commitments, Contingent Liabilities and Guarantees

The Bancorp, in the normal course of business, enters into financial instruments and various agreements to meet the financing needs of its customers. The Bancorp also enters into certain transactions and agreements to manage its interest rate and prepayment risks, provide funding, equipment and locations for its operations and invest in its communities. These instruments and agreements involve, to varying degrees, elements of credit risk, counterparty risk and market risk in excess of the amounts recognized in the Bancorp's Condensed Consolidated Balance Sheets. The creditworthiness of counterparties for all instruments and agreements is evaluated on a case-by-case basis in accordance with the Bancorp's credit policies. The Bancorp's significant commitments, contingent liabilities and guarantees in excess of the amounts recognized in the Condensed Consolidated Balance Sheets are discussed in further detail below:

Commitments

The Bancorp has certain commitments to make future payments under contracts. The following table reflects a summary of significant commitments as of:

($ in millions)	September 30, 2013	December 31, 2012
Commitments to extend credit	**$ 59,411**	53,403
Forward contracts to sell mortgage loans	**4,068**	5,322
Letters of credit	**4,019**	4,281
Noncancelable lease obligations	**742**	769
Capital commitments for private equity investments	**96**	121
Purchase obligations	**89**	87
Capital expenditures	**38**	29
Capital lease obligations	**19**	24

Commitments to extend credit

Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Since many of the commitments to extend credit may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements. The Bancorp is exposed to credit risk in the event of nonperformance by the counterparty for the amount of the contract. Fixed-rate commitments are also subject to market risk resulting from fluctuations in interest rates and the Bancorp's exposure is limited to the replacement value of those commitments. As of September 30, 2013 and December 31, 2012, the Bancorp had a reserve for unfunded commitments, including letters of credit, totaling $167 million and $179 million, respectively, included in other liabilities in the Condensed Consolidated Balance Sheets. The Bancorp monitors the credit risk associated with commitments to extend credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table:

($ in millions)	September 30, 2013	December 31, 2012
Pass	**$ 58,752**	52,812
Special mention	**304**	370
Substandard	**350**	221
Doubtful	**5**	—
Total	**$ 59,411**	53,403

Forward contracts to sell mortgage loans

The Bancorp enters into forward contracts to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. The outstanding notional amounts of these forward contracts are included in the summary of significant commitments table above for all periods presented.

Letters of credit

Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party and expire as summarized in the following table as of:

($ in millions)	September 30, 2013
Less than 1 year[(a)]	$ 1,795
1 - 5 years[(a)]	2,172
Over 5 years	52
Total	$ 4,019

(a) *Includes $67 and $6 issued on behalf of commercial customers to facilitate trade payments in U.S. dollars and foreign currencies which expire less than one year and between one and five years, respectively.*

Standby letters of credit accounted for 98% of total letters of credit at September 30, 2013 compared to 99% at December 31, 2012 and are considered guarantees in accordance with U.S. GAAP. Approximately 46% and 49% of the total standby letters of credit were fully secured as of September 30, 2013 and

December 31, 2012, respectively. In the event of nonperformance by the customers, the Bancorp has rights to

the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and marketable securities. The reserve related to these standby letters of credit, which was included in the total reserve for unfunded commitments, was $2 million at September 30, 2013 and $4 million at December 31, 2012. The Bancorp monitors the credit risk associated with letters of credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table:

($ in millions)	September 30, 2013	December 31, 2012
Pass	$ **3,515**	3,902
Special mention	**137**	129
Substandard	**343**	223
Doubtful	**24**	27
Total	$ **4,019**	4,281

At September 30, 2013 and December 31, 2012, the Bancorp had outstanding letters of credit that were supporting certain securities issued as VRDNs. The Bancorp facilitates financing for its commercial customers, which consist of companies and municipalities, by marketing the VRDNs to investors. The VRDNs pay interest to holders at a rate of interest that fluctuates based upon market demand. The VRDNs generally have long-term maturity dates, but can be tendered by the holder for purchase at par value upon proper advance notice. When the VRDNs are tendered, a remarketing agent generally finds another investor to purchase the VRDNs to keep the securities outstanding in the market. As of September 30, 2013 and December 31, 2012, total VRDNs were $2.3 billion and $2.8 billion of which FTS acted as the remarketing agent to issuers on $2.0 billion and $2.5 billion, respectively. As remarketing agent, FTS is responsible for finding purchasers for VRDNs that are put by investors. The Bancorp issued letters of credit, as a credit enhancement, on $1.7 billion and $2.0 billion to the VRDNs remarketed by FTS, in addition to $299 million and $345 million in VRDNs remarketed by third parties at September 30, 2013 and December 31, 2012, respectively. These letters of credit are included in the total letters of credit balance provided in the previous table.

Noncancelable lease obligations and other commitments

The Bancorp's subsidiaries have entered into a number of noncancelable lease agreements. The minimum rental commitments under noncancelable lease agreements are shown in the summary of significant commitments table. The Bancorp has also entered into a limited number of agreements for work related to banking center construction and to purchase goods or services.

Contingent Liabilities

Private mortgage reinsurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage. The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $40 million at September 30, 2013 and $58 million at December 31, 2012. As of September 30, 2013 and December 31, 2012, the Bancorp maintained a reserve of $13 million and $18 million, respectively, related to exposures within the reinsurance portfolio which was included in other liabilities in the Condensed Consolidated Balance Sheets. During 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans.

Legal claims

There are legal claims pending against the Bancorp and its subsidiaries that have arisen in the normal course of business. See Note 16 for additional information regarding these proceedings.

Guarantees

The Bancorp has performance obligations upon the occurrence of certain events under financial guarantees provided in certain contractual arrangements as discussed in the following sections.

Residential mortgage loans sold with representation and warranty provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading.

The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors. The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as, future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity, and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the

reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The Bancorp maintained reserves related to these loans sold with representation and warranty provisions, which were included in other liabilities on the Condensed Consolidated Balance Sheets, totaling $103 million and $110 million as of September 30, 2013 and December 31, 2012, respectively.

The Bancorp uses the best information available to it in estimating its mortgage representation and warranty reserve; however, the estimation process is inherently uncertain and imprecise and, accordingly, losses in excess of the amounts reserved as of September 30, 2013, are reasonably possible. The Bancorp currently estimates that it is reasonably possible that it could incur losses related to mortgage representation and warranty provisions in an amount up to approximately $61 million in excess of amounts reserved. This estimate was derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. The actual repurchase losses could vary significantly from the recorded mortgage representation and warranty reserve or this estimate of reasonably possibly losses, depending on the outcome of various factors, including those noted above.

The following table summarizes activity in the reserve for representation and warranty provisions:

($ in millions)	For the three months ended September 30, 2013	For the three months ended September 30, 2012	For the nine months ended September 30, 2013	For the nine months ended September 30, 2012
Balance, beginning of period	**$ 117**	57	**110**	55
(Recovery of) provision for representation and warranty expense	**(3)**	37	**34**	66
Losses charged against the reserve	**(11)**	(13)	**(41)**	(40)
Balance, end of period	**$ 103**	81	**103**	81

The following table provides a rollforward of unresolved demands by claimant type for the nine months ended September 30, 2013:

($ in millions)	GSE Units	GSE Dollars	Private Label Units	Private Label Dollars
Balance, beginning of period	**294**	**$ 48**	**124**	**$ 19**
New demands	**1,409**	**189**	**223**	**2**
Loan paydowns/payoffs	**(11)**	**(2)**	**(6)**	**(1)**
Resolved demands	**(1,397)**	**(190)**	**(311)**	**(16)**
Balance, end of period	**295**	**$ 45**	**30**	**$ 4**

The following table provides a rollforward of unresolved demands by claimant type for the nine months ended September 30, 2012:

($ in millions)	GSE Units	GSE Dollars	Private Label Units	Private Label Dollars
Balance, beginning of period	328	$ 47	109	$ 19
New demands	2,116	274	173	6
Loan paydowns/payoffs	(34)	(5)	(1)	—
Resolved demands	(2,092)	(261)	(157)	(6)
Balance, end of period	318	$ 55	124	$ 19

Residential mortgage loans sold with credit recourse

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. The outstanding balances on these loans sold with credit recourse were $589 million and $662 million at September 30, 2013 and December 31, 2012, respectively, and the delinquency rates were 4.6% and 5.9% at September 30, 2013 and December 31, 2012, respectively. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $18 million and $20 million at September 30, 2013 and December 31, 2012, respectively, recorded in other liabilities in the Condensed Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Margin accounts

FTS, a subsidiary of the Bancorp, guarantees the collection of all margin account balances held by its brokerage clearing agent for the benefit of its customers. FTS is responsible for payment to its brokerage clearing agent for any loss, liability, damage, cost or expense incurred as a result of customers failing to comply with margin or margin maintenance calls on all margin accounts. The margin account balance held by the brokerage clearing agent was $11 million and $17 million at September 30, 2013 and December 31, 2012, respectively. In the event of any customer default, FTS has rights to the underlying collateral provided. Given the existence of the underlying collateral provided and negligible historical credit losses, the Bancorp does not maintain a loss reserve related to the margin accounts.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Long-term borrowing obligations

The Bancorp had certain fully and unconditionally guaranteed long-term borrowing obligations issued by wholly-owned issuing trust entities of $812 million at September 30, 2013.

Visa litigation

The Bancorp, as a member bank of Visa prior to Visa's reorganization and IPO (the "IPO") of its Class A common shares in 2008, had certain indemnification obligations pursuant to Visa's certificate of incorporation and by-laws and in accordance with their membership agreements. In accordance with Visa's by-laws prior to the IPO, the Bancorp could have been required to indemnify Visa for the Bancorp's proportional share of losses based on the pre-IPO membership interests. As part of its reorganization and IPO, the Bancorp's indemnification obligation was modified to include only certain known litigation (the "Covered Litigation") as of the date of the restructuring. This modification triggered a requirement to recognize a $3 million liability for the year ended December 31, 2007 equal to the fair value of the indemnification obligation. Additionally during 2007, the Bancorp recorded $169 million for its share of litigation formally settled by Visa and for probable future litigation settlements. In conjunction with the IPO, the Bancorp received 10.1 million of Visa's Class B shares based on the Bancorp's membership percentage in Visa prior to the IPO. The Class B shares are not transferable (other than to another member bank) until the later of the third anniversary of the IPO closing or the date which the Covered Litigation has been resolved; therefore, the Bancorp's Class B shares were classified in other assets and accounted for at their carryover basis of $0. Visa deposited $3 billion of the proceeds from the IPO into a litigation escrow account, established for the purpose of funding judgments in, or settlements of, the Covered Litigation. If Visa's litigation committee determines that the escrow account is insufficient, then Visa will issue additional Class A shares and deposit the proceeds from the sale of the shares into the litigation escrow account. When Visa funds the litigation escrow account, the Class B shares are subject to dilution through an adjustment in the conversion rate of Class B shares into Class A shares. During 2008, the Bancorp recorded additional reserves of $71 million for probable future settlements related to the Covered Litigation and recorded its proportional share of $169 million of the Visa escrow account net against the Bancorp's litigation reserve.

During 2009, Visa announced it had deposited an additional $700 million into the litigation escrow account. As a result of this funding, the Bancorp recorded its proportional share of $29 million of these additional funds as a reduction to its net Visa litigation reserve liability and a reduction to noninterest expense. Later in 2009, the Bancorp completed the sale of Visa, Inc. Class B shares for proceeds of $300 million. As part of this transaction the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. The swap terminates on the later of the third anniversary of Visa's IPO or the date on which the Covered Litigation is settled. The Bancorp calculates the fair value of the swap based on its estimate of the probability and timing of certain Covered Litigation settlement scenarios and the resulting payments related to the swap. The counterparty to the swap as a result of its ownership of the Class B shares will be impacted by dilutive adjustments to the conversion rate of the Class B shares into Class A shares caused by any Covered Litigation losses in excess of the litigation escrow account. If actual judgments in, or settlements of, the Covered Litigation significantly exceed current expectations, then additional funding by Visa of the litigation escrow account and the resulting dilution of the Class B shares could result in a scenario where the Bancorp's ultimate exposure associated with the Covered Litigation (the "Visa Litigation Exposure") exceeds the value of the Class B shares owned by the swap counterparty (the "Class B Value"). In the event the Bancorp concludes that it is probable that the Visa Litigation Exposure exceeds the Class B Value, the Bancorp would record a litigation reserve liability and a corresponding amount of other noninterest expense for the amount of the excess. Any such litigation reserve liability would be separate and distinct from the fair value derivative liability associated with the total return swap.

As of the date of the Bancorp's sale of Visa Class B shares and through September 30, 2013, the Bancorp has concluded that it is not probable that the Visa Litigation Exposure will exceed the Class B value. Based on this determination, upon the sale of Class B shares, the Bancorp reversed its net Visa litigation reserve liability and recognized a free-standing derivative liability associated with the total return swap with an initial fair value of $55 million. The sale of the Class B shares, recognition of the derivative liability and reversal of the net litigation reserve liability resulted in a pre-tax benefit of $288 million ($187 million after-tax) recognized by the Bancorp for the year ended December 31, 2009. In the second and fourth quarters of 2010, Visa funded an additional $500 million and $800 million, respectively, into the litigation escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make cash payments of $20 million and $35 million, respectively, (each of which reduced the swap liability) to the swap counterparty. In the second quarter of 2011, Visa funded an additional $400 million into the litigation escrow account. Upon Visa's funding of the litigation escrow account in the second quarter of 2011, along with additional terms of the total return swap, the Bancorp made a $19 million cash payment (which reduced the swap liability) to the swap counterparty. During the fourth quarter of 2011, Visa announced it decided to fund an additional $1.565 billion into the litigation escrow account which increased the swap liability approximately $54 million. Upon Visa's funding of the litigation escrow account in the first quarter of 2012, along with additional terms of the total return swap, the Bancorp made a $75 million cash payment (which reduced the swap liability) to the swap counterparty. On July 24, 2012, Visa funded an additional $150 million into the litigation escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make a $6 million cash payment (which reduced the swap liability) to the swap counterparty during the quarter ended September 30, 2012. The fair value of the swap liability was $35 million and $33 million at September 30, 2013 and December 31, 2012, respectively. Refer to Note 16 for further information.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

16. Legal and Regulatory Proceedings

During April 2006, the Bancorp was added as a defendant in a consolidated antitrust class action lawsuit originally filed against Visa ®, MasterCard® and several other major financial institutions in the United States District Court for the Eastern District of New York. The plaintiffs, merchants operating commercial businesses throughout the U.S. and trade associations, claim that the interchange fees charged by card-issuing banks are unreasonable and seek injunctive relief and unspecified damages. In addition to being a named defendant, the Bancorp is also subject to a possible indemnification obligation of Visa as discussed in Note 15 and has also entered into judgment and loss sharing agreements with Visa, MasterCard and certain other named defendants. On October 19, 2012, the parties to the litigation entered into a settlement agreement. The court entered a Class Settlement Preliminary Approval Order on November 27, 2012. Pursuant to the terms of the settlement agreement, the Bancorp paid $46 million into a class settlement escrow account. Previously, the Bancorp paid an additional $4 million in another settlement escrow in connection with the settlement of claims from plaintiffs not included in the class action. More than 7,900 merchants have requested exclusion from the class settlement. Pursuant to the terms of the settlement agreement, 25% of the funds paid into the class settlement escrow account will be returned to the control of the defendants through Class Exclusion Takedown Payments. A number of the merchants who requested exclusion from the class have filed separate federal lawsuits against Visa, MasterCard and certain other defendants alleging similar antitrust violations. The federal lawsuits have been tentatively transferred to the United States District Court for the Eastern District of New York. The Bancorp was not named as a defendant in any of the federal lawsuits, but may have obligations pursuant to indemnification arrangements and/or the judgment or loss sharing agreements noted above. In addition, one merchant filed a separate state court lawsuit against Visa, MasterCard and certain other defendants, including the Bancorp, alleging similar antitrust violations. Refer to Note 15 for further information.

In September 2007, Ronald A. Katz Technology Licensing, L.P. (Katz) filed a suit in the United States District Court for the Southern District of Ohio against the Bancorp and its Ohio banking subsidiary. In the suit, Katz alleges that the Bancorp and its Ohio bank are infringing on Katz's patents for interactive call processing technology by offering certain automated telephone banking and other services. This lawsuit is one of many related patent infringement suits brought by Katz in various courts against numerous other defendants. Katz is seeking unspecified monetary damages and penalties as well as injunctive relief in the suit. Management believes there are substantial defenses to these claims and intends to defend them vigorously. The impact of the final disposition of this lawsuit cannot be assessed at this time.

For the year ended December 31, 2008, five putative securities class action complaints were filed against the Bancorp and its Chief Executive Officer, among other parties. The five cases have been consolidated under the caption Local 295/Local 851 IBT Employer Group Pension Trust and Welfare Fund v. Fifth Third Bancorp. et al., Case No. 1:08CV00421, and are currently pending in the United States District Court for the Southern District of Ohio. On December 18, 2012, the Bancorp entered into a settlement agreement to resolve these cases. The settlement is subject to court approval, which process is ongoing. Under the terms of the settlement, the Bancorp and its insurer will pay a total of $16 million to a fund to settle all the claims of the class members. In the settlement the Bancorp has denied any liability and has agreed to the settlement in order to avoid potential future litigation costs and uncertainty. The Bancorp does not consider the impact of the settlement to be material to its financial condition or results of operations. In addition to the foregoing, two cases were filed in the United States District Court for the Southern District of Ohio against the Bancorp and certain officers alleging violations of ERISA based on allegations similar to those set forth in the securities class action cases filed during the same period of time. The two cases alleging violations of ERISA were dismissed by the trial court, but the Sixth Circuit Court of Appeals reversed the trial court decision. The Bancorp petitioned the United States Supreme Court to review and reverse the Sixth Circuit decision and sought a stay of proceedings in the trial court pending appeal. On March 25, 2013, the Supreme Court issued an order directing the Solicitor General to file a brief stating the view of the United States on the issues raised in the Bancorp's petition. The motion to stay remains pending. The impact of the final disposition of the ERISA lawsuits cannot be assessed at this time.

The Bancorp and its subsidiaries are not parties to any other material litigation. However, there are other litigation matters that arise in the normal course of business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes any resulting liability from these other actions would not have a material effect upon the Bancorp's consolidated financial position, results of operations or cash flows.

The Bancorp and/or its affiliates are involved in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by various governmental regulatory agencies and law enforcement authorities, as well as self-regulatory bodies regarding their respective businesses. Additional matters will likely arise from time to time. Any of these matters may result in material adverse consequences to the Bancorp, its affiliates and/or their respective directors, officers and other personnel, including adverse judgments, findings, settlements, fines, penalties, orders, injunctions or other actions, amendments and/or restatements of the Bancorp's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in our disclosure controls and procedures. Investigations by regulatory authorities may from time to time result in civil or criminal referrals to law enforcement authorities such as the Department of Justice or a United States Attorney. Among other matters, the Bancorp has been cooperating with the Department of Justice and the Office of the Inspector General for the Department of Housing and Urban Development in a civil investigation regarding compliance with requirements relating to certain Federal Housing Agency-insured loans originated by affiliates of the Bancorp. The investigation is ongoing, and no demand or claim has been made of the Bancorp. The investigation could lead to a demand under the federal False Claims Act and the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, which allow up to treble and other special damages substantially in excess of actual losses.

As previously disclosed, the SEC has been investigating the Bancorp's historical accounting and reporting with respect to certain commercial loans that were sold or reclassified as held-for-sale in the fourth quarter of 2008. At dispute in the matter is whether certain of those loans should have been moved to held for sale in the third quarter of that year. The Bancorp is in discussions with the SEC staff concerning a

proposed settlement of that investigation, pursuant to which the Bancorp, without admitting or denying any factual allegations, would consent to the SEC's issuance of an administrative order finding that the Bancorp did not properly account for a portion of its commercial real estate loan portfolio in its Form 10-Q for the third quarter of 2008 in violation of certain provisions of the securities laws, including Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 and Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Securities Exchange Act of 1934. The proposed settlement would also order the Bancorp to cease and desist from committing or causing any such violations in the future and to pay a civil money penalty. Daniel T. Poston, the Bancorp's interim chief financial officer during the relevant time, is in separate settlement discussions with the SEC staff concerning a settlement pursuant to which Mr. Poston, without admitting or denying any factual allegations, would consent to similar findings and charges against him, a cease and desist order, a separate civil money penalty, and a one-year ban from practicing before the SEC. The proposed settlement is subject to approval by the Commissioners of the SEC. There can be no assurance that the Commissioners will approve a settlement on the terms described above. Refer to the Bancorp's Current Report on Form 8-K filed with the SEC on November 5, 2013 for additional information regarding this proposed settlement and related actions.

The Bancorp is party to numerous claims and lawsuits concerning matters arising from the conduct of its business activities. The outcome of litigation and the timing of ultimate resolution are inherently difficult to predict. The following factors, among others, contribute to this lack of predictability: plaintiff claims often include significant legal uncertainties, damages alleged by plaintiffs are often unspecified or overstated, discovery may not have started or may not be complete and material facts may be disputed or unsubstantiated. As a result of these factors, the Bancorp is not always able to provide an estimate of the range of reasonably possible outcomes for each claim. A reserve for a potential litigation loss is established when information related to the loss contingency indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such reserve is adjusted from time to time thereafter as appropriate to reflect changes in circumstances. The Bancorp also determines, when possible (due to the uncertainties described above), estimates of reasonably possible losses or ranges of reasonably possible losses, in excess of amounts reserved. Under U.S. GAAP, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Bancorp is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Bancorp believes the risk of loss is more than slight. For matters where the Bancorp is able to estimate such possible losses or ranges of possible losses, the Bancorp currently estimates that it is reasonably possible that it could incur losses related to legal proceedings including the matters discussed above in an aggregate amount up to approximately $116 million in excess of amounts reserved, with it also being reasonably possible that no losses will be incurred in these matters. The estimates included in this amount are based on the Bancorp's analysis of currently available information, and as new information is obtained the Bancorp may change its estimates.

For these matters and others where an unfavorable outcome is reasonably possible but not probable, there may be a range of possible losses in excess of the established reserve that cannot be estimated. Based on information currently available, advice of counsel, available insurance coverage and established reserves, the Bancorp believes that the eventual outcome of the actions against the Bancorp and/or its subsidiaries, including the matters described above, will not, individually or in the aggregate, have a material adverse effect on the Bancorp's consolidated financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of those matters, if unfavorable, may be material to the Bancorp's results of operations for any particular period, depending, in part, upon the size of the loss or liability imposed and the operating results for the applicable period.

17. Related Party Transactions

The Bancorp's ownership position in Vantiv Holding, LLC was reduced in the second quarter of 2013 when the Bancorp sold an approximate five percent interest and recognized a $242 million gain. The Bancorp's ownership percentage was further reduced in the third quarter of 2013 when the Bancorp sold an approximate three percent interest and recognized a $85 million gain. The Bancorp's remaining approximate 25% ownership in Vantiv Holding, LLC was accounted for as an equity method investment in the Bancorp's Condensed Consolidated Financial Statements and had a carrying value of $415 million as of September 30, 2013.

As of September 30, 2013, the Bancorp continued to hold approximately 48.8 million Class B units of Vantiv Holding, LLC and a warrant to purchase approximately 20.4 million Class C non-voting units of Vantiv Holding, LLC, both of which may be exchanged for Class A Common Stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 48.8 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

18. Income Taxes

The Bancorp's provision for income taxes was $183 million and $139 million for the three months ended September 30, 2013 and 2012, respectively. The provision for income taxes was $613 million and $491 million for the nine months ended September 30, 2013 and 2012, respectively. The effective tax rates for the three months ended September 30, 2013 and 2012 were 30.3% and 27.7%, respectively. The effective tax rates for the nine months ended September 30, 2013 and 2012 were 30.1% and 29.4%, respectively. The increase in the effective tax rate for the three months ended September 30, 2013 from the three months ended September 30, 2012 was primarily due to an increase in projected annual pre-tax income and anticipated increases in non-deductible expenses and decreases in non-taxable income from the prior period.

The Bancorp's unrecognized tax benefits as of September 30, 2013 were $6 million. While it is reasonably possible that the amount of the unrecognized tax benefits with respect to certain of the Bancorp's uncertain tax positions could increase or decrease during the next 12 months, the Bancorp believes it is unlikely that its unrecognized tax benefits will change by a material amount during the next 12 months.

Table of Contents

19. Accumulated Other Comprehensive Income

The activity of the components of other comprehensive income and accumulated other comprehensive income for the three months ended September 30, 2013 and 2012 was as follows:

	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
($ in millions)	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
September 30, 2013						
Unrealized holding gains on available-for-sale securities arising during period	**$ 106**	**(37)**	**69**			
Reclassification adjustment for net gains included in net income	**(5)**	**1**	**(4)**			
Net unrealized gains on available-for-sale securities	**101**	**(36)**	**65**	**203**	**65**	**268**
Unrealized holding gains on cash flow hedge derivatives arising during period	**9**	**(3)**	**6**			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	**(6)**	**2**	**(4)**			
Net unrealized gains on cash flow hedge derivatives	**3**	**(1)**	**2**	**29**	**2**	**31**
Defined benefit plans:						
Net actuarial loss	**3**	**(1)**	**2**			
Defined benefit plans, net	**3**	**(1)**	**2**	**(83)**	**2**	**(81)**
Total	**$ 107**	**(38)**	**69**	**149**	**69**	**218**

	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
($ in millions)	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
September 30, 2012						
Unrealized holding gains on available-for-sale securities arising during period	$ 33	(11)	22			
Reclassification adjustment for net gains included in net income	(6)	2	(4)			
Net unrealized gains on available-for-sale securities	27	(9)	18	476	18	494
Unrealized holding gains on cash flow hedge derivatives arising during period	10	(2)	8			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(22)	8	(14)			
Net unrealized gains on cash flow hedge derivatives	(12)	6	(6)	68	(6)	62
Defined benefit plans:						
Net actuarial loss	3	(1)	2			
Defined benefit plans, net	3	(1)	2	(90)	2	(88)
Total	$ 18	(4)	14	454	14	468

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The activity of the components of other comprehensive income and accumulated other comprehensive income for the nine months ended September 30, 2013 and 2012 was as follows:

($ in millions)	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
September 30, 2013						
Unrealized holding losses on available-for-sale securities arising during period	**$ (274)**	**96**	**(178)**			
Reclassification adjustment for net losses included in net income	**53**	**(19)**	**34**			
Net unrealized gains on available-for-sale securities	**(221)**	**77**	**(144)**	**412**	**(144)**	**268**
Unrealized holding gains on cash flow hedge derivatives arising during period	**8**	**(3)**	**5**			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	**(37)**	**13**	**(24)**			
Net unrealized gains on cash flow hedge derivatives	**(29)**	**10**	**(19)**	**50**	**(19)**	**31**
Defined benefit plans:						
Net actuarial loss	**9**	**(3)**	**6**			
Defined benefit plans, net	**9**	**(3)**	**6**	**(87)**	**6**	**(81)**
Total	**$ (241)**	**84**	**(157)**	**375**	**(157)**	**218**

($ in millions)	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
September 30, 2012						
Unrealized holding gains on available-for-sale securities arising during period	$ 29	(10)	19			
Reclassification adjustment for net gains included in net income	(16)	6	(10)			
Net unrealized gains on available-for-sale securities	13	(4)	9	485	9	494
Unrealized holding gains on cash flow hedge derivatives arising during period	35	(12)	23			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(63)	22	(41)			
Net unrealized gains on cash flow hedge derivatives	(28)	10	(18)	80	(18)	62
Defined benefit plans:						
Net actuarial loss	11	(4)	7			
Defined benefit plans, net	11	(4)	7	(95)	7	(88)
Total	$ (4)	2	(2)	470	(2)	468

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The table below presents reclassifications out of accumulated other comprehensive income for the three months ended September 30, 2013:

Components of AOCI: ($ in millions)	Amount Reclassified from AOCI(b)	Affected Line Item in the Condensed Consolidated Statements of Income
Net unrealized gains on available-for-sale securities		
Net gains included in net income	$ 5	Securities gains, net
	5	Income before income taxes
	(1)	Applicable income tax expense
	4	Net income
Net unrealized gains on cash flow hedge derivatives		
Interest rate contracts related to C&I loans	6	Interest and fees on loans and leases
	6	Income before income taxes
	(2)	Applicable income tax expense
	4	Net income
Amortization of defined benefit pension items		
Net actuarial loss	(3)	(a)
	(3)	Income before income taxes
	1	Applicable income tax expense
	(2)	Net income
Total reclassifications for the period	$ 6	Net income

The table below presents reclassifications out of accumulated other comprehensive income for the nine months ended September 30, 2013:

Components of AOCI: ($ in millions)	Amount Reclassified from AOCI(b)	Affected Line Item in the Condensed Consolidated Statements of Income
Net unrealized gains on available-for-sale securities		
Net losses included in net income	$ (53)	Securities gains, net
	(53)	Income before income taxes
	19	Applicable income tax expense
	(34)	Net income
Net unrealized gains on cash flow hedge derivatives		
Interest rate contracts related to C&I loans	38	Interest and fees on loans and leases
Interest rate contracts related to long-term debt	(1)	Interest on long-term debt
	37	Income before income taxes
	(13)	Applicable income tax expense
	24	Net income
Amortization of defined benefit pension items		
Net actuarial loss	(9)	(a)
	(9)	Income before income taxes
	3	Applicable income tax expense
	(6)	Net income
Total reclassifications for the period	$ (16)	Net income

(a) *This AOCI component is included in the computation of net periodic benefit cost. Refer to Note 20 in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2012 for information on the computation of net periodic benefit cost.*
(b) *Amounts in parentheses indicate reductions to net income.*

20. Earnings Per Share

The calculation of earnings per share and the reconciliation of earnings per share and earnings per diluted share were as follows:

For the three months ended September 30, (in millions, except per share data)	2013 Income	2013 Average Shares	2013 Per Share Amount	2012 Income	2012 Average Shares	2012 Per Share Amount
Earnings per share:						
Net income attributable to Bancorp	$ 421			363		
Dividends on preferred stock	—			9		
Net income available to common shareholders	421			354		
Less: Income allocated to participating securities	3			2		
Net income allocated to common shareholders	$ 418	880	0.47	352	904	0.39
Earnings per diluted share:						
Net income available to common shareholders	$ 421			354		
Effect of dilutive securities:						
Stock-based awards	—	8	—	—	5	—
Series G convertible preferred stock	—	—	—	9	36	(0.01)
Net income available to common shareholders plus assumed conversions	421			363		
Less: Income allocated to participating securities	3			2		
Net income allocated to common shareholders plus assumed conversions	$ 418	888	0.47	361	945	0.38

For the nine months ended September 30, (in millions, except per share data)	2013 Income	2013 Average Shares	2013 Per Share Amount	2012 Income	2012 Average Shares	2012 Per Share Amount
Earnings per share:						
Net income attributable to Bancorp	$1,433			1,178		
Dividends on preferred stock	18			26		
Net income available to common shareholders	1,415			1,152		
Less: Income allocated to participating securities	10			7		
Net income allocated to common shareholders	$ 1,405	870	1.62	1,145	911	1.26
Earnings per diluted share:						
Net income available to common shareholders	$1,415			1,152		
Effect of dilutive securities:						
Stock-based awards	—	7	—	—	5	—
Series G convertible preferred stock	18	24	(0.04)	26	36	(0.03)
Net income available to common shareholders plus assumed conversions	1,433			1,178		
Less: Income allocated to participating securities	10			7		
Net income allocated to common shareholders plus assumed conversions	$1,423	901	1.58	1,171	952	1.23

Shares are excluded from the computation of net income per diluted share when their inclusion has an anti-dilutive effect on earnings per share. The diluted earnings per share computation for the three and nine months ended September 30, 2013 excludes 24 million and 25 million, respectively, of stock appreciation rights and an immaterial amount of stock options for the three months ended September 30, 2013 and 1 million of stock options for the nine months ended September 30, 2013. The diluted earnings per share computation for the three and nine months ended September 30, 2012 excludes 39 million and 36 million, respectively, of stock appreciation rights and 3 million and 5 million, respectively, of stock options.

The diluted earnings per share computation for the three and nine months ended September 30, 2013 excludes the impact of the forward contract related to the May 21, 2013 share repurchase agreement. Based on the average daily volume-weighted average price of the Bancorp's common stock during the third quarter of 2013, the counterparty to the transaction would have been required to deliver approximately 4 million shares as of September 30, 2013, and thus the impact of the accelerated share repurchase transaction would have been anti-dilutive to earnings per share. The diluted earnings per share computation for the three and nine months ended September 30, 2012 excluded the impact of the forward contract related to the August 23, 2012 accelerated share repurchase transaction because, based upon the average daily volume-weighted average price of the Bancorp's common stock during the third quarter of 2012, the counterparty would have been required to deliver approximately 2 million shares as of September 30, 2012, and thus the impact would have been anti-dilutive to earnings per share.

Table of Contents

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

21. Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. For more information regarding the fair value hierarchy, see Note 1 in the Bancorp's Form 10-K for the year ended December 31, 2012.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured at fair value on a recurring basis, including residential mortgage loans held for sale for which the Bancorp has elected the fair value option as of:

	Fair Value Measurements Using			
September 30, 2013 ($ in millions)	Level 1[c]	Level 2[c]	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and government agencies	$ 26	—	—	26
U.S. Government sponsored agencies	—	1,653	—	1,653
Obligations of states and political subdivisions	—	205	—	205
Agency mortgage-backed securities	—	11,353	—	11,353
Other bonds, notes and debentures	—	3,839	—	3,839
Other securities[a]	92	66	—	158
Available-for-sale securities[a]	118	17,116	—	17,234
Trading securities:				
U.S. Treasury and government agencies	1	—	—	1
U.S. Government sponsored agencies	—	20	—	20
Obligations of states and political subdivisions	—	20	1	21
Agency mortgage-backed securities	—	1	—	1
Other bonds, notes and debentures	—	9	—	9
Other securities	194	—	—	194
Trading securities	195	50	1	246
Residential mortgage loans held for sale	—	1,298	—	1,298
Residential mortgage loans[b]	—	—	89	89
Derivative assets:				
Interest rate contracts	12	936	25	973
Foreign exchange contracts	—	237	—	237
Equity contracts	—	—	293	293
Commodity contracts	9	74	—	83
Derivative assets	21	1,247	318	1,586
Total assets	$ 334	19,711	408	20,453
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 44	428	4	476
Foreign exchange contracts	—	214	—	214
Equity contracts	—	—	35	35
Commodity contracts	14	68	—	82
Derivative liabilities	58	710	39	807
Short positions	17	2	—	19
Total liabilities	$ 75	712	39	826

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

December 31, 2012 ($ in millions)	Fair Value Measurements Using			
	Level 1[(c)]	Level 2[(c)]	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	$ 41	—	—	41
U.S. Government sponsored agencies	—	1,911	—	1,911
Obligations of states and political subdivisions	—	212	—	212
Agency mortgage-backed securities	—	8,730	—	8,730
Other bonds, notes and debentures	—	3,277	—	3,277
Other securities[(a)]	79	113	—	192
Available-for-sale securities[(a)]	120	14,243	—	14,363
Trading securities:				
U.S. Treasury and Government agencies	1	—	—	1
U.S. Government sponsored agencies	—	6	—	6
Obligations of states and political subdivisions	—	16	1	17
Agency mortgage-backed securities	—	7	—	7
Other bonds, notes and debentures	—	15	—	15
Other securities	161	—	—	161
Trading securities	162	44	1	207
Residential mortgage loans held for sale	—	2,856	—	2,856
Residential mortgage loans[(b)]	—	—	76	76
Derivative assets:				
Interest rate contracts	2	1,445	60	1,507
Foreign exchange contracts	—	201	—	201
Equity contracts	—	—	177	177
Commodity contracts	—	87	—	87
Derivative assets	2	1,733	237	1,972
Total assets	$ 284	18,876	314	19,474
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 14	600	3	617
Foreign exchange contracts	—	183	—	183
Equity contracts	—	—	33	33
Commodity contracts	—	82	—	82
Derivative liabilities	14	865	36	915
Short positions	8	2	—	10
Total liabilities	$ 22	867	36	925

(a) *Excludes FHLB and FRB restricted stock totaling **$497** and **$349**, respectively, at **September 30, 2013** and $497 and $347, respectively, at December 31, 2012.*
(b) *Includes residential mortgage loans originated as held for sale and subsequently transferred to held for investment.*
(c) *During the three and nine months ended September 30, 2013 and for the year ended December 31, 2012, no assets or liabilities were transferred between Level 1 and Level 2.*

The following is a description of the valuation methodologies used for significant instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Available-for-sale and trading securities

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Corporate bonds are included in other bonds, notes and debentures in the previous table. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics.

Non-agency mortgage-backed securities and other asset-backed securities, which are included in other bonds, notes and debentures, are generally valued using an income approach based on discounted cash flows, incorporating prepayment speeds, performance of underlying collateral and specific tranche-level attributes. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Residential mortgage loans held for sale

For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, DCF models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the DCF model. These observable inputs include interest rate spreads from agency mortgage-backed securities market rates and observable discount rates.

Residential mortgage loans

Residential mortgage loans held for sale that are reclassified to held for investment are transferred from Level 2 to Level 3 of the fair value hierarchy. It is the Bancorp's policy to value any transfers between levels of the fair value hierarchy based on end of period fair values.

For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy. An adverse change in the loss rate or severity assumption would result in a decrease in fair value of the related loan. The Secondary Marketing Department, which reports to the Bancorp's Chief Operating Officer, in conjunction with the Consumer Credit Risk Department, which reports to the Bancorp's Chief Risk and Credit Officer, are responsible for determining the valuation methodology for residential mortgage loans held for investment. The Secondary Marketing Department reviews loss severity assumptions quarterly to determine if adjustments are necessary based on decreases in observable housing market data. This group also reviews trades in comparable benchmark securities and adjusts the values of loans as necessary. Consumer Credit Risk is responsible for the credit component of the fair value which is based on internally developed loss rate models that take into account historical loss rates and loss severities based on underlying collateral values.

Derivatives

Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At September 30, 2013 and December 31, 2012, derivatives classified as Level 3, which are valued using models containing unobservable inputs, consisted primarily of warrants associated with the initial sale of the Bancorp's 51% interest in Vantiv Holding, LLC to Advent International and a total return swap associated with the Bancorp's sale of Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

The warrants allow the Bancorp to purchase approximately 20 million incremental nonvoting units in Vantiv Holding, LLC under certain defined conditions involving change of control. The fair value of the warrants is calculated in conjunction with a third party valuation provider by applying Black-Scholes option valuation models using probability weighted scenarios which contain the following inputs: Vantiv, Inc. stock price, strike price per the Warrant Agreement and several unobservable inputs, such as expected term, expected volatility and expected dividend rate.

For the warrants, an increase in the expected term (years) and the expected volatility assumptions would result in an increase in the fair value; correspondingly, a decrease in these assumptions would result in a decrease in the fair value. The Accounting and Treasury Departments, both of which report to the Bancorp's Chief Financial Officer, determined the valuation methodology for the warrants. Accounting and Treasury review changes in fair value on a quarterly basis for reasonableness based on changes in historical and implied volatilities, expected terms, probability weightings of the related scenarios, and other assumptions.

Under the terms of the total return swap, the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Visa, Inc. Class B shares into Class A shares. Additionally the Bancorp will make a quarterly payment based on Visa's stock price and the conversion rate of the Visa, Inc. Class B shares into Class A shares until the date on which the Covered Litigation is settled. The fair value of the total return swap was calculated using a discounted cash flow model based on unobservable inputs consisting of management's estimate of the probability of certain litigation scenarios, the timing of the resolution of the Covered Litigation and Visa litigation loss estimates in excess, or shortfall, of the Bancorp's proportional share of escrow funds.

An increase in the loss estimate or a delay in the resolution of the Covered Litigation would result in an increase in fair value; correspondingly, a decrease in the loss estimate or an acceleration of the resolution of the Covered Litigation would result in a decrease in fair value. The Accounting and Treasury Departments determined the valuation methodology for the total return swap. Accounting and Treasury review the changes in fair value on a quarterly basis for reasonableness based on Visa stock price changes, litigation contingencies, and escrow funding.

The net fair value asset of the interest rate lock commitments at September 30, 2013 was $24 million. Immediate decreases in current interest rates of 25 bps and 50 bps would result in increases in the fair value of the interest rate lock commitments of approximately $10 million and $19 million, respectively. Immediate increases of current interest rates of 25 bps and 50 bps would result in decreases in the fair value of the interest rate lock commitments of approximately $12 million and $25 million, respectively. The decrease in fair value of interest rate lock commitments due to immediate 10% and 20% adverse changes in the assumed loan closing rates would be approximately $2 million and $5 million, respectively, and the increase in fair value due to immediate 10% and 20% favorable changes in the assumed loan closing rates would be approximately $2 million and $5 million, respectively. These sensitivities are hypothetical and should be used with caution, as changes in fair value based on a variation in assumptions typically cannot be extrapolated because the

relationship of the change in assumptions to the change in fair value may not be linear.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The Secondary Marketing Department and the Consumer Line of Business Finance Department, which reports to the Bancorp's Chief Financial Officer, are responsible for determining the valuation methodology for IRLCs. Secondary Marketing, in conjunction with a third party valuation provider, periodically review loan closing rate assumptions and recent loan sales to determine if adjustments are needed for current market conditions not reflected in historical data.

The following tables are a reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

For the three months ended September 30, 2013 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net[a]	Equity Derivatives, Net[a]	Total Fair Value
Beginning balance	$ 1	83	(30)	250	304
Total gains or losses (realized/unrealized):					
Included in earnings	—	—	43	5	48
Purchases	—	—	(1)	—	(1)
Settlements	—	(5)	9	3	7
Transfers into Level 3[b]	—	11	—	—	11
Ending balance	$ 1	89	21	258	369
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at September 30, 2013[c]	$ —	—	22	5	27

For the three months ended September 30, 2012 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net[a]	Equity Derivatives, Net[a]	Total Fair Value
Beginning balance	$ 1	76	54	184	315
Total gains or losses (realized/unrealized):					
Included in earnings	—	1	163	(17)	147
Settlements	—	(5)	(118)	9	(114)
Transfers into Level 3[b]	—	4	—	—	4
Ending balance	$ 1	76	99	176	352
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at September 30, 2012[c]	$ —	1	101	(17)	85

For the nine months ended September 30, 2013 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net[a]	Equity Derivatives, Net[a]	Total Fair Value
Beginning balance	$ 1	76	57	144	278
Total gains or losses (realized/unrealized):					
Included in earnings	—	(1)	42	102	143
Purchases	—	—	(1)	—	(1)
Settlements	—	(12)	(77)	12	(77)
Transfers into Level 3[b]	—	26	—	—	26
Ending balance	$ 1	89	21	258	369
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at September 30, 2013[c]	$ —	(1)	45	102	146

For the nine months ended September 30, 2012 ($ in millions)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 1	65	32	32	$ 130
Total gains or losses (realized/unrealized):					
Included in earnings	—	—	338	57	395
Settlements	—	(10)	(271)	87	(194)
Transfers into Level 3(b)	—	21	—	—	21
Ending balance	$ 1	76	99	176	$ 352
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at September 30, 2012(c)	$ —	—	173	57	$ 230

(a) *Net interest rate derivatives include derivative assets and liabilities of* ***$25*** *and* ***$4****, respectively, as of* ***September 30, 2013*** *and $102 and $3, respectively, as of September 30, 2012. Net equity derivatives include derivative assets and liabilities of* ***$293*** *and* ***$35****, respectively, as of* ***September 30, 2013****, and $198 and $22, respectively, as of September 30, 2012.*
(b) *Includes residential mortgage loans held for sale that were transferred to held for investment.*
(c) *Includes interest income and expense.*

The total gains and losses included in earnings for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were recorded in the Condensed Consolidated Statements of Income as follows:

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Mortgage banking net revenue	**$ 43**	165	**40**	339
Corporate banking revenue	**—**	—	**1**	—
Other noninterest income	**5**	(18)	**102**	56
Total gains	**$ 48**	147	**143**	395

The total gains and losses included in earnings attributable to changes in unrealized gains and losses related to Level 3 assets and liabilities still held at September 30, 2013 and 2012 were recorded in the Condensed Consolidated Statements of Income as follows:

($ in millions)	For the three months ended September 30, 2013	2012	For the nine months ended September 30, 2013	2012
Mortgage banking net revenue	**$ 22**	103	**43**	174
Corporate banking revenue	**—**	—	**1**	—
Other noninterest income	**5**	(18)	**102**	56
Total gains	**$ 27**	85	**146**	230

The following tables present information as of September 30, 2013 and 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a recurring basis:

As of September 30, 2013 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	**$ 89**	Loss rate model	Interest rate risk factor Credit risk factor	**(19.9) - 12.2%** **0 - 56.4%**	**3.5%** **3.3%**
IRLCs, net	**24**	Discounted cash flow	Loan closing rates	**3.1 - 97.2%**	**66.4%**
Stock warrants associated with Vantiv Holding, LLC	**293**	Black-Scholes option valuation model	Expected term (years) Expected volatility(a) Expected dividend rate	**2.00 - 15.8** **21.0 - 33.4%** **—**	**5.1** **27.8%** **—**
Swap associated with the sale of Visa, Inc. Class B shares	**(35)**	Discounted cash flow	Timing of the resolution of the Covered Litigation	**3/31/2014 - 3/31/2017**	**NM**

As of September 30, 2012 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	$ 76	Loss rate model	Interest rate risk factor	(91.0) - 16.6%	6.5%
			Credit risk factor	2.3 - 68.4%	4.6%
IRLCs, net	102	Discounted cash flow	Loan closing rates	9.8 - 95.0%	60.1%
Stock warrants associated with Vantiv Holding, LLC	197	Black-Scholes option valuation model	Expected term (years)	2.00 - 16.75	6.2
			Expected volatility(a)	27.7 - 40.6%	34.2%
			Expected dividend rate	—	—
Swap associated with the sale of Visa, Inc. Class B shares	(21)	Discounted cash flow	Timing of the resolution of the Covered Litigation	6/30/13 - 6/30/15	NM

(a) Based on historical and implied volatilities of comparable companies assuming similar expected terms.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

The following tables represent those assets that were subject to fair value adjustments during the three and nine months ended September 30, 2013 and 2012 and still held as of the end of the period, and the related losses from fair value adjustments on assets sold during the period as well as assets still held as of the end of the period.

As of September 30, 2013 ($ in millions)	Fair Value Measurements Using Level 1	Level 2	Level 3	Total	Total Losses For the three months ended September 30, 2013	Total Losses For the nine months ended September 30, 2013
Commercial loans held for sale(a)	**$—**	**—**	**—**	**—**	**—**	**(5)**
Commercial and industrial loans	**—**	**—**	**431**	**431**	**(103)**	**(134)**
Commercial mortgage loans	**—**	**—**	**63**	**63**	**(9)**	**(34)**
Commercial construction loans	**—**	**—**	**3**	**3**	**(4)**	**(6)**
Commercial leases	**—**	**—**	**1**	**1**	**—**	**—**
MSRs	**—**	**—**	**915**	**915**	**(1)**	**150**
OREO	**—**	**—**	**109**	**109**	**(8)**	**(37)**
Total	**$—**	**—**	**1,522**	**1,522**	**(125)**	**(66)**

As of September 30, 2012 ($ in millions)	Fair Value Measurements Using Level 1	Level 2	Level 3	Total	Total Losses For the three months ended September 30, 2012	Total Losses For the nine months ended September 30, 2012
Commercial loans held for sale(a)	$—	—	13	13	(4)	(10)
Commercial and industrial loans	—	—	79	79	(31)	(86)
Commercial mortgage loans	—	—	59	59	(11)	(40)
Commercial construction loans	—	—	8	8	(5)	(21)
MSRs	—	—	679	679	(72)	(122)
OREO	—	—	114	114	(16)	(60)
Total	$—	—	952	952	(139)	(339)

(a) Includes commercial nonaccrual loans held for sale.

Table of Contents

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following tables present information as of September 30, 2013 and 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a nonrecurring basis:

As of September 30, 2013 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	**$ —**		Appraised value	**NM**	**NM**
		Appraised value	Cost to sell	**NM**	**10.0%**
Commercial and industrial loans	**431**	Appraised value	Collateral value	**NM**	**NM**
Commercial mortgage loans	**63**	Appraised value	Collateral value	**NM**	**NM**
Commercial construction loans	**3**	Appraised value	Collateral value	**NM**	**NM**
Commercial leases	**1**	Appraised value	Collateral value	**NM**	**NM**
MSRs	**915**	Discounted cash flow	Prepayment speed	**0 - 100%**	**(Fixed) 11.4% (Adjustable) 25.7%**
			Discount rates	**9.4 - 18.0%**	**(Fixed) 10.4% (Adjustable) 11.6%**
OREO	**109**	Appraised value	Appraised value	**NM**	**NM**

As of September 30, 2012 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	$ 13	Appraised value	Appraised value Cost to sell	NM NM	NM 10.0%
Commercial and industrial loans	79	Appraised value	Default rates Collateral value	100% NM	NM NM
Commercial mortgage loans	59	Appraised value	Default rates Collateral value	100% NM	NM NM
Commercial construction loans	8	Appraised value	Default rates Collateral value	100% NM	NM NM
MSRs	679	Discounted cash flow	Prepayment speed	0 - 100%	(Fixed) 16.9% (Adjustable) 27.1%
			Discount rates	9.4 - 18.0%	(Fixed) 10.6% (Adjustable) 11.7%
OREO	114	Appraised value	Appraised value	NM	NM

Commercial loans held for sale

The Bancorp transferred $5 million of commercial loans from the portfolio to loans held for sale that upon transfer were measured at fair value during the nine months ended September 30, 2013 and no loans were transferred from the portfolio to loans held for sale during the three months ended September 30, 2013. These loans had no fair value adjustments during the three months ended September 30, 2013 and $4 million during the nine months ended September 30, 2013 and were generally based on appraisals of the underlying collateral. Additionally, fair value adjustments on existing loans held for sale were immaterial for the three months ended September 30, 2013 and $1 million for the nine months ended September 30, 2013. The fair value adjustments were also based on appraisals of the underlying collateral and were therefore classified within Level 3 of the valuation hierarchy. An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The Accounting Department determines the procedures for valuation of commercial HFS loans which may include a comparison to recently executed transactions of similar type loans. A monthly review of the portfolio is performed for reasonableness. Quarterly, appraisals approaching a year-old are updated and the Real Estate Valuation group, which reports to the Chief Risk and Credit Officer, in conjunction with the Commercial Line of Business review the third party appraisals for reasonableness. Additionally, the Commercial Line of Business Finance Department, which reports to the Bancorp Chief Financial Officer, in conjunction with Accounting review all loan appraisal values, carry values and vintages.

Commercial loans held for investment

During the three and nine months ended September 30, 2013 and 2012, the Bancorp recorded nonrecurring impairment adjustments to certain commercial and industrial, commercial mortgage, commercial construction loans and commercial leases held for investment. Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure and other factors when evaluating whether an individual loan is impaired. When the loan is collateral dependent, the fair value of the loan is generally based on the fair value of the underlying collateral supporting the loan and therefore these loans were classified within Level 3 of the valuation hierarchy. An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. In cases where the carrying value exceeds the fair value, an impairment loss is recognized. The fair values and recognized impairment losses are reflected in the previous table. Commercial Credit Risk, which reports to the Chief Risk and Credit Officer, is responsible for preparing and reviewing the fair value estimates for

commercial loans held for investment.

MSRs

MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs do occur, the precise terms and conditions typically are not readily available. Accordingly, the Bancorp estimates the fair value of MSRs using internal discounted cash flow models with certain unobservable inputs, primarily prepayment speed assumptions, discount rates and weighted average lives, resulting in a classification within Level 3 of the valuation hierarchy. Refer to Note 10 for further information on the assumptions used in the valuation of the Bancorp's MSRs. The Secondary Marketing Department and Treasury Department are responsible for determining the valuation methodology for MSRs. Representatives from Secondary Marketing, Treasury, Accounting and Risk Management are responsible for reviewing key assumptions used in the internal discounted cash flow model. Two external valuations of the MSR portfolio are obtained from third parties that use valuation models in order to assess the reasonableness of the internal discounted cash flow model. Additionally, the Bancorp participates in peer surveys that provide additional confirmation of the reasonableness of key assumptions utilized in the MSR valuation process and the resulting MSR prices.

OREO

During the three and nine months ended September 30, 2013 and 2012, the Bancorp recorded nonrecurring adjustments to certain commercial and residential real estate properties classified as OREO and measured at the lower of carrying amount or fair value. These nonrecurring losses are primarily due to declines in real estate values of the properties recorded in OREO. These losses include $3 million and $17 million in losses, recorded as charge-offs, on new OREO properties transferred from loans during the three and nine months ended September 30, 2013, respectively, and $4 million and $13 million for the three and nine months ended September 30, 2012, respectively. These losses also include $5 million and $20 million in losses for the three and nine months ended September 30, 2013, respectively, and $12 million and $47 million in losses for the three and nine months ended September 30, 2012, respectively, recorded in other noninterest income, attributable to fair value adjustments on OREO properties subsequent to their transfer from loans. As discussed in the following paragraphs, the fair value amounts are generally based on appraisals of the property values, resulting in a classification within Level 3 of the valuation hierarchy. In cases where the carrying amount exceeds the fair value, less costs to sell, an impairment loss is recognized. The previous tables reflect the fair value measurements of the properties before deducting the estimated costs to sell.

The Real Estate Valuation department, which reports to the Chief Risk and Credit Officer, is solely responsible for managing the appraisal process and evaluating the appraisal for all for commercial properties transferred to OREO. All appraisals on commercial OREO properties are updated on at least an annual basis.

The Real Estate Valuation department reviews the BPO data and internal market information to determine the initial charge-off on residential real estate loans transferred to OREO. Once the foreclosure process is completed, the Bancorp performs an interior inspection to update the initial fair value of the property. These properties are reviewed at least every 30 days after the initial interior inspections are completed. The Asset Manager receives a monthly status report for each property which includes the number of showings, recently sold properties, current comparable listings and overall market conditions.

Fair Value Option

The Bancorp elected to measure certain residential mortgage loans held for sale under the fair value option as allowed under U.S. GAAP. Electing to measure residential mortgage loans held for sale at fair value reduces certain timing differences and better matches changes in the value of these assets with changes in the value of derivatives used as economic hedges for these assets. Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and maintained in the Bancorp's loan portfolio. In such cases, the loans will continue to be measured at fair value.

Fair value changes recognized in earnings for the three and nine months ended September 30, 2013 for instruments held at September 30, 2013 for which the fair value option was elected as well as the changes in fair value of the underlying IRLCs, included gains of $56 million. Additionally, fair value changes recognized in earnings for the three and nine months ended September 30, 2013 for instruments for which the fair value option was elected but are no longer held by the Bancorp at September 30, 2013 included gains of $110 million and $406 million, respectively. Fair value changes recognized in earnings for the three and nine months ended September 30, 2012 for instruments held at September 30, 2012 for which the fair value option was elected as well as the changes in fair value of the underlying IRLCs included gains of $122 million. Additionally, fair value changes recognized in earnings for the three and nine months ended September 30, 2012 for instruments for which the fair value option was elected but are no longer held by the Bancorp at September 30, 2012 included gains of $138 million and $556 million, respectively. These gains are reported in mortgage banking net revenue in the Condensed Consolidated Statements of Income.

Valuation adjustments related to instrument-specific credit risk for residential mortgage loans measured at fair value negatively impacted the fair value of those loans by $3 million at September 30, 2013 and December 31, 2012. Interest on residential mortgage loans measured at fair value is accrued as it is earned using the effective interest method and is reported as interest income in the Condensed Consolidated Statements of Income.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The following table summarizes the difference between the fair value and the principal balance for residential mortgage loans measured at fair value as of:

($ in millions)	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Difference
September 30, 2013			
Residential mortgage loans measured at fair value	**$ 1,387**	**1,331**	**56**
Past due loans of 90 days or more	**2**	**3**	**(1)**
Nonaccrual loans	**1**	**1**	**—**
December 31, 2012			
Residential mortgage loans measured at fair value	2,932	2,775	157
Past due loans of 90 days or more	3	4	(1)
Nonaccrual loans	—	1	(1)

Fair Value of Certain Financial Instruments

The following tables summarize the carrying amounts and estimated fair values for certain financial instruments, excluding financial instruments measured at fair value on a recurring basis:

As of September 30, 2013 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
Financial assets:					
Cash and due from banks	**$ 2,887**	**2,887**	**—**	**—**	**2,887**
Other securities	**846**	**—**	**846**	**—**	**846**
Held-to-maturity securities	**265**	**—**	**—**	**265**	**265**
Other short-term investments	**2,622**	**2,622**	**—**	**—**	**2,622**
Loans held for sale	**32**	**—**	**—**	**32**	**32**
Portfolio loans and leases:					
Commercial and industrial loans	**37,440**	**—**	**—**	**38,987**	**38,987**
Commercial mortgage loans	**7,813**	**—**	**—**	**7,309**	**7,309**
Commercial construction loans	**843**	**—**	**—**	**699**	**699**
Commercial leases	**3,509**	**—**	**—**	**3,248**	**3,248**
Residential mortgage loans (a)	**12,251**	**—**	**—**	**11,635**	**11,635**
Home equity	**9,251**	**—**	**—**	**9,179**	**9,179**
Automobile loans	**12,046**	**—**	**—**	**11,879**	**11,879**
Credit card	**2,070**	**—**	**—**	**2,230**	**2,230**
Other consumer loans and leases	**343**	**—**	**—**	**357**	**357**
Unallocated allowance for loan and lease losses	**(101)**	**—**	**—**	**—**	**—**
Total portfolio loans and leases, net (a)	**$ 85,465**	**—**	**—**	**85,523**	**85,523**
Financial liabilities:					
Deposits	**94,126**	**—**	**94,157**	**—**	**94,157**
Federal funds purchased	**225**	**225**	**—**	**—**	**225**
Other short-term borrowings	**3,487**	**—**	**3,487**	**—**	**3,487**
Long-term debt	**8,098**	**7,943**	**635**	**—**	**8,578**

(a) *Excludes* **$89** *of residential mortgage loans measured at fair value on a recurring basis.*

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

As of December 31, 2012 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using			Fair Value
		Level 1	Level 2	Level 3	
Financial assets:					
Cash and due from banks	$ 2,441	2,441	—	—	2,441
Other securities	844	—	844	—	844
Held-to-maturity securities	284	—	—	284	284
Other short-term investments	2,421	2,421	—	—	2,421
Loans held for sale	83	—	—	83	83
Portfolio loans and leases:					
Commercial and industrial loans	35,236	—	—	36,496	36,496
Commercial mortgage loans	8,770	—	—	8,020	8,020
Commercial construction loans	665	—	—	505	505
Commercial leases	3,481	—	—	3,310	3,310
Residential mortgage loans(a)	11,712	—	—	11,532	11,532
Home equity	9,875	—	—	9,798	9,798
Automobile loans	11,944	—	—	12,076	12,076
Credit card	2,010	—	—	2,139	2,139
Other consumer loans and leases	270	—	—	288	288
Unallocated allowance for loan and lease losses	(111)	—	—	—	—
Total portfolio loans and leases, net(a)	$ 83,852	—	—	84,164	84,164
Financial liabilities:					
Deposits	89,517	—	89,592	—	89,592
Federal funds purchased	901	901	—	—	901
Other short-term borrowings	6,280	—	6,280	—	6,280
Long-term debt	7,085	6,925	884	—	7,809

(a) *Excludes $76 of residential mortgage loans measured at fair value on a recurring basis.*

Cash and due from banks, other securities, other short-term investments, deposits, federal funds purchased and other short-term borrowings

For financial instruments with a short-term or no stated maturity, prevailing market rates and limited credit risk, carrying amounts approximate fair value. Those financial instruments include cash and due from banks, FHLB and FRB restricted stock, other short-term investments, certain deposits (demand, interest checking, savings, money market and foreign office deposits), and federal funds purchased. Fair values for other time deposits, certificates of deposit $100,000 and over and other short-term borrowings were estimated using a discounted cash flow calculation that applied prevailing LIBOR/swap interest rates for the same maturities.

Held-to-maturity securities

The Bancorp’s held-to-maturity securities are primarily composed of instruments that provide income tax credits as the economic return on the investment. The fair value of these instruments is estimated based on current U.S. Treasury tax credit rates.

Loans held for sale

Fair values for commercial loans held for sale were valued based on executable bids when available, or on discounted cash flow models incorporating appraisals of the underlying collateral, as well as assumptions about investor return requirements and amounts and timing of expected cash flows. Fair values for other consumer loans held for sale are based on contractual values upon which the loans may be sold to a third party, and approximate their carrying value.

Portfolio loans and leases, net

Fair values were estimated by discounting future cash flows using the current market rates of loans to borrowers with similar credit characteristics and similar remaining maturities.

Long-term debt

Fair value of long-term debt was based on quoted market prices, when available, or a discounted cash flow calculation using LIBOR/swap interest rates and, in some cases, a spread for new issuances with similar terms.

22. Business Segments

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices are improved and businesses change.

The Bancorp manages interest rate risk centrally at the corporate level by employing an FTP methodology. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan originations and deposit taking. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of the estimated durations for the indeterminate-lived deposits. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2013 to reflect the current market rates and updated market assumptions. These rates were generally higher than those in place during 2012, thus net interest income for deposit providing businesses was positively impacted during 2013.

The business segments are charged provision expense based on the actual net charge-offs experienced by the loans and leases owned by each segment. Provision expense attributable to loan and leases growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

[Table of Contents](#)

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

Results of operations and assets by segment for the three and nine months ended September 30, 2013 and 2012 are:

($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Three months ended September 30, 2013							
Net interest income	$ 374	374	76	38	31	—	893
Provision for loan and lease losses	37	52	20	—	(58)	—	51
Net interest income after provision for loan and lease losses	337	322	56	38	89	—	842
Noninterest income:							
Mortgage banking net revenue	—	3	118	—	—	—	121
Service charges on deposits	61	78	—	1	—	—	140
Corporate banking revenue	98	4	—	1	(1)	—	102
Investment advisory revenue	1	36	—	95	—	(35)(a)	97
Card and processing revenue	13	74	—	1	(19)	—	69
Other noninterest income	32	22	11	1	119	—	185
Securities gains, net	—	—	2	—	—	—	2
Securities gains, net - non-qualifying hedges on mortgage servicing rights	—	—	5	—	—	—	5
Total noninterest income	205	217	136	99	99	(35)	721
Noninterest expense:							
Salaries, wages and incentives	55	114	40	33	147	—	389
Employee benefits	8	32	9	6	28	—	83
Net occupancy expense	6	46	2	2	19	—	75
Technology and communications	3	1	—	—	48	—	52
Card and processing expense	2	31	—	—	—	—	33
Equipment expense	1	15	—	—	13	—	29
Other noninterest expense	212	191	117	66	(253)	(35)	298
Total noninterest expense	287	430	168	107	2	(35)	959
Income before income taxes	255	109	24	30	186	—	604
Applicable income tax expense	49	38	9	10	77	—	183
Net income	206	71	15	20	109	—	421
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—	—
Net income attributable to Bancorp	206	71	15	20	109	—	421
Dividends on preferred stock	—	—	—	—	—	—	—
Net income available to common shareholders	$ 206	71	15	20	109	—	421
Total goodwill	$ 613	1,655	—	148	—	—	2,416
Total assets	$ 50,438	49,282	23,015	9,182	(6,244)	—	125,673

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Condensed Consolidated Statements of Income.

Table of Contents

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Three months ended September 30, 2012							
Net interest income	$ 354	344	77	30	98	—	903
Provision for loan and lease losses	45	71	38	3	(92)	—	65
Net interest income after provision for loan and lease losses	309	273	39	27	190	—	838
Noninterest income:							
Mortgage banking net revenue	—	3	197	—	—	—	200
Service charges on deposits	57	70	—	1	—	—	128
Corporate banking revenue	96	4	—	1	—	—	101
Investment advisory revenue	1	33	—	90	—	(32)(a)	92
Card and processing revenue	11	72	—	1	(19)	—	65
Other noninterest income	18	21	10	14	15	—	78
Securities gains, net	—	—	—	—	2	—	2
Securities gains, net - non-qualifying hedges on mortgage servicing rights	—	—	5	—	—	—	5
Total noninterest income	183	203	212	107	(2)	(32)	671
Noninterest expense:							
Salaries, wages and incentives	53	111	49	33	153	—	399
Employee benefits	7	31	9	6	26	—	79
Net occupancy expense	5	47	2	3	19	—	76
Technology and communications	3	1	—	—	45	—	49
Card and processing expense	1	29	—	—	—	—	30
Equipment expense	1	14	—	—	13	—	28
Other noninterest expense	201	172	107	67	(170)	(32)	345
Total noninterest expense	271	405	167	109	86	(32)	1,006
Income before income taxes	221	71	84	25	102	—	503
Applicable income tax expense	39	25	30	9	36	—	139
Net income	182	46	54	16	66	—	364
Less: Net income attributable to noncontrolling interests	—	—	—	—	1	—	1
Net income attributable to Bancorp	182	46	54	16	65	—	363
Dividends on preferred stock	—	—	—	—	9	—	9
Net income available to common shareholders	$ 182	46	54	16	56	—	354
Total goodwill	$ 613	1,656	—	148	—	—	2,417
Total assets	$ 47,495	48,003	23,640	8,024	(9,679)	—	117,483

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Condensed Consolidated Statements of Income.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Nine months ended September 30, 2013							
Net interest income	$ 1,095	1,079	246	109	132	—	2,661
Provision for loan and lease losses	116	162	71	1	(174)	—	176
Net interest income after provision for loan and lease losses	979	917	175	108	306	—	2,485
Noninterest income:							
Mortgage banking net revenue	—	10	563	1	—	—	574
Service charges on deposits	179	226	—	2	—	—	407
Corporate banking revenue	295	10	—	2	—	—	307
Investment advisory revenue	4	110	—	289	—	(108)(a)	295
Card and processing revenue	39	215	—	3	(56)	—	201
Other noninterest income	72	65	37	8	526	—	708
Securities gains, net	—	—	2	—	17	—	19
Securities gains, net - non-qualifying hedges on mortgage servicing rights	—	—	13	—	—	—	13
Total noninterest income	589	636	615	305	487	(108)	2,524
Noninterest expense:							
Salaries, wages and incentives	174	342	148	100	429	—	1,193
Employee benefits	33	100	34	20	93	—	280
Net occupancy expense	17	139	6	7	61	—	230
Technology and communications	8	3	1	—	139	—	151
Card and processing expense	6	91	—	—	—	—	97
Equipment expense	3	43	1	—	38	—	85
Other noninterest expense	603	557	366	217	(699)	(108)	936
Total noninterest expense	844	1,275	556	344	61	(108)	2,972
Income before income taxes	724	278	234	69	732	—	2,037
Applicable income tax expense	133	98	83	24	275	—	613
Net income	591	180	151	45	457	—	1,424
Less: Net income attributable to noncontrolling interests	—	—	—	—	(9)	—	(9)
Net income attributable to Bancorp	591	180	151	45	466	—	1,433
Dividends on preferred stock	—	—	—	—	18	—	18
Net income available to common shareholders	$ 591	180	151	45	448	—	1,415
Total goodwill	$ 613	1,655	—	148	—	—	2,416
Total assets	$ 50,438	49,282	23,015	9,182	(6,244)	—	125,673

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Condensed Consolidated Statements of Income.

Table of Contents

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Nine months ended September 30, 2012							
Net interest income	$ 1,049	1,021	234	87	305	—	2,696
Provision for loan and lease losses	181	226	140	9	(329)	—	227
Net interest income after provision for loan and lease losses	868	795	94	78	634	—	2,469
Noninterest income:							
Mortgage banking net revenue	—	10	577	1	—	—	588
Service charges on deposits	166	219	—	2	—	—	387
Corporate banking revenue	286	11	—	2	—	—	299
Investment advisory revenue	5	96	—	275	—	(95)(a)	281
Card and processing revenue	35	202	—	3	(53)	—	187
Other noninterest income	45	60	30	19	205	—	359
Securities gains, net	—	—	—	—	13	—	13
Securities gains, net - non-qualifying hedges on mortgage servicing rights	—	—	5	—	—	—	5
Total noninterest income	537	598	612	302	165	(95)	2,119
Noninterest expense:							
Salaries, wages and incentives	166	337	139	103	446	—	1,191
Employee benefits	32	98	30	20	94	—	274
Net occupancy expense	16	140	6	8	57	—	227
Technology and communications	7	3	1	—	133	—	144
Card and processing expense	3	86	—	—	1	—	90
Equipment expense	2	40	1	1	38	—	82
Other noninterest expense	603	496	319	199	(612)	(95)	910
Total noninterest expense	829	1,200	496	331	157	(95)	2,918
Income before income taxes	576	193	210	49	642	—	1,670
Applicable income tax expense	90	68	74	17	242	—	491
Net income	486	125	136	32	400	—	1,179
Less: Net income attributable to noncontrolling interests	—	—	—	—	1	—	1
Net income attributable to Bancorp	486	125	136	32	399	—	1,178
Dividends on preferred stock	—	—	—	—	26	—	26
Net income available to common shareholders	$ 486	125	136	32	373	—	1,152
Total goodwill	$ 613	1,656	—	148	—	—	2,417
Total assets	$ 47,495	48,003	23,640	8,024	(9,679)	—	117,483

(a) Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Condensed Consolidated Statements of Income.

PART II. OTHER INFORMATION

Legal Proceedings (Item 1)

Refer to Note 16 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for information regarding legal proceedings.

Risk Factors (Item 1A)

There have been no material changes made during the third quarter of 2013 to any of the risk factors as previously disclosed in the Registrant's periodic securities filings.

Unregistered Sales of Equity Securities and Use of Proceeds (Item 2)

Refer to the "Capital Management" section within Management's Discussion and Analysis in Part I, Item 2 for information regarding purchases and sales of equity securities by the Bancorp during the third quarter of 2013.

Defaults Upon Senior Securities (Item 3)

None.

Mine Safety Disclosures (Item 4)

Not applicable.

Other Information (Item 5)

None.

Exhibits (Item 6)

3.1 Amended Articles of Incorporation of Fifth Third Bancorp, as amended. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.

3.2 Code of Regulations of Fifth Third Bancorp as Amended as of September 18, 2012. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on September 21, 2012.

12.1 Computations of Consolidated Ratios of Earnings to Fixed Charges.

12.2 Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements.

31(i) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.

31(ii) Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

32(i) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.

32(ii) Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.

101 Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Income, (iii) the Condensed Consolidated Statements of Comprehensive Income, (iv) the Condensed Consolidated Statements of Changes in Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to Condensed Consolidated Financial Statements tagged as blocks of text and in detail*.

* As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.

Table of Contents

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fifth Third Bancorp
Registrant

Date: November 6, 2013

/s/ Tayfun Tuzun
Tayfun Tuzun
Executive Vice President and
Chief Financial Officer

Exhibit 12.1

Fifth Third Bancorp
Computations of Consolidated Ratios of Earnings to Fixed Charges
($ In Millions)

	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Excluding Interest on Deposits:		
Fixed Charges:		
Interest Expense (excluding interest on deposits)	$ 48	$ 156
One-Third of Rents, Net of Income from Subleases	7	21
Total Fixed Charges	$ 55	$ 177
Earnings:		
Income Before Income Taxes	$ 604	$ 2,037
Fixed Charges	55	177
Total Earnings	$ 659	$ 2,214
Ratio of Earnings to Fixed Charges, Excluding Interest On Deposits	11.98x	12.51x
Including Interest on Deposits:		
Fixed Charges:		
Interest Expense	$ 99	$ 310
One-Third of Rents, Net of Income from Subleases	7	21
Total Fixed Charges	$ 106	$ 331
Earnings:		
Income Before Income Taxes	$ 604	$ 2,037
Fixed Charges	106	331
Total Earnings	$ 710	$ 2,368
Ratio of Earnings to Fixed Charges, Including Interest On Deposits	6.70x	7.15x

Exhibit 12.2

Fifth Third Bancorp
Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements
($ In Millions)

	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2013
Excluding Interest on Deposits:		
Fixed Charges:		
Interest Expense (excluding interest on deposits)	$ 48	$ 156
One-Third of Rents, Net of Income from Subleases	7	21
Preferred Stock Dividends	—	18
Total Fixed Charges	$ 55	$ 195
Earnings:		
Income Before Income Taxes	$ 604	$ 2,037
Fixed Charges—Excluding Preferred Stock Dividends	55	177
Total Earnings	$ 659	$ 2,214
Ratio of Earnings to Fixed Charges, Excluding Interest On Deposits	11.98x	11.35x
Including Interest on Deposits:		
Fixed Charges:		
Interest Expense	$ 99	$ 310
One-Third of Rents, Net of Income from Subleases	7	21
Preferred Stock Dividends	—	18
Total Fixed Charges	$ 106	$ 349
Earnings:		
Income Before Income Taxes	$ 604	$ 2,037
Fixed Charges—Excluding Preferred Stock Dividends	106	331
Total Earnings	$ 710	$ 2,368
Ratio of Earnings to Fixed Charges, Including Interest On Deposits	6.70x	6.79x

Exhibit 31(i)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Kevin T. Kabat, certify that:

1. I have reviewed this report on Form 10-Q of Fifth Third Bancorp (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and Chief Executive Officer
November 6, 2013

Exhibit 31(ii)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Tayfun Tuzun, certify that:

1. I have reviewed this report on Form 10-Q of Fifth Third Bancorp (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Tayfun Tuzun

Tayfun Tuzun
Executive Vice President and
Chief Financial Officer
November 6, 2013

Exhibit 32(i)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fifth Third Bancorp (the "Registrant") on Form 10-Q for the period ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kevin T. Kabat, Vice Chairman and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Kevin T. Kabat

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
November 6, 2013

Exhibit 32(ii)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fifth Third Bancorp (the “Registrant”) on Form 10-Q for the period ended September 30, 2013 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Tayfun Tuzun, Executive Vice President and Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Tayfun Tuzun

Tayfun Tuzun
Executive Vice President and
Chief Financial Officer
November 6, 2013

2012 ANNUAL REPORT
FINANCIAL CONTENTS

Glossary of Terms 14

Management's Discussion and Analysis of Financial Condition and Results of Operations

Selected Financial Data 15
Overview 16
Non-GAAP Financial Measures 20
Recent Accounting Standards 22
Critical Accounting Policies 22
Risk Factors 26
Statements of Income Analysis 35
Business Segment Review 42
Fourth Quarter Review 49
Balance Sheet Analysis 51
Risk Management 56
Off-Balance Sheet Arrangements 79
Contractual Obligations and Other Commitments 80

Management's Assessment as to the Effectiveness of Internal Control over Financial Reporting 81
Reports of Independent Registered Public Accounting Firm 82

Financial Statements

Consolidated Balance Sheets 83
Consolidated Statements of Income 84
Consolidated Statements of Comprehensive Income 85
Consolidated Statements of Changes in Equity 86
Consolidated Statements of Cash Flows 87

Notes to Consolidated Financial Statements

Summary of Significant Accounting and Reporting Policies 88
Supplemental Cash Flow Information 95
Restrictions on Cash and Dividends 95
Securities 96
Loans and Leases 98
Credit Quality and the Allowance for Loan and Lease Losses 99
Bank Premises and Equipment 108
Goodwill 108
Intangible Assets 109
Variable Interest Entities 110
Sales of Residential Mortgage Receivables and MSRs 113
Derivative Financial Instruments 115
Other Assets 120
Short-Term Borrowings 121
Long-Term Debt 122
Commitments, Contingent Liabilities and Guarantees 125
Legal and Regulatory Proceedings 129
Related Party Transactions 131
Income Taxes 132
Retirement and Benefit Plans 134
Accumulated Other Comprehensive Income 138
Common, Preferred and Treasury Stock 139
Stock-Based Compensation 140
Other Noninterest Income and Other Noninterest Expense 144
Earnings Per Share 145
Fair Value Measurements 146
Certain Regulatory Requirements and Capital Ratios 155
Parent Company Financial Statements 156
Business Segments 158
Subsequent Event 162

Annual Report on Form 10-K 163
Consolidated Ten Year Comparison 178
Directors and Officers 179
Corporate Information

FORWARD-LOOKING STATEMENTS

This report contains statements that we believe are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as "will likely result," "may," "are expected to," "is anticipated," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar verbs. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements we may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy, specifically the real estate market, either nationally or in the states in which Fifth Third, one or more acquired entities and/or the combined company do business, are less favorable than expected; (2) deteriorating credit quality; (3) political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment reduce interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions; (6) Fifth Third's ability to maintain required capital levels and adequate sources of funding and liquidity; (7) maintaining capital requirements may limit Fifth Third's operations and potential growth; (8) changes and trends in capital markets; (9) problems encountered by larger or similar financial institutions may adversely affect the banking industry and/or Fifth Third; (10) competitive pressures among depository institutions increase significantly; (11) effects of critical accounting policies and judgments; (12) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board (FASB) or other regulatory agencies; (13) legislative or regulatory changes or actions, or significant litigation, adversely affect Fifth Third, one or more acquired entities and/or the combined company or the businesses in which Fifth Third, one or more acquired entities and/or the combined company are engaged, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; (14) ability to maintain favorable ratings from rating agencies; (15) fluctuation of Fifth Third's stock price; (16) ability to attract and retain key personnel; (17) ability to receive dividends from its subsidiaries; (18) potentially dilutive effect of future acquisitions on current shareholders' ownership of Fifth Third; (19) effects of accounting or financial results of one or more acquired entities; (20) difficulties from the separation of or the results of operations of Vantiv, LLC from Fifth Third; (21) loss of income from any sale or potential sale of businesses that could have an adverse effect on Fifth Third's earnings and future growth; (22) ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; and (23) the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity.

Table of Contents

GLOSSARY OF TERMS

Fifth Third Bancorp provides the following list of acronyms as a tool for the reader. The acronyms identified below are used in Management's Discussion and Analysis of Financial Condition and Results of Operations, the Consolidated Financial Statements and in the Notes to Consolidated Financial Statements.

ALCO: Asset Liability Management Committee
ALLL: Allowance for Loan and Lease Losses
AOCI: Accumulated Other Comprehensive Income
ARM: Adjustable Rate Mortgage
ATM: Automated Teller Machine
BBA: British Bankers' Association
BOLI: Bank Owned Life Insurance
bps: Basis points
BPO: Broker Price Opinion
CCAR: Comprehensive Capital Analysis and Review
CDC: Fifth Third Community Development Corporation
CFPB: United States Consumer Financial Protection Bureau
C&I: Commercial and Industrial
CPP: Capital Purchase Program
CRA: Community Reinvestment Act
DCF: Discounted Cash Flow
DIF: Deposit Insurance Fund
ERISA: Employee Retirement Income Security Act
ERM: Enterprise Risk Management
ERMC: Enterprise Risk Management Committee
EVE: Economic Value of Equity
FASB: Financial Accounting Standards Board
FDIC: Federal Deposit Insurance Corporation
FHLB: Federal Home Loan Bank
FHLMC: Federal Home Loan Mortgage Corporation
FICO: Fair Isaac Corporation (credit rating)
FNMA: Federal National Mortgage Association
FRB: Federal Reserve Bank
FSOC: Financial Stability Oversight Council
FTAM: Fifth Third Asset Management, Inc.
FTE: Fully Taxable Equivalent
FTP: Funds Transfer Pricing
FTPS: Fifth Third Processing Solutions, now Vantiv, LLC
FTS: Fifth Third Securities
GNMA: Government National Mortgage Association
GSE: Government Sponsored Enterprise
HAMP: Home Affordable Modification Program
HARP: Home Affordable Refinance Program
HFS: Held for Sale
IFRS: International Financial Reporting Standards
IPO: Initial Public Offering
IRC: Internal Revenue Code
IRLC: Interest Rate Lock Commitment
IRS: Internal Revenue Service
LIBOR: London InterBank Offered Rate
LLC: Limited Liability Company
LTV: Loan-to-Value
MD&A: Management's Discussion and Analysis of Financial Condition and Results of Operations
MSR: Mortgage Servicing Right
NII: Net Interest Income
NM: Not Meaningful
NPR: Notice of Proposed Rulemaking
OCC: Office of the Comptroller of the Currency
OCI: Other Comprehensive Income
OFR: Office of Financial Research
OREO: Other Real Estate Owned
OTTI: Other-Than-Temporary Impairment
PMI: Private Mortgage Insurance
RSAs: Restricted Stock Awards
SARs: Stock Appreciation Rights
SEC: United States Securities and Exchange Commission
SCAP: Supervisory Capital Assessment Program
TARP: Troubled Asset Relief Program
TBA: To Be Announced
TDR: Troubled Debt Restructuring
TruPS: Trust Preferred Securities
TSA: Transition Service Agreement
UK: United Kingdom
U.S.: United States of America
U.S. GAAP: Accounting principles generally accepted in the United States of America
VaR: Value-at-Risk
VIE: Variable Interest Entity
VRDN: Variable Rate Demand Note

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is MD&A of certain significant factors that have affected Fifth Third Bancorp's (the "Bancorp" or "Fifth Third") financial condition and results of operations during the periods included in the Consolidated Financial Statements, which are a part of this filing. Reference to the Bancorp incorporates the parent holding company and all consolidated subsidiaries.

TABLE 1: SELECTED FINANCIAL DATA

For the years ended December 31 ($ in millions, except for per share data)	2012	2011	2010	2009	2008
Income Statement Data					
Net interest income[(a)]	$ **3,613**	3,575	3,622	3,373	3,536
Noninterest income	**2,999**	2,455	2,729	4,782	2,946
Total revenue[(a)]	**6,612**	6,030	6,351	8,155	6,482
Provision for loan and lease losses	**303**	423	1,538	3,543	4,560
Noninterest expense	**4,081**	3,758	3,855	3,826	4,564
Net income (loss) attributable to Bancorp	**1,576**	1,297	753	737	(2,113)
Net income (loss) available to common shareholders	**1,541**	1,094	503	511	(2,180)
Common Share Data					
Earnings per share, basic	$ **1.69**	1.20	0.63	0.73	(3.91)
Earnings per share, diluted	**1.66**	1.18	0.63	0.67	(3.91)
Cash dividends per common share	**0.36**	0.28	0.04	0.04	0.75
Book value per share	**15.10**	13.92	13.06	12.44	13.57
Market value per share	**15.20**	12.72	14.68	9.75	8.26
Financial Ratios (%)					
Return on assets	**1.34 %**	1.15	0.67	0.64	(1.85)
Return on average common equity	**11.6**	9.0	5.0	5.6	(23.0)
Dividend payout ratio	**21.3**	23.3	6.3	5.5	NM
Average equity as a percent of average assets	**11.65**	11.41	12.22	11.36	8.78
Tangible common equity[(b)]	**8.83**	8.68	7.04	6.45	4.23
Net interest margin[(a)]	**3.55**	3.66	3.66	3.32	3.54
Efficiency[(a)]	**61.7**	62.3	60.7	46.9	70.4
Credit Quality					
Net losses charged off	$ **704**	1,172	2,328	2,581	2,710
Net losses charged off as a percent of average loans and leases [(d)]	**0.85 %**	1.49	3.02	3.20	3.23
ALLL as a percent of portfolio loans and leases	**2.16**	2.78	3.88	4.88	3.31
Allowance for credit losses as a percent of portfolio loans and leases [(c)]	**2.37**	3.01	4.17	5.27	3.54
Nonperforming assets as a percent of portfolio loans, leases and other assets, including other real estate owned [(d)] [(e)]	**1.49**	2.23	2.79	4.22	2.38
Average Balances					
Loans and leases, including held for sale	$ **84,822**	80,214	79,232	83,391	85,835
Total securities and other short-term investments	**16,814**	17,468	19,699	18,135	14,045
Total assets	**117,614**	112,666	112,434	114,856	114,296
Transaction deposits[(f)]	**78,116**	72,392	65,662	55,235	52,680
Core deposits[(g)]	**82,422**	78,652	76,188	69,338	63,815
Wholesale funding[(h)]	**16,978**	16,939	18,917	28,539	36,261
Bancorp shareholders' equity	**13,701**	12,851	13,737	13,053	10,038
Regulatory Capital Ratios (%)					
Tier I risk-based capital	**10.65 %**	11.91	13.89	13.30	10.59
Total risk-based capital	**14.42**	16.09	18.08	17.48	14.78
Tier I leverage	**10.05**	11.10	12.79	12.34	10.27
Tier I common equity[(b)]	**9.51**	9.35	7.48	6.99	4.37

(a)Amounts presented on an FTE basis. The FTE adjustment for years ended ***December 31, 2012****, 2011, 2010, 2009, and 2008 were* ***$18****, $18, $18, $19 and $22, respectively.*
(b)The tangible common equity and Tier I common equity ratios are non-GAAP measures. For further information, see the Non-GAAP Financial Measures section of the MD&A.
(c)The allowance for credit losses is the sum of the ALLL and the reserve for unfunded commitments.
(d)Excludes nonaccrual loans held for sale.
(e)The Bancorp modified its nonaccrual policy in 2009 to exclude consumer TDR loans less than 90 days past due as they were performing in accordance with restructuring terms. For comparability purposes, prior periods were adjusted to reflect this reclassification.
(f)Includes demand, interest checking, savings, money market and foreign office deposits.
(g)Includes transaction deposits plus other time deposits.
(h)Includes certificates $100,000 and over, other deposits, federal funds purchased, other short-term borrowings and long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. At December 31, 2012, the Bancorp had $122 billion in assets, operated 15 affiliates with 1,325 full-service Banking Centers, including 106 Bank Mart® locations open seven days a week inside select grocery stores, and 2,415 ATMs in 12 states throughout the Midwestern and Southeastern regions of the United States. The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. The Bancorp also has a 33% interest in Vantiv Holding, LLC.

This overview of MD&A highlights selected information in the financial results of the Bancorp and may not contain all of the information that is important to you. For a more complete understanding of trends, events, commitments, uncertainties, liquidity, capital resources and critical accounting policies and estimates, you should carefully read this entire document. Each of these items could have an impact on the Bancorp's financial condition, results of operations and cash flows. In addition, see the Glossary of Terms in this report for a list of acronyms included as a tool for the reader of this annual report on Form 10-K. The acronyms identified therein are used throughout this MD&A, as well as the Consolidated Financial Statements and Notes to Consolidated Financial Statements.

The Bancorp believes that banking is first and foremost a relationship business where the strength of the competition and challenges for growth can vary in every market. The Bancorp believes its affiliate operating model provides a competitive advantage by emphasizing individual relationships. Through its affiliate operating model, individual managers at all levels within the affiliates are given the opportunity to tailor financial solutions for their customers.

Net interest income, net interest margin and the efficiency ratio are presented in MD&A on an FTE basis. The FTE basis adjusts for the tax-favored status of income from certain loans and securities held by the Bancorp that are not taxable for federal income tax purposes. The Bancorp believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison between taxable and non-taxable amounts.

The Bancorp's revenues are dependent on both net interest income and noninterest income. For the year ended December 31, 2012, net interest income, on a FTE basis, and noninterest income provided 55% and 45% of total revenue, respectively. The Bancorp derives the majority of its revenues within the United States from customers domiciled in the United States. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Consolidated Financial Statements. Changes in interest rates, credit quality, economic trends and the capital markets are primary factors that drive the performance of the Bancorp. As discussed later in the Risk Management section, risk identification, measurement, monitoring, control and reporting are important to the management of risk and to the financial performance and capital strength of the Bancorp.

Net interest income is the difference between interest income earned on assets such as loans, leases and securities, and interest expense incurred on liabilities such as deposits, short-term borrowings and long-term debt. Net interest income is affected by the general level of interest rates, the relative level of short-term and long-term interest rates, changes in interest rates and changes in the amount and composition of interest-earning assets and interest-bearing liabilities. Generally, the rates of interest the Bancorp earns on its assets and pays on its liabilities are established for a period of time. The change in market interest rates over time exposes the Bancorp to interest rate risk through potential adverse changes to net interest income and financial position. The Bancorp manages this risk by continually analyzing and adjusting the composition of its assets and liabilities based on their payment streams and interest rates, the timing of their maturities and their sensitivity to changes in market interest rates. Additionally, in the ordinary course of business, the Bancorp enters into certain derivative transactions as part of its overall strategy to manage its interest rate and prepayment risks. The Bancorp is also exposed to the risk of losses on its loan and lease portfolio, as a result of changing expected cash flows caused by borrower credit events, such as loan defaults and inadequate collateral due to a weakened economy within the Bancorp's footprint.

Noninterest income is derived primarily from mortgage banking net revenue, service charges on deposits, corporate banking revenue, investment advisory revenue and card and processing revenue. Noninterest expense is primarily driven by personnel costs, net occupancy expenses, and technology and communication costs.

Senior Notes Offerings

On March 7, 2012, the Bancorp issued $500 million of senior notes to third party investors, and entered into a Supplemental Indenture with Wilmington Trust Company, as Trustee, which modified the existing Indenture for Senior Debt Securities dated as of April 30, 2008. The Supplemental Indenture and the Indenture define the rights of the senior notes, which senior notes are represented by a Global Security dated as of March 7, 2012. The senior notes bear a fixed rate of interest of 3.50% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal amount of the notes will be due upon maturity on March 15, 2022. The notes will not be subject to redemption at the Bancorp's option at any time until 30 days prior to maturity. For additional information regarding long-term debt, see Note 15 of the Notes to the Consolidated Financial Statements.

CCAR Results

On March 13, 2012, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2012 CCAR. The FRB indicated to the Bancorp that it did not object to the following capital actions: a continuation of its quarterly common dividend of $0.08 per share; the redemption of up to $1.4 billion in certain TruPS and the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. The FRB indicated to the Bancorp that it did object to other elements of its capital plan, including potential increases in its quarterly common dividend and the initiation of other common share repurchases.

The Bancorp resubmitted its capital plan to the FRB in the second quarter of 2012. The resubmitted plan included capital actions and distributions for the covered period through March 31, 2013 that were substantially similar to those included in the original submission, with adjustments primarily reflecting the change in the expected timing of capital actions and distributions relative to the timing assumed in the original submission. On August 21, 2012, the Bancorp announced the FRB did not object to the Bancorp's resubmitted capital plan which included potential increases to the quarterly common stock dividend and potential repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. As a result, the Board of Directors authorized the Bancorp to repurchase up to 100 million common shares in the open market or in privately negotiated transactions. In addition, in the third quarter

of 2012 the Bancorp declared a quarterly common dividend of $0.10 per share, an increase of $0.02 per share from the second quarter of 2012.

Vantiv, Inc. IPO

On June 30, 2009, the Bancorp completed the sale of a majority interest in its processing business to Advent International. As part of this transaction, the processing business was contributed into a partnership now known as Vantiv Holding, LLC. Vantiv, Inc., formed by Advent International and owned by certain funds managed by Advent International, acquired an approximate 51% interest in Vantiv Holding, LLC for cash and warrants. The Bancorp retained the remaining approximate 49% interest in Vantiv Holding, LLC and accounted for it as an equity method investment in the Bancorp's Consolidated Financial Statements.

During the first quarter of 2012, Vantiv, Inc. priced an IPO of its shares and contributed the net proceeds to Vantiv Holding, LLC for additional ownership interests. As a result of this offering, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 39% and the Bancorp's investment continued to be accounted for as an equity method investment in the Bancorp's Consolidated Financial Statements. The impact of the capital contributions to Vantiv Holding, LLC and the resulting dilution in the Bancorp's interest resulted in the recognition of a pre-tax gain of $115 million ($75 million after-tax) by the Bancorp in the first quarter of 2012.

Vantiv, Inc. Share Sale

During the fourth quarter of 2012, Vantiv, Inc. priced a secondary offering of 12,454,545 shares of Class A Common Stock of Vantiv, Inc. sold on behalf of the Bancorp. As a result of this offering, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 33% and the Bancorp's investment continued to be accounted for as an equity method investment in the Bancorp's Consolidated Financial Statements. The carrying value of the Bancorp's investment in Vantiv Holding, LLC was $563 million as of December 31, 2012. The impact of the sale of the Bancorp's interest in Vantiv Holding, LLC resulted in the recognition of a pre-tax gain of $157 million ($102 million after-tax) by the Bancorp in the fourth quarter of 2012.

As of December 31, 2012, the Bancorp continued to hold approximately 70 million units of Vantiv Holding, LLC and a warrant to purchase approximately 20 million incremental Vantiv Holding, LLC non-voting units, both of which may be exchanged for common stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 70 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions.

Accelerated Share Repurchase Transactions

Following the Vantiv, Inc. IPO, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 4,838,710 shares, or approximately $75 million, of its outstanding common stock on April 26, 2012. As part of this transaction, and all subsequent accelerated share repurchase transactions in 2012, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction was based on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the April 2012 forward contract on June 1, 2012, the Bancorp received an additional 631,986 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Consistent with the 2012 CCAR plan, on August 23, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 21,531,100 shares, or approximately $350 million, of its outstanding common stock on August 28, 2012. At settlement of the forward contract on October 24, 2012, the Bancorp received an additional 1,444,047 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Additionally, on November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,917 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp expects the settlement of the transaction to occur on March 14, 2013.

Redemption of TruPS

On August 8, 2012, consistent with the 2012 CCAR plan, the Bancorp redeemed all $862.5 million of the outstanding TruPS issued by Fifth Third Capital Trust VI. These securities had a distribution rate of 7.25% and a scheduled maturity date of November 15, 2067. Pursuant to the terms of the TruPS, the securities of Fifth Third Capital Trust VI were redeemable within ninety days of a Capital Treatment Event. The Bancorp determined that a Capital Treatment Event occurred upon the authorization for publication in the Federal Register of a Joint Notice of Proposed Rulemaking by the Board of Governors of the Federal Reserve System, the FDIC and the Office of the Comptroller of the Currency addressing, among other matters, Section 171 of the Dodd-Frank Act of 2010 and providing detailed information regarding the cessation of Tier I risk-based capital treatment for outstanding TruPS. The redemption price was $25 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions through the actual redemption date of $0.422917 per security. The Bancorp recognized a $9 million loss on extinguishment of these TruPS within other noninterest expense in the Bancorp's Consolidated Statements of Income.

Additionally, on August 15, 2012, the Bancorp redeemed all $575 million of the outstanding TruPS issued by Fifth Third Capital Trust V. The Fifth Third Capital Trust V securities had a distribution rate of 7.25% and a scheduled maturity date of August 15, 2067, and were redeemable at any time on or after August 15, 2012. The redemption price was $25 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions through the actual redemption date of $0.453125 per security. The Bancorp recognized a $17 million loss on extinguishment within other noninterest expense in the Bancorp's Consolidated Statements of Income.

Legislative Developments

On July 21, 2010, the Dodd-Frank Act was signed into federal law. This act implements changes to the financial services industry and affects the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies. The legislation establishes a CFPB responsible for implementing and enforcing compliance with consumer financial laws, changes the methodology for determining deposit insurance assessments, gives the FRB the ability to regulate and limit interchange rates charged to merchants for the use of debit cards, enacts new limitations on proprietary trading, broadens the scope of derivative instruments subject to regulation, requires on-going stress tests and the submission of annual capital plans for certain organizations and requires changes to regulatory capital ratios. This act also calls for federal regulatory agencies to conduct multiple studies over the next several years in order to implement its provisions.

The Bancorp was impacted by a number of the components of the Dodd-Frank Act which were implemented during 2011. The CFPB began operations on July 21, 2011. The CFPB holds primary responsibility for regulating consumer protection by enforcing existing consumer laws, writing new consumer legislation, conducting bank examinations, monitoring and reporting on markets, as well as collecting and tracking consumer complaints. The FRB final rule implementing the Dodd-Frank Act's "Durbin Amendment", which limits debit card interchange fees, was issued on July 21, 2011 for transactions occurring after September 30, 2011. The final rule establishes a cap on the fees banks with more than $10 billion in assets can charge merchants for debit card transactions. The fee was set at $.21 per transaction plus an additional 5 bps of the transaction amount and $.01 to cover fraud losses. The FRB repealed Regulation Q as mandated by the Dodd-Frank Act on July 21, 2011. Regulation Q was implemented as part of the Glass-Steagall Act in the 1930's and provided a prohibition against the payment of interest on commercial demand deposits. While the total impact of the fully-implemented Dodd-Frank Act on Fifth Third is not currently known, the impact is expected to be substantial and may have an adverse impact on Fifth Third's financial performance and growth opportunities.

In December of 2010 and revised in June of 2011, the Basel Committee on Banking Supervision issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. The Bancorp continues to evaluate these proposals and their potential impact. For more information on the impact of the proposed regulatory capital enhancements, refer to the Capital Management section of the MD&A.

On October 9, 2012, the FRB published final stress testing rules that implement section 165(i)(1) and (i)(2) of the Dodd-Frank Act. The 19 bank holding companies that participated in the 2009 SCAP and subsequent CCAR, which includes Fifth Third, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

The FRB launched the 2013 stress testing program and CCAR on November 9, 2012. The CCAR requires bank holding companies to submit a capital plan in addition to their stress testing results. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB will review the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5 percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB will also assess the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the Basel Committee on Banking Supervision and requirements arising from the Dodd-Frank Act.

The FRB has indicated that it expects to disclose on March 7, 2013 its estimates of participating institutions results under the FRB supervisory stress scenario, including capital results, which assume that all banks take certain consistently applied future capital actions. The FRB has indicated that it expects to disclose on March 14, 2013 its estimates of participating institutions results under the FRB supervisory severe stress scenarios including capital results based on each company's own base scenario capital actions. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution, Fifth Third is required to disclose our own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required by March 31, 2013 and are to be sent to the FRB and publicly disclosed.

In January of 2013, the CFPB issued several final regulations and changes to certain consumer protections under existing laws. These regulations are intended to strengthen consumer protections for high-cost mortgages, amend escrow requirements under the Truth in Lending Act, require mortgage lenders to consider the consumers' ability to repay home loans before extending them credit, implement mortgage servicing rules, amend the Equal Credit Opportunity Act regarding appraisals and other written valuations for first lien residential mortgage loans and revises the Truth in Lending Act to strengthen loan originator qualification requirements and regulate industry compensation practices. These regulations take effect in 2014 except for the escrow requirements and certain provisions of the compensation rules under the Truth in Lending Act which takes effect on June 1, 2013. The Bancorp is currently assessing the impact these new regulations will have on its Consolidated Financial Statements.

Table of Contents

TABLE 2: CONDENSED CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31 ($ in millions, except per share data)	**2012**	2011	2010	2009	2008
Interest income (FTE)	**$4,125**	4,236	4,507	4,687	5,630
Interest expense	**512**	661	885	1,314	2,094
Net interest income (FTE)	**3,613**	3,575	3,622	3,373	3,536
Provision for loan and lease losses	**303**	423	1,538	3,543	4,560
Net interest income (loss) after provision for loan and lease losses (FTE)	**3,310**	3,152	2,084	(170)	(1,024)
Noninterest income	**2,999**	2,455	2,729	4,782	2,946
Noninterest expense	**4,081**	3,758	3,855	3,826	4,564
Income (loss) before income taxes (FTE)	**2,228**	1,849	958	786	(2,642)
Fully taxable equivalent adjustment	**18**	18	18	19	22
Applicable income tax expense (benefit)	**636**	533	187	30	(551)
Net income (loss)	**1,574**	1,298	753	737	(2,113)
Less: Net income attributable to noncontrolling interests	**(2)**	1	—	—	—
Net income (loss) attributable to Bancorp	**1,576**	1,297	753	737	(2,113)
Dividends on preferred stock	**35**	203	250	226	67
Net income (loss) available to common shareholders	**$1,541**	1,094	503	511	(2,180)
Earnings per share	**$ 1.69**	1.20	0.63	0.73	(3.91)
Earnings per diluted share	**1.66**	1.18	0.63	0.67	(3.91)
Cash dividends declared per common share	**$ 0.36**	0.28	0.04	0.04	0.75

Earnings Summary

The Bancorp's net income available to common shareholders for the year ended December 31, 2012 was $1.5 billion, or $1.66 per diluted share, which was net of $35 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the year ended December 31, 2011 was $1.1 billion, or $1.18 per diluted share, which was net of $203 million in preferred stock dividends. The preferred stock dividends during 2011 included $153 million in discount accretion resulting from the Bancorp's repurchase of Series F preferred stock.

Net interest income was $3.6 billion for the years ended December 31, 2012 and 2011. Net interest income was positively impacted by an increase in average loans and leases of $4.6 billion as well as a decrease in interest expense compared to the year ended December 31, 2011. Average interest-earning assets increased $4.0 billion while average interest-bearing liabilities were relatively flat compared to the prior year. In addition, net interest income in 2012 compared to the prior year was negatively impacted by a 28 bps decrease in average yield on average interest-earning assets partially offset by a 21 bps decrease in the average rate paid on interest-bearing liabilities, coupled with a mix shift to lower cost deposits. Net interest margin was 3.55% and 3.66% for the years ended December 31, 2012 and 2011, respectively.

Noninterest income increased $544 million, or 22%, in 2012 compared to 2011. The increase from the prior year was primarily due to an increase in mortgage banking net revenue, corporate banking revenue and other noninterest income partially offset by a decrease in card and processing revenue. Mortgage banking net revenue increased $248 million, or 41%, primarily due to an increase in origination fees and gains on loan sales partially offset by an increase in losses on net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge the MSR portfolio. Corporate banking revenue increased $63 million, or 18%, primarily due to increases in syndication fees, business lending fees, lease remarketing fees and institutional sales. Other noninterest income increased $324 million primarily due to a $115 million gain from the Vantiv, Inc. IPO recognized in the first quarter of 2012 and a $157 million gain from the sale of Vantiv, Inc. shares in the fourth quarter of 2012. Card and processing revenue decreased $55 million, or 18%, primarily as the result of the full year impact of the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011.

Noninterest expense increased $323 million, or nine percent, in 2012 compared to 2011 primarily due to an increase of $170 million in total personnel costs (salaries, wages and incentives plus employee benefits); an increase of $53 million in the provision for representation and warranty claims related to residential mortgage loans sold to third parties; an increase of $177 million in debt extinguishment costs; and a $44 million decrease in the benefit from the provision for unfunded commitments and letters of credit. This activity was partially offset by an $87 million decrease in FDIC insurance and other taxes.

Credit Summary

The Bancorp does not originate subprime mortgage loans and does not hold asset-backed securities backed by subprime mortgage loans in its securities portfolio. However, the Bancorp has exposure to disruptions in the capital markets and weakened economic conditions. Over the last few years, the Bancorp has continued to be negatively affected by high unemployment rates, weakened housing markets, particularly in Michigan and Florida, and a challenging credit environment. Credit trends have improved, and as a result, the provision for loan and lease losses decreased to $303 million in 2012 compared to $423 million in 2011. In addition, net charge-offs as a percent of average portfolio loans and leases decreased to 0.85% during 2012 compared to 1.49% during 2011. At December 31, 2012, nonperforming assets as a percent of loans, leases and other assets, including OREO (excluding nonaccrual loans held for sale) decreased to 1.49%, compared to 2.23% at December 31, 2011. For further discussion on credit quality, see the Credit Risk Management section in MD&A.

Capital Summary

The Bancorp's capital ratios exceed the "well-capitalized" guidelines as defined by the Board of Governors of the Federal Reserve System. As of December 31, 2012, the Tier I risk-based capital ratio was 10.65%, the Tier I leverage ratio was 10.05% and the total risk-based capital ratio was 14.42%.

NON-GAAP FINANCIAL MEASURES

The Bancorp considers various measures when evaluating capital utilization and adequacy, including the tangible equity ratio, tangible common equity ratio and Tier I common equity ratio, in addition to capital ratios defined by banking regulators. These calculations are intended to complement the capital ratios defined by banking regulators for both absolute and comparative purposes. Because U.S. GAAP does not include capital ratio measures, the Bancorp believes there are no comparable U.S. GAAP financial measures to these ratios. These ratios are not formally defined by U.S. GAAP or codified in the federal banking regulations and, therefore, are considered to be non-GAAP financial measures. Since analysts and banking regulators may assess the Bancorp's capital adequacy using these ratios, the Bancorp believes they are useful to provide investors the ability to assess its capital adequacy on the same basis.

The Bancorp believes these non-GAAP measures are important because they reflect the level of capital available to withstand unexpected market conditions. Additionally, presentation of these measures allows readers to compare certain aspects of the Bancorp's capitalization to other organizations. However, because there are no standardized definitions for these ratios, the Bancorp's calculations may not be comparable with other organizations, and the usefulness of these measures to investors may be limited. As a result, the Bancorp encourages readers to consider its Consolidated Financial Statements in their entirety and not to rely on any single financial measure.

The banking regulators issued proposed capital rules (Basel III) in June of 2012 that would substantially amend the existing risk-based capital rules (Basel I) for banks. The Bancorp believes providing an estimate of its capital position based upon its interpretation of these proposed rules is important to complement the existing capital ratios and for comparability to other financial institutions. Since these rules are in proposal stage, they are considered non-GAAP measures and therefore are included in the following non-GAAP financial measures table.

Pre-provision net revenue is net interest income plus noninterest income minus noninterest expense. The Bancorp believes this measure is important because it provides a ready view of the Bancorp's earnings before the impact of provision expense.

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table reconciles non-GAAP financial measures to U.S. GAAP as of and for the years ended December 31:

TABLE 3: NON-GAAP FINANCIAL MEASURES

($ in millions)	2012	2011
Income before income taxes (U.S. GAAP)	**$ 2,210**	1,831
Add: Provision expense (U.S. GAAP)	**303**	423
Pre-provision net revenue	**2,513**	2,254
Net income available to common shareholders (U.S. GAAP)	$ **1,541**	1,094
Add: Intangible amortization, net of tax	**9**	15
Tangible net income available to common shareholders	**1,550**	1,109
Total Bancorp shareholders' equity (U.S. GAAP)	$ **13,716**	13,201
Less: Preferred stock	**(398)**	(398)
Goodwill	**(2,416)**	(2,417)
Intangible assets	**(27)**	(40)
Tangible common equity, including unrealized gains / losses	**10,875**	10,346
Less: Accumulated other comprehensive income	**(375)**	(470)
Tangible common equity, excluding unrealized gains / losses (1)	**10,500**	9,876
Add: Preferred stock	**398**	398
Tangible equity (2)	**10,898**	10,274
Total assets (U.S. GAAP)	$**121,894**	116,967
Less: Goodwill	**(2,416)**	(2,417)
Intangible assets	**(27)**	(40)
Accumulated other comprehensive income, before tax	**(577)**	(723)
Tangible assets, excluding unrealized gains / losses (3)	$**118,874**	113,787
Total Bancorp shareholders' equity (U.S. GAAP)	$ **13,716**	13,201
Less: Goodwill and certain other intangibles	**(2,499)**	(2,514)
Accumulated other comprehensive income	**(375)**	(470)
Add: Qualifying TruPS	**810**	2,248
Other	**33**	38
Tier I risk-based capital	**11,685**	12,503
Less: Preferred stock	**(398)**	(398)
Qualifying TruPS	**(810)**	(2,248)
Qualified noncontrolling interests in consolidated subsidiaries	**(48)**	(50)
Tier I common equity (4)	$ **10,429**	9,807
Risk-weighted assets (5)[(a)]	$**109,699**	104,945
Ratios:		
Tangible equity (2) / (3)	**9.17 %**	9.03
Tangible common equity (1) / (3)	**8.83 %**	8.68
Tier I common equity (4) / (5)	**9.51 %**	9.35
Basel III - Estimated Tier I common equity ratio		
Tier I common equity (Basel I)	**$ 10,429**	
Add: Adjustment related to AOCI for available-for-sale securities	**429**	
Estimated Tier I common equity under Basel III rules[(b)]	**10,858**	
Estimated risk-weighted assets under Basel III rules[(c)]	**123,725**	
Estimated Tier I common equity ratio under Basel III rules	**8.78 %**	

(a)Under the banking agencies' risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together, along with the measure for market risk, resulting in the Bancorp's total risk-weighted assets.

(b)Tier I common equity under Basel III includes the unrealized gains and losses for available-for-sale securities. Other adjustments include mortgage servicing rights and deferred tax assets subject to threshold limitations and deferred tax liabilities related to intangible assets.

(c)Key differences under Basel III in the calculation of risk-weighted assets compared to Basel I include: (1) risk weighting for commitments under 1 year; (2) higher risk weighting for exposures to residential mortgage, home equity, past due loans, foreign banks and certain commercial real estate; (3) higher risk weighting for mortgage servicing rights and deferred tax assets that are under certain thresholds as a percent of Tier I capital; (4) incremental capital requirements for stress VaR; and (5) derivatives are differentiated between exchange clearing and over-the-counter and the 50% risk-weight cap is removed. The estimated Basel III risk-weighted assets are based upon the Bancorp's interpretations of the three draft Federal Register notices proposing enhancements to the regulatory capital requirements that were published in June of 2012. These amounts are preliminary and subject to change depending on the adoption of final Basel III capital rules by the Regulatory Agencies.

Table of Contents

RECENT ACCOUNTING STANDARDS

Note 1 of the Notes to Consolidated Financial Statements provides a discussion of the significant new accounting standards adopted by the Bancorp during 2012 and the expected impact of significant accounting standards issued, but not yet required to be adopted.

CRITICAL ACCOUNTING POLICIES

The Bancorp's Consolidated Financial Statements are prepared in accordance with U.S. GAAP. Certain accounting policies require management to exercise judgment in determining methodologies, economic assumptions and estimates that may materially affect the Bancorp's financial position, results of operations and cash flows. The Bancorp's critical accounting policies include the accounting for the ALLL, reserve for unfunded commitments, income taxes, valuation of servicing rights, fair value measurements and goodwill. No material changes were made to the valuation techniques or models described below during the year ended December 31, 2012.

ALLL

The Bancorp disaggregates its portfolio loans and leases into portfolio segments for purposes of determining the ALLL. The Bancorp's portfolio segments include commercial, residential mortgage, and consumer. The Bancorp further disaggregates its portfolio segments into classes for purposes of monitoring and assessing credit quality based on certain risk characteristics. Classes within the commercial portfolio segment include commercial and industrial, commercial mortgage owner-occupied, commercial mortgage nonowner-occupied, commercial construction, and commercial leasing. The residential mortgage portfolio segment is also considered a class. Classes within the consumer portfolio segment include home equity, automobile, credit card, and other consumer loans and leases. For an analysis of the Bancorp's ALLL by portfolio segment and credit quality information by class, see Note 6 of the Notes to Consolidated Financial Statements.

The Bancorp maintains the ALLL to absorb probable loan and lease losses inherent in its portfolio segments. The ALLL is maintained at a level the Bancorp considers to be adequate and is based on ongoing quarterly assessments and evaluations of the collectability and historical loss experience of loans and leases. Credit losses are charged and recoveries are credited to the ALLL. Provisions for loan and lease losses are based on the Bancorp's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating probable credit losses. The Bancorp's strategy for credit risk management includes a combination of conservative exposure limits significantly below legal lending limits and conservative underwriting, documentation and collections standards. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

The Bancorp's methodology for determining the ALLL is based on historical loss rates, current credit grades, specific allocation on loans modified in a TDR and impaired commercial credits above specified thresholds and other qualitative adjustments. Allowances on individual commercial loans, TDRs and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience. An unallocated allowance is maintained to recognize the imprecision in estimating and measuring losses when evaluating allowances for individual loans or pools of loans.

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses, as well as loans that have been modified in a TDR, are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include the industry and geographic region of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. When individual loans are impaired, allowances are determined based on management's estimate of the borrower's ability to repay the loan given the availability of collateral and other sources of cash flow, as well as an evaluation of legal options available to the Bancorp. Allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, fair value of the underlying collateral or readily observable secondary market values. The Bancorp evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Historical credit loss rates are applied to commercial loans that are not impaired or are impaired, but smaller than the established threshold of $1 million and thus not subject to specific allowance allocations. The loss rates are derived from a migration analysis, which tracks the historical net charge-off experience sustained on loans according to their internal risk grade. The risk grading system utilized for allowance analysis purposes encompasses ten categories.

Homogenous loans and leases in the residential mortgage and consumer portfolio segments are not individually risk graded. Rather, standard credit scoring systems and delinquency monitoring are used to assess credit risks, and allowances are established based on the expected net charge-offs. Loss rates are based on the trailing twelve month net charge-off history by loan category. Historical loss rates may be adjusted for certain prescriptive and qualitative factors that, in management's judgment, are necessary to reflect losses inherent in the portfolio. Factors that management considers in the analysis include the effects of the national and local economies; trends in the nature and volume of delinquencies, charge-offs and nonaccrual loans; changes in loan mix; credit score migration comparisons; asset quality trends; risk management and loan administration; changes in the internal lending policies and credit standards; collection practices; and examination results from bank regulatory agencies and the Bancorp's internal credit reviewers.

The Bancorp's primary market areas for lending are the Midwestern and Southeastern regions of the United States. When evaluating the adequacy of allowances, consideration is given to these regional geographic concentrations and the closely associated effect changing economic conditions have on the Bancorp's customers.

Reserve for Unfunded Commitments

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities and is included in other liabilities in the Consolidated Balance Sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates based on credit grade migration. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the Bancorp

ALLL, as discussed above. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the Consolidated Statements of Income.

Income Taxes

The Bancorp estimates income tax expense based on amounts expected to be owed to the various tax jurisdictions in which the Bancorp conducts business. On a quarterly basis, management assesses the reasonableness of its effective tax rate based upon its current estimate of the amount and components of net income, tax credits and the applicable statutory tax rates expected for the full year. The estimated income tax expense is recorded in the Consolidated Statements of Income.

Deferred income tax assets and liabilities are determined using the balance sheet method and are reported in other assets and accrued taxes, interest and expenses, respectively, in the Consolidated Balance Sheets. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and reflects enacted changes in tax rates and laws. Deferred tax assets are recognized to the extent they exist and are subject to a valuation allowance based on management's judgment that realization is more likely than not. This analysis is performed on a quarterly basis and includes an evaluation of all positive and negative evidence to determine whether realization is more likely than not.

Accrued taxes represent the net estimated amount due to taxing jurisdictions and are reported in accrued taxes, interest and expenses in the Consolidated Balance Sheets. The Bancorp evaluates and assesses the relative risks and appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent and other information and maintains tax accruals consistent with its evaluation of these relative risks and merits. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred taxes and accrued taxes as well as the current period's income tax expense and can be significant to the operating results of the Bancorp. For additional information on income taxes, see Note 19 of the Notes to Consolidated Financial Statements.

Valuation of Servicing Rights

When the Bancorp sells loans through either securitizations or individual loan sales in accordance with its investment policies, it often obtains servicing rights. Servicing rights resulting from loan sales are initially recorded at fair value and subsequently amortized in proportion to, and over the period of, estimated net servicing revenue. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance. Key economic assumptions used in measuring any potential impairment of the servicing rights include the prepayment speeds of the underlying loans, the weighted-average life, the discount rate, the weighted-average coupon and the weighted-average default rate, as applicable. The primary risk of material changes to the value of the servicing rights resides in the potential volatility in the economic assumptions used, particularly the prepayment speeds. The Bancorp monitors risk and adjusts its valuation allowance as necessary to adequately reserve for impairment in the servicing portfolio. For purposes of measuring impairment, the mortgage servicing rights are stratified into classes based on the financial asset type (fixed rate vs. adjustable rate) and interest rates. For additional information on servicing rights, see Note 11 of the Notes to Consolidated Financial Statements.

Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques the Bancorp uses to measure fair value include the market approach, income approach and cost approach. The market approach uses prices or relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach involves discounting future amounts to a single present amount and is based on current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of the asset.

U.S. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bancorp has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Bancorp's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Bancorp's own financial data such as internally developed pricing models and discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The Bancorp's fair value measurements involve various valuation techniques and models, which involve inputs that are observable, when available. Valuation techniques and parameters used for measuring assets and liabilities are reviewed and validated by the Bancorp on a quarterly basis. Additionally, the Bancorp monitors the fair values of significant assets and liabilities using a variety of methods including the evaluation of pricing runs and exception reports based on certain analytical criteria, comparison to previous trades and overall review and assessments for reasonableness. The following is a summary of valuation techniques utilized by the Bancorp for its significant assets and liabilities measured at fair value on a recurring basis.

Available-for-sale and trading securities
Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics. Non-agency mortgage-backed securities and other asset-backed securities are generally valued using an income approach based on discounted cash flows, incorporating prepayment speeds, performance of underlying collateral and specific tranche-level attributes. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Residential mortgage loans held for sale and held for investment
For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, discounted cash flow models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral, and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage-backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the discounted cash flow model. These observable inputs include interest rate spreads from agency mortgage-backed securities market rates and observable discount rates. For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy.

Derivatives
Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties, and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At December 31, 2012, derivatives classified as Level 3, which are valued using an option-pricing model containing unobservable inputs, consisted primarily of warrants associated with the sale of the processing business to Advent International and a total return swap associated with the Bancorp's sale of its Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

In addition to the assets and liabilities measured at fair value on a recurring basis, the Bancorp measures servicing rights, certain loans and long-lived assets at fair value on a nonrecurring basis. Refer to Note 26 of the Notes to Consolidated Financial Statements for further information on fair value measurements.

Goodwill
Business combinations entered into by the Bancorp typically include the acquisition of goodwill. U.S. GAAP requires goodwill to be tested for impairment at the Bancorp's reporting unit level on an annual basis, which for the Bancorp is September 30, and more frequently if events or circumstances indicate that there may be impairment. The Bancorp has determined that its segments qualify as reporting units under U.S. GAAP.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its implied fair value. In testing goodwill for impairment, U.S. GAAP permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform the first step (Step 1) of the goodwill impairment test, and continue to the second step (Step 2), if necessary. Step 1 compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, Step 2 of the goodwill impairment test is performed to measure the amount of impairment loss, if any.

The fair value of a reporting unit is the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Since none of the Bancorp's reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to the Bancorp's stock price. To determine the fair value of a reporting unit, the Bancorp employs an income-based approach, utilizing the reporting unit's forecasted cash flows (including a terminal value approach to estimate cash flows beyond the final year of the forecast) and the reporting unit's estimated cost of equity as the discount rate. Additionally, the Bancorp determines its market capitalization based on the average of the closing price of the Bancorp's stock during the month including the measurement date, incorporating an additional control premium, and compares this market-based fair value measurement to the aggregate fair value of the Bancorp's reporting units in order to corroborate the results of the income approach.

When required to perform Step 2, the Bancorp compares the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount exceeds the implied fair value, an impairment loss equal to that excess amount is

recognized. A recognized impairment loss cannot exceed the carrying amount of that goodwill and cannot be reversed in future periods even if the fair value of the reporting unit recovers.

During Step 2, the Bancorp determines the implied fair value of goodwill for a reporting unit by assigning the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. This assignment process is only performed for purposes of testing goodwill for impairment. The Bancorp does not adjust the carrying values of recognized assets or liabilities (other than goodwill, if appropriate), nor recognize previously unrecognized intangible assets in the Consolidated Financial Statements as a result of this assignment process. Refer to Note 8 of the Notes to Consolidated Financial Statements for further information regarding the Bancorp's goodwill.

RISK FACTORS

The risks listed below present risks that could have a material impact on the Bancorp's financial condition, the results of its operations, or its business.

RISKS RELATING TO ECONOMIC AND MARKET CONDITIONS

Weakness in the U.S. economy and in the real estate market, including specific weakness within Fifth Third's geographic footprint, has adversely affected Fifth Third and may continue to adversely affect Fifth Third.

If the strength of the U.S. economy in general or the strength of the local economies in which Fifth Third conducts operations declines or does not improve in a reasonable time frame, this could result in, among other things, a deterioration in credit quality or a reduced demand for credit, including a resultant effect on Fifth Third's loan portfolio and ALLL and in the receipt of lower proceeds from the sale of loans and foreclosed properties. A portion of Fifth Third's residential mortgage and commercial real estate loan portfolios are comprised of borrowers in Florida, whose markets have been particularly adversely affected by job losses, declines in real estate value, declines in home sale volumes, and declines in new home building. These factors could result in higher delinquencies, greater charge-offs and increased losses on foreclosed real estate in future periods, which could materially adversely affect Fifth Third's financial condition and results of operations.

The global financial markets continue to be strained as a result of economic slowdowns and concerns, especially about the creditworthiness of the European Union member states and financial institutions in the European Union. These factors could have international implications, which could hinder the U.S. economic recovery and affect the stability of global financial markets.

Certain European Union member states have fiscal obligations greater than their fiscal revenue, which has caused investor concern over such countries' ability to continue to service their debt and foster economic growth in their economies. During 2011, the European debt crisis caused spreads to widen in the fixed income debt markets and liquidity to be less abundant. The European debt crisis and measures adopted to address it have significantly weakened European economies. A weaker European economy may cause investors to lose confidence in the safety and soundness of European financial institutions and the stability of European member economies. A failure to adequately address sovereign debt concerns in Europe could hamper economic recovery or contribute to recessionary economic conditions and severe stress in the financial markets, including in the United States. Should the U.S. economic recovery be adversely impacted by these factors, the likelihood for loan and asset growth at U.S. financial institutions, like Fifth Third, may deteriorate.

Changes in interest rates could affect Fifth Third's income and cash flows.

Fifth Third's income and cash flows depend to a great extent on the difference between the interest rates earned on interest-earning assets such as loans and investment securities, and the interest rates paid on interest-bearing liabilities such as deposits and borrowings. These rates are highly sensitive to many factors that are beyond Fifth Third's control, including general economic conditions and the policies of various governmental and regulatory agencies (in particular, the FRB). Changes in monetary policy, including changes in interest rates, will influence the origination of loans, the prepayment speed of loans, the purchase of investments, the generation of deposits and the rates received on loans and investment securities and paid on deposits or other sources of funding. The impact of these changes may be magnified if Fifth Third does not effectively manage the relative sensitivity of its assets and liabilities to changes in market interest rates. Fluctuations in these areas may adversely affect Fifth Third and its shareholders.

Potential changes in determining LIBOR could affect Fifth Third's debt securities and other financial obligations.

Beginning in 2008, concerns have been raised about the accuracy of the calculation of the daily LIBOR, which is currently overseen by the BBA. Fifth Third was not and is not a LIBOR panelist surveyed for LIBOR estimates. The BBA has taken steps to change the process for determining LIBOR by increasing the number of banks surveyed to set LIBOR and to strengthen the oversight of the process. In addition a report published in September 2012, set forth recommendations relating to the setting and administration of LIBOR, and the United Kingdom government has announced that it intends to incorporate these recommendations in the new legislation.

At the present time, it is uncertain what changes, if any, may be required or made by the United Kingdom government or other governmental or regulatory authorities in the method for determining LIBOR. Accordingly, it is not apparent whether or to what extent any such changes would have an adverse impact on the value of any LIBOR-linked debt securities issued by Fifth Third or any loans, derivatives and other financial obligations or extensions of credit for which Fifth Third is an obligor, or whether or to what extent any such changes would have an adverse effect on the value of any LIBOR-linked securities, loans, derivatives and other financial obligations or extensions of credit held by or due to Fifth Third or on Fifth Third's financial condition or results of operations.

Changes and trends in the capital markets may affect Fifth Third's income and cash flows.

Fifth Third enters into and maintains trading and investment positions in the capital markets on its own behalf and manages investment positions on behalf of its customers. These investment positions include derivative financial instruments. The revenues and profits Fifth Third derives from managing proprietary and customer trading and investment positions are dependent on market prices. Market changes and trends may result in a decline in investment advisory revenue or investment or trading losses that may materially affect Fifth Third. Losses on behalf of its customers could expose Fifth Third to litigation, credit risks or loss of revenue from those customers. Additionally, substantial losses in Fifth Third's trading and investment positions could lead to a loss with respect to those investments and may adversely affect cash flows and funding costs.

The removal or reduction in stimulus activities sponsored by the Federal Government and its agents may have a negative impact on Fifth Third's results and operations.

The Federal Government has intervened in an unprecedented manner to stimulate economic growth. The expiration or rescission of any of these programs and actions may have an adverse impact on Fifth Third's operating results by increasing interest rates, increasing the cost of funding, and reducing the demand for loan products, including mortgage loans.

Problems encountered by financial institutions larger than or similar to Fifth Third could adversely affect financial markets generally and have indirect adverse effects on Fifth Third.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships between the institutions. As a result, concerns about, or a default or threatened default by, one institution could lead to significant market-wide liquidity and credit problems, losses or defaults by other institutions. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Bancorp interacts on a daily basis, and therefore could adversely affect Fifth Third.

Fifth Third's stock price is volatile.

Fifth Third's stock price has been volatile in the past and several factors could cause the price to fluctuate substantially in the future. These factors include:

- Actual or anticipated variations in earnings;
- Changes in analysts' recommendations or projections;
- Fifth Third's announcements of developments related to its businesses;
- Operating and stock performance of other companies deemed to be peers;
- Actions by government regulators;
- New technology used or services offered by traditional and non-traditional competitors;
- News reports of trends, concerns and other issues related to the financial services industry;
- Natural disasters;
- Geopolitical conditions such as acts or threats of terrorism or military conflicts.

The price for shares of Fifth Third's common stock may fluctuate significantly in the future, and these fluctuations may be unrelated to Fifth Third's performance. General market price declines or market volatility in the future could adversely affect the price for shares of Fifth Third's common stock, and the current market price of such shares may not be indicative of future market prices.

RISKS RELATING TO FIFTH THIRD'S GENERAL BUSINESS

Deteriorating credit quality, particularly in real estate loans, has adversely impacted Fifth Third and may continue to adversely impact Fifth Third.

When Fifth Third lends money or commits to lend money the Bancorp incurs credit risk or the risk of losses if borrowers do not repay their loans. The credit performance of the loan portfolios significantly affects the Bancorp's financial results and condition. If the current economic environment were to deteriorate, more customers may have difficulty in repaying their loans or other obligations which could result in a higher level of credit losses and reserves for credit losses. Fifth Third reserves for credit losses by establishing reserves through a charge to earnings. The amount of these reserves is based on Fifth Third's assessment of credit losses inherent in the loan portfolio (including unfunded credit commitments). The process for determining the amount of the allowance for loan and lease losses and the reserve for unfunded commitments is critical to Fifth Third's financial results and condition. It requires difficult, subjective and complex judgments about the environment, including analysis of economic or market conditions that might impair the ability of borrowers to repay their loans.

Fifth Third might underestimate the credit losses inherent in its loan portfolio and have credit losses in excess of the amount reserved. Fifth Third might increase the reserve because of changing economic conditions, including falling home prices or higher unemployment, or other factors such as changes in borrower's behavior. As an example, borrowers may "strategically default," or discontinue making payments on their real estate-secured loans if the value of the real estate is less than what they owe, even if they are still financially able to make the payments.

Fifth Third believes that both the allowance for loan and lease losses and reserve for unfunded commitments are adequate to cover inherent losses at December 31, 2012; however, there is no assurance that they will be sufficient to cover future credit losses, especially if housing and employment conditions worsen. In the event of significant deterioration in economic conditions, Fifth Third may be required to increase reserves in future periods, which would reduce earnings.

For more information, refer to the "Risk Management—Credit Risk Management," "Critical Accounting Policies—Allowance for Loan and Leases," and "Reserve for Unfunded Commitments" of the MD&A.

Fifth Third must maintain adequate sources of funding and liquidity.

Fifth Third must maintain adequate funding sources in the normal course of business to support its operations and fund outstanding liabilities, as well as meet regulatory expectations. Fifth Third primarily relies on bank deposits to be a low cost and stable source of funding for the loans Fifth Third makes and the operations of Fifth Third's business. Core customer deposits, which include transaction deposits and other time deposits, have historically provided Fifth Third with a sizeable source of relatively stable and low-cost funds (average core deposits funded 70% of average total assets at December 31, 2012). In addition to customer deposits, sources of liquidity include investments in the securities portfolio, Fifth Third's ability to sell or securitize loans in secondary markets and to pledge loans to access secured borrowing facilities through the FHLB and the FRB, and Fifth Third's ability to raise funds in domestic and international money and capital markets.

Fifth Third's liquidity and ability to fund and run the business could be materially adversely affected by a variety of conditions and factors, including financial and credit market disruptions and volatility or a lack of market or customer confidence in financial markets in general similar to what occurred during the financial crisis in 2008 and early 2009, which may result in a loss of customer deposits or outflows of cash or collateral and/or ability to access capital markets on favorable terms.

Other conditions and factors that could materially adversely affect Fifth Third's liquidity and funding include a lack of market or customer confidence in Fifth Third or negative news about Fifth Third or the financial services industry generally which also may result in a loss of deposits and/or negatively affect the ability to access the capital markets; the loss of customer deposits to alternative investments; inability to sell or securitize loans or other assets, and reductions in one or more of Fifth Third's credit ratings. A reduced credit rating could adversely affect Fifth Third's ability to borrow funds and raise the cost of borrowings substantially and could cause creditors and business counterparties to raise collateral requirements or take other actions that could adversely affect Fifth Third's ability to raise capital. Many of the above conditions and factors may be caused by events over which Fifth Third has little or no control such as what occurred during the financial crisis. While market conditions have stabilized and, in many cases, improved, there can be no assurance that significant disruption and volatility in the financial markets will not occur in the future.

Other material adverse effects could include a reduction in Fifth Third's credit ratings resulting from a further decrease in the probability of government support for large financial institutions such as Fifth Third assumed by the ratings agencies in their current credit ratings.

If Fifth Third is unable to continue to fund assets through customer bank deposits or access capital markets on favorable terms or if Fifth Third suffers an increase in borrowing costs or otherwise fails to manage liquidity effectively; liquidity, operating margins, financial results and condition may be materially adversely affected. As Fifth Third did during the financial crisis, it may also need to raise additional capital through the issuance of stock, which could dilute the ownership of existing stockholders, or reduce or even eliminate common stock dividends to preserve capital.

Fifth Third may have more credit risk and higher credit losses to the extent loans are concentrated by location of the borrower or collateral.

Fifth Third's credit risk and credit losses can increase if its loans are concentrated to borrowers engaged in the same or similar activities or to borrowers who as a group may be uniquely or disproportionately affected by economic or market conditions. Deterioration in economic conditions, housing conditions and real estate values in these states and generally across the country could result in materially higher credit losses.

Fifth Third may be required to repurchase residential mortgage loans or reimburse investors and others as a result of breaches in contractual representations and warranties.

Fifth Third sells residential mortgage loans to various parties, including GSEs and other financial institutions that purchase residential mortgage loans for investment or private label securitization. Fifth Third may be required to repurchase residential mortgage loans, indemnify the securitization trust, investor or insurer, or reimburse the securitization trust, investor or insurer for credit losses incurred on loans in the event of a breach of contractual representations or warranties that is not remedied within a period (usually 60 days or less) after Fifth Third receives notice of the breach. Contracts for residential mortgage loan sales to the GSEs include various types of specific remedies and penalties that could be applied to inadequate responses to repurchase requests. If economic conditions and the housing market do not recover or future investor repurchase demand and success at appealing repurchase requests differ from past experience, Fifth Third could continue to have increased repurchase obligations and increased loss severity on repurchases, requiring material additions to the repurchase reserve.

If Fifth Third does not adjust to rapid changes in the financial services industry, its financial performance may suffer.

Fifth Third's ability to deliver strong financial performance and returns on investment to shareholders will depend in part on its ability to expand the scope of available financial services to meet the needs and demands of its customers. In addition to the challenge of competing against other banks in attracting and retaining customers for traditional banking services, Fifth Third's competitors also include securities dealers, brokers, mortgage bankers, investment advisors, specialty finance and insurance companies who seek to offer one-stop financial services that may include services that banks have not been able or allowed to offer to their customers in the past or may not be currently able or allowed to offer. This increasingly competitive environment is primarily a result of changes in regulation, changes in technology and product delivery systems, as well as the accelerating pace of consolidation among financial service providers.

If Fifth Third is unable to grow its deposits, it may be subject to paying higher funding costs.

The total amount that Fifth Third pays for funding costs is dependent, in part, on Fifth Third's ability to grow its deposits. If Fifth Third is unable to sufficiently grow its deposits, it may be subject to paying higher funding costs. Fifth Third competes with banks and other financial services companies for deposits. If competitors raise the rates they pay on deposits, Fifth Third's funding costs may increase, either because Fifth Third raises rates to avoid losing deposits or because Fifth Third loses deposits and must rely on more expensive sources of funding. Higher funding costs reduce our net interest margin and net interest income. Fifth Third's bank customers could take their money out of the bank and put it in alternative investments, causing Fifth Third to lose a lower cost source of funding. Checking and savings account balances and other forms of customer deposits may decrease when customers perceive alternative investments, such as the stock market, as providing a better risk/return tradeoff.

The Bancorp's ability to receive dividends from its subsidiaries accounts for most of its revenue and could affect its liquidity and ability to pay dividends.

Fifth Third Bancorp is a separate and distinct legal entity from its subsidiaries. Fifth Third Bancorp typically receives substantially all of its revenue from dividends from its subsidiaries. These dividends are the principal source of funds to pay dividends on Fifth Third Bancorp's stock and interest and principal on its debt. Various federal and/or state laws and regulations, as well as regulatory expectations, limit the amount of dividends that the Bancorp's banking subsidiary and certain nonbank subsidiaries may pay. Regulatory scrutiny of capital levels at bank holding companies and insured depository institution subsidiaries has increased since the financial crisis and has resulted in increased regulatory focus on all aspects of capital planning, including dividends and other distributions to shareholders of banks such as the parent bank holding companies. Also, Fifth Third Bancorp's right to participate in a distribution of assets upon a subsidiary's liquidation or reorganization is subject to the prior claims of that subsidiary's creditors. Limitations on the Bancorp's ability to receive dividends from its subsidiaries could have a material adverse effect on its liquidity and ability to pay dividends on stock or interest and principal on its debt.

The financial services industry is highly competitive and creates competitive pressures that could adversely affect Fifth Third's revenue and profitability.

The financial services industry in which Fifth Third operates is highly competitive. Fifth Third competes not only with commercial banks, but also with insurance companies, mutual funds, hedge funds, and other companies offering financial services in the U.S., globally and over the internet. Fifth Third competes on the basis of several factors, including capital, access to capital, revenue generation, products, services, transaction execution, innovation, reputation and price. Over time, certain sectors of the financial services industry have become more concentrated, as institutions involved in a broad range of financial services have been acquired by or merged into other firms. These developments could result in Fifth Third's competitors gaining greater capital and other resources, such as a broader range of products and services and geographic diversity. Fifth Third may experience pricing pressures as a result of these factors and as some of its competitors seek to increase market share by reducing prices.

Fifth Third and/or the holders of its securities could be adversely affected by unfavorable ratings from rating agencies.

Fifth Third's ability to access the capital markets is important to its overall funding profile. This access is affected by the ratings assigned by rating agencies to Fifth Third, certain of its subsidiaries and particular classes of securities they issue. The interest rates that Fifth Third pays on its securities are also influenced by, among other things, the credit ratings that it, its subsidiaries and/or its securities receive from recognized rating agencies. A downgrade to Fifth Third or its subsidiaries' credit rating could affect its ability to access the capital markets, increase its borrowing costs and negatively impact its profitability. A ratings downgrade to Fifth Third, its subsidiaries or their securities could also create obligations or liabilities to Fifth Third under the terms of its outstanding securities that could increase Fifth Third's costs or otherwise have a negative effect on its results of operations or financial condition. Additionally, a downgrade of the credit rating of any particular security issued by Fifth Third or its subsidiaries could negatively affect the ability of the holders of that security to sell the securities and the prices at which any such securities may be sold.

Fifth Third could suffer if it fails to attract and retain skilled personnel.

Fifth Third's success depends, in large part, on its ability to attract and retain key individuals. Competition for qualified candidates in the activities and markets that Fifth Third serves is great and Fifth Third may not be able to hire these candidates and retain them. If Fifth Third is not able to hire or retain these key individuals, Fifth Third may be unable to execute its business strategies and may suffer adverse consequences to its business, operations and financial condition.

In June 2010, the federal banking agencies issued joint guidance on executive compensation designed to help ensure that a banking organization's incentive compensation policies do not encourage imprudent risk taking and are consistent with the safety and soundness of the organization. In addition, the Dodd-Frank Act requires those agencies, along with the SEC, to adopt rules to require reporting of incentive compensation and to prohibit certain compensation arrangements. The federal banking agencies and the SEC proposed such rules in April 2011. In addition, in June 2012, the SEC issued final rules to implement Dodd-Frank's requirement that the SEC direct the national securities exchanges to adopt certain listing standards related to the compensation committee of a company's board of directors as well as its compensation advisers. If Fifth Third is unable to attract and retain qualified employees, or do so at rates necessary to maintain its competitive position, or if compensation costs required to attract and retain employees become more expensive, Fifth Third's performance, including its competitive position, could be materially adversely affected.

Fifth Third's mortgage banking revenue can be volatile from quarter to quarter.

Fifth Third earns revenue from the fees it receives for originating mortgage loans and for servicing mortgage loans. When rates rise, the demand for mortgage loans tends to fall, reducing the revenue Fifth Third receives from loan originations. At the same time, revenue from MSRs can increase through increases in fair value. When rates fall, mortgage originations tend to increase and the value of MSRs tends to decline, also with some offsetting revenue effect. Even though the origination of mortgage loans can act as a "natural hedge," the hedge is not perfect, either in amount or timing. For example, the negative effect on revenue from a decrease in the fair value of residential MSRs is immediate, but any offsetting revenue benefit from more originations and the MSRs relating to the new loans would accrue over time. It is also possible that, because of the recession and deteriorating housing market, even if interest rates were to fall, mortgage originations may also fall or any increase in mortgage originations may not be enough to offset the decrease in the MSRs value caused by the lower rates.

Fifth Third typically uses derivatives and other instruments to hedge its mortgage banking interest rate risk. Fifth Third generally does not hedge all of its risks, and the fact that Fifth Third attempts to hedge any of the risks does not mean Fifth Third will be successful. Hedging is a complex process, requiring sophisticated models and constant monitoring. Fifth Third may use hedging instruments tied to U.S. Treasury rates, LIBOR or Eurodollars that may not perfectly correlate with the value or income being hedged. Fifth Third could incur significant losses from its hedging activities. There may be periods where Fifth Third elects not to use derivatives and other instruments to hedge mortgage banking interest rate risk.

Fifth Third uses financial models for business planning purposes that may not adequately predict future results.

Fifth Third uses financial models to aid in its planning for various purposes including its capital and liquidity needs, potential charge-offs, reserves, and other purposes. The models used may not accurately account for all variables that could affect future results, may fail to predict outcomes accurately and/or may overstate or understate certain effects. As a result of these potential failures, Fifth Third may not adequately prepare for future events and may suffer losses or other setbacks due to these failures.

Changes in interest rates could also reduce the value of MSRs.

Fifth Third acquires MSRs when it keeps the servicing rights after the sale or securitization of the loans that have been originated or when it purchases the servicing rights to mortgage loans originated by other lenders. Fifth Third initially measures all residential MSRs at fair value and subsequently amortizes the MSRs in proportion to, and over the period of, estimated net servicing income. Fair value is the present value of estimated future net servicing income, calculated based on a number of variables, including assumptions about the likelihood of prepayment by borrowers. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance.

Changes in interest rates can affect prepayment assumptions and thus fair value. When interest rates fall, borrowers are usually more likely to prepay their mortgage loans by refinancing them at a lower rate. As the likelihood of prepayment increases, the fair value of MSRs can decrease. Each quarter Fifth Third evaluates the fair value of MSRs, and decreases in fair value below amortized cost reduce earnings in the period in which the decrease occurs.

The preparation of Fifth Third's financial statements requires the use of estimates that may vary from actual results.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make significant estimates that affect the financial statements. See the "Critical Accounting Policies" section of the MD&A for more information regarding management's significant estimates. Additionally, Fifth Third's litigation reserve is a management estimate which is regularly reviewed for accuracy.

Fifth Third regularly reviews its litigation reserve for adequacy considering its litigation risks and probability of incurring losses related to litigation. However, Fifth Third cannot be certain that its current litigation reserves will be adequate over time to cover its losses in litigation due to higher than anticipated settlement costs, prolonged litigation, adverse judgments, or other factors that are largely outside of Fifth Third's control. If Fifth Third's litigation

reserves are not adequate, Fifth Third's business, financial condition, including its liquidity and capital, and results of operations could be materially adversely affected. Additionally, in the future, Fifth Third may increase its litigation reserves, which could have a material adverse effect on its capital and results of operations.

Changes in accounting standards or interpretations could impact Fifth Third's reported earnings and financial condition.

The accounting standard setters, including the FASB, the SEC and other regulatory agencies, periodically change the financial accounting and reporting standards that govern the preparation of Fifth Third's consolidated financial statements. These changes can be hard to predict and can materially impact how Fifth Third records and reports its financial condition and results of operations. In some cases, Fifth Third could be required to apply a new or revised standard retroactively, which would result in the recasting of Fifth Third's prior period financial statements.

Future acquisitions may dilute current shareholders' ownership of Fifth Third and may cause Fifth Third to become more susceptible to adverse economic events.

Future business acquisitions could be material to Fifth Third and it may issue additional shares of stock to pay for those acquisitions, which would dilute current shareholders' ownership interests. Acquisitions also could require Fifth Third to use substantial cash or other liquid assets or to incur debt. In those events, Fifth Third could become more susceptible to economic downturns and competitive pressures.

Difficulties in combining the operations of acquired entities with Fifth Third's own operations may prevent Fifth Third from achieving the expected benefits from its acquisitions.

Inherent uncertainties exist when integrating the operations of an acquired entity. Fifth Third may not be able to fully achieve its strategic objectives and planned operating efficiencies in an acquisition. In addition, the markets and industries in which Fifth Third and its potential acquisition targets operate are highly competitive. Fifth Third may lose customers or the customers of acquired entities as a result of an acquisition. Future acquisition and integration activities may require Fifth Third to devote substantial time and resources and as a result Fifth Third may not be able to pursue other business opportunities.

After completing an acquisition, Fifth Third may find certain items are not accounted for properly in accordance with financial accounting and reporting standards. Fifth Third may also not realize the expected benefits of the acquisition due to lower financial results pertaining to the acquired entity. For example, Fifth Third could experience higher charge-offs than originally anticipated related to the acquired loan portfolio.

Fifth Third may sell or consider selling one or more of its businesses. Should it determine to sell such a business, it may not be able to generate gains on sale or related increase in shareholders' equity commensurate with desirable levels. Moreover, if Fifth Third sold such businesses, the loss of income could have an adverse effect on its earnings and future growth.

Fifth Third owns several non-strategic businesses that are not significantly synergistic with its core financial services businesses. Fifth Third has, from time to time, considered the sale of such businesses. If it were to determine to sell such businesses, Fifth Third would be subject to market forces that may make completion of a sale unsuccessful or may not be able to do so within a desirable time frame. If Fifth Third were to complete the sale of non-core businesses, it would suffer the loss of income from the sold businesses, and such loss of income could have an adverse effect on its future earnings and growth.

Fifth Third relies on its systems and certain service providers, and certain failures could materially adversely affect operations.

Fifth Third collects, processes and stores sensitive consumer data by utilizing computer systems and telecommunications networks operated by both Fifth Third and third party service providers. Fifth Third has security, backup and recovery systems in place, as well as a business continuity plan to ensure the system will not be inoperable. Fifth Third also has security to prevent unauthorized access to the system. In addition, Fifth Third requires its third party service providers to maintain similar controls. However, Fifth Third cannot be certain that the measures will be successful. A security breach in the system and loss of confidential information such as credit card numbers and related information could result in losing the customers' confidence and thus the loss of their business as well as additional significant costs for privacy monitoring activities.

Fifth Third's necessary dependence upon automated systems to record and process its transaction volume poses the risk that technical system flaws or employee errors, tampering or manipulation of those systems will result in losses and may be difficult to detect. Fifth Third may also be subject to disruptions of its operating systems arising from events that are beyond its control (for example, computer viruses or electrical or telecommunications outages). Fifth Third is further exposed to the risk that its third party service providers may be unable to fulfill their contractual obligations (or will be subject to the same risk of fraud or operational errors as Fifth Third). These disruptions may interfere with service to Fifth Third's customers and result in a financial loss or liability.

Fifth Third is exposed to cyber-security risks, including denial of service, hacking, and identity theft.

Recently, there has been a well-publicized series of apparently related distributed denial of service attacks on large financial services companies, including Fifth Third Bank. Distributed denial of service attacks are designed to saturate the targeted online network with excessive amounts of network traffic, resulting in slow response times, or in some cases, causing the site to be temporarily unavailable. To date these attacks have not been intended to steal financial data, but meant to interrupt or suspend a company's Internet service. These events did not result in a breach of Fifth Third's client data and account information remained secure; however, the attacks did adversely affect the performance of Fifth Third's website and in some instances prevented customers from accessing Fifth Third's website. While the event was resolved in a timely fashion and primarily resulted in inconvenience to our customers, future cyber-attacks could be more disruptive and damaging. Hacking and identity theft risks, in particular, could cause serious reputational harm. Cyber threats are rapidly evolving and Fifth Third may not be able to anticipate or prevent all such attacks. Fifth Third may incur increasing costs in an effort to minimize these risks and could be held liable for any security breach or loss.

Fifth Third is exposed to operational and reputational risk.

Fifth Third is exposed to many types of operational risk, including reputational risk, legal and compliance risk, environmental risks from its properties, the risk of fraud or theft by employees, customers or outsiders, unauthorized transactions by employees, operating system disruptions or operational errors.

Negative public opinion can result from Fifth Third's actual or alleged conduct in activities, such as lending practices, data security, corporate governance and acquisitions, and may damage Fifth Third's reputation. Additionally, actions taken by government regulators and community organizations may also damage Fifth Third's reputation. This negative public opinion can adversely affect Fifth Third's ability to attract and keep customers and can expose it to litigation and regulatory action.

The results of Vantiv, LLC could have a negative impact on Fifth Third's operating results and financial condition.

During the second quarter of 2009, Fifth Third sold an approximate 51% interest in its processing business, Vantiv, LLC (formerly Fifth Third Processing Solutions). As a result of the Vantiv, Inc. IPO, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 39% in the first quarter of 2012. In addition, Fifth Third sold an approximate 6% interest during the fourth quarter of 2012. Based on Fifth Third's current ownership share in Vantiv Holding, LLC, of approximately 33%, Vantiv Holding, LLC is accounted for under the equity method and is not consolidated. Poor operating results of Vantiv, LLC could negatively affect the operating results of Fifth Third. In addition, Fifth Third participates in a multi lender credit facility to Vantiv Holding, LLC and repayment of these loans is contingent on future cash flows from Vantiv Holding, LLC.

Weather related events or other natural disasters may have an effect on the performance of Fifth Third's loan portfolios, especially in its coastal markets, thereby adversely impacting its results of operations.

Fifth Third's footprint stretches from the upper Midwestern to lower Southeastern regions of the United States. This area has experienced weather events including hurricanes and other natural disasters. The nature and level of these events and the impact of global climate change upon their frequency and severity cannot be predicted. If large scale events occur, they may significantly impact its loan portfolios by damaging properties pledged as collateral as well as impairing its borrowers' ability to repay their loans.

RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT

As a regulated entity, the Bancorp is subject to certain capital requirements that may limit its operations and potential growth.

The Bancorp is a bank holding company and a financial holding company. As such, it is subject to the comprehensive, consolidated supervision and regulation of the FRB, including risk-based and leverage capital requirements. The Bancorp must maintain certain risk-based and leverage capital ratios as required by its banking regulators and which can change depending upon general economic conditions and the Bancorp's particular condition, risk profile and growth plans. Compliance with the capital requirements, including leverage ratios, may limit operations that require the intensive use of capital and could adversely affect the Bancorp's ability to expand or maintain present business levels.

Comprehensive revisions to the regulatory capital framework were proposed by the FRB, OCC, and FDIC in June 2012. Included within those revisions is the Basel III NPR, which incorporates changes made by the Basel Committee on Banking Supervision to the Basel Capital framework in addition to implementing relevant provisions of the Dodd-Frank Act. The Basel III NPR specifically revises what qualifies as regulatory capital, raises minimum requirements and introduces the concept of additional capital buffers. The need to maintain more and higher quality capital as well as greater liquidity going forward could limit our business activities, including lending, and our ability to expand, either organically or through acquisitions. In addition, the new liquidity standards could require us to increase our holdings of highly liquid short-term investments, thereby reducing our ability to invest in longer-term assets even if more desirable from a balance sheet management perspective. Moreover, although these new requirements are being phased in over time, U.S. Federal banking agencies have been taking into account expectations regarding the ability of banks to meet these new requirements, including under stressed conditions, in approving actions that represent uses of capital, such as dividend increases and share repurchases.

The Bancorp's banking subsidiary must remain well-capitalized, well-managed and maintain at least a "Satisfactory" CRA rating for the Bancorp to retain its status as a financial holding company. Failure to meet these requirements could result in the FRB placing limitations or conditions on the Bancorp's activities (and the commencement of new activities) and could ultimately result in the loss of financial holding company status. In addition, failure by the Bancorp's banking subsidiary to meet applicable capital guidelines could subject the bank to a variety of enforcement remedies available to the federal regulatory authorities. These include limitations on the ability to pay dividends, the issuance by the regulatory authority of a capital directive to increase capital, and the termination of deposit insurance by the FDIC.

Fifth Third's business, financial condition and results of operations could be adversely affected by new or changed regulations and by the manner in which such regulations are applied by regulatory authorities.

Current economic conditions, particularly in the financial markets, have resulted in government regulatory agencies placing increased focus on and scrutiny of the financial services industry. The U.S. government has intervened on an unprecedented scale, responding to what has been commonly referred to as the financial crisis, by introducing various actions and passing legislations such as the Dodd-Frank Act. Such programs and legislation subject Fifth Third and other financial institutions to restrictions, oversight and/or costs that may have an impact on Fifth Third's business, financial condition, results of operations or the price of its common stock.

New proposals for legislation and regulations continue to be introduced that could further substantially increase regulation of the financial services industry. Fifth Third cannot predict whether any pending or future legislation will be adopted or the substance and impact of any such new legislation on Fifth Third. Additional regulation could affect Fifth Third in a substantial way and could have an adverse effect on its business, financial condition and results of operations.

During the third quarter of 2012, the OCC, a national bank regulatory agency, issued interpretive guidance that requires Chapter 7 non-reaffirmed loans to be accounted for as nonperforming TDRs and collateral dependent loans regardless of their payment history and capacity to pay in the future. The Bancorp's banking subsidiary is a state chartered bank which therefore is not directly subject to the guidance of the OCC. At December 31, 2012, the Bancorp had loans with unpaid principal balances totaling approximately $175 million that could potentially be impacted by this guidance, of which approximately 87% are current with their original contractual payments and approximately one third are already classified as TDRs.

Fifth Third is subject to various regulatory requirements that may limit its operations and potential growth.

Under federal and state laws and regulations pertaining to the safety and soundness of insured depository institutions and their holding

companies, the FRB, the CFPB, and the Ohio Division of Financial Institutions have the authority to compel or restrict certain actions by Fifth Third and its banking subsidiary. Fifth Third and its banking subsidiary are subject to such supervisory authority and, more generally, must, in certain instances, obtain prior regulatory approval before engaging in certain activities or corporate decisions. There can be no assurance that such approvals, if required, would be forthcoming or that such approvals would be granted in a timely manner. Failure to receive any such approval, if required, could limit or impair Fifth Third's operations, restrict its growth and/or affect its dividend policy. Such actions and activities subject to prior approval include, but are not limited to, increasing dividends paid by Fifth Third or its banking subsidiary, entering into a merger or acquisition transaction, acquiring or establishing new branches, and entering into certain new businesses.

In addition, Fifth Third, as well as other financial institutions more generally, have recently been subjected to increased scrutiny from regulatory authorities stemming from broader systemic regulatory concerns, including with respect to stress testing, capital levels, asset quality, provisioning and other prudential matters, arising as a result of the recent financial crisis and efforts to ensure that financial institutions take steps to improve their risk management and prevent future crises.

In some cases, regulatory agencies may take supervisory actions that may not be publicly disclosed, which restrict or limit a financial institution. Finally, as part of Fifth Third's regular examination process, Fifth Third's and its banking subsidiary's respective regulators may advise it and its banking subsidiary to operate under various restrictions as a prudential matter. Such supervisory actions or restrictions, if and in whatever manner imposed, could have a material adverse effect on Fifth Third's business and results of operations and may not be publicly disclosed.

Fifth Third and/or its affiliates are or may become involved from time to time in information-gathering requests, investigations and proceedings by government and self-regulatory agencies which may lead to adverse consequences.

Fifth Third and/or its affiliates are or may become involved from time to time in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by government and self-regulatory agencies, including the SEC, regarding their respective businesses. Such matters may result in material adverse consequences, including without limitation, adverse judgments, settlements, fines, penalties, injunctions or other actions, amendments and/or restatements of Fifth Third's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in its disclosure controls and procedures. The SEC is investigating and has made several requests for information, including by subpoena, and interviews of certain of our current and former officers and employees and others, concerning issues which Fifth Third understands relate to accounting and reporting matters involving certain of its commercial loans. This could lead to an enforcement proceeding by the SEC which, in turn, may result in one or more such material adverse consequences.

Deposit insurance premiums levied against Fifth Third may increase if the number of bank failures increase or the cost of resolving failed banks increases.

The FDIC maintains a DIF to resolve the cost of bank failures. The DIF is funded by fees assessed on insured depository institutions including Fifth Third. The magnitude and cost of resolving an increased number of bank failures have reduced the DIF. Future deposit premiums paid by Fifth Third depend on the level of the DIF and the magnitude and cost of future bank failures. Fifth Third also may be required to pay significantly higher FDIC premiums because market developments have significantly depleted the DIF of the FDIC and reduced the ratio of reserves to insured deposits.

Legislative or regulatory compliance, changes or actions or significant litigation, could adversely impact Fifth Third or the businesses in which Fifth Third is engaged.

Fifth Third is subject to extensive state and federal regulation, supervision and legislation that govern almost all aspects of its operations and limit the businesses in which Fifth Third may engage. These laws and regulations may change from time to time and are primarily intended for the protection of consumers, depositors and the deposit insurance funds. The impact of any changes to laws and regulations or other actions by regulatory agencies may negatively impact Fifth Third or its ability to increase the value of its business. Additionally, actions by regulatory agencies or significant litigation against Fifth Third could cause it to devote significant time and resources to defending itself and may lead to penalties that materially affect Fifth Third and its shareholders. Future changes in the laws, including tax laws, or regulations or their interpretations or enforcement may also be materially adverse to Fifth Third and its shareholders or may require Fifth Third to expend significant time and resources to comply with such requirements.

On July 21, 2010 the President of the United States signed into law the Dodd-Frank Act. Many parts of the Dodd-Frank Act are now in effect, while others are in an implementation stage likely to continue for several years. A number of reform provisions are likely to significantly impact the ways in which banks and bank holding companies, including Fifth Third and its bank subsidiary, conduct their business:

- The newly created regulatory bodies include the CFPB and the FSOC. The CFPB has been given authority to regulate consumer financial products and services sold by banks and non-bank companies and to supervise banks with assets of more than $10 billion and their affiliates for compliance with Federal consumer protection laws. Any new regulatory requirements promulgated by the CFPB could require changes to our consumer businesses, result in increased compliance costs and affect the streams of revenue of such businesses. The FSOC has been charged with identifying systemic risks, promoting stronger financial regulation and identifying those non-bank companies that are systemically important and thus should be subject to regulation by the Federal Reserve. In addition, in extraordinary cases and together with the Federal Reserve, the FSOC could break up financial firms that are deemed to present a grave threat to the financial stability of the United States.
- The Dodd-Frank Act "Volcker Rule" provisions prohibit banks and bank holding companies from engaging in certain types of proprietary trading. The scope of the proprietary trading prohibition, and its impact on Fifth Third, will depend on the definitions in the final rule, particularly those definitions related to statutory exemptions for risk-mitigating hedging activities; market-making; and customer-related activities.
- The Volcker Rule and the rulemakings promulgated thereunder are also expected to restrict banks and their affiliated entities from investing in or

sponsoring certain private equity and hedge funds. Fifth Third does not sponsor any private equity or hedge funds that, under the proposed rule, it is prohibited from sponsoring. As of December 31, 2012, the Bancorp had approximately $163 million in interests and approximately $108 million binding commitments to invest in private equity funds likely to be affected by the Volcker rule. It is expected that over time the Bancorp may need to eliminate these investments although it is likely that these amounts will be reduced over time in the ordinary course before compliance is required. Under the proposed rulemaking announced on October 11, 2011, Fifth Third expects to be able to hold these investments until July 2014 with no restriction, and be eligible to obtain up to three one-year extension periods, subject to regulatory approvals. A forced sale of some of these investments could result in Fifth Third receiving less value than it would otherwise have received. Depending on the provisions of the final rule, it is possible that other structures through which Fifth Third conduct business but that are not typically referred to as private equity or hedge funds could be restricted, with an impact that cannot be evaluated.

- The FDIC and the Federal Reserve have adopted a final rule that requires bank holding companies that have $50 billion or more in assets, like Fifth Third, to periodically submit to the Federal Reserve, the FDIC and the FSOC a plan discussing how the company could be resolved in a rapid and orderly fashion if the company were to fail or experience material financial distress. In a related rulemaking, the FDIC adopted a final rule that requires insured depository institutions with $50 billion or more in assets, like Fifth Third, to prepare and submit a resolution plan to the FDIC. The initial plans for Fifth Third and its bank subsidiary are due December 31, 2013. Fifth Third and its bank subsidiary will be required to submit updated plans annually thereafter. The Federal Reserve and the FDIC may jointly impose restrictions on Fifth Third or its bank subsidiary, including additional capital requirements or limitations on growth, if the agencies determine that the institution's plan is not credible or would not facilitate a rapid and orderly resolution of Fifth Third under the U.S. Bankruptcy Code, or Fifth Third Bank under the Federal Deposit Insurance Act, as amended (the "FDIA"), and additionally could require Fifth Third to divest assets or take other actions if it did not submit an acceptable resolution within two years after any such restrictions were imposed.
- Dodd-Frank imposes a new regulatory regime on the U.S. derivatives markets. While some of the provisions related to derivatives markets went into effect on July 16, 2011, most of the new requirements await final regulations from the relevant regulatory agencies for derivatives, the Commodities Futures Trading Commission ("CFTC") and the SEC. One aspect of this new regulatory regime for derivatives is that substantial oversight responsibility has been provided to the CFTC, which, as a result, will for the first time have a meaningful supervisory role with respect to some of our businesses. Although the ultimate impact will depend on the final regulations, Fifth Third expects that its derivatives business will likely be subject to new substantive requirements, including registration with the CFTC, margin requirements in excess of current market practice, capital requirements specific to this business, real time trade reporting and robust record keeping requirements, business conduct requirements (including daily valuations, disclosure of material risks associated with swaps and disclosure of material incentives and conflicts of interest), and mandatory clearing and exchange trading of all standardized swaps designated by the relevant regulatory agencies as required to be cleared. These requirements will collectively impose implementation and ongoing compliance burdens on Fifth Third and will introduce additional legal risk (including as a result of newly applicable antifraud and anti-manipulation provisions and private rights of action). Depending on the final rules that relate to Fifth Third's swaps businesses, the nature and extent of those businesses may change.
- Financial institutions may be required, regardless of risk, to pay taxes or other fees to the U.S. Treasury. Such taxes or other fees could be designed to reimburse the U.S. Treasury for the many government programs and initiatives it has taken or may undertake as part of its economic stimulus efforts.

It is clear that the reforms, both under the Dodd-Frank Act and otherwise, will have a significant effect on the entire financial industry. Although it is difficult to predict the magnitude and extent of these effects at this stage, Fifth Third believes compliance with the Dodd-Frank Act and its implementing regulations and other initiatives will likely negatively impact revenue and increase the cost of doing business, both in terms of transition expenses and on an ongoing basis, and may also limit Fifth Third's ability to pursue certain desirable business opportunities. Any new regulatory requirements or changes to existing requirements could require changes to Fifth Third's businesses, result in increased compliance costs and affect the profitability of such businesses. Additionally, reform could affect the behaviors of third parties that we deal with in the course of our business, such as rating agencies, insurance companies and investors. The extent to which Fifth Third can adjust its strategies to offset such adverse impacts also is not known at this time.

Fifth Third and other financial institutions have been the subject of litigation which could result in legal liability and damage to its reputation.

Fifth Third and certain of its directors and officers have been named from time to time as defendants in various class actions and other litigation relating to Fifth Third's business and activities. Past, present and future litigation have included or could include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. Fifth Third is also involved from time to time in other reviews, investigations and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding its business. These matters also could result in

adverse judgments, settlements, fines, penalties, injunctions or other relief. Like other large financial institutions and companies, Fifth Third is also subject to risk from potential employee misconduct, including non-compliance with policies and improper use or disclosure of confidential information. Substantial legal liability or significant regulatory action against Fifth Third could materially adversely affect its business, financial condition or results of operations and/or cause significant reputational harm to its business.

Fifth Third's ability to pay or increase dividends on its common stock or to repurchase its capital stock is restricted.

Fifth Third's ability to pay dividends or repurchase stock is subject to regulatory requirements and the need to meet regulatory expectations. The FRB launched the 2013 stress testing program and CCAR on November 9, 2012. The CCAR requires bank holding companies to submit a capital plan in addition to their stress testing results. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted to the FRB on January 7, 2013.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB will review the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5 percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB will also assess the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the Basel Committee on Banking Supervision and requirements arising from the Dodd-Frank Act.

Table of Contents

STATEMENTS OF INCOME ANALYSIS

Net Interest Income

Net interest income is the interest earned on securities, loans and leases (including yield-related fees) and other interest-earning assets less the interest paid for core deposits (includes transaction deposits and other time deposits) and wholesale funding (includes certificates of deposit $100,000 and over, other deposits, federal funds purchased, short-term borrowings and long-term debt). The net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest rate spread is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin is typically greater than net interest rate spread due to the interest income earned on those assets that are funded by noninterest-bearing liabilities, or free funding, such as demand deposits or shareholders' equity.

Table 4 presents the components of net interest income, net interest margin and net interest rate spread for the years ended December 31, 2012, 2011 and 2010. Nonaccrual loans and leases and loans held for sale have been included in the average loan and lease balances. Average outstanding securities balances are based on amortized cost with any unrealized gains or losses on available-for-sale securities included in other assets. Table 5 provides the relative impact of changes in the balance sheet and changes in interest rates on net interest income.

Net interest income was $3.6 billion for the years ended December 31, 2012 and 2011. Included within net interest income are amounts related to the accretion of discounts on acquired loans and deposits, primarily as a result of acquisitions in previous years, which increased net interest income by $31 million during 2012 and $40 million during 2011. The original purchase accounting discounts reflected the high discount rates in the market at the time of the acquisitions; the total loan discounts are being accreted into net interest income over the remaining period to maturity of the loans acquired. Based upon the remaining period to maturity, and excluding the impact of prepayments, the Bancorp anticipates recognizing approximately $9 million in additional net interest income during 2013 as a result of the amortization and accretion of premiums and discounts on acquired loans and deposits.

For the year ended December 31, 2012, net interest income was positively impacted by an increase in average loans and leases of $4.6 billion as well as a decrease in interest expense compared to the year ended December 31, 2011. In addition, net interest income benefited from the free funding provided by a $3.8 billion increase in average demand deposits in 2012 compared to 2011. Average interest-earning assets increased by $4.0 billion in 2012 while average interest-bearing liabilities were flat compared to the prior year. These benefits were offset by lower yields on the Bancorp's interest-earning assets. The increase in average loans and leases for the year ended December 31, 2012 was driven primarily by an increase of 15% in average commercial and industrial loans and an increase of 18% in average residential mortgage loans. For more information on the Bancorp's loan and lease portfolio, see the Loans and Leases section of the Balance Sheet analysis of MD&A. The decrease in interest expense was primarily the result of decreases in the rates paid on average interest-bearing liabilities of 21 bps, primarily due to lower rates offered on savings account balances and other time deposits, compared to the year ended December 31, 2011, coupled with a continued mix shift to lower cost core deposits. For the year ended December 31, 2012, the net interest rate spread decreased to 3.35% from 3.42% in 2011 as the benefit from a decrease in rates on average interest-bearing liabilities was more than offset by a 28 bps decrease in yield on average interest-earnings assets.

Net interest margin was 3.55% for the year ended December 31, 2012 compared to 3.66% for the year ended December 31, 2011. Net interest margin was impacted by the amortization and accretion of premiums and discounts on acquired loans and deposits that resulted in an increase in net interest margin of 3 bps during 2012 compared to 5 bps during 2011. Exclusive of these amounts, net interest margin decreased 9 bps for the year ended December 31, 2012 compared to the prior year driven primarily by the previously mentioned decline in the yield on average interest-earning assets and higher average balances on interest-earning assets, partially offset by a mix shift to lower cost core deposits, the decline in rates paid on interest-bearing liabilities and an increase in free funding balances.

Interest income from loans and leases decreased $37 million, or one percent, compared to the year ended December 31, 2011 driven primarily by a 29 bps decrease in average loans and leases yields attributable to loan repricing, mainly in the commercial and industrial loan portfolio as well as in the automobile and residential mortgage portfolios, partially offset by a six percent increase in average loans and leases. Interest income from investment securities and short-term investments decreased $74 million, or 12%, from the prior year primarily as the result of a 44 bps decrease in the average yield of taxable securities due to paydowns and the sale of higher yielding agency mortgage-backed securities coupled with the reinvestment into lower yielding securities.

Average core deposits increased $3.8 billion, or five percent, compared to the year ended December 31, 2011 primarily due to an increase in average interest checking deposits and average demand deposits partially offset by a decrease in average foreign office deposits and average other time deposits. The cost of average core deposits decreased to 21 bps for the year ended December 31, 2012 compared to 36 bps from the prior year. This decrease was primarily the result of a mix shift to lower cost core deposits as a result of runoff of higher priced CDs combined with a 64 bps decrease in the rates paid on average other time deposits and a 14 bps decrease in the rate paid on average savings deposits compared to year ended December 31, 2011.

Interest expense on average wholesale funding for the year ended December 31, 2012 decreased $38 million, or 10%, compared to the prior year, primarily as the result of a 49 bps decrease in the rate paid on average certificates $100,000 and over and a $554 million decrease in average certificates $100,000 and over, coupled with a $1.1 billion decrease in average long-term debt. These impacts were partially offset by a 16 bps increase in the rate paid on average long-term debt. Refer to the Borrowings section of MD&A for additional information on the Bancorp's changes in average borrowings. During the year ended December 31, 2012, wholesale funding represented 24% of interest-bearing liabilities compared to 23% during the prior year. For more information on the Bancorp's interest rate risk management, including estimated earnings sensitivity to changes in market interest rates, see the Market Risk Management section of MD&A.

Table of Contents

TABLE 4: CONSOLIDATED AVERAGE BALANCE SHEET AND ANALYSIS OF NET INTEREST INCOME

For the years ended December 31	**2012**			2011				2010	
($ in millions)	Average Balance	Revenue/ Cost	Average Yield/Rate	Average Balance	Revenue/ Cost	Average Yield/ Rate	Volume	Revenue/ Cost	Average Yield/Rate
Assets									
Interest-earning assets:									
Loans and leases:[(a)]									
Commercial and industrial loans	**$ 32,911**	**$ 1,349**	**4.10 %**	$ 28,546	$ 1,240	4.34 %	$ 26,334	$ 1,238	4.70 %
Commercial mortgage	**9,686**	**369**	**3.81**	10,447	417	3.99	11,585	476	4.11
Commercial construction	**835**	**25**	**2.99**	1,740	53	3.06	3,066	93	3.01
Commercial leases	**3,502**	**127**	**3.62**	3,341	133	3.99	3,343	147	4.40
Subtotal – commercial	**46,934**	**1,870**	**3.98**	44,074	1,843	4.18	44,328	1,954	4.41
Residential mortgage loans	**13,370**	**543**	**4.06**	11,318	503	4.45	9,868	478	4.84
Home equity	**10,369**	**393**	**3.79**	11,077	433	3.91	11,996	479	4.00
Automobile loans	**11,849**	**439**	**3.70**	11,352	530	4.67	10,427	608	5.83
Credit card	**1,960**	**192**	**9.79**	1,864	184	9.86	1,870	201	10.73
Other consumer loans/leases	**340**	**155**	**45.32**	529	136	25.77	743	116	15.58
Subtotal – consumer	**37,888**	**1,722**	**4.54**	36,140	1,786	4.94	34,904	1,882	5.39
Total loans and leases	**84,822**	**3,592**	**4.23**	80,214	3,629	4.52	79,232	3,836	4.84
Securities:									
Taxable	**15,262**	**527**	**3.45**	15,334	596	3.89	16,054	650	4.05
Exempt from income taxes[(a)]	**57**	**2**	**3.29**	103	6	5.41	317	13	3.92
Other short-term investments	**1,495**	**4**	**0.26**	2,031	5	0.25	3,328	8	0.25
Total interest-earning assets	**101,636**	**4,125**	**4.06**	97,682	4,236	4.34	98,931	4,507	4.56
Cash and due from banks	**2,355**			2,352			2,245		
Other assets	**15,695**			15,335			14,841		
Allowance for loan and lease losses	**(2,072)**			(2,703)			(3,583)		
Total assets	**$117,614**			$112,666			$112,434		
Liabilities and Equity									
Interest-bearing liabilities:									
Interest checking	**$ 23,096**	**$ 49**	**0.22 %**	$ 18,707	$ 49	0.26 %	$ 18,218	$ 52	0.29 %
Savings	**21,393**	**37**	**0.17**	21,652	67	0.31	19,612	107	0.55
Money market	**4,903**	**11**	**0.22**	5,154	14	0.27	4,808	19	0.40
Foreign office deposits	**1,528**	**4**	**0.27**	3,490	10	0.28	3,355	12	0.35
Other time deposits	**4,306**	**68**	**1.59**	6,260	140	2.23	10,526	276	2.62
Certificates—$100,000 and over	**3,102**	**46**	**1.48**	3,656	72	1.97	6,083	125	2.06
Other deposits	**27**	**-**	**0.13**	7	-	0.03	6	-	0.13
Federal funds purchased	**560**	**1**	**0.14**	345	-	0.11	291	1	0.17
Other short-term borrowings	**4,246**	**8**	**0.18**	2,777	3	0.12	1,635	3	0.21
Long-term debt	**9,043**	**288**	**3.17**	10,154	306	3.01	10,902	290	2.65
Total interest-bearing liabilities	**72,204**	**512**	**0.71**	72,202	661	0.92	75,436	885	1.17
Demand deposits	**27,196**			23,389			19,669		
Other liabilities	**4,462**			4,189			3,580		
Total liabilities	**103,862**			99,780			98,685		
Total equity	**13,752**			12,886			13,749		
Total liabilities and equity	**$117,614**			$112,666			$112,434		
Net interest income		**$ 3,613**			$ 3,575			$ 3,622	
Net interest margin			**3.55 %**			3.66 %			3.66 %
Net interest rate spread			**3.35**			3.42			3.39
Interest-bearing liabilities to interest-earning assets			**71.04**			73.92			76.25

*(a) The FTE adjustments included in the above table are **$18** for the years ended **December 31, 2012**, 2011 and 2010. The federal statutory rate utilized was 35% for all periods presented.*

Table of Contents

TABLE 5: CHANGES IN NET INTEREST INCOME ATTRIBUTABLE TO VOLUME AND YIELD/RATE[(a)]

For the years ended December 31	2012 Compared to 2011			2011 Compared to 2010		
($ in millions)	Volume	Yield/Rate	Total	Volume	Yield/Rate	Total
Assets						
Interest-earning assets:						
Loans and leases:						
Commercial and industrial loans	$ 180	(71)	109	$ 100	(98)	2
Commercial mortgage	(30)	(18)	(48)	(45)	(14)	(59)
Commercial construction	(27)	(1)	(28)	(42)	2	(40)
Commercial leases	7	(13)	(6)	-	(14)	(14)
Subtotal – commercial	130	(103)	27	13	(124)	(111)
Residential mortgage loans	87	(47)	40	67	(42)	25
Home equity	(27)	(13)	(40)	(34)	(12)	(46)
Automobile loans	23	(114)	(91)	51	(129)	(78)
Credit card	9	(1)	8	(1)	(16)	(17)
Other consumer loans/leases	(59)	78	19	(41)	61	20
Subtotal – consumer	33	(97)	(64)	42	(138)	(96)
Total loans and leases	163	(200)	(37)	55	(262)	(207)
Securities:						
Taxable	(2)	(67)	(69)	(29)	(25)	(54)
Exempt from income taxes	(2)	(2)	(4)	(10)	3	(7)
Other short-term investments	(1)	-	(1)	(3)	-	(3)
Total interest-earning assets	158	(269)	(111)	13	(284)	(271)
Total change in interest income	$ 158	(269)	(111)	$ 13	(284)	(271)
Liabilities and Equity						
Interest-bearing liabilities:						
Interest checking	$ 9	(9)	-	$ 2	(5)	(3)
Savings	-	(30)	(30)	11	(51)	(40)
Money market	(1)	(2)	(3)	1	(6)	(5)
Foreign office deposits	(6)	-	(6)	-	(2)	(2)
Other time deposits	(38)	(34)	(72)	(99)	(37)	(136)
Certificates—$100,000 and over	(10)	(16)	(26)	(48)	(5)	(53)
Federal funds purchased	1	-	1	(1)	-	(1)
Other short-term borrowings	3	2	5	2	(2)	-
Long-term debt	(34)	16	(18)	(21)	37	16
Total interest-bearing liabilities	(76)	(73)	(149)	(153)	(71)	(224)
Total change in interest expense	(76)	(73)	(149)	(153)	(71)	(224)
Total change in net interest income	$ 234	(196)	38	$ 166	(213)	(47)

(a) Changes in interest not solely due to volume or yield/rate are allocated in proportion to the absolute dollar amount of change in volume and yield/rate.

Provision for Loan and Lease Losses

The Bancorp provides as an expense an amount for probable loan and lease losses within the loan and lease portfolio that is based on factors previously discussed in the Critical Accounting Policies section. The provision is recorded to bring the ALLL to a level deemed appropriate by the Bancorp to cover losses inherent in the portfolio. Actual credit losses on loans and leases are charged against the ALLL. The amount of loans actually removed from the Consolidated Balance Sheets is referred to as charge-offs. Net charge-offs include current period charge-offs less recoveries on previously charged-off loans and leases.

The provision for loan and lease losses decreased to $303 million in 2012 compared to $423 million in 2011. The decrease in provision expense for 2012 compared to the prior year was due to decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases, and improvement in underlying loss trends. The ALLL declined $401 million from $2.3 billion at December 31, 2011 to $1.9 billion at December 31, 2012. As of December 31, 2012, the ALLL as a percent of portfolio loans and leases decreased to 2.16%, compared to 2.78% at December 31, 2011.

Refer to the Credit Risk Management section of the MD&A as well as Note 6 of the Notes to Consolidated Financial Statements for more detailed information on the provision for loan and lease losses, including an analysis of loan portfolio composition, nonperforming assets, net charge-offs, and other factors considered by the Bancorp in assessing the credit quality of the loan and lease portfolio and the ALLL.

Noninterest Income

Noninterest income increased $544 million, or 22%, for the year ended December 31, 2012 compared to the year ended December 31, 2011. The components of noninterest income are as follows:

TABLE 6: NONINTEREST INCOME

For the years ended December 31 ($ in millions)	**2012**	2011	2010	2009	2008
Mortgage banking net revenue	**$ 845**	597	647	553	199
Service charges on deposits	**522**	520	574	632	641
Corporate banking revenue	**413**	350	364	372	431
Investment advisory revenue	**374**	375	361	326	366
Card and processing revenue	**253**	308	316	615	912
Gain on sale of the processing business	**-**	-	-	1,758	-
Other noninterest income	**574**	250	406	479	363
Securities gains (losses), net	**15**	46	47	(10)	(86)
Securities gains, net, non-qualifying hedges on mortgage servicing rights	**3**	9	14	57	120
Total noninterest income	**$2,999**	2,455	2,729	4,782	2,946

Mortgage banking net revenue

Mortgage banking net revenue increased $248 million, or 41%, in 2012 compared to 2011. The components of mortgage banking net revenue are as follows:

TABLE 7: COMPONENTS OF MORTGAGE BANKING NET REVENUE

For the years ended December 31 ($ in millions)	**2012**	2011	2010
Origination fees and gains on loan sales	**$ 821**	396	490
Net servicing revenue:			
Gross servicing fees	**250**	234	221
Servicing rights amortization	**(186)**	(135)	(137)
Net valuation adjustments on servicing rights and free-standing derivatives entered into to economically hedge MSR	**(40)**	102	73
Net servicing revenue	**24**	201	157
Mortgage banking net revenue	**$ 845**	597	647

Origination fees and gains on loan sales increased $425 million in 2012 compared to 2011 primarily as the result of a 36% increase in residential mortgage loan originations coupled with an increase in profit margins on sold residential mortgage loans. Residential mortgage loan originations increased to $25.2 billion during 2012 compared to $18.6 billion during 2011. The increase in originations is primarily due to strong refinancing activity as mortgage rates remain at historical lows coupled with an increase in refinancing activity under the HARP 2.0 program.

Net servicing revenue is comprised of gross servicing fees and related servicing rights amortization as well as valuation adjustments on MSRs and mark-to-market adjustments on both settled and outstanding free-standing derivative financial instruments used to economically hedge the MSR portfolio. Net servicing revenue decreased $177 million in 2012 compared to 2011 driven primarily by decreases of $142 million in net valuation adjustments. Additionally, servicing rights amortization increased by $51 million in 2012 compared to 2011 driven by higher prepayments due to declining market interest rates and increased MSR volume.

The net valuation adjustment loss of $40 million during 2012 included $103 million of temporary impairment on the MSRs partially offset by $63 million in gains from derivatives economically hedging the MSRs. Mortgage rates decreased during 2012 compared to 2011 causing modeled prepayments speeds to increase, which led to the temporary impairment on the servicing rights for the year ended 2012. In the second half of 2011 and continuing throughout 2012, the Bancorp utilized a macro hedging strategy for the MSR portfolio whereby it reduced the amount of hedges and relied on income from new production to offset declines in the net valuation of MSRs and the related hedges of the MSR portfolio in the down rate environment. The net valuation adjustment gain of $102 million during 2011 included $344 million in gains from derivatives economically hedging the MSRs partially offset by $242 million in temporary impairment on the MSR portfolio. The gain in the net valuation adjustment in 2011 was reflective of refinancing activity in recent years that contributed to prepayments being less sensitive to lower mortgage rates due to customers taking advantage of lower rates in earlier periods as well as the impact of tighter underwriting standards. Additionally, the net MSR/hedge position benefited from the positive carry of the hedge and the widening spread between mortgage and swap rates. Gross servicing fees increased $16 million in 2012 compared to 2011 as a result of an increase in the size of the Bancorp’s servicing portfolio. The Bancorp’s total residential loans serviced as of December 31, 2012 and 2011 was $77.3 billion and $70.6 billion, respectively, with $62.5 billion and $57.1 billion, respectively, of residential mortgage loans serviced for others.

Servicing rights are deemed impaired when a borrower’s loan rate is distinctly higher than prevailing rates. Impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower’s loan rate. Further detail on the valuation of MSRs can be found in Note 11 of the Notes to Consolidated Financial Statements. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the valuation on the MSR portfolio. See Note 12 of the Notes to Consolidated Financial Statements for more information on the free-standing derivatives used to economically hedge the MSR portfolio.

In addition to the derivative positions used to economically hedge the MSR portfolio, the Bancorp acquires various securities as a component of its non-qualifying hedging strategy. Net gains on sales of these securities were $3 million and $9 million in 2012 and 2011, respectively, and were recorded in securities gains, net, non-qualifying hedges on mortgage servicing rights in the Bancorp’s Consolidated Statements of Income.

Service charges on deposits

Service charges on deposits increased $2 million in 2012 compared to 2011. Commercial deposit revenue increased by $20 million in 2012 compared to 2011 due to new customer relationships offset by an $18 million decrease in consumer deposit revenue primarily due to the elimination of daily overdraft fees on continuing consumer overdraft positions which took effect in the second quarter of 2012.

Corporate banking revenue

Corporate banking revenue increased $63 million in 2012 compared to 2011. The increase from the prior year was primarily the result of increases in syndication fees, business lending fees, lease remarketing fees and institutional sales.

Investment advisory revenue

Investment advisory revenue decreased $1 million in 2012 compared to 2011. The decrease was primarily driven by a decline in mutual fund fees due to the sale of certain FTAM funds during the third quarter of 2012 which was partially offset by the positive impact of an overall increase in equity and bond market values. As of December 31, 2012, the Bancorp had approximately $308 billion in total assets under care and managed $27 billion in assets for individuals, corporations and not-for-profit organizations.

Card and processing revenue

Card and processing revenue decreased $55 million in 2012 compared to 2011. The decrease was primarily the result of the impact of the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011 partially offset by increased debit and credit card transaction volumes, higher levels of consumer spending, and new products.

Other noninterest income

The major components of other noninterest income are as follows:

TABLE 8: COMPONENTS OF OTHER NONINTEREST INCOME

For the years ended December 31 ($ in millions)	**2012**	2011	2010
Gain on Vantiv, Inc. IPO and sale of Vantiv, Inc. shares	**$ 272**	-	-
Net gain from warrant and put options associated with sale of the processing business	**67**	39	5
Equity method income from interest in Vantiv Holding, LLC	**61**	57	26
Operating lease income	**60**	58	62
Cardholder fees	**46**	41	36
BOLI income	**35**	41	194
Banking center income	**32**	27	22
Insurance income	**28**	28	38
Consumer loan and lease fees	**27**	31	32
Gain on loan sales	**20**	37	51
TSA revenue	**1**	21	49
Loss on swap associated with the sale of Visa, Inc. class B shares	**(45)**	(83)	(19)
Loss on sale of OREO	**(57)**	(71)	(78)
Other, net	**27**	24	(12)
Total other noninterest income	**$ 574**	250	406

Other noninterest income increased $324 million in 2012 compared to 2011 primarily due to an $115 million gain from the Vantiv, Inc. IPO recognized in the first quarter of 2012 and a $157 million gain from the sale of Vantiv, Inc. shares in the fourth quarter of 2012. Compared to 2011, losses from fair value adjustments on commercial loans designated as held for sale, recorded in the "other" caption above, were reduced by $38 million. Additionally, other noninterest income included a $38 million increase in income related to the Visa total return swap which had a negative valuation adjustment of $45 million in 2012 compared with a negative valuation adjustment of $83 million in 2011. The $61 million in equity method income from the Bancorp's interest in Vantiv Holding, LLC recorded in 2012 was reduced by $34 million in debt termination charges incurred in connection with the refinancing of Vantiv Holding, LLC debt which occurred in the first quarter of 2012. The net gain from warrant and put options associated with the sale of the processing business increased by $28 million and the loss on the sale of OREO decreased by $14 million in 2012 compared to 2011. These impacts were partially offset by $21 million in lower of cost or market adjustments associated with bank premises incurred during 2012, recorded in the "other" caption, along with a $20 million decrease in TSA revenue. As part of the sale of the processing business, in 2009, the Bancorp entered into a TSA with the processing business. For additional information on the valuation of the swap associated with the sale of Visa, Inc. Class B shares and the valuation of warrants and put options associated with the sale of the processing business, see Note 26 of the Notes to Consolidated Financial Statements.

TABLE 9: NONINTEREST EXPENSE

For the years ended December 31 ($ in millions)	2012	2011	2010	2009	2008
Salaries, wages and incentives	**$1,607**	1,478	1,430	1,339	1,337
Employee benefits	**371**	330	314	311	278
Net occupancy expense	**302**	305	298	308	300
Technology and communications	**196**	188	189	181	191
Card and processing expense	**121**	120	108	193	274
Equipment expense	**110**	113	122	123	130
Goodwill impairment	**-**	-	-	-	965
Other noninterest expense	**1,374**	1,224	1,394	1,371	1,089
Total noninterest expense	**$4,081**	3,758	3,855	3,826	4,564
Efficiency ratio	**61.7 %**	62.3	60.7	46.9	70.4

Noninterest Expense

Total noninterest expense increased $323 million, or nine percent, in 2012 compared to 2011 primarily due to an increase in total personnel costs (salaries, wages and incentives plus employee benefits) and other noninterest expense. Total personnel costs increased $170 million, or nine percent, in 2012 compared to 2011 due to an increase in base and incentive compensation primarily driven by higher compensation costs as a result of improved financial performance and production levels, as well as higher employee benefits expense due to increases in medical costs under the Bancorp's self-insured medical plan and an increase in other employee benefits. Full time equivalent employees totalled 20,798 at December 31, 2012 compared to 21,334 at December 31, 2011.

The major components of other noninterest expense are as follows:

TABLE 10: COMPONENTS OF OTHER NONINTEREST EXPENSE

For the years ended December 31 ($ in millions)	2012	2011	2010
Losses and adjustments	**$ 187**	129	187
Loan and lease	**183**	195	211
Loss (gain) on debt extinguishment	**169**	(8)	17
Marketing	**128**	115	98
FDIC insurance and other taxes	**114**	201	242
Impairment of affordable housing investments	**90**	85	100
Professional service fees	**56**	58	77
Travel	**52**	52	51
Postal and courier	**48**	49	48
Operating lease	**43**	41	41
Data processing	**40**	29	24
Recruitment and education	**28**	31	31
OREO expense	**21**	34	33
Insurance	**18**	25	42
Supplies	**17**	18	24
Intangible asset amortization	**13**	22	43
Provision (benefit) for unfunded commitments and letters of credit	**(2)**	(46)	(24)
Other, net	**169**	194	149
Total other noninterest expense	**$1,374**	1,224	1,394

Total other noninterest expense increased $150 million, or 12%, in 2012 compared to 2011 primarily due to increases in the provision for representation and warranty claims, recorded in losses and adjustments, a decrease in the benefit from the reserve for unfunded commitments and letters of credit and an increase in debt extinguishment losses, partially offset by a decrease in FDIC insurance and other taxes.

The provision for representation and warranty claims increased $53 million in 2012 compared to 2011 primarily due to an increase in the reserve as a result of additional information obtained from FHLMC regarding future mortgage repurchase and file requests. As such, the Bancorp was able to better estimate the losses that are probable on loans sold to FHLMC with representation and warranty provisions. Debt extinguishment costs increased by $177 million in 2012 compared to 2011. During the third quarter of 2012, the Bancorp incurred $26 million of debt extinguishment costs associated with the redemption of the outstanding TruPS issued by Fifth Third Capital Trust V and Fifth Third Capital Trust VI. In addition, during the fourth quarter of 2012 the Bancorp incurred $134 million of debt extinguishment costs associated with the termination of $1 billion of FHLB debt. FDIC insurance and other taxes decreased $87 million in 2012 compared to 2011. The decrease in FDIC insurance and other taxes is primarily attributable to a decrease in the assessment rate due to changes in the level and measurement of higher risk assets and improved credit quality metrics. In addition, the provision for unfunded commitments and letters of credit was a benefit of $2 million in 2012 compared to a benefit of $46 million in 2011. The decrease in the benefit recorded in each period reflects an increase in unfunded commitments for which the Bancorp holds a reserve partially offset by a decline in estimated loss rates due to improved credit trends. For additional information on the TruPS redemptions and FHLB debt termination, see Note 15 of the Notes to Consolidated Financial Statements.

The Bancorp continues to focus on efficiency initiatives as part of its core emphasis on operating leverage and expense control. The efficiency ratio (noninterest expense divided by the sum of net interest income (FTE) and noninterest income) was 61.7% for 2012 compared to 62.3% in 2011.

Applicable Income Taxes

Applicable income tax expense for all periods includes the benefit from tax-exempt income, tax-advantaged investments, certain gains on sales of leveraged leases that are exempt from federal taxation and tax credits, partially offset by the effect of certain nondeductible expenses. The tax credits are associated with the Low-Income Housing Tax Credit program established under Section 42 of the IRC, the New Markets Tax Credit program established under Section 45D of the IRC, the Rehabilitation Investment Tax Credit program established under Section 47 of the IRC, and the Qualified Zone Academy Bond program established under Section 1397E of the IRC.

The effective tax rates for the years ended December 31, 2012 and 2011 were primarily impacted by $149 million and $135 million, respectively, in tax credits and $19 million and $26 million, respectively, of non-cash charges relating to previously recognized tax benefits associated with stock-based compensation that will not be realized.

As required under U.S. GAAP, the Bancorp established a deferred tax asset for stock-based awards granted to its employees. When the actual tax deduction for these stock-based awards is less than the expense previously recognized for financial reporting or when the awards expire unexercised, the Bancorp is required to write-off the deferred tax asset previously established for these stock-based awards. As a result of the expiration of certain stock options and SARs and the lapse of restrictions on certain shares of restricted stock during the year ended December 31, 2012, the Bancorp recorded additional income tax expense of approximately $19 million related to the write-off of a portion of the deferred tax asset previously established. As a result of the Bancorp's stock price as of December 31, 2012, it is probable that the Bancorp will be required to record an additional $13 million of income tax expense during the next twelve months, primarily in the first quarter of 2013. However, the Bancorp cannot predict its stock price or whether its employees will exercise other stock-based awards with lower exercise prices in the future; therefore, it is possible that the total impact to income tax expense will be greater than or less than this amount.

Deductibility of Executive Compensation

Certain sections of the IRC limit the deductibility of compensation paid to or earned by certain executive officers of a public company. This has historically limited the deductibility of certain executive compensation to $1 million per executive officer, and the Bancorp's compensation philosophy has been to position pay to ensure deductibility. However, both the amount of the executive compensation that is deductible for certain executive officers and the allowable compensation vehicles changed as a result of the Bancorp's participation in TARP. In particular, the Bancorp was not permitted to deduct compensation earned by certain executive officers in excess of $500,000 per executive officer as a result of the Bancorp's participation in TARP. Therefore, a portion of the compensation earned by certain executive officers was not deductible by the Bancorp for the period in which the Bancorp participated in TARP. Subsequent to ending its participation in TARP, certain limitations on the deductibility of executive compensation will continue to apply to some forms of compensation earned while under TARP. The Bancorp's Compensation Committee determined that the underlying executive compensation programs are appropriate and necessary to attract, retain and motivate senior executives, and that failing to meet these objectives creates more risk for the Bancorp and its value than the financial impact of losing the tax deduction. For the years ended December 31, 2012 and 2011, the tax impact related to non-deductible compensation expense, which is based on the grant date fair values of the respective awards, was $1 million and $2 million, respectively. In addition, the IRS limitation prevented the Bancorp from recognizing a tax benefit of $3 million for the year ended December 31, 2012 that otherwise would have resulted from the vesting and/or exercise of certain stock based compensation awards at fair values in excess of their respective grant date fair values.

The Bancorp's income before income taxes, applicable income tax expense and effective tax rate are as follows:

TABLE 11: APPLICABLE INCOME TAXES

For the years ended December 31 ($ in millions)	**2012**	2011	2010	2009	2008
Income (loss) before income taxes	**$2,210**	1,831	940	767	(2,664)
Applicable income tax expense (benefit)	**636**	533	187	30	(551)
Effective tax rate	**28.8 %**	29.1	19.8	3.9	20.7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS SEGMENT REVIEW

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Additional detailed financial information on each business segment is included in Note 29 of the Notes to Consolidated Financial Statements. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices are improved or businesses change.

The Bancorp manages interest rate risk centrally at the corporate level and employs a FTP methodology at the business segment level. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan originations and deposit taking. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2012 to reflect the current market rates and updated duration assumptions. These rates were lower than those in place during 2011, thus net interest income for deposit providing businesses was negatively impacted during 2012.

The business segments are charged provision expense based on the actual net charge-offs experienced on the loans and leases owned by each segment. Provision expense attributable to loan and lease growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

Net income by business segment is summarized in the following table:

TABLE 12: BUSINESS SEGMENT NET INCOME AVAILABLE TO COMMON SHAREHOLDERS

For the years ended December 31 ($ in millions)	**2012**	2011	2010
Income Statement Data			
Commercial Banking	**$ 694**	441	178
Branch Banking	**186**	190	185
Consumer Lending	**223**	56	(26)
Investment Advisors	**43**	24	29
General Corporate & Other	**428**	587	387
Net income	**1,574**	1,298	753
Less: Net income attributable to noncontrolling interests	**(2)**	1	-
Net income attributable to Bancorp	**1,576**	1,297	753
Dividends on preferred stock	**35**	203	250
Net income available to common shareholders	**$1,541**	1,094	503

Table of Contents

Commercial Banking

Commercial Banking offers credit intermediation, cash management and financial services to large and middle-market businesses and government and professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance.

The following table contains selected financial data for the Commercial Banking segment:

TABLE 13: COMMERCIAL BANKING

For the years ended December 31 ($ in millions)	2012	2011	2010
Income Statement Data			
Net interest income (FTE)[(a)]	**$ 1,449**	1,374	1,545
Provision for loan and lease losses	**223**	490	1,159
Noninterest income:			
Corporate banking revenue	**395**	332	346
Service charges on deposits	**225**	207	199
Other noninterest income	**117**	102	90
Noninterest expense:			
Salaries, incentives and benefits	**268**	240	214
Other noninterest expense	**838**	833	757
Income before taxes	**857**	452	50
Applicable income tax expense (benefit)[(a)(b)]	**163**	11	(128)
Net income	**$ 694**	441	178
Average Balance Sheet Data			
Commercial loans, including held for sale	**$41,364**	38,384	38,304
Demand deposits	**15,046**	13,130	10,872
Interest checking	**7,613**	7,901	8,432
Savings and money market	**2,669**	2,776	2,823
Other time and certificates—$100,000 and over	**1,793**	1,778	3,014
Foreign office deposits and other deposits	**1,282**	1,581	2,017

*(a)Includes FTE adjustments of **$17** for the years ended **December 31, 2012** and 2011, and, $14 for the year ended December 31, 2010.*
(b)Applicable income tax expense for all periods includes the tax benefit from tax-exempt income and business tax credits, partially offset by the effect of certain nondeductible expenses. Refer to the Applicable Income Taxes section of the MD&A for additional information.

Comparison of 2012 with 2011

Net income was $694 million for the year ended December 31, 2012, compared to net income of $441 million for the year ended December 31, 2011. The increase in net income was primarily driven by a decrease in the provision for loan and lease losses and increases in noninterest income and net interest income, partially offset by higher noninterest expense.

Net interest income increased $75 million primarily due to an increase in interest income related to an increase in average commercial and industrial portfolio loans and a decrease in the FTP charges on loans, partially offset by a decrease in yields of 12 bps on average commercial loans. Provision for loan and lease losses decreased $267 million from 2011 as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 54 bps for 2012 compared to 128 bps for 2011.

Noninterest income increased $96 million from 2011 to 2012, due to increases in corporate banking revenue, service charges on deposits and other noninterest income. The increase in corporate banking revenue was primarily driven by increases in syndication fees, business lending fees, lease remarketing fees and institutional sales. Service charges on deposits increased from 2011 primarily due to new customer relationships. The increase in other noninterest income was primarily due to a decrease in net losses and valuation adjustments recognized on the sale of loans and OREO.

Noninterest expense increased $33 million from the prior year as a result of increases in salaries, incentives and benefits and other noninterest expense. The increase in salaries, incentives and benefits of $28 million was primarily the result of increased base and incentive compensation due to improved production levels. The increase from 2011 to 2012 in other noninterest expense was due to higher corporate overhead allocations as a result of strategic growth initiatives, partially offset by a decrease in loan and lease expenses and recognized derivative credit losses.

Average commercial loans increased $3.0 billion compared to the prior year. Average commercial and industrial loans increased $4.5 billion from 2011 as a result of an increase in new loan origination activity, partially offset by decreases in average commercial mortgage and construction loans. Average commercial mortgage loans decreased $827 million and average commercial construction loans decreased $836 million due to continued run-off as the level of new originations was below the level of repayments on the current portfolio.

Average core deposits increased $1.2 billion compared to 2011. The increase was primarily driven by strong growth in demand deposit accounts, which increased $1.9 billion compared to the prior year. The increase in demand deposit accounts was partially offset by decreases in interest-bearing deposits of $698 million as customers opted to maintain their balances in more liquid accounts due to interest rates remaining near historical lows.

Comparison of 2011 with 2010

Net income was $441 million for the year ended December 31, 2011, compared to net income of $178 million for the year ended December 31, 2010. The increase in net income was primarily driven by a decrease in the provision for loan and lease losses partially offset by lower net interest income and higher noninterest expense.

Net interest income decreased $171 million primarily due to declines in the FTP credits for demand deposit accounts and decreases in interest income driven primarily by a decline in yields of 17 bps on average loans. Provision for loan and lease losses decreased $669 million. Net charge-offs as a percent of average

loans and leases decreased to 128 bps for 2011 compared to 302 bps for 2010 largely due net charge-offs on commercial loans moved to held for sale during the third quarter of 2010 and the improvement in credit trends across all commercial loan types.

Noninterest income was relatively flat from 2010 to 2011, as increases in other noninterest income and service charges on deposits were offset by a decrease in corporate banking revenue.

Noninterest expense increased $102 million from the prior year as a result of increases in salaries, incentives and benefits and other noninterest expense. The increase in salaries, incentives and benefits of $26 million was primarily the result of increased incentive compensation due to improved production levels. FDIC insurance expense, which is recorded in other noninterest expense, increased $14 million due to a change in the methodology in determining FDIC insurance premiums. The remaining increase in other noninterest expense was the result of higher corporate overhead allocations in 2011 compared to 2010.

Average commercial loans were flat compared to the prior year. Average commercial mortgage loans decreased $1.0 billion and average commercial construction loans decreased $1.2 billion. The decreases in average commercial mortgage and construction loans were offset by growth in average commercial and industrial loans due to new loan origination activity. Average core deposits increased $1.2 billion compared to 2010. The increase was primarily driven by strong growth in demand deposit accounts, partially offset by decreases in interest-bearing deposits of $1.0 billion.

Branch Banking

Branch Banking provides a full range of deposit and loan and lease products to individuals and small businesses through 1,325 full-service Banking Centers. Branch Banking offers depository and loan products, such as checking and savings accounts, home equity loans and lines of credit, credit cards and loans for automobiles and other personal financing needs, as well as products designed to meet the specific needs of small businesses, including cash management services.

The following table contains selected financial data for the Branch Banking segment:

TABLE 14: BRANCH BANKING

For the years ended December 31 ($ in millions)	**2012**	2011	2010
Income Statement Data			
Net interest income	**$ 1,362**	1,423	1,514
Provision for loan and lease losses	**294**	393	555
Noninterest income:			
Service charges on deposits	**294**	309	369
Card and processing revenue	**279**	305	298
Investment advisory revenue	**129**	117	106
Other noninterest income	**110**	106	112
Noninterest expense:			
Salaries, incentives and benefits	**573**	581	560
Net occupancy and equipment expense	**241**	235	223
Card and processing expense	**115**	114	105
Other noninterest expense	**663**	645	668
Income before taxes	**288**	292	288
Applicable income tax expense	**102**	102	103
Net income	**$ 186**	190	185
Average Balance Sheet Data			
Consumer loans, including held for sale	**$14,926**	14,151	13,125
Commercial loans, including held for sale	**4,569**	4,621	4,815
Demand deposits	**10,087**	8,408	7,006
Interest checking	**9,262**	8,086	7,462
Savings and money market	**22,729**	22,241	19,963
Other time and certificates—$100,000 and over	**5,389**	7,778	12,712

Comparison of 2012 with 2011

Net income decreased $4 million compared to 2011, driven by a decrease in net interest income and noninterest income and an increase in noninterest expense, partially offset by a decline in the provision for loan and lease losses. Net interest income decreased $61 million compared to the prior year primarily driven by decreases in the FTP credits for checking and savings products and lower yields on average commercial and consumer loans. These decreases were partially offset by higher consumer loan balances and a decline in interest expense on core deposits due to favorable shifts from certificates of deposit to lower cost transaction and savings products.

Provision for loan and lease losses for 2012 decreased $99 million compared to the prior year as a result of improved credit trends. Net charge-offs as a percent of average portfolio loans and leases decreased to 151 bps for 2012 compared to 210 bps for 2011. The decrease is primarily due to decreases in home equity net charge-offs as a result of improvements in several key markets. In addition, net charge-offs were positively impacted by lower commercial net charge-offs due to improved delinquency trends, aggressive line management, and stabilization in unemployment levels.

Noninterest income decreased $25 million compared to the prior year. The decrease was primarily driven by lower card and processing revenue, which declined $26 million from 2011 due to the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011, partially offset by higher debit and credit card transaction volumes and the impact of the Bancorp's initial mitigation activity, and allocated commission revenue associated with merchant sales. Service charges on deposits declined $15 million primarily due to the elimination of daily overdraft fees on continuing customer overdraft positions in the second quarter of

2012. These decreases were partially offset by a $12 million increase in investment advisory revenue due to increased amounts from revenue sharing agreements between investment advisors and branch banking.

Noninterest expense increased $17 million, primarily driven by increases in other noninterest expense due to an increase in allocated costs related to higher merchant sales and corporate overhead allocations as a result of strategic growth initiatives, partially offset by a decrease in FDIC insurance expense.

Average consumer loans increased $775 million in 2012 primarily due to increases in average residential mortgage portfolio loans of $1.3 billion due to the retention of certain shorter-term originated mortgage loans. The increases in average residential mortgage portfolio loans was partially offset by decreases in average home equity portfolio loans of $560 million as payoffs exceeded new loan production. Average core deposits increased $1.4 billion compared to the prior year as the growth in transaction accounts due to excess customer liquidity and historically low interest rates outpaced the runoff of higher priced other time deposits.

Comparison of 2011 with 2010

Net income increased $5 million compared to 2010, driven by a decline in the provision for loan and lease losses partially offset by a decrease in net interest income and noninterest income and an increase in noninterest expense. Net interest income decreased $91 million compared to the prior year. The primary drivers of the decline include decreases in the FTP credits for demand deposit accounts, lower yields on average commercial and consumer loans, and a decline in average commercial loans. These decreases were partially offset by a favorable shift in the segment's deposit mix towards lower cost transaction deposits resulting in declines in interest expense of $193 million compared to 2010, and an increase in average consumer loans.

Provision for loan and lease losses for 2011 decreased $162 million compared to the prior year. Net charge-offs as a percent of average loans and leases decreased to 210 bps for 2011 compared to 313 bps for 2010. In addition, the decrease is due to $24 million in charge-offs taken on $60 million of commercial loans which were sold or moved to held for sale during the third quarter of 2010.

Noninterest income decreased $48 million compared to the prior year. The decrease was driven by lower service charges on deposits primarily due to the implementation of Regulation E in the third quarter of 2010. The decrease was partially offset by increased card and processing revenue due to higher debit and credit card transaction volumes, which was partially offset by the impact of the implementation of the Dodd-Frank Act's debit card interchange fee cap in the fourth quarter of 2011. Investment advisory revenue also increased due to improved market performance and sales force expansion.

Noninterest expense increased $19 million, primarily driven by increases in salaries, incentives and benefits expense and card and processing expense partially offset by a decline in other noninterest expense.

Average consumer loans increased $1.0 billion in 2011 primarily due to increases in average residential mortgage portfolio loans of $1.5 billion due to management's decision in the third quarter of 2010 to retain certain mortgage loans. The increases in average residential mortgage portfolio loans was partially offset by decreases in average home equity loans of $421 million due to decreased customer demand and continued tighter underwriting standards. Average commercial loans decreased $194 million due to declines in commercial and industrial loans resulting from lower customer demand for new originations and continued tighter underwriting standards applied to both originations and renewals.

Average core deposits increased by $120 million compared to the prior year as the growth in transaction accounts outpaced the runoff of higher priced certificates of deposit.

Consumer Lending

Consumer Lending includes the Bancorp's mortgage, home equity, automobile and other indirect lending activities. Mortgage and home equity lending activities include the origination, retention and servicing of mortgage and home equity loans or lines of credit, sales and securitizations of those loans, pools of loans or lines of credit, and all associated hedging activities. Indirect lending activities include loans to consumers through mortgage brokers and automobile dealers.

The following table contains selected financial data for the Consumer Lending segment:

TABLE 15: CONSUMER LENDING

For the years ended December 31 ($ in millions)	2012	2011	2010
Income Statement Data			
Net interest income	$ **314**	343	405
Provision for loan and lease losses	**176**	261	569
Noninterest income:			
Mortgage banking net revenue	**830**	585	619
Other noninterest income	**46**	45	51
Noninterest expense:			
Salaries, incentives and benefits	**231**	183	194
Other noninterest expense	**439**	443	352
Income (loss) before taxes	**344**	86	(40)
Applicable income tax expense (benefit)	**121**	30	(14)
Net income (loss)	$ **223**	56	(26)
Average Balance Sheet Data			
Residential mortgage loans, including held for sale	$ **10,143**	9,348	9,384
Home equity	**643**	730	851
Automobile loans	**11,191**	10,665	9,713
Consumer leases	**35**	158	384

Comparison of 2012 with 2011

Net income was $223 million in 2012 compared to net income of $56 million in 2011. The increase was driven by an increase in noninterest income and a decline in the provision for loan and lease losses, partially offset by an increase in noninterest expense and a decrease in net interest income. Net interest income decreased $29 million due to lower yields on average residential mortgage and automobile loans, partially offset by increases in average residential mortgage and average automobile loans and favorable decreases in the FTP charge applied to the segment.

Provision for loan and lease losses decreased $85 million compared to the prior year as delinquency metrics and underlying loss trends improved across all consumer loan types. Net charge-offs as a percent of average loans and leases decreased to 88 bps for 2012 compared to 134 bps for 2011.

Noninterest income increased $246 million primarily due to increases in mortgage banking net revenue of $245 million driven by an increase in gains on residential mortgage loan sales of $424 million due to an increase in profit margins on sold loans coupled with higher origination volumes. This increase was partially offset by a decrease in net residential mortgage servicing revenue of $178 million, primarily driven by a decrease of $142 million in net valuation adjustments on MSRs and free-standing derivatives entered into to economically hedge the MSRs.

Noninterest expense increased $44 million driven by salaries, incentives and benefits which increased $48 million primarily as a result of higher mortgage loan originations.

Average consumer loans and leases increased $1.1 billion from the prior year. Average automobile loans increased $526 million due to a strategic focus to increase automobile lending throughout 2011 and 2012 through consistent and competitive pricing, disciplined sales execution, and enhanced customer service with our dealership network. Average residential mortgage loans increased $795 million as a result of higher origination volumes. Average home equity loans decreased $87 million due to continued runoff in the discontinued brokered home equity product. Average consumer leases decreased $123 million due to runoff as the Bancorp discontinued this product in the fourth quarter of 2008.

Comparison of 2011 with 2010

Net income was $56 million in 2011 compared to a net loss of $26 million in 2010. The increase was driven by a decline in the provision for loan and lease losses, partially offset by decreases in noninterest income and net interest income and an increase in noninterest expense. Net interest income decreased $62 million due to a decline in average loan balances for residential mortgage, home equity, and consumer leases as well as lower yields on average residential mortgage and automobile loans, partially offset by favorable decreases in the FTP charge applied to the segment.

Provision for loan and lease losses decreased $308 million compared to the prior year, as delinquency metrics and underlying loss trends improved across all consumer loan types. Additionally, 2010 included charge-offs of $123 million on the sale of $228 million of portfolio loans. Net charge-offs as a percent of average loans and leases decreased to 134 bps for 2011 compared to 305 bps for 2010.

Noninterest income decreased $40 million primarily due to decreases in mortgage banking net revenue of $34 million. The decrease from 2010 was driven by declines in origination fees and gains on loan sales of $78 million due to decreased margins and lower origination volumes, partially offset by an increase in net servicing revenue of $44 million.

Noninterest expense increased $80 million driven in part by increased FDIC insurance expense, as the methodology used to determine FDIC insurance premiums changed in 2011 from one based on domestic deposits to one based on total assets less tangible equity. Additional changes were due to an increase of $41 million in the provision for representation and warranty claims related to residential mortgage loans sold to third parties and an increase of $21 million in losses on escrow advances to borrowers relating to bank owned residential mortgages.

Average consumer loans and leases increased $558 million from the prior year. Average automobile loans increased $952 million due to a strategic focus to increase automobile lending throughout 2010 and 2011. This increase was partially offset by declines across all other types of consumer loans. Average residential mortgage loans decreased $36 million as a result of the lower origination volumes. Average home equity loans decreased $121 million due to continued runoff in the discontinued brokered home equity product. Average consumer leases decreased $226 million due to runoff as the Bancorp discontinued this product in the fourth quarter of 2008.

Investment Advisors

Investment Advisors provides a full range of investment alternatives for individuals, companies and not-for-profit organizations. Investment Advisors is made up of four main businesses: FTS, an indirect wholly-owned subsidiary of the Bancorp; FTAM, an indirect wholly-owned subsidiary of the Bancorp; Fifth Third Private Bank; and Fifth Third Institutional Services. FTS offers full service retail brokerage services to individual clients and broker dealer services to the institutional marketplace. FTAM provides asset management services and previously advised the Bancorp's proprietary family of mutual funds. Fifth Third Private Bank offers holistic strategies to affluent clients in wealth planning, investing, insurance and wealth protection. Fifth Third Institutional Services provides advisory services for institutional clients including states and municipalities.

As previously mentioned, the Bancorp announced that FTAM entered into two agreements under which a third party would acquire assets of 16 mutual funds from FTAM and another third party would acquire certain assets relating to the management of Fifth Third money market funds. Both transactions were completed in the third quarter of 2012. Upon completion of the transactions, the Bancorp recognized a $13 million gain on sale within other noninterest income in the Bancorp's Consolidated Statements of Income.

Table of Contents

The following table contains selected financial data for the Investment Advisors segment:

TABLE 16: INVESTMENT ADVISORS

For the years ended December 31 ($ in millions)	2012	2011	2010
Income Statement Data			
Net interest income	**$ 117**	113	138
Provision for loan and lease losses	**10**	27	44
Noninterest income:			
Investment advisory revenue	**366**	364	346
Other noninterest income	**30**	9	10
Noninterest expense:			
Salaries, incentives and benefits	**161**	164	156
Other noninterest expense	**276**	257	249
Income before taxes	**66**	38	45
Applicable income tax expense	**23**	14	16
Net income	**$ 43**	24	29
Average Balance Sheet Data			
Loans and leases	**$1,877**	2,037	2,574
Core deposits	**7,709**	6,798	5,897

Comparison of 2012 with 2011

Net income increased $19 million compared to 2011 primarily due to an increase in noninterest income and a decrease in the provision for loan and lease losses, partially offset by an increase in noninterest expense. Net interest income increased $4 million from 2011 due to a decrease in interest expense on core deposits and favorable decreases in the FTP charge applied to the segment, partially offset by a decline in average loan and lease balances and declines in yields of 27 bps on loans and leases.

Provision for loan and lease losses decreased $17 million from the prior year. Net charge-offs as a percent of average loans and leases decreased to 53 bps compared to 132 bps for the prior year reflecting improved credit trends during 2012.

Noninterest income increased $23 million compared to 2011 primarily due to increases in other noninterest income. The increase in other noninterest income was primarily driven by the $13 million gain on the sale of certain funds previously mentioned and an increase in gains on the sale of loans of $5 million.

Noninterest expense increased $16 million compared to 2011 due to increases in other noninterest expense primarily driven by an increase in corporate allocations.

Average loans and leases decreased $160 million compared to the prior year. The decrease was primarily driven by declines in home equity loans of $55 million, commercial mortgage loans of $45 million and commercial and industrial loans of $30 million. Average core deposits increased $911 million compared to 2011 due to growth in interest checking as customers have opted to maintain excess funds in liquid transaction accounts as a result of interest rates remaining near historic lows, partially offset by account migration from foreign office deposits.

Comparison of 2011 with 2010

Net income decreased $5 million compared to 2010 primarily due to a decline in net interest income and an increase in noninterest expense partially offset by a decrease in the provision for loan and lease losses and an increase in investment advisory revenue. Net interest income decreased $25 million from 2010 due to a decline in average loan and lease balances as well as declines in yields on loans and leases.

Provision for loan and leases losses decreased $17 million from the prior year. Net charge-offs as a percent of average loans and leases decreased to 132 bps compared to 171 bps for the prior year reflecting moderation of general economic conditions during 2011.

Noninterest income increased $17 million compared to 2010 primarily due to increases in investment advisory revenue related to an increase of $10 million in Private Bank income driven by market performance and an increase of $7 million in securities and broker income due to continued expansion of the sales force and market performance.

Noninterest expense increased $16 million compared to 2010 due to increases in salaries, incentives and benefit expense resulting from the expansion of the sales force and compensation related to improved performance in investment advisory revenue related fees.

Average loans and leases decreased $537 million compared to the prior year. The decrease was primarily driven by declines in home equity loans of $373 million due to tighter underwriting standards. Average core deposits increased $901 million compared to 2010 due to growth in interest checking and foreign deposits.

General Corporate and Other

General Corporate and Other includes the unallocated portion of the investment securities portfolio, securities gains and losses, certain non-core deposit funding, unassigned equity, provision expense in excess of net charge-offs or a benefit from the reduction of the ALLL, representation and warranty expense in excess of actual losses or a benefit from the reduction of representation and warranty reserves, the payment of preferred stock dividends and certain support activities and other items not attributed to the business segments.

Comparison of 2012 with 2011

Results for 2012 and 2011 were impacted by a benefit of $400 million and $748 million, respectively, due to reductions in the ALLL. The decrease in provision expense was driven by general improvements in credit quality and declines in net charge-offs. Net interest income increased from $321 million in 2011 to $370 million for 2012 due to a benefit in the FTP rate. The change in net income compared to the prior year was impacted by a $157 million gain on the sale of Vantiv, Inc. shares and $115 million in gains on the initial public offering of Vantiv, Inc. In addition, the results for 2012 were impacted by dividends on preferred stock of $35 million compared to $203 million in the prior year.

Comparison of 2011 with 2010

Results for 2011 and 2010 were impacted by a benefit of $748 million and $789 million, respectively, due to reductions in the ALLL. The decrease in provision expense for both years was due to a decrease in nonperforming assets and improvement in delinquency metrics and underlying loss trends. Net interest income

increased from $16 million in 2010 to $321 million for 2011 due to a benefit in the FTP rate. The change in net income compared to the prior year was impacted by a $127 million benefit, net of expenses, from the settlement of litigation associated with one of the Bancorp's BOLI policies that was recorded in the third quarter of 2010. The results for 2011 were impacted by dividends on preferred stock of $203 million compared to $250 million in the prior year. 2011 results included $153 million in preferred stock dividends as a result of the accelerated accretion of the remaining issuance discount on the Series F Preferred Stock that was repaid in the first quarter of 2011.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOURTH QUARTER REVIEW

The Bancorp's 2012 fourth quarter net income available to common shareholders was $390 million, or $0.43 per diluted share, compared to net income available to common shareholders of $354 million, or $0.38 per diluted share, for the third quarter of 2012 and net income available to common shareholders of $305 million, or $0.33 per diluted share, for the fourth quarter of 2011. Fourth quarter 2012 earnings included a $157 million gain on the sale of Vantiv shares, $134 million in debt extinguishment costs associated with the termination of $1.0 billion of FHLB borrowings and $38 million of mortgage representation and warranty provision expense primarily due to additional information obtained from FHLMC regarding future mortgage repurchase and file requests. Third quarter 2012 results included $26 million in debt extinguishment costs associated with the redemption of certain TruPS, a $16 million negative adjustment on the valuation of the warrant associated with the processing business sale, $13 million in gains recognized on the sale of certain FTAM funds, and charges of $34 million related to the mortgage representation and warranty reserve. Fourth quarter 2011 earnings included a $54 million charge related to changes in the fair value of a swap liability that the Bancorp entered into in conjunction with its sale of Visa, Inc. Class B shares in 2009 and $10 million in positive valuation adjustments on puts and warrants associated with the sale of the processing business. The ALLL to loan and lease ratio was 2.16% as of December 31, 2012, compared to 2.32% as of September 30, 2012 and 2.78% as of December 31, 2011.

Fourth quarter 2012 net interest income of $903 million decreased $4 million from the third quarter of 2012 and $17 million from the same period a year ago. The decrease from the third quarter of 2012 was driven by a decrease in interest income, partially offset by a decline in interest expense. Interest income decreased $7 million from the third quarter of 2012 as the benefit of average loans and leases growth was more than offset by a decline in interest income attributable to loan repricing, primarily in the commercial and industrial, auto, and residential mortgage portfolios, as well as lower reinvestment rates on the securities portfolio. Interest expense declined $3 million from the third quarter of 2012, driven by higher demand deposit balances and continued runoff in consumer CD balances due to the low interest rate environment and their replacement into lower yielding products. The decline in net interest income in comparison to the fourth quarter of 2011 was driven by lower asset yields partially offset by higher average loan balances, run-off in higher-priced CDs and a mix shift to lower cost deposit products.

Fourth quarter 2012 noninterest income of $880 million increased $209 million compared to the third quarter of 2012 and $330 million compared to the fourth quarter of 2011. The sequential and year-over-year increases were both driven by a $157 million gain from the sale of Vantiv shares and higher mortgage banking and corporate banking revenue. Fourth quarter 2012 noninterest income included a $19 million negative valuation adjustment on the Vantiv warrants, compared with a $16 million negative valuation adjustment in the third quarter of 2012 and a $10 million positive valuation adjustment on the Vantiv warrant and put instruments in the fourth quarter of 2011. Fourth quarter 2012 results also included a $15 million charge related to the valuation of the total return swap entered into as part of the 2009 sale of Visa, Inc. Class B shares. Negative valuation adjustments on this swap were $1 million in the third quarter of 2012 and $54 million in the fourth quarter of 2011. Third quarter 2012 results also included $13 million in gains recognized on the sale of certain FTAM funds.

Mortgage banking net revenue was $258 million in the fourth quarter of 2012, compared to $200 million in the third quarter of 2012 and $156 million in the fourth quarter of 2011. Fourth quarter 2012 originations were $7.0 billion, compared with $5.8 billion in the previous quarter and $7.1 billion in the fourth quarter of 2011. Fourth quarter 2012 originations resulted in gains of $239 million on mortgages sold, reflecting higher mortgage sales revenue partially offset by lower gain on sale margins. This compares with gains of $226 million during the third quarter of 2012 and $152 million during the fourth quarter of 2011. Mortgage servicing fees in the fourth quarter of 2012 were $64 million, compared with $62 million in the third quarter of 2012 and $58 million in the fourth quarter of 2011. Mortgage banking net revenue is also affected by net servicing asset value adjustments, which include MSR amortization and MSR valuation adjustments. These factors led to a net loss of $45 million on the net valuation adjustments on MSRs in the fourth quarter of 2012 compared to a net loss of $88 million in the third quarter of 2012 and a net loss of $54 million in the fourth quarter of 2011. Net losses on nonqualifying hedges on mortgage servicing rights were $2 million and $3 million in the fourth quarter of 2012 and 2011, respectively, and net gains on nonqualifying hedges on mortgage servicing rights were $5 million during the third quarter of 2012.

Service charges on deposits of $134 million increased $6 million sequentially and decreased $2 million compared to the fourth quarter of 2011. Retail service charges grew 10 percent sequentially largely due to a seasonal increase in consumer overdrafts as well as the initial benefit of the transition to the Bancorp's new and simplified deposit product offerings. Compared with the fourth quarter of 2011, retail service charges decreased 11 percent primarily due to changes in the Bancorp's overdraft policies during 2012. Commercial service charges increased two percent sequentially and six percent from a year ago primarily as a result of higher treasury management fees.

Corporate banking revenue of $114 million increased $13 million from the previous quarter and $32 million from the fourth quarter of 2011. The sequential increase was primarily driven by higher syndication fees, business lending fees, and derivative fees, which benefited from accelerated activity in anticipation of changes to tax rules. The increase from the fourth quarter of 2011 was primarily driven by increased syndication fees and business lending fees as a result of the Bancorp's investments in the capital markets and treasury management capabilities, which are creating more opportunities and increased production.

Investment advisory revenue of $93 million increased $1 million sequentially and $3 million from the fourth quarter of 2011. Sequential and year-over-year increases were driven by higher private client services and institutional trust fees, which benefited from improvement in equity and bond market values, partially offset by lower mutual fund fees largely due to the sale of certain Fifth Third funds in the third quarter of 2012.

Card and processing revenue of $66 million increased $1 million compared to the third quarter of 2012 and $6 million from the fourth quarter of 2011. Both increases were driven by higher transaction volumes and higher levels of consumer spending.

The net gain on investment securities was $2 million in both the fourth and third quarters of 2012 and a net gain of $5 million in the fourth quarter of 2011.

Noninterest expense of $1.2 billion increased $157 million sequentially and increased $170 million from the fourth quarter of 2011. Fourth quarter 2012 expenses included $134 million of debt extinguishment costs associated with the termination of $1.0 billion of FHLB debt; $38 million of expenses associated with the mortgage representation and warranty reserve; and $13 million in charges to increase litigation reserves. Third quarter 2012 expenses included $26 million of debt extinguishment costs associated with the redemption of TruPS and $34 million of expenses associated with the mortgage representation and warranty reserve. Fourth quarter 2011 expenses included $14 million in charges to increase litigation reserves related to bankcard association membership and $5 million in other litigation reserve additions.

Table of Contents

Net charge-offs as a percent of average loans and leases decreased to 1.49% during 2011 compared to 3.02% during 2010 largely due to decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases, and improvement in underlying loss trends.

TABLE 17: QUARTERLY INFORMATION (unaudited)

	2012				2011			
For the three months ended ($ in millions, except per share data)	**12/31**	**9/30**	**6/30**	**3/31**	12/31	9/30	6/30	3/31
Net interest income (FTE)	**$ 903**	**907**	**899**	**903**	920	902	869	884
Provision for loan and lease losses	**76**	**65**	**71**	**91**	55	87	113	168
Noninterest income	**880**	**671**	**678**	**769**	550	665	656	584
Noninterest expense	**1,163**	**1,006**	**937**	**973**	993	946	901	918
Net income attributable to Bancorp	**399**	**363**	**385**	**430**	314	381	337	265
Net income available to common shareholders	**390**	**354**	**376**	**421**	305	373	328	88
Earnings per share, basic	**0.44**	**0.39**	**0.41**	**0.46**	0.33	0.41	0.36	0.10
Earnings per share, diluted	**0.43**	**0.38**	**0.40**	**0.45**	0.33	0.40	0.35	0.10

COMPARISON OF THE YEAR ENDED 2011 WITH 2010

Net income available to common shareholders for the year ended December 31, 2011 was $1.1 billion, or $1.18 per diluted share, which was net of $203 million in preferred stock dividends. The Bancorp's net income available to common shareholders of $503 million, or $0.63 per diluted share, for 2010, was net of $250 million in preferred stock dividends. The preferred stock dividends in 2011 included $153 million in discount accretion resulting from the Bancorp's repurchase of Series F preferred stock. Overall, credit trends improved in 2011, and as a result, the provision for loan and lease losses decreased to $423 million in 2011 compared to $1.5 billion in 2010. Noninterest income decreased from 2010, primarily due to a $152 million litigation settlement related to one of the Bancorp's BOLI policies during the third quarter of 2010 and reduced service charges on deposits and a decrease in mortgage banking net revenue. Noninterest expense decreased in comparison to 2010, primarily due to a decrease in the provision for representation and warranty claims and a decrease in FDIC expense and other taxes.

Net interest income was $3.6 billion for the years ended December 31, 2011 and 2010. Net interest income in 2011 compared to the prior year was impacted by a 22 bps decrease in average yield on average interest-earning assets offset by a 25 bps decrease in the average rate paid on interest-bearing liabilities and a $3.2 billion decrease in average interest-bearing liabilities, coupled with a mix shift to lower cost deposits.

Noninterest income decreased $274 million, or 10%, in 2011 compared to 2010 primarily as the result of a $152 million litigation settlement related to one of the Bancorp's BOLI policies during the third quarter of 2010, a $54 million decrease in service charges on deposits primarily due to the impact of Regulation E and a $50 million decrease in mortgage banking net revenue primarily as the result of a decrease in origination fees and a decrease in gains on loan sales partially offset by an increase in net servicing revenue.

Noninterest expense decreased $97 million, or three percent, in 2011 compared to 2010 primarily due to a decrease of $59 million in the provision for representation and warranty claims related to residential mortgage loans sold to third parties; a decrease of $41 million in FDIC insurance and other taxes, a $22 million decrease from the change in the provision for unfunded commitments and letters of credit, a $21 million decrease in intangible asset amortization and a $19 million decrease in professional service fees. This activity was partially offset by a $64 million increase in total personnel costs (salaries, wages and incentives plus employee benefits).

Net charge-offs as a percent of average loans and leases decreased to 1.49% during 2011 compared to 3.02% during 2010 largely due net charge-offs on commercial loans moved to held for sale during the third quarter of 2010 coupled with improved credit trends across all commercial loan types. In addition, residential mortgage loan net charge-offs, which typically involve partial charge-offs based upon appraised values of underlying collateral, decreased $266 million from 2010 as a result of improvements in delinquencies and a decrease in the average loss recorded per charge-off.

The Bancorp took a number of actions that impacted its capital position in 2011. On January 25, 2011, the Bancorp raised $1.7 billion in new common equity through the issuance of shares of common stock in an underwritten offering. On February 2, 2011, the Bancorp redeemed all 136,320 shares of its Series F Preferred Stock held by the U.S. Treasury totaling $3.4 billion. The Bancorp used the net proceeds from the common stock offerings previously discussed and a senior debt offering to redeem the Series F Preferred Stock. On March 16, 2011, the Bancorp repurchased the warrant issued to the U.S. Treasury under the CPP for $280 million, which was recorded as a reduction to capital surplus in the Bancorp's Consolidated Financial Statements. On March 18, 2011, the Bancorp announced that the FRB did not object to the Bancorp's capital plan submitted under the FRB 2011 CCAR. Pursuant to this plan, in the second quarter of 2011, the Bancorp redeemed $452 million of certain trust preferred securities, at par, classified as long-term debt. As a result of these redemptions the Bancorp recorded a $6 million gain on the extinguishment within other noninterest expense in the Consolidated Statements of Income.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BALANCE SHEET ANALYSIS

Loans and Leases

The Bancorp classifies its loans and leases based upon the primary purpose of the loan. Table 18 summarizes end of period loans and leases, including loans held for sale and Table 19 summarizes average total loans and leases, including loans held for sale.

TABLE 18: COMPONENTS OF LOANS AND LEASES (INCLUDES HELD FOR SALE)

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Commercial:					
Commercial and industrial loans	**$ 36,077**	30,828	27,275	25,687	29,220
Commercial mortgage loans	**9,116**	10,214	10,992	11,936	12,731
Commercial construction loans	**707**	1,037	2,111	3,871	5,335
Commercial leases	**3,549**	3,531	3,378	3,535	3,666
Subtotal – commercial	**49,449**	45,610	43,756	45,029	50,952
Consumer:					
Residential mortgage loans	**14,873**	13,474	10,857	9,846	10,292
Home equity	**10,018**	10,719	11,513	12,174	12,752
Automobile loans	**11,972**	11,827	10,983	8,995	8,594
Credit card	**2,097**	1,978	1,896	1,990	1,811
Other consumer loans and leases	**312**	364	702	812	1,194
Subtotal – consumer	**39,272**	38,362	35,951	33,817	34,643
Total loans and leases	**$ 88,721**	83,972	79,707	78,846	85,595
Total portfolio loans and leases (excludes loans held for sale)	**$ 85,782**	81,018	77,491	76,779	84,143

Loans and leases, including loans held for sale, increased $4.7 billion, or six percent, from December 31, 2011. The increase in loans and leases from December 31, 2011 was the result of a $3.8 billion, or eight percent, increase in commercial loans and a $910 million, or two percent, increase in consumer loans.

The increase in commercial loans and leases from December 31, 2011 was primarily due to an increase in commercial and industrial loans partially offset by a decrease in commercial mortgage and commercial construction loans. Commercial and industrial loans increased $5.2 billion, or 17%, due to targeted marketing efforts, an increase in new loan origination activity due to a strengthening economy and strong growth in December from uncertainty over tax increases and U.S. fiscal policy. Commercial mortgage loans decreased $1.1 billion, or 11%, from December 31, 2011 and commercial construction loans decreased $330 million, or 32%, from December 31, 2011 due to continued runoff as the level of new originations was less than the repayments of the current portfolio.

The increase in consumer loans and leases from December 31, 2011 was primarily due to an increase in residential mortgage loans, automobile loans, and credit card loans partially offset by a decrease in home equity loans. Residential mortgage loans increased $1.4 billion, or 10%, from December 31, 2011 due to management's decision to retain certain shorter term residential mortgage loans originated through the Bancorp's retail branches throughout 2011 and 2012 and strong originations due to continued refinancing activity associated with historically low interest rates. Automobile loans increased $145 million, or one percent, from December 31, 2011 due to strong origination volumes through consistent and competitive pricing, enhanced customer service with our dealership network, and disciplined sales execution. Credit card loans increased $119 million, or six percent, from December 31, 2011 driven by strong new account originations and modest attrition rates. Home equity loans decreased $701 million, or seven percent, from December 31, 2011 as payoffs exceeded new loan production.

TABLE 19: COMPONENTS OF AVERAGE LOANS AND LEASES (INCLUDES HELD FOR SALE)

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Commercial:					
Commercial and industrial loans	**$ 32,911**	28,546	26,334	27,556	28,426
Commercial mortgage loans	**9,686**	10,447	11,585	12,511	12,776
Commercial construction loans	**835**	1,740	3,066	4,638	5,846
Commercial leases	**3,502**	3,341	3,343	3,543	3,680
Subtotal – commercial	**46,934**	44,074	44,328	48,248	50,728
Consumer:					
Residential mortgage loans	**13,370**	11,318	9,868	10,886	10,993
Home equity	**10,369**	11,077	11,996	12,534	12,269
Automobile loans	**11,849**	11,352	10,427	8,807	8,925
Credit card	**1,960**	1,864	1,870	1,907	1,708
Other consumer loans and leases	**340**	529	743	1,009	1,212
Subtotal – consumer	**37,888**	36,140	34,904	35,143	35,107
Total average loans and leases	**$ 84,822**	80,214	79,232	83,391	85,835
Total average portfolio loans and leases (excludes loans held for sale)	**$ 82,733**	78,533	77,045	80,681	83,895

Average commercial loans and leases increased $2.9 billion, or six percent, compared to December 31, 2011. The increase in average commercial loans and leases was driven by an increase in average commercial and industrial loans and commercial leases partially offset by a decrease in average commercial mortgage loans and average commercial construction loans. Average commercial and

industrial loans increased $4.4 billion, or 15%, average commercial mortgage loans decreased $761 million, or seven percent, and average commercial construction loans decreased $905 million, or 52%, from December 31, 2011 due to the reasons previously discussed in the end of period discussion above.

Average consumer loans and leases increased $1.7 billion, or five percent, compared to December 31, 2011. The increase in average consumer loans and leases from December 31, 2011 was driven by an increase in average residential mortgage loans, average automobile loans, and average credit card loans partially offset by a decrease in average home equity loans. Average residential mortgage loans increased $2.1 billion, or 18%, average credit card balances increased $96 million, or five percent, and average home equity loans decreased $708 million, or six percent, from December 31, 2011 due to the reasons previously discussed in the end of period discussion above. Average automobile loans increased $497 million, or four percent, due to strong originations in the second half of 2011 and throughout 2012.

Investment Securities

The Bancorp uses investment securities as a means of managing interest rate risk, providing liquidity support and providing collateral for pledging purposes. As of December 31, 2012, total investment securities were $15.7 billion compared to $15.9 billion at December 31, 2011. See Note 1 of the Notes to Consolidated Financial Statements for the Bancorp's methodology for both classifying investment securities and management's evaluation of securities in an unrealized loss position for OTTI.

At December 31, 2012, the Bancorp's investment portfolio consisted primarily of AAA-rated available-for-sale securities. The Bancorp did not hold asset-backed securities backed by subprime mortgage loans in its investment portfolio. Additionally, there was approximately $100 million of securities classified as below investment grade as of December 31, 2012, compared to $122 million as of December 31, 2011.

The Bancorp's management has evaluated the securities in an unrealized loss position in the available-for-sale and held-to-maturity portfolios for OTTI. During the years ended December 31, 2012, 2011, and 2010, the Bancorp recognized $58 million, $19 million and $3 million of OTTI on its investment securities portfolio, respectively. The Bancorp did not recognize any OTTI on any of its held-to-maturity investment securities during the years ended December 31, 2012, 2011 or 2010.

TABLE 20: COMPONENTS OF INVESTMENT SECURITIES

As of December 31 ($ in millions)	**2012**	2011	2010	2009	2008
Available-for-sale and other: (amortized cost basis)					
U.S. Treasury and government agencies	**$ 41**	171	225	464	186
U.S. Government sponsored agencies	**1,730**	1,782	1,564	2,143	1,651
Obligations of states and political subdivisions	**203**	96	170	240	323
Agency mortgage-backed securities	**8,403**	9,743	10,570	11,074	8,529
Other bonds, notes and debentures *(a)*	**3,161**	1,792	1,338	2,541	613
Other securities *(b)*	**1,033**	1,030	1,052	1,417	1,248
Total available-for-sale and other securities	**$14,571**	14,614	14,919	17,879	12,550
Held-to-maturity: (amortized cost basis)					
Obligations of states and political subdivisions	**$ 282**	320	348	350	355
Other bonds, notes and debentures	**2**	2	5	5	5
Total held-to-maturity	**$ 284**	322	353	355	360
Trading: (fair value)					
Variable rate demand notes	**-**	-	106	235	1,140
Other securities	**207**	177	188	120	51
Total trading	**$ 207**	177	294	355	1,191

(a)Other bonds, notes, and debentures consist of non-agency mortgage backed securities, certain other asset backed securities (primarily automobile and commercial loan backed securities) and corporate bond securities.

(b)Other securities consist of FHLB and FRB restricted stock holdings that are carried at par, FHLMC and FNMA preferred stock holdings and certain mutual fund holdings and equity security holdings.

As of December 31, 2012, available-for-sale securities on an amortized cost basis decreased $43 million from December 31, 2011 due to a decrease in agency mortgage-backed securities and U.S. Treasury and government agency securities partially offset by an increase in obligations of states and political subdivision securities and other bonds, notes, and debentures. Agency mortgage-backed securities decreased $1.3 billion, or 14%, from December 31, 2011 primarily due to sales of collateralized mortgage obligations and mortgage-backed securities totaling $2.2 billion which was partially offset by reinvesting cash flows from securities paydown activity. The decrease of $130 million, or 76%, in U.S. Treasury and government agencies securities was due to maturities and the excess cash was reinvested in obligations of states and political subdivisions securities which increased $107 million, or 111%, from December 31, 2011. Other bonds, notes, and debentures increased $1.4 billion, or 76%, due to purchases of commercial mortgage-backed securities, asset-backed securities, and corporate bonds during the year partially offset by sales, paydowns, and bonds called

At December 31, 2012 and 2011, available-for-sale securities were 14% of total interest-earning assets. The estimated weighted-average life of the debt securities in the available-for-sale portfolio was 3.8 years at December 31, 2012, compared to 3.6 years at December 31, 2011. In addition, at December 31, 2012, the available-for-sale securities portfolio had a weighted-average yield of 3.30%, compared to 3.66% at December 31, 2011.

Information presented in Table 21 is on a weighted-average life basis, anticipating future prepayments. Yield information is presented on an FTE basis and is computed using historical cost balances. Maturity and yield calculations for the total available-for-sale portfolio exclude equity securities that have no stated yield or maturity. Total net unrealized gains on the available-for-sale securities portfolio were $636 million at December 31, 2012, compared to $748 million at December 31, 2011. The decrease in net unrealized gains was driven by the sales of agency mortgage-backed securities which generated a total realized gain of $67 million recognized in

during the year.

the Consolidated Statements of Income. The remaining decrease in net unrealized gains was due to a decline in interest rates. The fair value of investment securities is impacted by

Table of Contents

interest rates, credit spreads, market volatility and liquidity conditions. The fair value of investment securities generally decreases when interest rates increase or when credit spreads widen.

TABLE 21: CHARACTERISTICS OF AVAILABLE-FOR-SALE AND OTHER SECURITIES

As of December 31, 2012 ($ in millions)	Amortized Cost	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield
U.S. Treasury and government agencies:				
Average life of one year or less	$ 40	40	0.4	0.13 %
Average life 5 – 10 years	1	1	6.1	1.48
Total	41	41	0.5	0.16
U.S. Government sponsored agencies:				
Average life of one year or less	204	206	0.5	2.50
Average life 1 – 5 years	1,526	1,705	4.0	3.63
Total	1,730	1,911	3.6	3.50
Obligations of states and political subdivisions: (a)				
Average life of one year or less	7	7	0.8	0.12
Average life 1 – 5 years	84	85	2.9	1.50
Average life 5 – 10 years	96	102	6.3	4.37
Average life greater than 10 years	16	18	11.3	5.21
Total	203	212	5.1	3.10
Agency mortgage-backed securities:				
Average life of one year or less	495	506	0.7	4.44
Average life 1 – 5 years	6,254	6,529	3.3	3.59
Average life 5 – 10 years	1,654	1,695	5.8	3.42
Total	8,403	8,730	3.6	3.60
Other bonds, notes and debentures:				
Average life of one year or less	245	252	0.7	1.46
Average life 1 – 5 years	2,049	2,135	3.4	2.55
Average life 5 – 10 years	659	677	6.4	2.52
Average life greater than 10 years	208	213	14.7	2.35
Total	3,161	3,277	4.6	2.45
Other securities	1,033	1,036		
Total available-for-sale and other securities	$ 14,571	15,207	3.8	3.30 %

(a)Taxable-equivalent yield adjustments included in the above table are 0.03%, 0.01%, 0.40%, 1.79% and 0.34% for securities with an average life of one year or less, 1-5 years, 5-10 years, greater than 10 years and in total, respectively.

Deposits

The Bancorp's deposit balances represent an important source of funding and revenue growth opportunity. The Bancorp continues to focus on core deposit growth in its retail and commercial franchises by improving customer satisfaction, building full relationships and offering competitive rates. Core deposits represented 71% of the Bancorp's asset funding base at December 31, 2012 and 2011.

TABLE 22: DEPOSITS

As of December 31 ($ in millions)	**2012**	2011	2010	2009	2008
Demand	**$30,023**	27,600	21,413	19,411	15,287
Interest checking	**24,477**	20,392	18,560	19,935	14,222
Savings	**19,879**	21,756	20,903	17,898	16,063
Money market	**6,875**	4,989	5,035	4,431	4,689
Foreign office	**885**	3,250	3,721	2,454	2,144
Transaction deposits	**82,139**	77,987	69,632	64,129	52,405
Other time	**4,015**	4,638	7,728	12,466	14,350
Core deposits	**86,154**	82,625	77,360	76,595	66,755
Certificates—$100,000 and over	**3,284**	3,039	4,287	7,700	11,851
Other	**79**	46	1	10	7
Total deposits	**$89,517**	85,710	81,648	84,305	78,613

Core deposits increased $3.5 billion, or four percent, compared to December 31, 2011, driven by an increase of $4.2 billion, or five percent, in transaction deposits, partially offset by a decrease of $623 million, or 13%, in other time deposits. Transaction deposits increased due to an increase in demand deposits, interest checking deposits, and money market deposits partially offset by a decrease in savings deposits and foreign office deposits. Demand deposits increased $2.4 billion, or nine percent, from December 31, 2011 due to an increase in the average balance per account, new product offerings, and commercial customers opting to hold money in demand deposit accounts at year-end due to uncertainty over tax increases and U.S. fiscal policy. Interest checking deposits increased $4.1 billion, or 20%, from December 31, 2011 due to account migration from foreign office deposits which decreased $2.4 billion, or 73%, from December 31, 2011. The remaining increase in interest checking deposits was due to continued growth from the preferred checking program which was introduced in early 2011 and growth from maturing certificates of deposits. Money market

deposits increased $1.9 billion, or 38%, due to account migration from savings deposits which decreased $1.9 billion, or nine percent, from December 31, 2011. Other time deposits decreased primarily as a result of continued run-off of certificates of deposits due to the low interest rate environment, as customers have opted to maintain balances in more liquid transaction accounts.

Included in core deposits are foreign office deposits, which are primarily Eurodollar sweep accounts from the Bancorp's commercial customers. These accounts bear interest rates at slightly higher than money market accounts and unlike repurchase agreements the Bancorp does not have to pledge collateral.

The Bancorp uses certificates of deposit $100,000 and over, as a method to fund earning asset growth. At December 31, 2012, certificates $100,000 and over increased $245 million, or eight percent, compared to December 31, 2011 due to the diversification of funding sources through the issuance of retail and institutional certificates of deposits in the fourth quarter of 2012.

The following table presents average deposits for the twelve months ending December 31:

TABLE 23: AVERAGE DEPOSITS

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Demand	**$27,196**	23,389	19,669	16,862	14,017
Interest checking	**23,096**	18,707	18,218	15,070	14,191
Savings	**21,393**	21,652	19,612	16,875	16,192
Money market	**4,903**	5,154	4,808	4,320	6,127
Foreign office	**1,528**	3,490	3,355	2,108	2,153
Transaction deposits	**78,116**	72,392	65,662	55,235	52,680
Other time	**4,306**	6,260	10,526	14,103	11,135
Core deposits	**82,422**	78,652	76,188	69,338	63,815
Certificates—$100,000 and over	**3,102**	3,656	6,083	10,367	9,531
Other	**27**	7	6	157	2,067
Total average deposits	**$85,551**	82,315	82,277	79,862	75,413

On an average basis, core deposits increased $3.8 billion, or five percent, compared to December 31, 2011 due to an increase of $5.7 billion, or eight percent, in average transaction deposits partially offset by a decrease of $2.0 billion, or 31%, in average other time deposits. The increase in average transaction deposits was driven by an increase in average demand deposits and average interest checking deposits, partially offset by a decrease in average foreign office deposits due to the reasons discussed in the end of period section. The decrease in average other time deposits was due to the reasons discussed in the end of period discussion.

On an end of period basis, other time deposits and certificates $100,000 and over totaled $7.3 billion and $7.7 billion at December 31, 2012 and 2011, respectively. All of these deposits were interest-bearing.

The contractual maturities of certificates $100,000 and over as of December 31, 2012 are summarized in the following table:

TABLE 24: CONTRACTUAL MATURITIES OF CERTIFICATES $100,000 AND OVER

As of December 31 ($ in millions)	2012
Three months or less	$ 1,444
After three months through six months	230
After six months through 12 months	639
After 12 months	971
Total	$3,284

The contractual maturities of other time deposits and certificates $100,000 and over as of December 31, 2012 are summarized in the following table:

TABLE 25: CONTRACTUAL MATURITIES OF OTHER TIME DEPOSITS AND CERTIFICATES $100,000 AND OVER

As of December 31 ($ in millions)	2012
Next 12 months	$4,834
13-24 months	1,464
25-36 months	565
37-48 months	231
49-60 months	152
After 60 months	53
Total	$7,299

Borrowings

Total borrowings increased $1.0 billion, or eight percent, from December 31, 2011 due to an increase in other short-term borrowings and federal funds purchased, partially offset by a decrease in long-term debt. Total borrowings as a percentage of interest-bearing liabilities were 19% at both December 31, 2012 and 2011.

Table of Contents

TABLE 26: BORROWINGS

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Federal funds purchased	**$ 901**	346	279	182	287
Other short-term borrowings	**6,280**	3,239	1,574	1,415	9,959
Long-term debt	**7,085**	9,682	9,558	10,507	13,585
Total borrowings	**$14,266**	13,267	11,411	12,104	23,831

Federal funds purchased increased by $555 million, or 160%, from December 31, 2011 driven by an increase in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings increased $3.0 billion, or 94%, from December 31, 2011 driven by an increase of $3.2 billion in short-term FHLB borrowings offset by a decrease of $132 million in securities sold under repurchase agreements which are accounted for as collateralized financing transactions. The level of these borrowings can fluctuate significantly from period to period depending on funding needs and which sources are used to satisfy those needs. Long-term debt decreased $2.6 billion, or 27%, from December 31, 2011 driven by the redemption of $1.4 billion of TruPS during the third quarter of 2012 and the extinguishment of $1.0 billion of long-term FHLB advances during the fourth quarter of 2012.

TABLE 27: AVERAGE BORROWINGS

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Federal funds purchased	**$ 560**	345	291	517	2,975
Other short-term borrowings	**4,246**	2,777	1,635	6,463	7,785
Long-term debt	**9,043**	10,154	10,902	11,035	13,903
Total average borrowings	**$13,849**	13,276	12,828	18,015	24,663

Average total borrowings increased $573 million, or four percent, compared to December 31, 2011, primarily due to an increase in average federal funds purchased and other short-term borrowings, partially offset by a decrease in average long-term debt. Average federal funds purchased increased $215 million, or 62%, primarily due to an increase in excess balances in reserve accounts held at Federal Reserve Banks that the Bancorp purchased from other member banks on an overnight basis. Average other short-term borrowings increased $1.5 billion, or 53%, primarily due to the previously mentioned increase in short-term FHLB borrowings. Average long-term debt decreased $1.1 billion, or 11%, primarily due to the previously mentioned extinguishment of $1.0 billion in long-term FHLB borrowings and the redemption of $1.4 billion of certain TruPS during the year ended December 31, 2012.

Information on the average rates paid on borrowings is discussed in the net interest income section of the MD&A. In addition, refer to the Liquidity Risk Management section for a discussion on the role of borrowings in the Bancorp's liquidity management.

RISK MANAGEMENT

Managing risk is an essential component of successfully operating a financial services company. The Bancorp's risk management approach includes processes for identifying, assessing, managing, monitoring and reporting risks. The ERM division, led by the Bancorp's Chief Risk Officer, and the Bancorp Credit division, led by the Bancorp's Chief Credit Officer, ensure the consistency and adequacy of the Bancorp's risk management approach within the structure of the Bancorp's affiliate operating model. In addition, the Internal Audit division provides an independent assessment of the Bancorp's internal control structure and related systems and processes.

The assumption of risk requires robust and active risk management practices that comprise an integrated and comprehensive set of activities, measures and strategies that apply to the entire organization. The Bancorp has established a Risk Appetite Framework that provides the foundations of corporate risk capacity, risk appetite and risk tolerances. The Bancorp's risk capacity is represented by its available financial resources. Risk capacity sets an absolute limit on risk-assumption in the Bancorp's annual and strategic plans. The Bancorp understands that not all financial resources may persist as viable loss buffers over time. Further, consideration must be given to planned or foreseeable events that would reduce risk capacity. Those factors take the form of capacity adjustments to arrive at an Operating Risk Capacity which represents the operating risk level the Bancorp can assume while maintaining its solvency standard. The Bancorp's policy currently discounts its Operating Risk Capacity by a minimum of five percent to provide a buffer; as a result, the Bancorp's risk appetite is limited by policy to, at most, 95% of its Operating Risk Capacity.

Economic capital is the amount of unencumbered financial resources required to support the Bancorp's risks. The Bancorp measures economic capital under the assumption that it expects to maintain debt ratings at strong investment grade levels over time. The Bancorp's capital policies require that the Operating Risk Capacity less the aforementioned buffer exceed the calculated economic capital required in its business.

Risk appetite is the aggregate amount of risk the Bancorp is willing to accept in pursuit of its strategic and financial objectives. By establishing boundaries around risk taking and business decisions, and by incorporating the needs and goals of its shareholders, regulators, rating agencies and customers, the Bancorp's risk appetite is aligned with its priorities and goals. Risk tolerance is the maximum amount of risk applicable to each of the eight specific risk categories included in its Enterprise Risk Management Framework. This is expressed primarily in qualitative terms. The Bancorp's risk appetite and risk tolerances are supported by risk targets and risk limits. Those limits are used to monitor the amount of risk assumed at a granular level.

The risks faced by the Bancorp include, but are not limited to, credit, market, liquidity, operational, regulatory compliance, legal, reputational and strategic. Each of these risks is managed through the Bancorp's risk program which includes the following key functions:

- Enterprise Risk Management Programs is responsible for developing and overseeing the implementation of risk programs and reporting that facilitate a broad integrated view of risk. The department also leads the continual fostering of a strong risk management culture and the framework, policies and committees that support effective risk governance, including the oversight of Sarbanes-Oxley compliance;
- Commercial Credit Risk Management provides safety and soundness within an independent portfolio management framework that supports the Bancorp's commercial loan growth strategies and underwriting practices, ensuring portfolio optimization and appropriate risk controls;
- Risk Strategies and Reporting is responsible for quantitative analysis needed to support the commercial dual rating methodology, ALLL methodology and analytics needed to assess credit risk and develop mitigation strategies related to that risk. The department also provides oversight, reporting and monitoring of commercial underwriting and credit administration processes. The Risk Strategies and Reporting department is also responsible for the economic capital program;
- Consumer Credit Risk Management provides safety and soundness within an independent management framework that supports the Bancorp's consumer loan growth strategies, ensuring portfolio optimization, appropriate risk controls and oversight, reporting, and monitoring of underwriting and credit administration processes;
- Operational Risk Management works with affiliates and lines of business to maintain processes to monitor and manage all aspects of operational risk, including ensuring consistency in application of operational risk programs;
- Bank Protection oversees and manages fraud prevention and detection and provides investigative and recovery services for the Bancorp;
- Capital Markets Risk Management is responsible for instituting, monitoring, and reporting appropriate trading limits, monitoring liquidity, interest rate risk and risk tolerances within Treasury, Mortgage, and Capital Markets groups and utilizing a value at risk model for Bancorp market risk exposure;
- Regulatory Compliance Risk Management ensures that processes are in place to monitor and comply with federal and state banking regulations, including processes related to fiduciary, community reinvestment act and fair lending compliance. The function also has the responsibility for maintenance of an enterprise-wide compliance framework; and
- The ERM division creates and maintains other functions, committees or processes as are necessary to effectively manage risk throughout the Bancorp.

Risk management oversight and governance is provided by the Risk and Compliance Committee of the Board of Directors and through multiple management committees whose membership includes a broad cross-section of line-of-business, affiliate and support representatives. The Risk and Compliance Committee of the Board of Directors consists of five outside directors and has the responsibility for the oversight of risk management for the Bancorp, as well as for the Bancorp's overall aggregate risk profile. The Risk and Compliance Committee of the Board of Directors has approved the formation of key management governance committees that are responsible for evaluating risks and controls. The primary committee responsible for the oversight of risk management is the ERMC. Committees accountable to the ERMC, which support the core risk programs, are the Corporate Credit Committee, the Operational Risk Committee, the Management Compliance Committee, the Asset/Liability Committee and the Enterprise Marketing Committee. Other committees accountable to the ERMC oversee the ALLL, capital and community reinvestment act/fair lending functions. There are also new products and initiatives processes applicable to every line of business to ensure an

appropriate standard readiness assessment is performed before launching a new product or initiative. Significant risk policies approved by the management governance committees are also reviewed and approved by the Risk and Compliance Committee of the Board of Directors.

Credit Risk Review is an independent function responsible for evaluating the sufficiency of underwriting, documentation and approval processes for consumer and commercial credits; the accuracy of risk grades assigned to commercial credit exposure; nonaccrual status; specific reserves and monitoring of charge-offs. Credit Risk Review reports directly to the Risk and Compliance Committee of the Board of Directors and administratively to the Chief Auditor.

CREDIT RISK MANAGEMENT

The objective of the Bancorp's credit risk management strategy is to quantify and manage credit risk on an aggregate portfolio basis, as well as to limit the risk of loss resulting from an individual customer default. The Bancorp's credit risk management strategy is based on three core principles: conservatism, diversification and monitoring. The Bancorp believes that effective credit risk management begins with conservative lending practices. These practices include conservative exposure and counterparty limits and conservative underwriting, documentation and collection standards. The Bancorp's credit risk management strategy also emphasizes diversification on a geographic, industry and customer level as well as regular credit examinations and timely management reviews of large credit exposures and credits experiencing deterioration of credit quality. Credit officers with the authority to extend credit are delegated specific authority amounts, the utilization of which is closely monitored. Underwriting activities are centrally managed, and ERM manages the policy and the authority delegation process directly. The Credit Risk Review function provides objective assessments of the quality of underwriting and documentation, the accuracy of risk grades and the charge-off, nonaccrual and reserve analysis process. The Bancorp's credit review process and overall assessment of the adequacy of the allowance for credit losses is based on quarterly assessments of the probable estimated losses inherent in the loan and lease portfolio. The Bancorp uses these assessments to promptly identify potential problem loans or leases within the portfolio, maintain an adequate reserve and take any necessary charge-offs. The Bancorp defines potential problem loans as those rated substandard that do not meet the definition of a nonperforming asset or a restructured loan. See Note 6 of the Notes to the Consolidated Financial Statements for further information on the Bancorp's credit grade categories, which are derived from standard regulatory rating definitions.

The following tables provide a summary of potential problem loans as of December 31:

TABLE 28: POTENTIAL PROBLEM LOANS

As of December 31, 2012 ($ in millions)	Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	**$ 1,015**	**1,017**	**1,212**
Commercial mortgage	**848**	**849**	**851**
Commercial construction	**87**	**87**	**100**
Commercial leases	**9**	**9**	**9**
Total	**$ 1,959**	**1,962**	**2,172**

TABLE 29: POTENTIAL PROBLEM LOANS

As of December 31, 2011 ($ in millions)	Carrying Value	Unpaid Principal Balance	Exposure
Commercial and industrial	$ 1,376	1,376	1,744
Commercial mortgage	1,215	1,216	1,223
Commercial construction	239	240	258
Commercial leases	33	33	33
Total	$ 2,863	2,865	3,258

In addition to the individual review of larger commercial loans that exhibit probable or observed credit weaknesses, the commercial credit review process includes the use of two risk grading systems. The risk grading system currently utilized for reserve analysis purposes encompasses ten categories. The Bancorp also maintains a dual risk rating system for credit approval and pricing, portfolio monitoring and capital allocation that includes a "through-the-cycle" rating philosophy for modeling expected losses. The dual risk rating system includes thirteen probabilities of default grade categories and an additional six grade categories for estimating losses given an event of default. The probability of default and loss given default evaluations are not separated in the ten-category risk rating system. The Bancorp has completed significant validation and testing of the dual risk rating system as a commercial credit risk management tool. The Bancorp is assessing the necessary modifications to the dual risk rating system outputs to develop a GAAP compliant ALLL model and will make a decision on the use of modified dual risk ratings for purposes of determining the Bancorp's ALLL once the FASB has issued a final standard regarding proposed methodology changes to the determination of credit impairment as outlined in the FASB's proposed Accounting Standard Update—*Financial Instruments–Credit Losses* (Subtopic 825-15) issued on December 20, 2012. Scoring systems, various analytical tools and delinquency monitoring are used to assess the credit risk in the Bancorp's homogenous consumer and small business loan portfolios.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

General economic conditions showed only modest improvement in 2011 and 2012 as the economic recovery struggled to gain any significant momentum. Uncertainty in terms of finding long term solutions for federal government deficit spending continues to weigh on the economy. Geographically, the Bancorp continues to experience the most stress in Michigan and Florida due to the decline in real estate values. Real estate value deterioration, as measured by the Home Price Index, was most prevalent in Florida due to past real estate price appreciation and related over-development, and in Michigan due in part to cutbacks in automobile manufacturing and the state's economic downturn. Among commercial portfolios, the homebuilder, residential developer and portions of the remaining non-owner occupied commercial real estate portfolios continue to remain under stress.

Among consumer portfolios, residential mortgage and brokered home equity portfolios exhibited the most stress. Management suspended homebuilder and developer lending in 2007 and new commercial non-owner occupied real estate lending in 2008, discontinued the origination of brokered home equity products at the end of 2007 and tightened underwriting standards across both the commercial and consumer loan product offerings. With the stabilization of certain real estate markets, the Bank began to selectively originate new homebuilder and developer lending and non-owner occupied commercial lending real estate in the third quarter of 2011. However, the level of new originations is below the amortization and pay-off of the current portfolio. Since the fourth quarter of 2008, in an effort to reduce loan exposure to the real estate and construction industries, the Bancorp has sold certain consumer loans and sold or transferred to held for sale certain commercial loans. Throughout 2011 and 2012, the Bancorp continued to aggressively engage in other loss mitigation strategies such as reducing credit commitments, restructuring certain commercial and consumer loans, tightening underwriting standards on commercial loans and across the consumer loan portfolio, as well as utilizing expanded commercial and consumer loan workout teams. For commercial and consumer loans owned by the Bancorp, loan modification strategies are developed that are workable for both the borrower and the Bancorp when the borrower displays a willingness to cooperate. These strategies typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. For residential mortgage loans serviced for FHLMC and FNMA, the Bancorp participates in the HAMP and HARP 2.0 programs. For loans refinanced under the HARP 2.0 program, the Bancorp strictly adheres to the underwriting requirements of the program and promptly sells the refinanced loan back to the agencies. Loan restructuring under the HAMP program is performed on behalf of FHLMC or FNMA and the Bancorp does not take possession of these loans during the modification process. Therefore, participation in these programs does not significantly impact the Bancorp's credit quality statistics. The Bancorp participates in trial modifications in conjunction with the HAMP program for loans it services for FHLMC and FNMA. As these trial modifications relate to loans serviced for others, they are not included in the Bancorp's troubled debt restructurings as they are not assets of the Bancorp. In the event there is a representation and warranty violation on loans sold through the programs, the Bancorp may be required to repurchase the sold loan. As of December 31, 2012, repurchased loans restructured or refinanced under these programs were immaterial to the Bancorp's Consolidated Financial Statements. Additionally, as of December 31, 2012, $475 million of loans refinanced under HARP 2.0 were included in loans held for sale in the Bancorp's Consolidated Balance Sheets. For the year ended December 31, 2012 the Bancorp recognized $218 million of fee income in mortgage banking net revenue in the Bancorp's Consolidated Statements of Income related to the sale of loans restructured or refinanced under the HAMP and HARP 2.0 programs.

In the financial services industry, there has been heightened focus on foreclosure activity and processes. The Bancorp actively works with borrowers experiencing difficulties and has regularly modified or provided forbearance to borrowers where a workable solution could be found. Foreclosure is a last resort, and the Bancorp undertakes foreclosures only when it believes they are necessary and appropriate and is careful to ensure that customer and loan data are accurate. Reviews of the Bancorp's foreclosure process and procedures conducted in 2010 did not reveal any material deficiencies. These reviews were expanded and extended in 2011 to improve the Bancorp's processes as additional aspects of the industry's foreclosure practices have come under intensified scrutiny and criticism. These reviews are complete and the Bancorp has enhanced some of its processes and procedures to address some concerns that were raised and to comply with changes in state laws.

Commercial Portfolio

The Bancorp's credit risk management strategy includes minimizing concentrations of risk through diversification. The Bancorp has commercial loan concentration limits based on industry, lines of business within the commercial segment, geography and credit product type.

The risk within the commercial loan and lease portfolio is managed and monitored through an underwriting process utilizing detailed origination policies, continuous loan level reviews, monitoring of industry concentration and product type limits and continuous portfolio risk management reporting. The origination policies for commercial real estate outline the risks and underwriting requirements for owner and non-owner occupied and construction lending. Included in the policies are maturity and amortization terms, maximum LTVs, minimum debt service coverage ratios, construction loan monitoring procedures, appraisal requirements, pre-leasing requirements (as applicable) and sensitivity and pro-forma analysis requirements. The Bancorp requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and on an as needed basis when market conditions justify. Although the Bancorp does not back test these collateral value assumptions, the Bancorp maintains an appraisal review department to order and review third-party appraisals in accordance with regulatory requirements. Collateral values on criticized assets with relationships exceeding $1 million are reviewed quarterly to assess the appropriateness of the value ascribed in the assessment of charge-offs and specific reserves. In addition, the Bancorp applies incremental valuation haircuts to older appraisals that relate to collateral dependent loans, which can currently be up to 25-40% of the appraised value based on the type of collateral. These incremental valuation haircuts generally reflect the age of the most recent appraisal as well as collateral type. Trends in collateral values, such as home price indices and recent asset dispositions, are monitored in order to determine whether adjustments to the appraisal haircuts are warranted. Other factors such as local market conditions or location may also be considered as necessary.

The Bancorp assesses all real estate and non-real estate collateral securing a loan and considers all cross collateralized loans in the calculation of the LTV ratio. The following table provides detail on the most recent LTV ratios for commercial mortgage loans greater than $1 million, excluding impaired commercial mortgage loans individually evaluated. The Bancorp does not typically aggregate the LTV ratios for commercial mortgage loans less than $1 million.

Table of Contents

TABLE 30: COMMERCIAL MORTGAGE LOANS OUTSTANDING BY LTV, LOANS GREATER THAN $1 MILLION

As of December 31, 2012 ($ in millions)	LTV > 100%	LTV 80-100%	LTV ≤ 80%
Commercial mortgage owner-occupied loans	$ 390	302	2,325
Commercial mortgage nonowner-occupied loans	450	605	1,955
Total	$ 840	907	4,280

TABLE 31: COMMERCIAL MORTGAGE LOANS OUTSTANDING BY LTV, LOANS GREATER THAN $1 MILLION

As of December 31, 2011($ in millions)	LTV > 100%	LTV 80-100%	LTV ≤ 80%
Commercial mortgage owner-occupied loans	$ 528	419	2,353
Commercial mortgage nonowner-occupied loans	684	734	2,164
Total	$ 1,212	1,153	4,517

The following table provides detail on commercial loan and leases by industry classification (as defined by the North American Industry Classification System), by loan size and by state, illustrating the diversity and granularity of the Bancorp's commercial loans and leases:

TABLE 32: COMMERCIAL LOAN AND LEASE PORTFOLIO (EXCLUDING LOANS HELD FOR SALE)

	2012			2011		
As of December 31 ($ in millions)	Outstanding	Exposure	Nonaccrual	Outstanding	Exposure	Nonaccrual
By industry:						
Manufacturing	$ 9,982	18,414	58	$ 9,020	17,065	116
Real estate	5,588	6,840	198	6,274	7,060	299
Financial services and insurance	4,886	12,062	54	4,596	9,975	46
Business services	4,600	6,917	56	3,898	5,976	78
Healthcare	4,079	6,094	14	3,477	5,179	15
Wholesale trade	4,042	7,401	26	3,656	6,796	50
Transportation and warehousing	3,105	4,222	3	2,304	3,152	16
Retail trade	2,624	5,699	38	2,639	5,548	56
Construction	1,995	3,254	105	2,226	3,470	199
Mining	1,683	2,767	—	1,157	1,994	7
Communication and information	1,547	2,631	19	1,128	2,117	3
Accommodation and food	1,478	2,160	17	1,127	1,636	22
Other services	1,156	1,517	42	998	1,503	48
Entertainment and recreation	914	1,393	11	874	1,228	18
Utilities	608	2,009	—	564	1,752	—
Public administration	441	693	—	644	886	—
Agribusiness	376	527	44	425	564	65
Individuals	281	335	12	460	512	20
Other	3	2	—	5	5	—
Total	$ 49,388	84,937	697	$ 45,472	76,418	1,058
By loan size:						
Less than $200,000	2 %	1	9	2 %	2	7
$200,000 to $1 million	6	5	22	8	6	23
$1 million to $5 million	15	12	28	18	15	32
$5 million to $10 million	11	9	13	12	10	15
$10 million to $25 million	27	25	24	28	25	19
Greater than $25 million	39	48	4	32	42	4
Total	100 %	100	100	100 %	100	100
By state:						
Ohio	20 %	24	13	24 %	27	16
Michigan	11	10	17	13	11	22
Illinois	8	8	8	7	8	10
Florida	7	6	19	8	6	17
Indiana	5	5	11	5	5	10
Kentucky	4	3	4	4	4	4
North Carolina	3	3	2	3	3	4
Tennessee	3	3	5	3	3	2
Pennsylvania	3	2	1	2	2	1
All other states	36	36	20	31	31	14
Total	100 %	100	100	100 %	100	100

Table of Contents

The Bancorp has identified certain categories of loans which it believes represent a higher level of risk compared to the rest of the Bancorp's loan portfolio, due to economic or market conditions within the Bancorp's key lending areas.

The following table provides analysis of each of the categories of loans (excluding loans held for sale) by state as of December 31, 2012 and 2011:

TABLE 33: NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE (a)

As of December 31, 2012 ($ in millions)					**For the Year Ended December 31, 2012**
By State:	**Outstanding**	**Exposure**	**90 Days Past Due**	**Nonaccrual**	**Net Charge-offs**
Ohio	**$ 1,236**	**1,351**	**—**	**39**	**19**
Michigan	**1,098**	**1,123**	**—**	**49**	**32**
Florida	**596**	**632**	**—**	**42**	**20**
Illinois	**430**	**481**	**—**	**21**	**11**
Indiana	**283**	**303**	**—**	**14**	**2**
North Carolina	**205**	**228**	**—**	**12**	**6**
All other states	**972**	**1,250**	**—**	**33**	**(3)**
Total	**$ 4,820**	**5,368**	**—**	**210**	**87**

(a)Included in commercial mortgage and commercial construction loans on the Consolidated Balance Sheets.

TABLE 34: NON-OWNER OCCUPIED COMMERCIAL REAL ESTATE (a)

As of December 31, 2011 ($ in millions)					For the Year Ended December 31, 2011
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 1,958	2,125	1	88	64
Michigan	1,443	1,476	1	77	39
Florida	713	740	—	72	44
Illinois	417	499	1	44	31
Indiana	312	316	—	13	6
North Carolina	302	332	—	33	13
All other states	586	650	—	35	14
Total	$ 5,731	6,138	3	362	211

(a)Included in commercial mortgage and commercial construction loans on the Consolidated Balance Sheets.

TABLE 35: HOMEBUILDER AND DEVELOPER (a)

As of December 31, 2012 ($ in millions)					**For the Year Ended December 31, 2012**
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	**$ 133**	**199**	**—**	**11**	**7**
Michigan	**52**	**60**	**—**	**6**	**7**
Florida	**32**	**59**	**—**	**3**	**10**
North Carolina	**24**	**34**	**—**	**4**	**1**
Indiana	**18**	**21**	**—**	**8**	**—**
Illinois	**28**	**31**	**—**	**8**	**3**
All other states	**31**	**35**	**—**	**2**	**—**
Total	**$ 318**	**439**	**—**	**42**	**28**

(a)Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $73 and a total exposure of $132 are also included in Table 33: Non-Owner Occupied Commercial Real Estate.

Table of Contents

TABLE 36: HOMEBUILDER AND DEVELOPER [(a)]

As of December 31, 2011 ($ in millions)					For the Year Ended December 31, 2011
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 166	234	—	15	22
Michigan	108	128	—	8	7
Florida	64	73	—	27	12
North Carolina	50	56	—	13	7
Indiana	51	56	—	10	3
Illinois	16	27	—	9	4
All other states	57	69	—	14	1
Total	$ 512	643	—	96	56

(a)Homebuilder and Developer loans, exclusive of commercial and industrial loans with an outstanding balance of $136 and a total exposure of $222 are also included in Table 34: Non-Owner Occupied Commercial Real Estate.

Consumer Portfolio

The Bancorp’s consumer portfolio is materially comprised of three categories of loans: residential mortgage, home equity, and automobile. The Bancorp has identified certain categories within these loan types which it believes represent a higher level of risk compared to the rest of the consumer loan portfolio due to high loan amount to collateral value. The Bancorp does not update LTV ratios for the consumer portfolio subsequent to origination except as part of the charge-off process for real estate secured loans.

Residential Mortgage Portfolio

The Bancorp manages credit risk in the residential mortgage portfolio through conservative underwriting and documentation standards and geographic and product diversification. The Bancorp may also package and sell loans in the portfolio.

The Bancorp does not originate mortgage loans that permit customers to defer principal payments or make payments that are less than the accruing interest. The Bancorp originates both fixed and adjustable rate residential mortgage loans. Resets of rates on adjustable rate mortgages are not expected to have a material impact on credit costs in the current interest rate environment, as approximately $1.1 billion of adjustable rate residential mortgage loans will have rate resets during the next twelve months, with less than one percent of those resets expected to experience an increase in monthly payments in comparison to the monthly payment at the time of origination.

Certain residential mortgage products have contractual features that may increase credit exposure to the Bancorp in the event of a decline in housing values. These types of mortgage products offered by the Bancorp include loans with high LTV ratios, multiple loans on the same collateral that when combined result in an LTV greater than 80% and interest-only loans. The Bancorp monitors residential mortgage loans with greater than 80% LTV ratios and no mortgage insurance as it believes these loans represent a higher level of risk.

The following table provides an analysis of the residential mortgage portfolio loans outstanding, excluding held for sale, by LTV at origination:

TABLE 37: RESIDENTIAL MORTGAGE PORTFOLIO LOANS BY LTV AT ORIGINATION

	2012		2011	
As of December 31 ($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV > 80%	$ **8,993**	**65.8 %**	$ 7,876	66.6 %
LTV > 80%, with mortgage insurance	**1,165**	**93.6**	1,030	92.7
LTV > 80%, no mortgage insurance	**1,859**	**95.6**	1,766	95.6
Total	$ **12,017**	**73.1 %**	$ 10,672	73.9 %

The following tables provide analysis of the residential mortgage portfolio loans outstanding, excluding held for sale, with a greater than 80% LTV ratio and no mortgage insurance as of December 31, 2012 and 2011:

TABLE 38: RESIDENTIAL MORTGAGE PORTFOLIO LOANS, LTV GREATER THAN 80%, NO MORTGAGE INSURANCE

As of December 31, 2012 ($ in millions)				**For the Year Ended December 31, 2012**
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ **600**	**4**	**24**	**13**
Michigan	**310**	**1**	**10**	**10**
Florida	**262**	**—**	**17**	**15**
North Carolina	**111**	**1**	**5**	**3**
Indiana	**115**	**1**	**5**	**2**
Illinois	**193**	**1**	**5**	**3**
Kentucky	**89**	**1**	**2**	**1**
All other states	**179**	**—**	**5**	**5**
Total	$ **1,859**	**9**	**73**	**52**

Table of Contents

TABLE 39: RESIDENTIAL MORTGAGE PORTFOLIO LOANS, LTV GREATER THAN 80%, NO MORTGAGE INSURANCE

As of December 31, 2011 ($ in millions)				For the Year Ended December 31, 2011
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 600	6	25	15
Michigan	305	1	14	13
Florida	283	2	27	29
North Carolina	123	—	4	7
Indiana	111	1	4	2
Illinois	122	1	3	2
Kentucky	84	1	3	1
All other states	138	1	5	7
Total	$ 1,766	13	85	76

Home Equity Portfolio

The Bancorp's home equity portfolio is primarily comprised of home equity lines of credit. The home equity line of credit offered by the Bancorp is a revolving facility with a 20-year term, minimum payments of interest only and a balloon payment of principal at maturity.

The ALLL provides coverage for probable and estimable losses in the home equity portfolio. The allowance attributable to the portion of the home equity portfolio that has not been restructured in a TDR is calculated on a pooled basis with first lien and junior-lien categories segmented in the determination of the probable credit losses in the home equity portfolio. The modeled loss factor for the home equity portfolio is based on the trailing twelve month historical loss rate for each category, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors to reflect risks associated with current conditions and trends. The prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix. The qualitative factors include adjustments for credit administration and portfolio management, credit policy and underwriting and the national and local economy. The Bancorp considers home price index trends when determining the national and local economy qualitative factor.

The home equity portfolio is managed in two primary groups: loans outstanding with a LTV greater than 80% and those loans with a LTV 80% or less based upon appraisals at origination. The carrying value of the greater than 80% LTV home equity loans and 80% or less LTV home equity loans were $3.7 billion and $6.3 billion, respectively, as of December 31, 2012. Of the total $10.0 billion of outstanding home equity loans:

- 82% reside within the Bancorp's Midwest footprint of Ohio, Michigan, Kentucky, Indiana and Illinois;
- 32% are in first lien positions and 68% are in second lien positions at December 31, 2012;
- For approximately 1/3 of the home equity portfolio in a second lien position, the first lien is either owned or serviced by the Bancorp;
- Over 80% of non-delinquent borrowers made at least one payment greater than the minimum payment during the year ended December 31, 2012; and
- The portfolio had an average refreshed FICO score of 735 and 734 at December 31, 2012 and 2011, respectively.

The Bancorp actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation. The Bancorp does not routinely obtain appraisals on performing loans to update LTV ratios after origination. However, the Bancorp monitors the local housing markets by reviewing various home price indices and incorporates the impact of the changing market conditions in its on-going credit monitoring processes. For second lien home equity loans, the Bancorp is unable to track the performance of the first lien loans if it does not service the first lien loan, but instead monitors the refreshed FICO scores as part of its assessment of the home equity portfolio.

The following table provides an analysis of home equity loans outstanding disaggregated based upon refreshed FICO score:

TABLE 40: HOME EQUITY LOANS OUTSTANDING BY REFRESHED FICO SCORE

($ in millions)	**December 31, 2012**	**% of Total**	December 31, 2011	% of Total
First Liens:				
FICO < 620	**$ 224**	**2%**	214	2%
FICO 621-719	**653**	**6**	643	6
FICO > 720	**2,374**	**24**	2,466	23
Total First Liens	**3,251**	**32**	3,323	31
Second Liens:				
FICO < 620	**661**	**7**	750	7
FICO 621-719	**1,817**	**18**	1,929	18
FICO > 720	**4,289**	**43**	4,717	44
Total Second Liens	**6,767**	**68**	7,396	69
Total	**$ 10,018**	**100%**	10,719	100%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Bancorp believes that home equity loans with a greater than 80% combined LTV ratio present a higher level of risk. The following table provides an analysis of the home equity loans outstanding in a first and second lien position by LTV at origination:

TABLE 41: HOME EQUITY LOANS OUTSTANDING BY LTV AT ORIGINATION

	2012		2011	
As of December 31 ($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
First Liens:				
LTV ≤ 80%	**$ 2,763**	**54.9 %**	$ 2,800	54.9 %
LTV > 80%	**488**	**88.9**	523	89.2
Total First Liens	**3,251**	**60.2**	3,323	60.4
Second Liens:				
LTV ≤ 80%	**3,602**	**67.3**	3,882	67.3
LTV > 80%	**3,165**	**91.6**	3,514	91.8
Total Second Liens	**6,767**	**80.5**	7,396	81.0
Total	**$ 10,018**	**73.4 %**	$ 10,719	74.0 %

The following tables provide analysis of home equity loans by state with LTV greater than 80% as of December 31, 2012 and 2011:

TABLE 42: HOME EQUITY LOANS OUTSTANDING WITH LTV GREATER THAN 80%

As of December 31, 2012 ($ in millions)					**For the Year Ended December 31, 2012**
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	**$ 1,254**	**1,927**	**8**	**6**	**24**
Michigan	**795**	**1,108**	**6**	**4**	**24**
Illinois	**428**	**611**	**5**	**3**	**17**
Indiana	**348**	**521**	**2**	**2**	**5**
Kentucky	**327**	**499**	**2**	**1**	**6**
Florida	**130**	**175**	**2**	**3**	**8**
All other states	**371**	**491**	**4**	**2**	**17**
Total	**$ 3,653**	**5,332**	**29**	**21**	**101**

TABLE 43: HOME EQUITY LOANS OUTSTANDING WITH LTV GREATER THAN 80%

As of December 31, 2011 ($ in millions)					For the Year Ended December 31, 2011
By State:	Outstanding	Exposure	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 1,393	2,083	12	7	33
Michigan	884	1,197	8	4	37
Illinois	448	630	8	2	17
Indiana	391	573	2	2	9
Kentucky	366	549	3	2	8
Florida	146	190	4	3	17
All other states	409	519	5	2	19
Total	$ 4,037	5,741	42	22	140

Automobile Portfolio

The automobile portfolio is characterized by direct and indirect lending products to consumers. As of December 31, 2012, 50% of the automobile loan portfolio is comprised of new automobiles. It is a common practice to advance on automobile loans an amount in excess of the automobile value due to the inclusion of taxes, title, and other fees paid at closing. The Bancorp monitors its exposure to these higher risk loans.

The following table provides an analysis of automobile loans outstanding by LTV at origination:

TABLE 44: AUTOMOBILE LOANS OUTSTANDING WITH LTV AT ORIGINATION

	2012		2011	
As of December 31 ($ in millions)	Outstanding	Weighted Average LTV	Outstanding	Weighted Average LTV
LTV ≤ 100%	**$ 8,123**	**81.5 %**	$ 7,805	81.7 %
LTV > 100%	**3,849**	**110.8**	4,022	111.5
Total	**$ 11,972**	**91.2 %**	$ 11,827	92.1 %

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following tables provide analysis of the Bancorp's automobile loans with a LTV at origination greater than 100% as of December 31, 2012 and 2011, respectively:

TABLE 45: AUTOMOBILE LOANS OUTSTANDING WITH LTV GREATER THAN 100%

As of December 31, 2012 ($ in millions)				For the Year Ended December 31, 2012
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	**$ 409**	**—**	**—**	**2**
Illinois	**232**	**—**	**—**	**2**
Michigan	**221**	**—**	**—**	**2**
Indiana	**158**	**—**	**—**	**1**
Florida	**194**	**—**	**—**	**1**
Kentucky	**141**	**—**	**—**	**1**
All other states	**2,494**	**4**	**2**	**15**
Total	**$ 3,849**	**4**	**2**	**24**

TABLE 46: AUTOMOBILE LOANS OUTSTANDING WITH LTV GREATER THAN 100%

As of December 31, 2011 ($ in millions)				For the Year Ended December 31, 2011
By State:	Outstanding	90 Days Past Due	Nonaccrual	Net Charge-offs
Ohio	$ 425	1	—	3
Illinois	291	—	—	3
Michigan	245	—	—	2
Indiana	181	—	—	2
Florida	192	—	—	3
Kentucky	158	—	—	1
All other states	2,530	3	2	20
Total	$ 4,022	4	2	34

European Exposure

The Bancorp has no direct sovereign exposure to any European nation as of December 31, 2012. In providing services to our customers, the Bancorp routinely enters into financial transactions with foreign domiciled and U.S. subsidiaries of foreign businesses as well as foreign financial institutions. These financial transactions are in the form of loans, loan commitments, letters of credit, derivatives and securities. The Bancorp's risk appetite for foreign country exposure is managed by having established country exposure limits. The Bancorp's total exposure to European domiciled or owned businesses and European financial institutions was $2.6 billion and funded exposure was $1.5 billion as of December 31, 2012. Additionally, the Bancorp was within its established country exposure limits for all European countries.

Certain European countries have been experiencing increased levels of stress throughout 2012 including Greece, Ireland, Italy, Portugal and Spain. The Bancorp's total exposure to businesses domiciled or owned by companies and financial institutions in these countries was approximately $210 million and funded exposure was $115 million as of December 31, 2012.

The following table provides detail about the Bancorp's exposure to all European domiciled and owned businesses and financial institutions as of December 31, 2012:

TABLE 47: EUROPEAN EXPOSURE

	Sovereigns		Financial Institutions		Non-Financial Institutions		Total	
($ in millions)	Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure	Funded Exposure	Total Exposure (a)	Funded Exposure
Peripheral Europe(b)	$ —	—	26	—	184	115	210	115
Other Eurozone(c)	—	—	50	46	1,463	846	1,513	892
Total Eurozone	—	—	76	46	1,647	961	1,723	1,007
Other Europe(d)	—	—	62	32	821	485	883	517
Total Europe	$ —	—	138	78	2,468	1,446	2,606	1,524

(a)Total exposure includes funded exposure and unfunded commitments, reported net of collateral.
(b)Peripheral Europe includes Greece, Ireland, Italy, Portugal and Spain.
(c)Eurozone includes countries participating in the European common currency (Euro).
(d)Other Europe includes European countries not part of the Euro (primarily the United Kingdom and Switzerland).

Analysis of Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain; restructured commercial and credit card loans which have not yet met the requirements to be classified as a performing asset; restructured consumer loans which are 90 days past due based on the restructured terms unless the loan is both well-secured and in the process of collection; and certain other assets, including OREO and other repossessed property. A summary of nonperforming assets is included in Table 48.

Residential mortgage loans are typically placed on nonaccrual status when principal and interest payments have become past due 150 days unless such loans are both well secured and in the process of collection. Residential mortgage loans may stay on nonaccrual status for an extended time as the foreclosure process typically lasts longer than 180 days. Typically, home equity loans are reported on nonaccrual status if principal or interest has been in default for 180 days or more unless the loan is both well secured and in the process of collection. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have a sustained repayment performance of six months or greater and the Bancorp is reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance. When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premiums, accretion of loan discounts and amortization or accretion of deferred net loan fees or costs are discontinued and previously accrued, but unpaid interest is reversed. Commercial loans on nonaccrual status are reviewed for impairment at least quarterly. If the principal or a portion of the principal is deemed a loss, the loss amount is charged off to the ALLL.

Total nonperforming assets, including loans held for sale, were $1.3 billion at December 31 2012 compared to $2.0 billion at December 31, 2011. At December 31, 2012, $29 million of nonaccrual loans, consisting primarily of real estate secured loans, were held for sale, compared to $138 million at December 31, 2011.

Nonperforming assets as a percentage of total loans, leases and other assets, including OREO and nonaccrual loans held for sale as of December 31, 2012 were 1.48%, compared to 2.32% as of December 31, 2011. Excluding nonaccrual loans held for sale, nonperforming assets as a percentage of portfolio loans, leases and other assets, including OREO was 1.49% as of December 31, 2012, compared to 2.23% as of December 31, 2011. The composition of nonaccrual loans and leases continues to be concentrated in real estate as 67% of nonaccrual loans and leases were secured by real estate as of December 31, 2012 compared to 69% as of December 31, 2011.

Commercial nonperforming loans and leases were $726 million at December 31, 2012, a decrease of $470 million from December 31, 2011. Excluding commercial nonperforming loans and leases held for sale, commercial nonperforming loans and leases at December 2012 decreased $361 million compared to December 31, 2011. The decrease from December 31, 2011 was due to a continued decrease in new nonaccruals and an increase in paydowns and payoffs in 2012 due to improved delinquency metrics and an improvement in underlying loss trends.

Consumer nonperforming loans and leases were $332 million at December 31, 2012, a decrease of $48 million from December 31, 2011. The decrease is due to the continued moderation in general economic conditions in 2012. Home equity nonaccrual levels remain modest as the Bancorp continues to fully charge-off a high proportion of the severely delinquent loans at 180 days past due. Geography continues to be a large driver of nonaccrual activity as Florida properties represent approximately 14% and 8% of residential mortgage and home equity balances, respectively, but represent 47% and 19% of nonaccrual loans for each category. Refer to Table 49 for a rollforward of the nonperforming loans and leases.

Consumer restructured loans on accrual status totaled $1.7 billion and $1.6 billion at December 31, 2012 and 2011, respectively. As of December 31, 2012, the percentage of restructured residential mortgage loans, home equity loans and credit card loans that are past due 30 days or more are 25%, 13% and 14%, respectively.

OREO and other repossessed property was $257 million at December 31, 2012, compared to $378 million at December 31, 2011. The decrease from December 31, 2011 was primarily due to a decrease in new OREO properties reflecting the changes made to the Bancorp's underwriting of real estate loans in prior periods as well as improvements in general economic conditions during 2011 and 2012. The Bancorp recognized $74 million and $171 million in losses on the sale or write-down of OREO properties in 2012 and 2011, respectively. These losses are primarily reflective of the continued stress in the Michigan and Florida markets for commercial real estate and residential mortgage loans as Michigan and Florida represented 14% and 17%, respectively, of total OREO losses in 2012 compared with 16% and 26%, respectively, in 2011. Properties in Michigan and Florida accounted for 38% of OREO at December 31, 2012, compared to 42% at December 31, 2011.

In 2012 and 2011, approximately $102 million and $125 million, respectively, of interest income would have been recorded if the nonaccrual and renegotiated loans and leases on nonaccrual status had been current in accordance with their original terms. Although these values help demonstrate the costs of carrying nonaccrual credits, the Bancorp does not expect to recover the full amount of interest as nonaccrual loans and leases are generally carried below their principal balance.

TABLE 48: SUMMARY OF NONPERFORMING ASSETS AND DELINQUENT LOANS

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Nonaccrual loans and leases:					
Commercial and industrial loans	**$ 234**	408	473	734	541
Commercial mortgage loans	**215**	358	407	898	482
Commercial construction loans	**70**	123	182	646	362
Commercial leases	**1**	9	11	67	21
Residential mortgage loans	**114**	134	152	275	259
Home equity	**30**	25	23	21	26
Automobile loans	**—**	—	1	1	5
Other consumer loans and leases	**1**	1	84	—	—
Restructured loans and leases:					
Commercial and industrial loans	**96**	79	95	35	—
Commercial mortgage loans	**67**	63	28	4	—
Commercial construction loans	**6**	15	10	8	—
Commercial leases	**8**	3	8	—	—
Residential mortgage loans[(a)]	**123**	141	116	137	20
Home equity[(a)]	**23**	29	33	33	29
Automobile loans[(a)]	**2**	2	2	1	1
Credit card	**39**	48	55	87	30
Total nonperforming loans and leases[(e)]	**1,029**	1,438	1,680	2,947	1,776
OREO and other repossessed property[(d)]	**257**	378	494	297	230
Total nonperforming assets	**1,286**	1,816	2,174	3,244	2,006
Nonaccrual loans held for sale	**29**	138	294	224	473
Total nonperforming assets including loans held for sale	**$1,315**	1,954	2,468	3,468	2,479
Loans and leases 90 days past due and accruing:					
Commercial and industrial loans	**$ 1**	4	16	118	76
Commercial mortgage loans	**22**	3	11	59	136
Commercial construction loans	**1**	1	3	17	74
Commercial leases	**—**	—	—	4	4
Residential mortgage loans[(c)]	**75**	79	100	189	198
Home equity	**58**	74	89	99	96
Automobile loans	**8**	9	13	17	21
Credit card and other	**30**	30	42	64	56
Other consumer loans and leases	**—**	—	—	—	1
Total loans and leases 90 days past due and accruing[(f)]	**$ 195**	200	274	567	662
Nonperforming assets as a percent of portfolio loans, leases and other assets, including OREO [(b)]	**1.49%**	2.23	2.79	4.22	2.38
Allowance for loan and lease losses as a percent of nonperforming assets [(a)(b)]	**144**	124	138	116	139

(a)During 2009, the Bancorp modified its consumer nonaccrual policy to exclude TDR loans that were less than 90 days past due because they were performing in accordance with the restructured terms. For comparability purposes, prior periods were adjusted to reflect this reclassification.

(b)Excludes nonaccrual loans held for sale.

*(c)Information for all periods presented excludes advances made pursuant to servicing agreements to GNMA mortgage loan pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of **December 31, 2012**, 2011, 2010, 2009, and 2008 these advances were **$414**, $309, $279, $130 and $40 respectively. The Bancorp recognized credit losses of $2 million for the year ended **December 31, 2012** and immaterial credit losses for 2011 due to claim denials and curtailments associated with these advances.*

*(d)Excludes **$72**, $64, $38, $15 and $23 of OREO related to government insured loans at **December 31, 2012**, 2011, 2010, 2009, and 2008, respectively.*

*(e)Includes **$10**, $17, $24, $32, and $29 of nonaccrual government insured commercial loans whose repayments are insured by the Small Business Administration at **December 31, 2012**, 2011, 2010, 2009, and 2008, respectively, and **$1** and $2 of restructured nonaccrual government insured commercial loans at **December 31, 2012** and 2011, respectively and zero for 2010, 2009 and 2008.*

(f)Includes an immaterial amount of government insured commercial loans 90 days past due and accruing whose repayments are insured by the Small Business Administration at December 31, 2012, 2011, 2010, 2009, and 2008.

The following table provides a rollforward of portfolio nonperforming loans and leases, by portfolio segment:

TABLE 49: ROLLFORWARD OF PORTFOLIO NONPERFORMING LOANS AND LEASES

For the year ended December 31, 2012 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Beginning Balance	**$ 1,058**	**275**	**105**	**1,438**
Transfers to nonperforming	**560**	**318**	**354**	**1,232**
Transfers to performing	**(22)**	**(45)**	**(73)**	**(140)**
Transfers to performing (restructured)	**(31)**	**(57)**	**(90)**	**(178)**
Transfers to held for sale	**(13)**	**—**	**—**	**(13)**
Loans sold from portfolio	**(36)**	**(4)**	**—**	**(40)**
Loan paydowns/payoffs	**(466)**	**(121)**	**(12)**	**(599)**
Transfers to other real estate owned	**(108)**	**(71)**	**—**	**(179)**
Charge-offs	**(297)**	**(58)**	**(194)**	**(549)**
Draws/other extensions of credit	**52**	**—**	**5**	**57**
Ending Balance	**$ 697**	**237**	**95**	**1,029**
For the year ended December 31, 2011 ($ in millions)				
Beginning Balance	$ 1,214	268	198	1,680
Transfers to nonperforming	1,075	396	456	1,927
Transfers to performing	(23)	(45)	(85)	(153)
Transfers to performing (restructured)	(1)	(74)	(95)	(170)
Transfers from held for sale	4	—	—	4
Transfers to held for sale	(92)	—	—	(92)
Loans sold from portfolio	(57)	(1)	(21)	(79)
Loan paydowns/payoffs	(425)	(85)	(13)	(523)
Transfers to other real estate owned	(110)	(79)	—	(189)
Charge-offs	(554)	(106)	(342)	(1,002)
Draws/other extensions of credit	27	1	7	35
Ending Balance	$ 1,058	275	105	1,438

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Typically, these modifications reduce the loan interest rate, extend the loan term, or in limited circumstances, reduce the principal balance of the loan. These modifications are classified as TDRs.

At the time of modification, the Bancorp maintains certain consumer loan TDRs (including residential mortgage loans, home equity loans, and other consumer loans) on accrual status, provided there is reasonable assurance of repayment and performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified terms are reasonably assured of collection. TDRs of commercial loans and credit card loans that do not have a sustained payment history of six months or greater in accordance with the modified terms remain on nonaccrual status until a six-month payment history is sustained.

During the third quarter of 2012, the OCC, a national bank regulatory agency, issued interpretive guidance that requires Chapter 7 non-reaffirmed loans to be accounted for as nonperforming TDRs and collateral dependent loans regardless of their payment history and capacity to pay in the future. The Bancorp's banking subsidiary is a state chartered bank and therefore is not subject to guidance of the OCC, however, the Bancorp is closely following these developments and is in communication with its regulators to evaluate their position on this new guidance. At December 31, 2012, the Bancorp had loans with unpaid principal balances totaling approximately $175 million that could potentially be impacted by this guidance, of which approximately 87% are current with their original contractual payments and approximately one third of which are already classified as TDRs. This guidance, if fully adopted by the Bancorp's regulators, would result in additional charge-offs of approximately $70 million as well as additional TDRs and possible increases to nonperforming assets.

The following table summarizes TDRs by loan type and delinquency status:

TABLE 50: PERFORMING AND NONPERFORMING TDRs

	Performing				
As of December 31, 2012 ($ in millions)	Current	30-89 Days Past Due	90 Days or More Past Due	Nonaccrual	Total
Commercial	$ 431	—	—	177	$ 608
Residential mortgages[(a)]	1,006	70	99	123	1,298
Home equity	377	35	—	23	435
Credit card	35	—	—	39	74
Automobile and other consumer loans and leases	31	2	—	2	35
Total	$ 1,880	107	99	364	$2,450

(a) Information includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2012, these advances represented $107 of current loans, $26 of 30-89 days past due loans and $79 of 90 days or more past due loans.

Analysis of Net Loan Charge-offs

Net charge-offs were 85 bps and 149 bps of average portfolio loans and leases for the years ended December 31, 2012 and 2011, respectively. Table 51 provides a summary of credit loss experience and net charge-offs as a percentage of average portfolio loans and leases outstanding by loan category.

The ratio of commercial loan and lease net charge-offs to average portfolio commercial loans and leases decreased to 63 bps during 2012 compared to 126 bps in 2011, as a result of decreases in net charge-offs of $257 million coupled with an increase in average portfolio commercial loan and lease balances of $3.0 billion. Decreases in net charge-offs were realized across all commercial loan types, excluding commercial leases, and were primarily due to improvements in general economic conditions and previous actions taken by the Bancorp to address problem loans. Among several actions taken by the Bancorp were suspending homebuilder and developer lending in 2007 and non-owner occupied commercial real estate lending in 2008 and tightened underwriting standards across all commercial loan product offerings. The Bancorp resumed homebuilder and developer lending and non-owner occupied commercial real estate lending in the third quarter of 2011. Net charge-offs for 2012 related to non-owner occupied commercial real estate were $87 million compared to $211 million in 2011. Net charge-offs related to non-owner occupied commercial real estate are recorded in the commercial mortgage loans and commercial construction loans captions in Table 51. Net charge-offs on these loans represented 29% of total commercial loan and lease net charge-offs in 2012 and 38% in 2011.

The ratio of consumer loan and lease net charge-offs to average consumer loans and leases decreased to 113 bps in 2012 compared to 179 bps in 2011. Residential mortgage loan net charge-offs, which typically involve partial charge-offs based upon appraised values of underlying collateral, decreased $51 million from the prior year as a result of improvements in delinquencies and a decrease in the average loss recorded per charge-off. The Bancorp's combined Florida and Michigan markets accounted for 66% and 58% of net charge-offs on residential mortgage loans in the portfolio in 2012 and 2011, respectively. Fifth Third expects the composition of the residential mortgage portfolio to improve as it continues to retain high quality, shorter duration residential mortgage loans that are originated through its branch network as a low-cost, refinance product of conforming residential mortgage loans.

Home equity net charge-offs decreased $63 million compared to the prior year, primarily due to decreases in net charge-offs in the Michigan market. In addition, management actively manages lines of credit and makes reductions in lending limits when it believes it is necessary based on FICO score deterioration or property devaluation.

Automobile loan net charge-offs decreased $22 million compared to 2011, due to the origination of high credit quality loans as a result of tighter underwriting standards and higher resale on automobiles sold at auction.

Credit card net charge-offs decreased $24 million from 2011 reflecting improving delinquency trends, aggressive line management, and stabilization in unemployment levels. The Bancorp utilizes a risk-adjusted pricing methodology to ensure adequate compensation is received for those products that have higher credit costs.

Other consumer loan net charge-offs decreased $51 million compared to 2011 due to charge-offs of $56 million recognized in 2011 associated with certain consumer loans that were acquired during the fourth quarter of 2010 when the Bancorp foreclosed on a commercial loan that was collateralized by individual consumer loans.

TABLE 51: SUMMARY OF CREDIT LOSS EXPERIENCE

For the years ended December 31 ($ in millions)	**2012**	2011	2010	2009	2008
Losses charged off:					
Commercial and industrial loans	**$(194)**	(314)	(631)	(768)	(667)
Commercial mortgage loans	**(120)**	(211)	(541)	(436)	(618)
Commercial construction loans	**(34)**	(89)	(265)	(420)	(750)
Commercial leases	**(10)**	(1)	(7)	(11)	—
Residential mortgage loans	**(129)**	(180)	(441)	(359)	(243)
Home equity	**(172)**	(234)	(276)	(330)	(212)
Automobile loans	**(55)**	(85)	(132)	(189)	(168)
Credit card	**(90)**	(114)	(164)	(178)	(101)
Other consumer loans and leases	**(33)**	(86)	(28)	(28)	(32)
Total losses	**(837)**	(1,314)	(2,485)	(2,719)	(2,791)
Recoveries of losses previously charged off:					
Commercial and industrial loans	**29**	38	45	50	18
Commercial mortgage loans	**21**	16	17	14	5
Commercial construction loans	**9**	4	13	4	2
Commercial leases	**2**	3	5	4	1
Residential mortgage loans	**7**	7	2	2	—
Home equity	**15**	14	12	8	7
Automobile loans	**24**	32	44	41	34
Credit card	**16**	16	9	8	7
Other consumer loans and leases	**10**	12	10	7	7
Total recoveries	**133**	142	157	138	81
Net losses charged off:					
Commercial and industrial loans	**(165)**	(276)	(586)	(718)	(649)
Commercial mortgage loans	**(99)**	(195)	(524)	(422)	(613)
Commercial construction loans	**(25)**	(85)	(252)	(416)	(748)
Commercial leases	**(8)**	2	(2)	(7)	1
Residential mortgage loans	**(122)**	(173)	(439)	(357)	(243)
Home equity	**(157)**	(220)	(264)	(322)	(205)
Automobile loans	**(31)**	(53)	(88)	(148)	(134)
Credit card	**(74)**	(98)	(155)	(170)	(94)
Other consumer loans and leases	**(23)**	(74)	(18)	(21)	(25)
Total net losses charged off	**$(704)**	(1,172)	(2,328)	(2,581)	(2,710)
Net charge-offs as a percent of average loans and leases (excluding held for sale):					
Commercial and industrial loans	**0.50%**	0.97	2.23	2.61	2.31
Commercial mortgage loans	**1.02**	1.89	4.58	3.43	4.80
Commercial construction loans	**3.08**	4.96	8.48	9.24	12.80
Commercial leases	**0.22**	(0.08)	0.05	0.22	(0.02)
Total commercial loans	**0.63**	1.26	3.10	3.27	3.99
Residential mortgage loans	**1.07**	1.75	5.49	4.15	2.47
Home equity	**1.51**	1.97	2.20	2.57	1.67
Automobile loans	**0.26**	0.47	0.85	1.68	1.56
Credit card	**3.79**	5.19	8.28	8.87	5.51
Other consumer loans and leases	**7.02**	15.29	2.58	2.14	2.10
Total consumer loans and leases	**1.13**	1.79	2.92	3.10	2.08
Total net losses charged off	**0.85%**	1.49	3.02	3.20	3.23

Allowance for Credit Losses

The allowance for credit losses is comprised of the ALLL and the reserve for unfunded commitments. The ALLL provides coverage for probable and estimable losses in the loan and lease portfolio. The Bancorp evaluates the ALLL each quarter to determine its adequacy to cover inherent losses. Several factors are taken into consideration in the determination of the overall ALLL, including an unallocated component. These factors include, but are not limited to, the overall risk profile of the loan and lease portfolios, net charge-off experience, the extent of impaired loans and leases, the level of nonaccrual loans and leases, the level of 90 days past due loans and leases and the overall percentage level of the ALLL. The Bancorp also considers overall asset quality trends, credit administration and portfolio management practices, risk identification practices, credit policy and underwriting practices, overall portfolio growth, portfolio concentrations and current national and local economic conditions that might impact the portfolio. See the Critical Accounting Policies section for more information.

In 2012, the Bancorp did not substantively change any material aspect of its overall approach in the determination of the ALLL and there have been no material changes in assumptions or estimation techniques as compared to prior periods that impacted the determination of the current period allowance. In addition to the ALLL, the Bancorp maintains a reserve for unfunded commitments recorded in other liabilities in the Consolidated Balance Sheets. The methodology used to determine the adequacy of this reserve is similar to the Bancorp's methodology for determining the ALLL. The provision for unfunded commitments is included in other noninterest expense in the Consolidated Statements of Income.

The ALLL attributable to the portion of the residential mortgage and consumer loan and lease portfolio that has not been

restructured is determined on a pooled basis with the segmentation being based on the similarity of credit risk characteristics. Loss factors for real estate backed consumer loans are developed for each pool based on the trailing twelve month historical loss rate, as adjusted for certain prescriptive loss rate factors and certain qualitative adjustment factors. The prescriptive loss rate factors and qualitative adjustments are designed to reflect risks associated with current conditions and trends which are not believed to be fully reflected in the trailing twelve month historical loss rate. For real estate backed consumer loans, the prescriptive loss rate factors include adjustments for delinquency trends, LTV trends, refreshed FICO score trends and product mix, and the qualitative factors include adjustments for credit administration and portfolio management practices, credit policy and underwriting practices and the national and local economy. The Bancorp considers home price index trends in its footprint when determining the national and local economy qualitative factor. The Bancorp also considers the volatility of collateral valuation trends when determining the unallocated component of the ALLL.

The Bancorp's determination of the ALLL for commercial loans is sensitive to the risk grades it assigns to these loans. In the event that 10% of commercial loans in each risk category would experience a downgrade of one risk category, the allowance for commercial loans would increase by approximately $154 million at December 31, 2012. In addition, the Bancorp's determination of the allowance for residential and consumer loans is sensitive to changes in estimated loss rates. In the event that estimated loss rates would increase by 10%, the allowance for residential and consumer loans would increase by approximately $51 million at December 31, 2012. As several qualitative and quantitative factors are considered in determining the ALLL, these sensitivity analyses do not necessarily reflect the nature and extent of future changes in the ALLL. They are intended to provide insights into the impact of adverse changes to risk grades and estimated loss rates and do not imply any expectation of future deterioration in the risk ratings or loss rates. Given current processes employed by the Bancorp, management believes the risk grades and estimated loss rates currently assigned are appropriate.

TABLE 52: CHANGES IN ALLOWANCE FOR CREDIT LOSSES

For the years ended December 31 ($ in millions)	**2012**	2011	2010	2009	2008
ALLL:					
Balance, beginning of period	**$2,255**	3,004	3,749	2,787	937
Impact of change in accounting principle	**—**	—	45	—	—
Losses charged off	**(837)**	(1,314)	(2,485)	(2,719)	(2,791)
Recoveries of losses previously charged off	**133**	142	157	138	81
Provision for loan and lease losses	**303**	423	1,538	3,543	4,560
Balance, end of period	**$1,854**	2,255	3,004	3,749	2,787
Reserve for unfunded commitments:					
Balance, beginning of period	**$ 181**	227	294	195	95
Impact of change in accounting principle	**—**	—	(43)	—	—
Provision for unfunded commitments	**(2)**	(46)	(24)	99	100
Balance, end of period	**$ 179**	181	227	294	195

Certain inherent, but unconfirmed losses are probable within the loan and lease portfolio. The Bancorp's current methodology for determining the level of losses is based on historical loss rates, current credit grades, specific allocation on impaired commercial credits above specified thresholds and restructured residential mortgage and consumer loans and other qualitative adjustments. Due to the heavy reliance on realized historical losses and the credit grade rating process, the model-derived estimate of ALLL tends to slightly lag behind the deterioration in the portfolio, in a stable or deteriorating credit environment, and tend not to be as responsive when improved conditions have presented themselves. Given these model limitations, the qualitative adjustment factors may be incremental or decremental to the quantitative model results.

An unallocated component to the ALLL is maintained to recognize the imprecision in estimating and measuring loss. The unallocated allowance as a percent of total portfolio loans and leases at December 31, 2012 and 2011 was 0.13% and 0.17%, respectively. The unallocated allowance was six percent of the total allowance as of December 31, 2012 and 2011.

As shown in Table 53, the ALLL as a percent of portfolio loan and leases was 2.16% at December 31, 2012, compared to 2.78% at December 31, 2011. The ALLL was $1.9 billion as of December 31, 2012, compared to $2.3 billion at December 31, 2011. The decrease is reflective of a number of factors including decreases in nonperforming loans and leases, improved delinquency metrics in commercial and consumer loans and leases and improvement in underlying loss trends.

Table of Contents

TABLE 53: ATTRIBUTION OF ALLOWANCE FOR LOAN AND LEASE LOSSES TO PORTFOLIO LOANS AND LEASES

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Allowance attributed to:					
Commercial and industrial loans	$ 802	929	1,123	1,282	824
Commercial mortgage loans	333	441	597	734	363
Commercial construction loans	33	77	158	380	252
Commercial leases	68	80	111	121	61
Residential mortgage loans	229	227	310	375	388
Home equity	143	195	265	294	289
Automobile loans	28	43	73	127	150
Credit card	87	106	158	199	148
Other consumer loans and leases	20	21	59	44	33
Unallocated	111	136	150	193	279
Total ALLL	$ 1,854	2,255	3,004	3,749	2,787
Portfolio loans and leases:					
Commercial and industrial loans	$ 36,038	30,783	27,191	25,683	29,197
Commercial mortgage loans	9,103	10,138	10,845	11,803	12,502
Commercial construction loans	698	1,020	2,048	3,784	5,114
Commercial leases	3,549	3,531	3,378	3,535	3,666
Residential mortgage loans	12,017	10,672	8,956	8,035	9,385
Home equity	10,018	10,719	11,513	12,174	12,752
Automobile loans	11,972	11,827	10,983	8,995	8,594
Credit card	2,097	1,978	1,896	1,990	1,811
Other consumer loans and leases	290	350	681	780	1,122
Total portfolio loans and leases	$ 85,782	81,018	77,491	76,779	84,143
Attributed allowance as a percent of respective portfolio loans and leases:					
Commercial and industrial loans	2.23 %	3.02	4.13	4.99	2.82
Commercial mortgage loans	3.66	4.35	5.50	6.22	2.90
Commercial construction loans	4.73	7.55	7.71	10.04	4.93
Commercial leases	1.92	2.27	3.29	3.42	1.66
Residential mortgage loans	1.91	2.13	3.46	4.67	4.13
Home equity	1.43	1.82	2.30	2.41	2.27
Automobile loans	0.23	0.36	0.66	1.41	1.75
Credit card	4.15	5.36	8.33	10.00	8.17
Other consumer loans and leases	6.90	6.00	8.66	5.64	2.94
Unallocated (as a percent of total portfolio loans and leases)	0.13	0.17	0.19	0.25	0.33
Total portfolio loans and leases	2.16 %	2.78	3.88	4.88	3.31

MARKET RISK MANAGEMENT

Market risk arises from the potential for market fluctuations in interest rates, foreign exchange rates and equity prices that may result in potential reductions in net income. Interest rate risk, a component of market risk, is the exposure to adverse changes in net interest income or financial position due to changes in interest rates. Management considers interest rate risk a prominent market risk in terms of its potential impact on earnings. Interest rate risk can occur for any one or more of the following reasons:

- Assets and liabilities may mature or reprice at different times;
- Short-term and long-term market interest rates may change by different amounts; or
- The expected maturity of various assets or liabilities may shorten or lengthen as interest rates change.

In addition to the direct impact of interest rate changes on net interest income, interest rates can indirectly impact earnings through their effect on loan demand, credit losses, mortgage originations, the value of servicing rights and other sources of the Bancorp's earnings. Stability of the Bancorp's net income is largely dependent upon the effective management of interest rate risk. Management continually reviews the Bancorp's balance sheet composition and earnings flows and models the interest rate risk, and possible actions to reduce this risk, given numerous possible future interest rate scenarios.

Net Interest Income Simulation Model

The Bancorp utilizes a variety of measurement techniques to identify and manage its interest rate risk, including the use of an NII simulation model to analyze the sensitivity of net interest income to changing interest rates. The model is based on contractual and assumed cash flows and repricing characteristics for all of the Bancorp's financial instruments and incorporates market-based assumptions regarding the effect of changing interest rates on the prepayment rates of certain assets and liabilities. The model also includes senior management's projections of the future volume and pricing of each of the product lines offered by the Bancorp as well as other pertinent assumptions. Actual results may differ from these simulated results due to timing, magnitude and frequency of interest rate changes as well as changes in market conditions and management strategies.

The Bancorp's Executive ALCO, which includes senior management representatives and is accountable to the ERM Committee, monitors and manages interest rate risk within Board approved policy limits. In addition to the risk management activities of ALCO, the Bancorp has a Market Risk Management function as part of ERM that provides independent oversight of market risk activities. In 2012, the NII and EVE ALCO policy limits were lowered to reflect the Bancorp's current risk appetite and due to significant uncertainty with respect to the economic environment, market interest rates and balance sheet and deposit pricing behaviors. The policy limits were updated in conjunction with the Market Risk Management group and were approved by ALCO.

The Bancorp's interest rate risk exposure is currently evaluated by measuring the anticipated change in net interest income over 12-month and 24-month horizons assuming a 100 bps and 200 bps parallel ramped increase in interest rates. The Fed Funds interest rate, targeted by the Federal Reserve at a range of 0% to 0.25%, is currently set at a level that would be negative in parallel ramped decrease scenarios; therefore, those scenarios were omitted from the interest rate risk analyses at December 31, 2012. In accordance with the current policy, the rate movements are assumed to occur over one year and are sustained thereafter.

The following table shows the Bancorp's estimated net interest income sensitivity profile and ALCO policy limits as of December 31:

TABLE 54: ESTIMATED NII SENSITIVITY PROFILE

	2012				2011			
	Percent Change in NII (FTE)		ALCO Policy Limits		Percent Change in NII (FTE)		ALCO Policy Limits	
Change in Interest Rates (bps)	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months	12 Months	13 to 24 Months
+200	**1.78%**	**7.75**	**(4.00)**	**(6.00)**	0.35%	5.61	(5.00)	(7.00)
+100	**0.90**	**3.78**	**—**	**—**	—	2.64	—	—

At December 31, 2012, the Bancorp's interest rate risk profile reflects moderate asset sensitivity in year one in contrast to a relatively neutral profile at December 31, 2011 with year two asset sensitivity increases from year one at both December 31, 2012 and 2011. The higher asset sensitivity at December 31, 2012 compared to December 31, 2011 is the result of growth in core deposit balances and lower market interest rates, partially offset by increases in fixed rate loan balances.

Economic Value of Equity

The Bancorp also utilizes EVE as a measurement tool in managing interest rate risk. Whereas the NII simulation model highlights exposures over a relatively short time horizon, the EVE analysis incorporates all cash flows over the estimated remaining life of all balance sheet and derivative positions. The EVE of the balance sheet, at a point in time, is defined as the discounted present value of asset and net derivative cash flows less the discounted value of liability cash flows. The sensitivity of EVE to changes in the level of interest rates is a measure of longer-term interest rate risk. EVE values only the current balance sheet and does not incorporate the growth assumptions used in the NII simulation model. As with the NII simulation model, assumptions about the timing and variability of existing balance sheet cash flows are critical in the EVE analysis. Particularly important are assumptions driving loan and security prepayments and the expected balance attrition and pricing of transaction deposit portfolios.

The following table shows the Bancorp's EVE sensitivity profile as of December 31:

TABLE 55: ESTIMATED EVE SENSITIVITY PROFILE

	2012		2011	
Change in Interest Rates (bps)	Change in EVE	ALCO Policy Limit	Change in EVE	ALCO Policy Limit
+200	**2.16 %**	**(12.00)**	1.37 %	(15.00)
+100	**1.50**		1.22	
+25	**0.43**		0.32	
-25	**(0.52)**		(0.25)	

The EVE at risk profile suggests a positive impact from market rate increases of +25 bps through the +200 bps scenarios for 2012. The EVE at risk reported at December 31, 2012 for the +200 basis points scenario shows a change to a slightly more asset sensitive position compared to December 31, 2011. The primary factors contributing to the change are the decline in market interest rates over this time period, growth in core deposits and changes in the MSR risk profile, partially offset by the impact of an increase in fixed rate loan balances.

While an instantaneous shift in interest rates is used in this analysis to provide an estimate of exposure, the Bancorp believes that a gradual shift in interest rates would have a much more modest impact. Since EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (e.g., the current fiscal year). Further, EVE does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships and changing product spreads that could mitigate or exacerbate the impact of changes in interest rates. The NII simulations and EVE analyses do not necessarily include certain actions that management may undertake to manage risk in response to anticipated changes in interest rates.

The Bancorp regularly evaluates its exposures to LIBOR and Prime basis risks, nonparallel shifts in the yield curve and embedded options risk. In addition, the impact on NII and EVE of extreme changes in interest rates is modeled, wherein the Bancorp employs the use of yield curve shocks and environment-specific scenarios.

Use of Derivatives to Manage Interest Rate Risk

An integral component of the Bancorp's interest rate risk management strategy is its use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options, swaptions and TBA securities.

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp enters into forward contracts accounted for as free-standing derivatives to economically hedge interest rate lock commitments that are also considered free-

standing derivatives. Additionally, the Bancorp economically hedges its exposure to mortgage loans held for sale through the use of forward contracts and mortgage options.

The Bancorp also establishes derivative contracts with major financial institutions to economically hedge significant exposures assumed in commercial customer accommodation derivative contracts. Generally, these contracts have similar terms in order to protect the Bancorp from market volatility. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts, which the Bancorp minimizes through collateral arrangements, approvals, limits and monitoring procedures. For further information including the notional amount and fair values of these derivatives, see Note 12 of the Notes to Consolidated Financial Statements.

Portfolio Loans and Leases and Interest Rate Risk

Although the Bancorp’s portfolio loans and leases contain both fixed and floating/adjustable rate products, the rates of interest earned by the Bancorp on the outstanding balances are generally established for a period of time. The interest rate sensitivity of loans and leases is directly related to the length of time the rate earned is established. Table 56 summarizes the expected principal cash flows of the Bancorp’s portfolio loans and leases as of December 31, 2012. Additionally, Table 57 displays a summary of expected principal cash flows occurring after one year for both fixed and floating/adjustable rate loans, as of December 31, 2012.

TABLE 56: PORTFOLIO LOAN AND LEASE CONTRACTUAL MATURITIES

As of December 31, 2012 ($ in millions)	Less than 1 year	1-5 years	Over 5 years	Total
Commercial and industrial loans	$ 9,822	23,971	2,245	36,038
Commercial mortgage loans	4,297	4,110	696	9,103
Commercial construction loans	299	369	30	698
Commercial leases	612	1,573	1,364	3,549
Subtotal—commercial loans and leases	15,030	30,023	4,335	49,388
Residential mortgage loans	3,213	4,879	3,925	12,017
Home equity	1,485	5,560	2,973	10,018
Automobile loans	4,798	6,945	229	11,972
Credit card	598	1,499	—	2,097
Other consumer loans and leases	232	55	3	290
Subtotal—consumer loans and leases	10,326	18,938	7,130	36,394
Total	$ 25,356	48,961	11,465	85,782

TABLE 57: PORTFOLIO LOAN AND LEASE PRINCIPAL CASH FLOWS OCCURING AFTER ONE YEAR

	Interest Rate	
As of December 31, 2012 ($ in millions)	Fixed	Floating or Adjustable
Commercial and industrial loans	$ 3,385	22,831
Commercial mortgage loans	1,319	3,487
Commercial construction loans	27	372
Commercial leases	2,937	—
Subtotal—commercial loans and leases	7,668	26,690
Residential mortgage loans	6,394	2,410
Home equity	1,058	7,475
Automobile loans	7,128	46
Credit card	627	872
Other consumer loans and leases	38	20
Subtotal—consumer loans and leases	15,245	10,823
Total	$22,913	37,513

Residential Mortgage Servicing Rights and Interest Rate Risk

The net carrying amount of the residential MSR portfolio was $697 million and $681 million as of December 31, 2012 and 2011, respectively. The value of servicing rights can fluctuate sharply depending on changes in interest rates and other factors. Generally, as interest rates decline and loans are prepaid to take advantage of refinancing, the total value of existing servicing rights declines because no further servicing fees are collected on repaid loans. The Bancorp maintains a non-qualifying hedging strategy relative to its mortgage banking activity in order to manage a portion of the risk associated with changes in the value of its MSR portfolio as a result of changing interest rates.

Mortgage rates decreased during both 2012 and 2011. This caused modeled prepayments speeds to increase, which led to $103 million in temporary impairment on servicing rights during the year ended 2012, compared to $242 million in temporary impairment on servicing rights during the year ended 2011. Servicing rights are deemed temporarily impaired when a borrower’s loan rate is distinctly higher than prevailing rates. Temporary impairment on servicing rights is reversed when the prevailing rates return to a level commensurate with the borrower’s loan rate. In addition to the mortgage servicing rights valuation, the Bancorp recognized net gains of $66 million and $354 million on its non-qualifying hedging strategy for the years ended 2012 and 2011, respectively. The net gains include net gains on the sale of securities related to the Bancorp’s non-qualifying hedging strategy of $3 million and $9 million for 2012 and 2011, respectively. During the fourth quarter of 2011, the Bancorp assessed the composition of its MSR portfolio, the cost of hedging and the anticipated effectiveness of the hedges given the economic environment. Based on this review, the Bancorp adjusted its MSR hedging strategy to exclude the hedging of MSRs related to certain mortgage loans originated in 2008 and prior, representing approximately 16% of the carrying value of the MSR portfolio as of December 31, 2012. The

prepayment behavior of these loans is expected to be less sensitive to changes in interest rates as tighter industry underwriting standards, borrower credit characteristics and home price values have had a greater impact on prepayment speeds. Thus, the predictive power of traditional prepayment models that are based solely on the historical dependency of prepayment speeds on market interest rates may not be reliable for these loans. As a result, the Bancorp has considered these additional factors as it models prepayment speeds when valuing the MSRs. The Bancorp utilizes valuation opinions from servicing brokers, peer surveys and its historical prepayment experience in validating the modeled prepayment speeds utilized in the fair value measurement of the MSRs. As these additional factors have had an impact on prepayment speeds, the effectiveness of traditional hedging strategies utilizing benchmark interest rate based derivatives has been reduced. In addition to the market factors that impact prepayment speeds, the Bancorp is exposed to prepayment risk on these loans in the event borrowers refinance at higher than expected levels due to government intervention or other factors. The Bancorp continues to monitor the performance of these MSRs and may decide to hedge this portion of the MSR portfolio in future periods. See Note 11 of the Notes to Consolidated Financial Statements for further discussion on servicing rights and the instruments used to hedge interest rate risk on MSRs.

Foreign Currency Risk

The Bancorp may enter into foreign exchange derivative contracts to economically hedge certain foreign denominated loans. The derivatives are classified as free-standing instruments with the revaluation gain or loss being recorded in other noninterest income in the Consolidated Statements of Income. The balance of the Bancorp's foreign denominated loans at December 31, 2012 and 2011 was $549 million and $374 million, respectively. The Bancorp also enters into foreign exchange contracts for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations. The Bancorp has internal controls in place to help ensure excessive risk is not being taken in providing this service to customers. These controls include an independent determination of currency volatility and credit equivalent exposure on these contracts, counterparty credit approvals and country limits.

LIQUIDITY RISK MANAGEMENT

The goal of liquidity management is to provide adequate funds to meet changes in loan and lease demand, unexpected levels of deposit withdrawals and other contractual obligations. Mitigating liquidity risk is accomplished by maintaining liquid assets in the form of investment securities, maintaining sufficient unused borrowing capacity in the debt markets and delivering consistent growth in core deposits. A summary of certain obligations and commitments to make future payments under contracts is included in Note 16 of the Notes to Consolidated Financial Statements.

The Bancorp maintains a contingency funding plan that assesses the liquidity needs under various scenarios of market conditions, asset growth and credit rating downgrades. The plan includes liquidity stress testing which measures various sources and uses of funds under the different scenarios. The contingency plan provides for ongoing monitoring of unused borrowing capacity and available sources of contingent liquidity to prepare for unexpected liquidity needs and to cover unanticipated events that could affect liquidity.

Sources of Funds

The Bancorp's primary sources of funds relate to cash flows from loan and lease repayments, payments from securities related to sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of public and private debt offerings.

Projected contractual maturities from loan and lease repayments are included in Table 56 of the Market Risk Management section of MD&A. Of the $15.2 billion of securities in the Bancorp's available-for-sale portfolio at December 31, 2012, $3.8 billion in principal and interest is expected to be received in the next 12 months and an additional $2.2 billion is expected to be received in the next 13 to 24 months. For further information on the Bancorp's securities portfolio, see the Securities section of MD&A.

Asset-driven liquidity is provided by the Bancorp's ability to sell or securitize loan and lease assets. In order to reduce the exposure to interest rate fluctuations and to manage liquidity, the Bancorp has developed securitization and sale procedures for several types of interest-sensitive assets. A majority of the long-term, fixed-rate single-family residential mortgage loans underwritten according to FHLMC or FNMA guidelines are sold for cash upon origination. Additional assets such as residential mortgages, certain commercial loans, home equity loans, automobile loans and other consumer loans are also capable of being securitized or sold. For the years ended December 31, 2012 and 2011, the Bancorp sold loans totaling $21.7 billion and $15.2 billion, respectively. For further information on the transfer of financial assets, see Note 11 of the Notes to Consolidated Financial Statements.

Core deposits have historically provided the Bancorp with a sizeable source of relatively stable and low cost funds. The Bancorp's average core deposits and shareholders' equity funded 82% of its average total assets during 2012, compared to 81% in 2011. In addition to core deposit funding, the Bancorp also accesses a variety of other short-term and long-term funding sources, which include the use of the FHLB system. Certificates of deposit carrying a balance of $100,000 or more and deposits in the Bancorp's foreign branch located in the Cayman Islands are wholesale funding tools utilized to fund asset growth. Management does not rely on any one source of liquidity and manages availability in response to changing balance sheet needs.

The Bancorp has a shelf registration in place with the SEC permitting ready access to the public debt markets and qualifies as a "well-known seasoned issuer" under the SEC rules. As of 2012, $5.6 billion of debt or other securities were available for issuance under the current Bancorp's Board of Directors' authorizations, however, access to these markets may depend on market conditions. The Bancorp also has $19.0 billion of funding available for issuance through private offerings of debt securities pursuant to its bank note program and currently has approximately $33.7 billion of borrowing capacity available through secured borrowing sources including the FHLB and FRB. Additionally, from time to time the Bancorp may change the terms of the bank note program, including by increasing its size.

On March 7, 2012, the Bancorp issued $500 million in aggregate principal amount of 3.50% Senior Notes due March 15, 2022. On August 8, 2012, the Bancorp redeemed all $862.5 million of the outstanding TruPS issued by Fifth Third Capital Trust VI. In addition, on August 15, 2012, the Bancorp redeemed all $575 million of the outstanding TruPS issued by Fifth Third Capital Trust V. On December 7, 2012, the Bancorp terminated a $1.0 billion FHLB advance with a fixed rate of 4.56% and a maturity date of January 5, 2016. See Note 15 of the Notes to Consolidated Financial Statements for additional information regarding the Senior Notes, TruPS and FHLB advances.

Table of Contents

Credit Ratings

The cost and availability of financing to the Bancorp are impacted by its credit ratings. A downgrade to the Bancorp's credit ratings could affect its ability to access the credit markets and increase its borrowing costs, thereby adversely impacting the Bancorp's financial condition and liquidity. Key factors in maintaining high credit ratings include a stable and diverse earnings stream, strong credit quality, strong capital ratios and diverse funding sources, in addition to disciplined liquidity monitoring procedures.

The Bancorp's credit ratings are summarized in Table 58. The ratings reflect the ratings agencies view on the Bancorp's capacity to meet financial commitments. *

** As an investor, you should be aware that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organization and that each rating should be evaluated independently of any other rating. Additional information on the credit rating ranking within the overall classification system is located on the website of each credit rating agency.*

TABLE 58: AGENCY RATINGS

As of February 22, 2013	Moody's	Standard and Poor's	Fitch	DBRS
Fifth Third Bancorp:				
Short-term	No rating	A-2	F1	R-1L
Senior debt	Baa1	BBB	A—	AL
Subordinated debt	Baa2	BBB-	BBB+	BBBH
Fifth Third Bank:				
Short-term	P-2	A-2	F1	R-1L
Long-term deposit	A3	No rating	A	A
Senior debt	A3	BBB+	A—	A
Subordinated debt	Baa1	BBB	BBB+	A (low)

CAPITAL MANAGEMENT

Management regularly reviews the Bancorp's capital levels to help ensure it is appropriately positioned under various operating environments. The Bancorp has established a Capital Committee, which is responsible for all capital related decisions. The Capital Committee makes recommendations to management involving capital actions. These recommendations are reviewed and approved by the ERM Committee.

Capital Ratios

The U.S banking agencies established quantitative measures that assign risk weightings to assets and off-balance sheet items and also define and set minimum regulatory capital requirements. The U.S. banking agencies define "well capitalized" ratios for Tier I and total risk-based capital as 6% and 10%, respectively. The Bancorp exceeded these "well-capitalized" ratios for all periods presented.

The Basel II advanced approach framework was finalized by U.S. banking agencies in 2007. Core banks, defined as those with consolidated total assets in excess of $250 billion or on balance sheet foreign exposures of $10 billion were required to adopt the advanced approach effective April 1, 2008. The Bancorp does not meet these thresholds and, therefore, is not subject to the requirements of Basel II.

The Dodd-Frank Act requires more stringent prudential standards, including capital and liquidity requirements, for larger institutions. It addresses the quality of capital components by limiting the degree to which certain hybrid instruments can be included. The Dodd-Frank Act will phase out the inclusion of certain TruPS as a component of Tier I risk-based capital beginning January 1, 2013. At December 31, 2012, the Bancorp's Tier I risk-based capital included $810 million of TruPS representing approximately 74 bps of risk-weighted assets.

In December of 2010 and revised in June of 2011, the Basel Committee on Banking Supervision issued Basel III, a global regulatory framework, to enhance international capital standards. In June of 2012, U.S. banking regulators proposed enhancements to the regulatory capital requirements for U.S. banks, which implement aspects of Basel III, such as re-defining the regulatory capital elements and minimum capital ratios, introducing regulatory capital buffers above those minimums, revising the agencies' rules for calculating risk-weighted assets and introducing a new Tier I common equity ratio. The Bancorp continues to evaluate these proposals and their potential impact. Its current estimate of the pro-forma fully phased in Tier I common equity ratio at December 31, 2012 under the proposed capital rules is approximately 8.78%* compared with 9.51% as calculated under the existing Basel I capital framework. The primary drivers of the change from the existing Basel I capital framework to the Basel III proposal are an increase in Tier I common equity of approximately 39 bps (primarily from including AOCI) which would be more than offset by the impact of increases in risk-weighted assets (primarily from 1-4 family senior and junior lien residential mortgages and commitments with an original maturity of one year or less). The pro-forma Tier I common equity ratio exceeds the proposed minimum Tier I common equity ratio of 7% comprised of a minimum of 4.5% plus a capital conservation buffer of 2.5%. The pro-forma Tier I common equity ratio does not include the effect of any mitigating actions the Bancorp may undertake to offset the impact of the proposed capital enhancements. For further discussion on the Basel I and Basel III Tier I common equity ratios, see the Non-GAAP Financial Measures section of MD&A.

** The pro forma Tier I common equity ratio is management's estimate based upon its current interpretation of the three draft Federal Register notices proposing enhancements to regulatory capital requirements published in June of 2012. The actual impact to the Bancorp's Tier I common equity ratio may change significantly due to further clarification of the agencies proposals or revisions to the agencies final rules, which remain subject to public comment.*

TABLE 59: CAPITAL RATIOS

As of December 31 ($ in millions)	2012	2011	2010	2009	2008
Average equity as a percent of average assets	**11.65 %**	11.41	12.22	11.36	8.78
Tangible equity as a percent of tangible assets(a)	**9.17**	9.03	10.42	9.71	7.86
Tangible common equity as a percent of tangible assets(a)	**8.83**	8.68	7.04	6.45	4.23
Tier I capital	**$ 11,685**	12,503	13,965	13,428	11,924
Total risk-based capital	**15,816**	16,885	18,178	17,648	16,646
Risk-weighted assets(b)	**109,699**	104,945	100,561	100,933	112,622
Regulatory capital ratios:					
Tier I capital	**10.65 %**	11.91	13.89	13.30	10.59
Total risk-based capital	**14.42**	16.09	18.08	17.48	14.78
Tier I leverage	**10.05**	11.10	12.79	12.34	10.27
Tier I common equity(a)	**9.51**	9.35	7.48	6.99	4.37

(a)For further information on these ratios, see the Non-GAAP Financial Measures section of the MD&A.
(b)Under the banking agencies’ risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together resulting in the Bancorp’s total risk-weighted assets.

2012 Capital Actions

As part of the 2012 CCAR, on January 9, 2012, the Bancorp submitted to the FRB a capital plan approved by its Board of Directors covering the period from January 1, 2012 to March 31, 2013. The mandatory elements of the capital plan were an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp’s business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp’s process for assessing capital adequacy and the Bancorp’s capital policy.

The FRB assessed the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan and reviewed the robustness of the capital adequacy process, the capital policy and the Bancorp’s ability to maintain capital above the minimum regulatory capital ratio and above a Tier I common ratio of 5% on a pro-forma basis under expected and stressful conditions throughout the planning horizon.

On March 13, 2012 the Bancorp announced the FRB’s response to the capital plan it submitted as part of the 2012 CCAR. The FRB indicated that it did not object to the following capital actions: a continuation of its quarterly common dividend of $0.08 per share; the redemption of up to $1.4 billion in certain TruPS; and the repurchase of common shares in an amount equal to any after-tax gains realized by Fifth Third from the sale of Vantiv, Inc. common shares by either Fifth Third or Vantiv, Inc.

The FRB indicated to the Bancorp that it did object to other elements of its capital plan, including increases in its quarterly common dividend and the initiation of common share repurchases other than those described in the paragraph above. The Bancorp resubmitted its capital plan to the FRB on June 8, 2012. The resubmitted plan included capital actions and distributions for the covered period through March 31, 2013 that were substantially similar to those included in the original submission, with adjustments primarily reflecting the change in the expected timing of capital actions and distributions relative to the timing assumed in the original submission.

Consistent with the 2012 CCAR plan, the Bancorp redeemed all $862.5 million of the outstanding TruPS issued by Fifth Third Capital Trust VI and recognized a $9 million loss on extinguishment in the Bancorp’s Consolidated Financial Statements. Additionally, the Bancorp redeemed all $575 million of the outstanding TruPS issued by Fifth Third Capital Trust V and recognized a $17 million loss on extinguishment in the Bancorp’s Consolidated Financial Statements.

On August 21, 2012, the Bancorp announced that the FRB did not object to its capital plan resubmitted under the CCAR process, which included potential increases to the quarterly common stock dividend and the repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc.

Dividend Policy and Stock Repurchase Program

The Bancorp’s common stock dividend policy and stock repurchase program reflect its earnings outlook, desired payout ratios, the need to maintain adequate capital levels, the ability of its subsidiaries to pay dividends, the need to comply with safe and sound banking practices as well as meet regulatory requirements and expectations. The Bancorp declared dividends per common share of $0.36 and $0.28 during the years ended December 31, 2012 and 2011, respectively.

Consistent with the 2012 CCAR plan, on April 23, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 4,838,710 shares, or approximately $75 million, of its outstanding common stock on April 26, 2012. As part of this transaction, and all subsequent accelerated share repurchase transactions in 2012, the Bancorp entered into a forward contract in which the final number of shares delivered at settlement of the accelerated share repurchase transaction was based on a discount to the average daily volume-weighted average price of the Bancorp’s common stock during the term of the Repurchase Agreement. The accelerated share repurchase was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp’s stock. At settlement of the April 2012 forward contract on June 1, 2012, the Bancorp received an additional 631,986 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

As a result of the FRB’s non-objection to the Bancorp’s capital plan resubmitted under the CCAR process, on August 21, 2012, Fifth Third’s Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions.

Additionally, on August 23, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 21,531,100 shares or

approximately $350 million of its outstanding common stock on August 28, 2012. At settlement of the forward contract on October 24, 2012, the Bancorp received an additional 1,444,047 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,917 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp expects the settlement of the transaction to occur on March 14, 2013.

TABLE 60: SHARE REPURCHASES

For the years ended December 31	2012	2011	2010
Shares authorized for repurchase at January 1	**19,201,518**	19,201,518	19,201,518
Additional authorizations(a)	**86,269,178**	—	—
Share repurchases(b)	**(42,424,014)**	—	—
Shares authorized for repurchase at December 31	**63,046,682**	19,201,518	19,201,518
Average price paid per share	**$ 14.82**	N/A	N/A

(a)In August 2012, the Bancorp announced that its Board of Directors had authorized management to purchase 100 million shares of the Bancorp's common stock through the open market or in any private transaction. The authorization does not include specific price targets or an expiration date. This share repurchase authorization replaces the Board's previous authorization pursuant to which approximately 14 million shares remained available for repurchase by the Bancorp.

*(b)Excludes **2,059,003**, 1,164,254 and 333,808 shares repurchased during **2012**, 2011, and 2010, respectively, in connection with various employee compensation plans. These repurchases are not included in the calculation for average price paid and do not count against the maximum number of shares that may yet be repurchased under the Board of Directors' authorization.*

2013 Stress Tests and CCAR

On October 9, 2012, the FRB published final stress testing rules that implement section 165(i)(1) and (i)(2) of the Dodd-Frank Act. The 19 bank holding companies that participated in the 2009 SCAP and subsequent CCAR, which includes Fifth Third, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

The FRB launched the 2013 stress testing program and CCAR on November 9, 2012. The CCAR requires bank holding companies to submit a capital plan in addition to their stress testing results. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB will review the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5 percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB will also assess the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the Basel Committee on Banking Supervision and requirements arising from the Dodd-Frank Act.

The FRB has indicated that it expects to disclose on March 7, 2013 its estimates of participating institutions results under the FRB supervisory stress scenario, including capital results, which assume that all banks take certain consistently applied future capital actions. The FRB has indicated that it expects to disclose on March 14, 2013 its estimates of participating institutions results under the FRB supervisory severe stress scenarios including capital results based on each company's own base scenario capital actions. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution, Fifth Third is required to disclose our own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required by March 31, 2013 and are to be sent to the FRB and publicly disclosed.

OFF-BALANCE SHEET ARRANGEMENTS

In the ordinary course of business, the Bancorp enters into financial transactions to extend credit and various forms of commitments and guarantees that may be considered off-balance sheet arrangements. These transactions involve varying elements of market, credit and liquidity risk. Refer to Note 16 of the Notes to Consolidated Financial Statements for additional information. A discussion of these transactions is as follows:

Residential Mortgage Loan Sales

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty recourse provisions. Such provisions include the loan's compliance with applicable loan criteria, including certain documentation standards per agreements with unrelated third parties. Additional reasons for the Bancorp having to repurchase the loans include compliance with collateral appraisal standards, fraud related to the loan application and the rescission of mortgage insurance. Under these provisions, the Bancorp is required to repurchase any previously sold loan for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading. As of December 31, 2012 and 2011, the Bancorp maintained reserves related to these loans sold with representation and warranty recourse provisions totaling $110 million and $55 million, respectively, included in other liabilities in the Bancorp's Consolidated Balance Sheets. During the third and fourth quarters of 2012, the Bancorp received additional information from FHLMC regarding their file selection criteria. As a result of these communications, the Bancorp was able to better estimate the probable losses on certain loans sold to FHLMC which was the primary driver in the increase in the representation and warranty reserve from December 31, 2011 to December 31, 2012.

During 2012 and 2011, the Bancorp paid $34 million and $63 million, respectively, in the form of make whole payments and repurchased $114 million and $122 million, respectively, in outstanding principal of loans to satisfy investor demands. Total repurchase demand requests during 2012 and 2011 were $340 million and $350 million, respectively. Total outstanding repurchase demand inventory was $67 million at December 31, 2012 compared to $66 million at December 31, 2011.

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. At December 31, 2012, the outstanding balances on these loans sold with credit recourse was $662 million compared to $772 million at December 31, 2011. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $20 million and $17 million at December 31, 2012 and 2011, respectively, included in other liabilities in the Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Private Mortgage Insurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage.

The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $58 million at December 31, 2012 and $77 million at December 31, 2011. The Bancorp maintained a reserve, included in other liabilities in the Bancorp's Consolidated Balance Sheets, related to exposures within the reinsurance portfolio of $18 million as of December 31, 2012 and $27 million as of December 31, 2011. In 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans. In the second quarter of 2011, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the Bancorp releasing collateral to the insurer in the form of investment securities and other assets with a carrying value of $5 million, and the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $11 million and decrease in the Bancorp's maximum exposure of $27 million. In the fourth quarter of 2012, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $2 million and decrease in the Bancorp's maximum exposure of $3 million.

Table of Contents

CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

The Bancorp has certain obligations and commitments to make future payments under contracts. The aggregate contractual obligations and commitments at December 31, 2012 are shown in Table 61. As of December 31, 2012, the Bancorp has unrecognized tax benefits that, if recognized, would impact the effective tax rate in future periods. Due to the uncertainty of the amounts to be ultimately paid as well as the timing of such payments, all uncertain tax liabilities that have not been paid have been excluded from the Contractual Obligations and Other Commitments table. For further detail on the impact of income taxes see Note 19 of the Notes to Consolidated Financial Statements.

TABLE 61: CONTRACTUAL OBLIGATIONS AND OTHER COMMITMENTS

As of December 31, 2012 ($ in millions)	Less than 1 year	1-3 years	3-5 years	Greater than 5 years	Total
Contractually obligated payments due by period:					
Deposits with a stated maturity of less than one year [(a)]	$ 82,218	—	—	—	82,218
Time deposits[(c)]	4,834	2,029	383	53	7,299
Short-term borrowings[(e)]	7,181	—	—	—	7,181
Long-term debt[(b)]	1,277	597	1,928	3,283	7,085
Forward contracts to sell mortgage loans [(d)]	5,322	—	—	—	5,322
Noncancelable lease obligations[(f)]	89	166	141	373	769
Partnership investment commitments[(g)]	219	134	10	31	394
Pension obligations[(i)]	19	35	31	67	152
Purchase obligations and capital expenditures [(h)]	49	42	25	—	116
Capital lease obligations	7	13	3	1	24
Total contractually obligated payments due by period	$ 101,215	3,016	2,521	3,808	110,560
Other commitments by expiration period					
Commitments to extend credit[(j)]	$ 30,715	7,497	15,191	121	53,524
Letters of credit[(k)]	1,831	2,088	319	43	4,281
Total other commitments by expiration period	$ 32,546	9,585	15,510	164	57,805

(a)Includes demand, interest checking, savings, money market and foreign office deposits. For additional information, see the Deposits discussion in the Balance Sheet Analysis section of MD&A.

(b)In the banking industry, interest-bearing obligations are principally used to fund interest-earning assets. As such, interest charges on contractual obligations were excluded from reported amounts, as the potential cash outflows would have corresponding cash inflows from interest-earning assets. See Note 15 of the Notes to Consolidated Financial Statements for additional information on these debt instruments.

(c)Includes other time and certificates $100,000 and over. For additional information, see the Deposits discussion in the Balance Sheet Analysis section of MD&A.

(d)See Note 11 of the Notes to Consolidated Financial Statements for additional information on forward contracts to sell residential mortgage loans.

(e)Includes federal funds purchased and borrowings with an original maturity of less than one year. For additional information, see Note 14 of the Notes to Consolidated Financial Statements.

(f)Includes rental commitments.

(g)Includes low-income housing, historic tax investments and market tax credits.

(h)Represents agreements to purchase goods or services and includes commitments to various general contractors for work related to banking center construction.

(i)See Note 20 of the Notes to Consolidated Financial Statements for additional information on pension obligations.

(j)Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Many of the commitments to extend credit may expire without being drawn upon. The total commitment amounts include capital commitments for private equity investments and do not necessarily represent future cash flow requirements. For additional information, see Note 16 of the Notes to Consolidated Financial Statements.

(k)Letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. For additional information, see Note 16 of the Notes to Consolidated Financial Statements.

Table of Contents

MANAGEMENT'S ASSESSMENT AS TO THE EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The Bancorp conducted an evaluation, under the supervision and with the participation of the Bancorp's management, including the Bancorp's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Bancorp's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act). Based on the foregoing, as of the end of the period covered by this report, the Bancorp's Chief Executive Officer and Chief Financial Officer concluded that the Bancorp's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Bancorp files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required and information is accumulated and communicated to management on a timely basis.

The management of Fifth Third Bancorp is responsible for establishing and maintaining adequate internal control, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. The Bancorp's management assessed the effectiveness of the Bancorp's internal control over financial reporting as of December 31, 2012. Management's assessment is based on the criteria established in the *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and was designed to provide reasonable assurance that the Bancorp maintained effective internal control over financial reporting as of December 31, 2012. Based on this assessment, management believes that the Bancorp maintained effective internal control over financial reporting as of December 31, 2012. The Bancorp's independent registered public accounting firm, that audited the Bancorp's consolidated financial statements included in this annual report, has issued an audit report on our internal control over financial reporting as of December 31, 2012. This report appears on page 82 of the annual report.

The Bancorp's management also conducted an evaluation of internal control over financial reporting to determine whether any changes occurred during the year covered by this report that have materially affected, or are reasonably likely to materially affect, the Bancorp's internal control over financial reporting. Based on this evaluation, there has been no such change during the year covered by this report.

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 22, 2013

Daniel T. Poston
Executive Vice President and Chief Financial Officer
February 22, 2013

REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Fifth Third Bancorp:

We have audited the internal control over financial reporting of Fifth Third Bancorp and subsidiaries (the "Bancorp") as of December 31, 2012, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Bancorp's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Assessment as to the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Bancorp's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Bancorp maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2012 of the Bancorp and our report dated February 22, 2013 expressed an unqualified opinion on those consolidated financial statements.

Deloitte & Touche LLP
Cincinnati, Ohio
February 22, 2013

To the Shareholders and Board of Directors of Fifth Third Bancorp:

We have audited the accompanying consolidated balance sheets of Fifth Third Bancorp and subsidiaries (the "Bancorp") as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, equity, and cash flows for each of the three years in the period ended December 31, 2012. These consolidated financial statements are the responsibility of the Bancorp's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Fifth Third Bancorp and subsidiaries at December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Bancorp's internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 22, 2013 expressed an unqualified opinion on the Bancorp's internal control over financial reporting.

Deloitte & Touche LLP
Cincinnati, Ohio
February 22, 2013

Table of Contents

CONSOLIDATED BALANCE SHEETS

As of December 31 ($ in millions, except share data)	2012	2011
Assets		
Cash and due from banks [(a)]	$ 2,441	2,663
Available-for-sale and other securities [(b)]	15,207	15,362
Held-to-maturity securities [(c)]	284	322
Trading securities	207	177
Other short-term investments [(a)]	2,421	1,781
Loans held for sale [(d)]	2,939	2,954
Portfolio loans and leases:		
Commercial and industrial loans	36,038	30,783
Commercial mortgage loans [(a)]	9,103	10,138
Commercial construction loans	698	1,020
Commercial leases	3,549	3,531
Residential mortgage loans [(e)]	12,017	10,672
Home equity [(a)]	10,018	10,719
Automobile loans [(a)]	11,972	11,827
Credit card	2,097	1,978
Other consumer loans and leases	290	350
Portfolio loans and leases	85,782	81,018
Allowance for loan and lease losses [(a)]	(1,854)	(2,255)
Portfolio loans and leases, net	83,928	78,763
Bank premises and equipment	2,542	2,447
Operating lease equipment	581	497
Goodwill	2,416	2,417
Intangible assets	27	40
Servicing rights	697	681
Other assets [(a)]	8,204	8,863
Total Assets	$121,894	116,967
Liabilities		
Deposits:		
Demand	$ 30,023	27,600
Interest checking	24,477	20,392
Savings	19,879	21,756
Money market	6,875	4,989
Other time	4,015	4,638
Certificates—$100,000 and over	3,284	3,039
Foreign office and other	964	3,296
Total deposits	89,517	85,710
Federal funds purchased	901	346
Other short-term borrowings	6,280	3,239
Accrued taxes, interest and expenses	1,708	1,469
Other liabilities [(a)]	2,639	3,270
Long-term debt [(a)]	7,085	9,682
Total Liabilities	108,130	103,716
Equity		
Common stock [(f)]	2,051	2,051
Preferred stock [(g)]	398	398
Capital surplus	2,758	2,792
Retained earnings	8,768	7,554
Accumulated other comprehensive income	375	470
Treasury stock	(634)	(64)
Total Bancorp shareholders' equity	13,716	13,201
Noncontrolling interests	48	50
Total Equity	13,764	13,251
Total Liabilities and Equity	$121,894	116,967

(a) *At **December 31, 2012** and 2011, includes **$0** and $30 of cash, **$0** and $7 of other short-term investments, **$50** and $50 of commercial mortgage loans, **$0** and $223 of home equity loans, **$0** and $259 of automobile loans, **($5)** and ($10) of ALLL, **$3** and $4 of other assets, **$0** and $4 of other liabilities, **$0** and $191 of long-term debt from consolidated VIEs that are included in their respective captions. See Note 10.*

(b) *Amortized cost of **$14,571** and $14,614 at **December 31, 2012** and 2011, respectively.*

(c) *Fair value of **$284** and $322 at **December 31, 2012** and 2011, respectively.*

(d) *Includes **$2,856** and $2,751 of residential mortgage loans held for sale measured at fair value at **December 31, 2012**, and 2011, respectively.*

(e) *Includes **$76** and $65 of residential mortgage loans measured at fair value at **December 31, 2012** and 2011, respectively.*

(f) *Common shares: Stated value $2.22 per share; authorized 2,000,000,000; outstanding at **December 31, 2012 – 882,152,057 (excludes 41,740,524 treasury shares)** and December 31, 2011 – 919,804,436 (excludes 4,088,145 treasury shares).*

(g) *317,680 shares of undesignated no par value preferred stock are authorized of which none had been issued; 8.5% non-cumulative Series G convertible (into 2,159.8272 common shares) perpetual preferred stock with a $25,000 liquidation preference: 46,000 authorized, **16,450** issued and outstanding at **December 31, 2012** and 2011.*

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31 ($ in millions, except per share data)	2012	2011	2010
Interest Income			
Interest and fees on loans and leases	$ 3,574	3,613	3,823
Interest on securities	529	600	658
Interest on other short-term investments	4	5	8
Total interest income	4,107	4,218	4,489
Interest Expense			
Interest on deposits	216	352	591
Interest on other short-term borrowings	8	4	4
Interest on long-term debt	288	305	290
Total interest expense	512	661	885
Net Interest Income	3,595	3,557	3,604
Provision for loan and lease losses	303	423	1,538
Net Interest Income After Provision for Loan and Lease Losses	3,292	3,134	2,066
Noninterest Income			
Mortgage banking net revenue	845	597	647
Service charges on deposits	522	520	574
Corporate banking revenue	413	350	364
Investment advisory revenue	374	375	361
Card and processing revenue	253	308	316
Other noninterest income	574	250	406
Securities gains, net	15	46	47
Securities gains, net—non-qualifying hedges on mortgage servicing rights	3	9	14
Total noninterest income	2,999	2,455	2,729
Noninterest Expense			
Salaries, wages and incentives	1,607	1,478	1,430
Employee benefits	371	330	314
Net occupancy expense	302	305	298
Technology and communications	196	188	189
Card and processing expense	121	120	108
Equipment expense	110	113	122
Other noninterest expense	1,374	1,224	1,394
Total noninterest expense	4,081	3,758	3,855
Income Before Income Taxes	2,210	1,831	940
Applicable income tax expense	636	533	187
Net Income	1,574	1,298	753
Less: Net income attributable to noncontrolling interests	(2)	1	-
Net Income Attributable to Bancorp	1,576	1,297	753
Dividends on preferred stock	35	203	250
Net Income Available to Common Shareholders	$ 1,541	1,094	503
Earnings Per Share	$ 1.69	1.20	0.63
Earnings Per Diluted Share	$ 1.66	1.18	0.63
Average common shares - basic	904,425,226	906,460,550	790,852,185
Average common shares - diluted	945,554,102	949,545,420	799,381,153
Cash dividends declared per share	$ 0.36	0.28	0.04

See Notes to Consolidated Financial Statements.

Table of Contents

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 ($ in millions)	**2012**	2011	2010
Net income	**$ 1,574**	1,298	753
Other comprehensive income (loss), net of tax:			
Unrealized gains on available-for-sale securities:			
Unrealized holding (losses) gains on available-for-sale securities arising during period	**(63)**	201	143
Reclassification adjustment for net gains included in net income	**(10)**	(37)	(38)
Unrealized gains on cash flow hedge derivatives:			
Unrealized holding gains on cash flow hedge derivatives arising during period	**24**	58	1
Reclassification adjustment for net gains included in net income	**(54)**	(45)	(39)
Defined benefit pension plans:			
Net actuarial loss (gain) arising during period	**8**	(21)	6
Other comprehensive (loss) income	**(95)**	156	73
Comprehensive income	**1,479**	1,454	826
Less: Comprehensive income attributable to noncontrolling interests	**(2)**	1	-
Comprehensive income attributable to Bancorp	**$1,481**	1,453	826

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Bancorp Shareholders' Equity								
($ in millions, except per share data)	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Bancorp Shareholders' Equity	Non-Controlling Interests	Total Equity
Balance at December 31, 2009	$ 1,779	3,609	1,743	6,326	241	(201)	13,497		13,497
Net income				753			753		753
Other comprehensive income					73		73		73
Cash dividends declared:									
Common stock at $0.04 per share				(32)			(32)		(32)
Preferred stock				(205)			(205)		(205)
Accretion of preferred dividends, Series F		45		(45)			-		-
Stock-based compensation expense			45	(1)			44		44
Stock-based awards issued or exercised, including treasury shares issued			(10)			6	(4)		(4)
Restricted stock grants			(62)			62	-		-
Impact of cumulative effect of change in accounting principle				(77)			(77)		(77)
Noncontrolling interest							-	29	29
Other			(1)			3	2		2
Balance at December 31, 2010	1,779	3,654	1,715	6,719	314	(130)	14,051	29	14,080
Net income				1,297			1,297	1	1,298
Other comprehensive income					156		156		156
Cash dividends declared:									
Common stock at $0.28 per share				(257)			(257)		(257)
Preferred stock				(50)			(50)		(50)
Issuance of common stock	272		1,376				1,648		1,648
Redemption of preferred shares, Series F		(3,408)					(3,408)		(3,408)
Redemption of stock warrant			(280)				(280)		(280)
Accretion of preferred dividends, Series F		153		(153)			-		-
Stock-based compensation expense			52				52		52
Stock-based awards issued or exercised, including treasury shares issued			(15)			7	(8)		(8)
Restricted stock grants			(58)			58	-		-
Noncontrolling interests							-	21	21
Other		(1)	2	(2)		1	-	(1)	(1)
Balance at December 31, 2011	2,051	398	2,792	7,554	470	(64)	13,201	50	13,251
Net income				**1,576**			**1,576**	**(2)**	**1,574**
Other comprehensive loss					**(95)**		**(95)**		**(95)**
Cash dividends declared:									
Common stock at **$0.36 per share**				**(325)**			**(325)**		**(325)**
Preferred stock				**(35)**			**(35)**		**(35)**
Shares acquired for treasury			**(23)**			**(627)**	**(650)**		**(650)**
Stock-based compensation expense			**63**				**63**		**63**
Stock-based awards issued or exercised, including treasury shares issued			**(27)**			**7**	**(20)**		**(20)**
Restricted stock grants			**(47)**			**47**	**-**		**-**
Other				**(2)**		**3**	**1**		**1**
Balance at December 31, 2012	**$ 2,051**	**398**	**2,758**	**8,768**	**375**	**(634)**	**13,716**	**48**	**13,764**

See Notes to Consolidated Financial Statements.

Table of Contents

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 ($ in millions)	2012	2011	2010
Operating Activities			
Net income	$ 1,574	1,298	753
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan and lease losses	303	423	1,538
Depreciation, amortization and accretion	531	455	457
Stock-based compensation expense	69	59	64
Provision for deferred income taxes	271	437	176
Realized securities gains	(69)	(58)	(60)
Realized securities gains – non-qualifying hedges on mortgage servicing rights	(10)	(24)	(14)
Realized securities losses	54	12	13
Realized securities losses – non-qualifying hedges on mortgage servicing rights	7	15	-
Provision for mortgage servicing rights	103	242	36
Net (gains) losses on sales of loans and fair value adjustments on loans held for sale	(278)	(145)	114
Bank premises and equipment impairment	21	-	-
Capitalized mortgage servicing rights	(305)	(236)	(297)
Loss on extinguishment on TruPS	26	-	-
Loss on extinguishment on debt	143	-	-
Proceeds from sales of loans held for sale	22,044	14,783	18,634
Loans originated for sale, net of repayments	(21,439)	(15,199)	(18,231)
Dividends representing return on equity method investments	45	13	31
Gain on Vantiv, Inc. IPO and sale of Vantiv, Inc. shares	(272)	-	-
Net change in:			
Trading securities	(28)	115	67
Other assets	4	(67)	9
Accrued taxes, interest and expenses	1	79	(63)
Other liabilities	(238)	164	78
Net Cash Provided by Operating Activities	2,557	2,366	3,305
Investing Activities			
Sales:			
Available-for-sale securities	2,521	2,471	2,578
Loans	275	371	538
Disposal of bank premises and equipment	13	35	10
Repayments / maturities:			
Available-for-sale securities	4,100	3,502	4,620
Held-to-maturity securities	36	29	1
Purchases:			
Available-for-sale securities	(6,813)	(5,689)	(5,218)
Held-to-maturity securities	-	-	(1)
Bank premises and equipment	(362)	(319)	(224)
Restricted cash from the initial consolidation of variable interest entities	-	-	63
Proceeds from sale and dividends representing return of equity method investments	393	63	8
Net change in:			
Other short-term investments	(640)	(267)	1,861
Loans and leases	(5,930)	(5,422)	(2,507)
Operating lease equipment	(126)	(59)	(21)
Net Cash (Used in) Provided by Investing Activities	(6,533)	(5,285)	1,708
Financing Activities			
Net change in:			
Core deposits	3,529	5,264	784
Certificates - $100,000 and over, including other foreign office	279	(1,202)	(3,429)
Federal funds purchased	555	67	97
Other short-term borrowings	3,041	1,665	38
Dividends paid on common shares	(309)	(192)	(32)
Dividends paid on preferred shares	(35)	(50)	(205)
Proceeds from issuance of long-term debt	523	1,500	14
Repayment of long-term debt	(3,159)	(1,607)	(2,473)
Repurchases of treasury shares and related forward contracts	(650)	-	-
Issuance of common shares	-	1,648	-
Redemption of preferred shares, Series F	-	(3,408)	-
Redemption of stock warrant	-	(280)	-
Capital contributions from noncontrolling interests	-	21	30
Other	(20)	(3)	4
Net Cash Provided By (Used In) Financing Activities	3,754	3,423	(5,172)
(Decrease) Increase in Cash and Due from Banks	(222)	504	(159)
Cash and Due from Banks at Beginning of Period	2,663	2,159	2,318
Cash and Due from Banks at End of Period	$ 2,441	2,663	2,159

See Notes to Consolidated Financial Statements. Note 2 contains cash payments related to interest and income taxes in addition to noncash investing and financing activities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Nature of Operations

Fifth Third Bancorp, an Ohio corporation, conducts its principal lending, deposit gathering, transaction processing and service advisory activities through its banking and non-banking subsidiaries from banking centers located throughout the Midwestern and Southeastern regions of the United States.

Basis of Presentation

The Consolidated Financial Statements include the accounts of the Bancorp and its majority-owned subsidiaries and VIEs in which the Bancorp has been determined to be the primary beneficiary. Other entities, including certain joint ventures, in which the Bancorp has the ability to exercise significant influence over operating and financial policies of the investee, but upon which the Bancorp does not possess control, are accounted for by the equity method and not consolidated. Those entities in which the Bancorp does not have the ability to exercise significant influence are generally carried at the lower of cost or fair value. Intercompany transactions and balances have been eliminated. Certain prior period data has been reclassified to conform to current period presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Due From Banks

Cash and due from banks consist of currency and coin, cash items in the process of collection and due from banks. Currency and coin includes both U.S. and foreign currency owned and held at Fifth Third offices and that is in-transit to the FRB. Cash items in the process of collection include checks and drafts that are drawn on another depository institution or the FRB that are payable immediately upon presentation in the U.S. Balances due from banks include non-interest bearing balances that are funds on deposit at other depository institutions or the FRB.

Securities

Securities are classified as held-to-maturity, available-for-sale or trading on the date of purchase. Only those securities which management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. Securities are classified as available-for-sale when, in management's judgment, they may be sold in response to, or in anticipation of, changes in market conditions. Securities are classified as trading when bought and held principally for the purpose of selling them in the near term. Available-for-sale securities are reported at fair value with unrealized gains and losses, net of related deferred income taxes, included in other comprehensive income. Trading securities are reported at fair value with unrealized gains and losses included in noninterest income. The fair value of a security is determined based on quoted market prices. If quoted market prices are not available, fair value is determined based on quoted prices of similar instruments or discounted cash flow models that incorporate market inputs and assumptions including discount rates, prepayment speeds, and loss rates. Realized securities gains or losses are reported within noninterest income in the Consolidated Statements of Income. The cost of securities sold is based on the specific identification method.

Available-for-sale and held-to-maturity securities with unrealized losses are reviewed quarterly for possible OTTI. For debt securities, if the Bancorp intends to sell the debt security or will more likely than not be required to sell the debt security before recovery of the entire amortized cost basis, then an OTTI has occurred. However, even if the Bancorp does not intend to sell the debt security and will not likely be required to sell the debt security before recovery of its entire amortized cost basis, the Bancorp must evaluate expected cash flows to be received and determine if a credit loss has occurred. In the event of a credit loss, the credit component of the impairment is recognized within noninterest income and the non-credit component is recognized through other comprehensive income. For equity securities, the Bancorp's management evaluates the securities in an unrealized loss position in the available-for-sale portfolio for OTTI on the basis of the duration of the decline in value of the security and severity of that decline as well as the Bancorp's intent and ability to hold these securities for a period of time sufficient to allow for any anticipated recovery in the market value. If it is determined that the impairment on an equity security is other than temporary, an impairment loss equal to the difference between the carrying value of the security and its fair value is recognized within noninterest income.

Portfolio Loans and Leases

Basis of Accounting

Portfolio loans and leases are generally reported at the principal amount outstanding, net of unearned income, deferred loan fees and costs, and any direct principal charge-offs. Direct loan origination fees and costs are deferred and the net amount is amortized over the estimated life of the related loans as a yield adjustment. Interest income is recognized based on the principal balance outstanding computed using the effective interest method.

Loans acquired by the Bancorp through a purchase business combination are recorded at fair value as of the acquisition date. The Bancorp does not carry over the acquired company's ALLL, nor does the Bancorp add to its existing ALLL as part of purchase accounting.

Purchased loans are evaluated for evidence of credit deterioration at acquisition and recorded at their initial fair value. For loans acquired with no evidence of credit deterioration, the fair value discount or premium is amortized over the contractual life of the loan as an adjustment to yield. For loans acquired with evidence of credit deterioration, the Bancorp determines at the acquisition date the excess of the loan's contractually required payments over all cash flows expected to be collected as an amount that should not be accreted into interest income (nonaccretable difference). The remaining amount representing the difference in the expected cash flows of acquired loans and the initial investment in the acquired loans is accreted into interest income over the remaining life of the loan or pool of loans (accretable yield). Subsequent to the purchase date, increases in expected cash flows over those expected at the purchase date are recognized prospectively as interest income over the remaining life of the loan. The present value of any decreases in expected cash flows resulting directly from a change in the contractual interest rate are recognized prospectively as a reduction of the accretable yield. The present value of any decreases in expected cash flows after the purchase date as a result of credit deterioration is recognized by recording an ALLL or a direct chargeoff. Subsequent to the purchase date, the methods utilized to estimate the required ALLL are similar to originated loans. Loans carried at fair value, mortgage loans held for sale and loans under revolving credit agreements are excluded from the scope of this guidance on loans acquired with deteriorated credit quality.

The Bancorp's lease portfolio consists of both direct financing and leveraged leases. Direct financing leases are carried at the aggregate of lease payments plus estimated residual value of the leased property, less unearned income. Interest income on direct financing leases is recognized over the term of the lease to achieve a constant periodic rate of return on the outstanding investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Leveraged leases are carried at the aggregate of lease payments (less nonrecourse debt payments) plus estimated residual value of the leased property, less unearned income. Interest income on leveraged leases is recognized over the term of the lease to achieve a constant rate of return on the outstanding investment in the lease, net of the related deferred income tax liability, in the years in which the net investment is positive.

Nonaccrual Loans

When a loan is placed on nonaccrual status, the accrual of interest, amortization of loan premium, accretion of loan discount, and amortization/accretion of deferred net loan fees are discontinued and all previously accrued and unpaid interest is charged against income. Commercial loans are placed on nonaccrual status when there is a clear indication that the borrower's cash flows may not be sufficient to meet payments as they become due. Such loans are also placed on nonaccrual status when the principal or interest is past due 90 days or more, unless the loan is both well secured and in the process of collection. The Bancorp classifies residential mortgage loans that have principal and interest payments that have become past due 150 days as nonaccrual unless the loan is both well secured and in the process of collection. Residential mortgage loans may stay on nonperforming status for an extended time as the foreclosure process typically lasts longer than 180 days. Typically home equity loans are reported on nonaccrual status if principal or interest has been in default for 180 days or more unless the loan is both well secured and in the process of collection. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are placed on nonaccrual status unless the loan is both well secured and in the process of collection. Commercial and credit card loans that have been modified in a TDR are classified as nonaccrual unless such loans have sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

Nonaccrual commercial loans, other than those modified in a TDR and nonaccrual credit card loans, are generally accounted for on the cost recovery method. The Bancorp believes the cost recovery method is appropriate for nonaccrual commercial loans and nonaccrual credit card loans because the assessment of collectability of the remaining recorded investment of these loans involves a high degree of subjectivity and uncertainty due to the nature or absence of underlying collateral. Under the cost recovery method, any payments received are applied to reduce principal. Once the entire recorded investment is collected, additional payments received are treated as recoveries of amounts previously charged-off until recovered in full, and any subsequent payments are treated as interest income. Nonaccrual residential mortgage loans and other nonaccrual consumer loans are generally accounted for on the cash basis method. The Bancorp believes the cash basis method is appropriate for nonaccrual residential mortgage and other nonaccrual consumer loans because such loans have generally been written down to estimated collateral values and the collectability of the remaining investment involves only an assessment of the fair value of the underlying collateral, which can be measured more objectively with a lesser degree of uncertainty than assessments of typical commercial loan collateral. Under the cash basis method, interest income is recognized upon cash receipt to the extent to which it would have been accrued on the loan's remaining balance at the contractual rate. Nonaccrual loans may be returned to accrual status when all delinquent interest and principal payments become current in accordance with the loan agreement or when the loan is both well-secured and in the process of collection.

Commercial loans on nonaccrual status, including those modified in a troubled debt restructuring, as well as criticized commercial loans with aggregate borrower relationships exceeding $1 million, are subject to an individual review to identify charge-offs. The Bancorp does not have an established delinquency threshold for partially or fully charging off commercial loans. Residential mortgage, home equity and credit card loans that have principal and interest payments that have become past due 180 days are charged off to the ALLL, unless such loans are both well-secured and in the process of collection. Automobile and other consumer loans and leases that have principal and interest payments that have become past due 120 days are charged off to the ALLL, unless such loans are both well-secured and in the process of collection.

Restructured Loans

A loan is accounted for as a TDR if the Bancorp, for economic or legal reasons related to the borrower's financial difficulties, grants a concession to the borrower that it would not otherwise consider. A TDR typically involves a modification of terms such as a reduction of the stated interest rate or face amount of the loan, a reduction of accrued interest, or an extension of the maturity date(s) at a stated interest rate lower than the current market rate for a new loan with similar risk. The Bancorp does not consider the bankruptcy court's discharge of the borrower's debt a concession when the discharged debt is not reaffirmed, and as such these loans are classified as TDRs only if one or more of the previously mentioned concessions are granted. The Bancorp measures the impairment loss of a TDR based on the difference between the original loan's carrying amount and the present value of expected future cash flows discounted at the original, effective yield of the loan. Residential mortgage loans, home equity loans, automobile loans and other consumer loans modified as part of a TDR are maintained on accrual status, provided there is reasonable assurance of repayment and of performance according to the modified terms based upon a current, well-documented credit evaluation. Commercial loans and credit card loans modified as part of a TDR are maintained on accrual status provided there is a sustained payment history of six-months or greater prior to the modification in accordance with the modified terms and all remaining contractual payments under the modified terms are reasonably assured of collection. TDRs of commercial loans and credit cards that do not have a sustained payment history of six months or greater in accordance with their modified terms remain on nonaccrual status until a six-month payment history is sustained. During the nonaccrual period, TDRs of commercial loans are accounted for using the cash basis method for income recognition, provided that full repayment of principal under the modified terms of the loan is reasonably assured.

Impaired Loans

A loan is considered to be impaired when, based on current information and events, it is probable that the Bancorp will be unable to collect all amounts due (including both principal and interest) according to the contractual terms of the loan agreement. For loans modified in a TDR, the contractual terms of the loan agreement refer to the terms specified in the original loan agreement. A loan restructured in a TDR is no longer considered impaired in years after the restructuring if the restructuring

agreement specifies a rate equal to or greater than the rate the Bancorp was willing to accept at the time of the restructuring for a new loan with comparable risk and the loan is not impaired based on the terms specified by the restructuring agreement. Refer to the ALLL section for discussion regarding the Bancorp's methodology for identifying impaired loans and determination of the need for a loss accrual.

Loans Held for Sale

Loans held for sale primarily represent conforming fixed rate residential mortgage loans originated or acquired with the intent to sell in the secondary market and commercial loans and other consumer loans that management has an active plan to sell. Loans held for sale may be carried at the lower of cost or fair value, or carried at fair value where the Bancorp has elected the fair value option of accounting under U.S. GAAP. The Bancorp has elected to measure residential mortgage loans originated as held for sale under the fair value option. For loans in which the Bancorp has not elected the fair value option, the lower of cost or fair value is determined at the individual loan level.

The fair value of residential mortgage loans held for sale is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, discounted cash flow models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral, and market conditions. The anticipated portfolio composition includes the effects of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. These fair value marks are recorded as a component of noninterest income in mortgage banking net revenue. The Bancorp generally has commitments to sell residential mortgage loans held for sale in the secondary market. Gains or losses on sales are recognized in mortgage banking net revenue upon delivery.

Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and, thereafter, reported within the Bancorp's residential mortgage class of portfolio loans and leases. In such cases, the residential mortgage loans will continue to be measured at fair value, which is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component.

Loans held for sale are placed on nonaccrual status consistent with the Bancorp's nonaccrual policy for portfolio loans and leases.

Other Real Estate Owned

OREO, which is included in other assets, represents property acquired through foreclosure or other proceedings and is carried at the lower of cost or fair value, less costs to sell. All OREO property is periodically evaluated for impairment and decreases in carrying value are recognized as reductions in other noninterest income in the Consolidated Statements of Income.

ALLL

The Bancorp disaggregates its portfolio loans and leases into portfolio segments for purposes of determining the ALLL. The Bancorp's portfolio segments include commercial, residential mortgage, and consumer. The Bancorp further disaggregates its portfolio segments into classes for purposes of monitoring and assessing credit quality based on certain risk characteristics. Classes within the commercial portfolio segment include commercial and industrial, commercial mortgage owner-occupied, commercial mortgage nonowner-occupied, commercial construction, and commercial leasing. The residential mortgage portfolio segment is also considered a class. Classes within the consumer portfolio segment include home equity, automobile, credit card, and other consumer loans and leases. For an analysis of the Bancorp's ALLL by portfolio segment and credit quality information by class, see Note 6.

The Bancorp maintains the ALLL to absorb probable loan and lease losses inherent in its portfolio segments. The ALLL is maintained at a level the Bancorp considers to be adequate and is based on ongoing quarterly assessments and evaluations of the collectability and historical loss experience of loans and leases. Credit losses are charged and recoveries are credited to the ALLL. Provisions for loan and lease losses are based on the Bancorp's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating probable credit losses. The Bancorp's strategy for credit risk management includes a combination of conservative exposure limits significantly below legal lending limits and conservative underwriting, documentation and collections standards. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and quarterly management reviews of large credit exposures and loans experiencing deterioration of credit quality.

The Bancorp's methodology for determining the ALLL is based on historical loss rates, current credit grades, specific allocation on loans modified in a TDR and impaired commercial credits above specified thresholds and other qualitative adjustments. Allowances on individual commercial loans, TDRs and historical loss rates are reviewed quarterly and adjusted as necessary based on changing borrower and/or collateral conditions and actual collection and charge-off experience. An unallocated allowance is maintained to recognize the imprecision in estimating and measuring losses when evaluating allowances for individual loans or pools of loans.

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses, as well as loans that have been modified in a TDR, are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include the industry and geographic region of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. When individual loans are impaired, allowances are determined based on management's estimate of the borrower's ability to repay the loan given the availability of collateral and other sources of cash flow, as well as an evaluation of legal options available to the Bancorp. Allowances for impaired loans are measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, fair value of the underlying collateral or readily observable secondary market values. The Bancorp evaluates the collectability of both principal and interest when assessing the need for a loss accrual.

Historical credit loss rates are applied to commercial loans that are not impaired or are impaired, but smaller than the established threshold of $1 million and thus not subject to specific allowance allocations. The loss rates are derived from a migration analysis, which tracks the historical net charge-off experience sustained on loans according to their internal risk grade. The risk grading system utilized for allowance analysis purposes encompasses ten categories.

Homogenous loans and leases in the residential mortgage and consumer portfolio segments are not individually risk graded. Rather, standard credit scoring systems and delinquency monitoring

are used to assess credit risks, and allowances are established based on the expected net charge-offs. Loss rates are based on the trailing twelve month net charge-off history by loan category. Historical loss rates may be adjusted for certain prescriptive and qualitative factors that, in management's judgment, are necessary to reflect losses inherent in the portfolio. Factors that management considers in the analysis include the effects of the national and local economies; trends in the nature and volume of delinquencies, charge-offs and nonaccrual loans; changes in loan mix; credit score migration comparisons; asset quality trends; risk management and loan administration; changes in the internal lending policies and credit standards; collection practices; and examination results from bank regulatory agencies and the Bancorp's internal credit reviewers.

The Bancorp's primary market areas for lending are the Midwestern and Southeastern regions of the Unites States. When evaluating the adequacy of allowances, consideration is given to these regional geographic concentrations and the closely associated effect changing economic conditions have on the Bancorp's customers.

In the current year, the Bancorp has not substantively changed any material aspect to its overall approach to determining its ALLL for any of its portfolio segments. There have been no material changes in criteria or estimation techniques as compared to prior periods that impacted the determination of the current period ALLL for any of the Bancorp's portfolio segments.

Reserve for Unfunded Commitments

The reserve for unfunded commitments is maintained at a level believed by management to be sufficient to absorb estimated probable losses related to unfunded credit facilities and is included in other liabilities in the Consolidated Balance Sheets. The determination of the adequacy of the reserve is based upon an evaluation of the unfunded credit facilities, including an assessment of historical commitment utilization experience, credit risk grading and historical loss rates based on credit grade migration. This process takes into consideration the same risk elements that are analyzed in the determination of the adequacy of the Bancorp's ALLL, as discussed above. Net adjustments to the reserve for unfunded commitments are included in other noninterest expense in the Consolidated Statements of Income.

Loan Sales and Securitizations

The Bancorp periodically sells loans through either securitizations or individual loan sales in accordance with its investment policies. The Bancorp recognizes the sale of loans in accordance with the sale accounting criteria under ASC Topic 860 – *Accounting for Transfers of Financial Assets*. The sold loans are removed from the balance sheet and a net gain or loss is recognized in the Bancorp's Consolidated Financial Statements at the time of sale. The Bancorp typically isolates the loans through the use of a VIE and thus is required to assess whether the entity holding the sold or securitized loans is a VIE and whether the Bancorp is the primary beneficiary and therefore consolidator of that VIE. If the Bancorp holds the power to direct activities most significant to the economic performance of the VIE and has the obligation to absorb losses or right to receive benefits that could potentially be significant to the VIE, then the Bancorp will generally be deemed the primary beneficiary of the VIE. When the Bancorp previously sold loans into isolated trusts or conduits, it obtained one or more subordinated tranches or other residual interests in these trusts or conduits, as well as the servicing rights to the underlying loans. Effective with the adoption of amended VIE consolidation guidance on January 1, 2010, the Bancorp was required to consolidate these VIEs, and accordingly, the underlying loans and other assets and liabilities of these VIEs were included in the Bancorp's Consolidated Balance Sheets. See Note 10 for further information on these consolidated VIEs.

The Bancorp's loan sales and securitizations are generally structured with servicing retained. As a result, servicing rights resulting from residential mortgage loan sales are initially recorded at fair value and subsequently amortized in proportion to and over the period of estimated net servicing revenues and are reported as a component of mortgage banking net revenue, in the Consolidated Statements of Income. Servicing rights are assessed for impairment monthly, based on fair value, with temporary impairment recognized through a valuation allowance and permanent impairment recognized through a write-off of the servicing asset and related valuation allowance. Key economic assumptions used in measuring any potential impairment of the servicing rights include the prepayment speeds of the underlying loans, the weighted-average life, the discount rate, the weighted-average coupon and the weighted-average default rate, as applicable. The primary risk of material changes to the value of the servicing rights resides in the potential volatility in the economic assumptions used, particularly the prepayment speeds. The Bancorp monitors risk and adjusts its valuation allowance as necessary to adequately reserve for impairment in the servicing portfolio. For purposes of measuring impairment, the mortgage servicing rights are stratified into classes based on the financial asset type (fixed rate vs. adjustable rate) and interest rates. Fees received for servicing loans owned by investors are based on a percentage of the outstanding monthly principal balance of such loans and are included in noninterest income in the Consolidated Statements of Income as loan payments are received. Costs of servicing loans are charged to expense as incurred.

Reserve for Representation and Warranty Provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading. The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors.

The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as, future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity, and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in other noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

Bank Premises and Equipment

Bank premises and equipment, including leasehold improvements, are carried at cost less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method based on estimated useful lives of the assets for book purposes, while accelerated depreciation is used for income tax purposes.

Amortization of leasehold improvements is computed using the straight-line method over the lives of the related leases or useful lives of the related assets, whichever is shorter. The Bancorp tests its long-lived assets for impairment through both a probability-weighted and primary-asset approach whenever events or changes in circumstances dictate. Maintenance, repairs and minor improvements are charged to noninterest expense in the Consolidated Statements of Income as incurred.

Derivative Financial Instruments

The Bancorp accounts for its derivatives as either assets or liabilities measured at fair value through adjustments to accumulated other comprehensive income and/or current earnings, as appropriate. On the date the Bancorp enters into a derivative contract, the Bancorp designates the derivative instrument as either a fair value hedge, cash flow hedge or as a free-standing derivative instrument. For a fair value hedge, changes in the fair value of the derivative instrument and changes in the fair value of the hedged asset or liability or of an unrecognized firm commitment attributable to the hedged risk are recorded in current period net income. For a cash flow hedge, changes in the fair value of the derivative instrument, to the extent that it is effective, are recorded in accumulated other comprehensive income and subsequently reclassified to net income in the same period(s) that the hedged transaction impacts net income. For free-standing derivative instruments, changes in fair values are reported in current period net income.

Prior to entering into a hedge transaction, the Bancorp formally documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivative instruments that are designated as fair value or cash flow hedges to specific assets or liabilities on the balance sheet or to specific forecasted transactions, along with a formal assessment at both inception of the hedge and on an ongoing basis as to the effectiveness of the derivative instrument in offsetting changes in fair values or cash flows of the hedged item. If it is determined that the derivative instrument is not highly effective as a hedge, hedge accounting is discontinued and the adjustment to fair value of the derivative instrument is recorded in net income.

Income Taxes

The Bancorp estimates income tax expense based on amounts expected to be owed to the various tax jurisdictions in which the Bancorp conducts business. On a quarterly basis, management assesses the reasonableness of its effective tax rate based upon its current estimate of the amount and components of net income, tax credits and the applicable statutory tax rates expected for the full year. The estimated income tax expense is recorded in the Consolidated Statements of Income.

Deferred income tax assets and liabilities are determined using the balance sheet method and the net deferred tax asset or liability is reported in other assets and accrued taxes, interest and expenses in the Consolidated Balance Sheets. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax basis of assets and liabilities, and reflects enacted changes in tax rates and laws. Deferred tax assets are recognized to the extent they exist and are subject to a valuation allowance based on management's judgment that realization is more likely than not. This analysis is performed on a quarterly basis and includes an evaluation of all positive and negative evidence to determine whether realization is more likely than not.

Accrued taxes represent the net estimated amount due to taxing jurisdictions and are reported in accrued taxes, interest and expenses in the Consolidated Balance Sheets. The Bancorp evaluates and assesses the relative risks and appropriate tax treatment of transactions and filing positions after considering statutes, regulations, judicial precedent and other information and maintains tax accruals consistent with its evaluation of these relative risks and merits. Changes to the estimate of accrued taxes occur periodically due to changes in tax rates, interpretations of tax laws, the status of examinations being conducted by taxing authorities and changes to statutory, judicial and regulatory guidance that impact the relative risks of tax positions. These changes, when they occur, can affect deferred taxes and accrued taxes as well as the current period's income tax expense and can be significant to the operating results of the Bancorp. Any interest and penalties incurred in connection with income taxes are recorded as a component of income tax expense in the Consolidated Financial Statements. For additional information on income taxes, see Note 19.

Earnings Per Share

Basic earnings per share is computed by dividing net income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Earnings per diluted share is computed by dividing adjusted net income available to common shareholders by the weighted-average number of shares of common stock and common stock equivalents outstanding during the period. Dilutive common stock equivalents represent the assumed conversion of dilutive convertible preferred stock, the exercise of dilutive stock-based awards and warrants and the dilutive effect of the settlement of outstanding forward contracts.

The Bancorp calculates earnings per share pursuant to the two-class method. The two-class method is an earnings allocation formula that determines earnings per share separately for common stock and participating securities according to dividends declared and participation rights in undistributed earnings. For purposes of calculating earnings per share under the two-class method, restricted shares that contain nonforfeitable rights to dividends are considered participating securities until vested. While the dividends declared per share on such restricted shares are the same as dividends declared per common share outstanding, the dividends recognized on such restricted shares may be less because dividends paid on restricted shares that are expected to be forfeited are reclassified to compensation expense during the period when forfeiture is expected.

Goodwill

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. U.S. GAAP requires goodwill to be tested for impairment at the Bancorp's reporting unit level on an annual basis, which for the Bancorp is September 30, and more frequently if events or circumstances indicate that there may be impairment. The Bancorp has determined that its segments qualify as reporting units under U.S. GAAP.

Impairment exists when a reporting unit's carrying amount of goodwill exceeds its implied fair value. In testing goodwill for impairment, U.S. GAAP permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform the first step (Step 1) of the goodwill impairment test, and continue to the second step (Step 2), if necessary. Step 1 of the goodwill impairment test compares the fair value of a reporting unit with its carrying amount, including goodwill. If the carrying amount of the reporting unit exceeds its fair value, Step 2 of the goodwill impairment test is performed to measure the amount of impairment loss, if any.

The fair value of a reporting unit is the price that would be received to sell the unit as a whole in an orderly transaction between market participants at the measurement date. Since none of the Bancorp's reporting units are publicly traded, individual reporting unit fair value determinations cannot be directly correlated to the Bancorp's stock price. To determine the fair value of a reporting unit, the Bancorp employs an income-based approach, utilizing the reporting unit's forecasted cash flows (including a terminal value approach to estimate cash flows beyond the final year of the forecast) and the reporting unit's estimated cost of equity as the discount rate. Additionally, the Bancorp determines its market capitalization based on the average of the closing price of the Bancorp's stock during the month including the measurement date, incorporating an additional control premium, and compares this market-based fair value measurement to the aggregate fair value of the Bancorp's reporting units in order to corroborate the results of the income approach.

When required to perform Step 2, the Bancorp compares the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount exceeds the implied fair value, an impairment loss equal to that excess amount is recognized. A recognized impairment loss cannot exceed the carrying amount of that goodwill and cannot be reversed in future periods even if the fair value of the reporting unit subsequently recovers.

During Step 2, the Bancorp determines the implied fair value of goodwill for a reporting unit by assigning the fair value of the reporting unit to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is the implied fair value of goodwill. This assignment process is only performed for purposes of testing goodwill for impairment. The Bancorp does not adjust the carrying values of recognized assets or liabilities (other than goodwill, if appropriate), nor recognize previously unrecognized intangible assets in the Consolidated Financial Statements as a result of this assignment process. Refer to Note 8 for further information regarding the Bancorp's goodwill.

Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques the Bancorp uses to measure fair value include the market approach, income approach and cost approach. The market approach uses prices or relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach involves discounting future amounts to a single present amount and is based on current market expectations about those future amounts. The cost approach is based on the amount that currently would be required to replace the service capacity of the asset.

U.S. GAAP establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bancorp has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Unobservable inputs for the asset or liability for which there is little, if any, market activity at the measurement date. Unobservable inputs reflect the Bancorp's own assumptions about what market participants would use to price the asset or liability. The inputs are developed based on the best information available in the circumstances, which might include the Bancorp's own financial data such as internally developed pricing models and discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment.

The Bancorp's fair value measurements involve various valuation techniques and models, which involve inputs that are observable, when available. Valuation techniques and parameters used for measuring assets and liabilities are reviewed and validated by the Bancorp on a quarterly basis. Additionally, the Bancorp monitors the fair values of significant assets and liabilities using a variety of methods including the evaluation of pricing runs and exception reports based on certain analytical criteria, comparison to previous trades and overall review and assessments for reasonableness. See Note 26 for further information on fair value measurements.

Stock-Based Compensation

In accordance with U.S. GAAP, the Bancorp recognizes compensation expense for the grant-date fair value of stock-based awards that are expected to vest over the requisite service period. All awards, both those with cliff vesting and graded vesting, are expensed on a straight-line basis. Awards to employees that meet eligible retirement status are expensed immediately. As compensation expense is recognized, a deferred tax asset is recorded that represents an estimate of the future tax deduction from exercise or release of restrictions. At the time awards are exercised, cancelled, expire, or restrictions are released, the Bancorp may be required to recognize an adjustment to income tax expense for the difference between the previously estimated tax deduction and the actual tax deduction realized. For further information on the Bancorp's stock-based compensation plans, see Note 23.

Other

Securities and other property held by Fifth Third Investment Advisors, a division of the Bancorp's banking subsidiary, in a fiduciary or agency capacity are not included in the Consolidated Balance Sheets because such items are not assets of the subsidiaries. Investment advisory revenue in the Consolidated Statements of Income is recognized on the accrual basis. Investment advisory service revenues are recognized monthly based on a fee charged per transaction processed and/or a fee charged on the market value of average account balances associated with individual contracts.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Bancorp recognizes revenue from its card and processing services on an accrual basis as such services are performed, recording revenues net of certain costs (primarily interchange fees charged by credit card associations) not controlled by the Bancorp.

The Bancorp purchases life insurance policies on the lives of certain directors, officers and employees and is the owner and beneficiary of the policies. The Bancorp invests in these policies, known as BOLI, to provide an efficient form of funding for long-term retirement and other employee benefits costs. The Bancorp records these BOLI policies within other assets in the Consolidated Balance Sheets at each policy's respective cash surrender value, with changes recorded in other noninterest income in the Consolidated Statements of Income.

Other intangible assets consist of core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Other intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives. The Bancorp reviews other intangible assets for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable.

Securities sold under repurchase agreements are accounted for as collateralized financing transactions and included in other short-term borrowings in the Consolidated Balance Sheets at the amounts which the securities were sold plus accrued interest.

Acquisitions of treasury stock are carried at cost. Reissuance of shares in treasury for acquisitions, exercises of stock-based awards or other corporate purposes is recorded based on the specific identification method.

Advertising costs are generally expensed as incurred.

Accounting and Reporting Developments

Reconsideration of Effective Control for Repurchase Agreements

In April 2011, the FASB issued amended guidance clarifying when the Bancorp can recognize a sale upon the transfer of financial assets subject to a repurchase agreement. That determination is based, in part, on whether the Bancorp has maintained effective control over the transferred financial assets. Under the amended guidance, the FASB concluded that the assessment of effective control should focus on a transferor's contractual rights and obligations with respect to transferred financial assets, not on whether the transferor has the practical ability to perform in accordance with those rights or obligations. The amended guidance was effective for transactions that occur in interim and annual periods beginning on or after December 15, 2011. The Bancorp accounts for all of its existing repurchase agreements as secured borrowings and therefore, the adoption of this amended guidance on January 1, 2012 did not have a material impact on the Bancorp's Consolidated Financial Statements.

Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs

In May 2011, the FASB issued amended guidance that resulted in common fair value measurement and disclosure requirements between U.S. GAAP and IFRS. Under the amended guidance, the Bancorp is required to expand its disclosure for fair value instruments categorized within Level 3 of the fair value hierarchy to include (1) the valuation processes used by the Bancorp; and (2) a narrative description of the sensitivity of the fair value measurement to changes in unobservable inputs for recurring fair value measurements and the interrelationships between those unobservable inputs, if any. The Bancorp is also required to disclose the categorization by level of the fair value hierarchy for items that are not measured at fair value in the statement of financial position but for which the fair value is required to be disclosed (e.g. portfolio loans). The amended guidance is to be applied prospectively and was effective for interim and annual periods beginning after December 15, 2011. The amended guidance was adopted by the Bancorp on January 1, 2012 and the required disclosures are included in Note 26.

Presentation of Comprehensive Income

In June 2011, the FASB issued amended guidance on the presentation requirements for comprehensive income. The amended guidance requires the Bancorp to present total comprehensive income, the components of net income and the components of other comprehensive income on the face of the financial statements, either in a single continuous statement of comprehensive income or in two separate but consecutive statements. The amended guidance does not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income. The amended guidance was effective for interim and annual periods beginning after December 15, 2011. This amended guidance was adopted by the Bancorp on January 1, 2012 and has been applied retrospectively. The Bancorp presents comprehensive income in two separate but consecutive statements, and has included the requirements of the amended guidance in the Consolidated Statements of Comprehensive Income.

Testing Goodwill for Impairment

In September 2011, the FASB issued amended guidance on testing goodwill for impairment. The amended guidance simplifies how the Bancorp is required to test goodwill for impairment and permits the Bancorp to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, the Bancorp determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step impairment test would be unnecessary. However, if the Bancorp concludes otherwise, it would then be required to perform Step 1 of the goodwill impairment test, and continue to Step 2, if necessary. The amended guidance was effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011 and was adopted by the Bancorp on January 1, 2012. The results of the Bancorp's most recent annual impairment test are included in Note 8.

Disclosures about Offsetting Assets and Liabilities

In December 2011, the FASB issued amended guidance related to disclosures about offsetting assets and liabilities. The amended guidance requires the Bancorp to disclose both gross information and net information about financial instruments, including derivatives, and transactions eligible for offset in the Consolidated Balance Sheets as well as financial instruments and transactions subject to agreements similar to a master netting arrangement. The amended guidance will be applied retrospectively and is effective for fiscal years, and interim periods within those years, beginning on or after January 1, 2013.

Table of Contents

2. SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments related to interest and income taxes, in addition to noncash investing and financing activities, are presented in the following table for the years ended December 31:

($ in millions)	**2012**	2011	2010
Cash payments:			
Interest	**$524**	658	920
Income taxes	**383**	102	79
Transfers:			
Portfolio loans to held for sale loans	**62**	143	650
Held for sale loans to portfolio loans	**77**	32	160
Portfolio loans to OREO	**272**	342	662
Held for sale loans to OREO	**23**	43	68
Impact of change in accounting principle:			
Decrease in available-for-sale securities, net	–	–	941
Increase in portfolio loans	–	–	2,217
Decrease in demand deposits	–	–	18
Increase in other short-term borrowings	–	–	122
Increase in long-term debt	–	–	1,344

3. RESTRICTIONS ON CASH AND DIVIDENDS

The FRB, under Regulation D, requires that banks hold cash in reserve against deposit liabilities, known as the reserve requirement. The reserve requirement is calculated based on a two-week average of daily net transaction account deposits as defined by the FRB and may be satisfied with vault cash. When vault cash is not sufficient to meet the reserve requirement, the remaining amount must be satisfied with funds held at the FRB. At the years ended 2012 and 2011, the Bancorp's banking subsidiary reserve requirement was $1.5 billion and $1.1 billion, respectively. Vault cash was not sufficient to meet the total reserve requirement; therefore, for the years ended 2012 and 2011, the Bancorp's banking subsidiary satisfied the remaining reserve requirement with $1.1 billion and $265 million, respectively, of the Bancorp's total deposit at the FRB. The Bancorp's total deposit at the FRB is held in short-term investments in the Consolidated Balance Sheets.

The dividends paid by the Bancorp's banking subsidiary are subject to regulations and limitations prescribed by state and federal supervisory agencies. Due to the regulations and limitations, the Bancorp's banking subsidiary was prohibited from declaring dividends without also obtaining prior approval from supervisory agencies at December 31, 2012 and 2011. The Bancorp's banking subsidiary paid the Bancorp's nonbank subsidiary holding company $2.0 billion in dividends during both of the years ended December 31, 2012 and 2011. The Bancorp's nonbank subsidiary holding company paid the Bancorp $2.0 billion and $1.7 billion in dividends during the years ended December 31, 2012 and 2011, respectively.

In 2008, the Bancorp sold $3.4 billion in Series F senior preferred stock and related warrants to the U.S. Treasury under the terms of the CPP. The terms included certain restrictions on common stock dividends, which required the U.S. Treasury's consent to increase common stock dividends for a period of three years from the date of investment unless the preferred shares were redeemed in whole or the U.S. Treasury transferred all of the preferred shares to a third party. Also, no dividends could be declared or paid on the Bancorp's common stock unless all accrued and unpaid dividends had been paid on the preferred shares and certain other outstanding securities. Additionally, the Bancorp's ability to pay dividends on its common stock was limited by its need to maintain adequate capital levels, comply with safe and sound banking practices and meet regulatory expectations.

On February 2, 2011, the Bancorp redeemed all 136,320 shares of its Series F senior preferred stock held by the U.S. Treasury under the CPP totaling $3.4 billion. As such, the Bancorp had no restrictions on common stock dividends pursuant to the CPP as of December 31, 2012 and 2011. See Note 22 for further information on the redemption of the preferred shares.

In February 2009, the FRB advised bank holding companies that safety and soundness considerations required that dividends be substantially reduced or eliminated. Subsequently, the FRB indicated that increased capital distributions would generally not be considered prudent in the absence of a well-developed capital plan and a capital position that would remain strong even under adverse conditions. In November 2010, the FRB issued guidelines to provide a common, conservative approach to ensure bank holding companies hold adequate capital to maintain ready access to funding, continue operations and meet their obligations to creditors and counterparties, and continue to serve as credit intermediaries, even in adverse conditions. These guidelines required the nineteen bank holding companies that participated in the 2009 SCAP to participate in the CCAR process. The CCAR process required the submission of a comprehensive capital plan that assumed a minimum planning horizon of nine quarters under various economic scenarios. The mandatory elements of the capital plan among others are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy.

In March 2012, the FRB announced it had completed the 2012 CCAR and for bank holding companies that proposed capital distributions in their plan, the FRB either objected to the plan or provided a non objection whereby the FRB concurred with the proposed 2012 capital distributions. The FRB indicated to the Bancorp that it did not object to the following capital actions: a continuation of its quarterly common dividend, the redemption of certain TruPS and the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. The FRB indicated to the Bancorp that it did object to other

Table of Contents

elements of its capital plan, including increases in its quarterly common dividend and the initiation of common share repurchases. The Bancorp resubmitted its capital plan to the FRB in the second quarter of 2012. The resubmitted plan included capital actions and distributions for the covered period through March 31, 2013 that were substantially similar to those included in the original submission, with adjustments primarily reflecting the change in the expected timing of capital actions and distributions relative to the timing assumed in the original submission. On August 21, 2012, the Bancorp announced the FRB did not object to the Bancorp's resubmitted capital plan which included the potential increase of the quarterly common stock dividend and the repurchases of common shares of up to $600 million through the first quarter of 2013.

On October 9, 2012, the FRB published final stress testing rules that implement section 165(i)(1) and (i)(2) of the Dodd-Frank Act. The 19 bank holding companies that participated in the 2009 SCAP and subsequent CCAR, which includes Fifth Third, are subject to the final stress testing rules. The rules require both supervisory and company-run stress tests, which provide forward-looking information to supervisors to help assess whether institutions have sufficient capital to absorb losses and support operations during adverse economic conditions.

The FRB launched the 2013 stress testing program and CCAR on November 9, 2012. The CCAR requires bank holding companies to submit a capital plan in addition to their stress testing results. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy. The stress testing results and capital plan were submitted by the Bancorp to the FRB on January 7, 2013.

The FRB's review of the capital plan will assess the comprehensiveness of the capital plan, the reasonableness of the assumptions and the analysis underlying the capital plan. Additionally, the FRB will review the robustness of the capital adequacy process, the capital policy and the Bancorp's ability to maintain capital above the minimum regulatory capital ratios and above a Tier 1 common ratio of 5 percent on a pro forma basis under expected and stressful conditions throughout the planning horizon. The FRB will also assess the Bancorp's strategies for addressing proposed revisions to the regulatory capital framework agreed upon by the Basel Committee on Banking Supervision and requirements arising from the Dodd-Frank Act.

The FRB has indicated that it expects to disclose on March 7, 2013 its estimates of participating institutions results under the FRB supervisory stress scenario, including capital results, which assume that all banks take certain consistently applied future capital actions. The FRB has indicated that it expects to disclose on March 14, 2013 its estimates of participating institutions results under the FRB supervisory severe stress scenarios including capital results based on each company's own base scenario capital actions. The FRB will also issue an objection or non-objection to each participating institution's capital plan submitted under CCAR. Additionally, as a CCAR institution, Fifth Third is required to disclose our own estimates of results under the supervisory severely adverse scenario using the same consistently applied capital actions noted above, and to provide information related to risks included in its stress testing; a summary description of the methodologies used; estimates of aggregate pre-provision net revenue, losses, provisions, and pro forma capital ratios at the end of the forward-looking planning horizon of at least nine quarters; and an explanation of the most significant causes of changes in regulatory capital ratios. These disclosures are required by March 31, 2013 and are to be sent to the FRB and publicly disclosed.

4. SECURITIES

The following table provides the amortized cost, fair value and unrealized gains and losses for the major categories of the available-for-sale and held-to-maturity securities portfolios as of December 31:

	2012				2011			
($ in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale and other:								
U.S. Treasury and government agencies	**$ 41**	**–**	**–**	**41**	171	–	–	171
U.S. Government sponsored agencies	**1,730**	**181**	**–**	**1,911**	1,782	180	–	1,962
Obligations of states and political subdivisions	**203**	**9**	**–**	**212**	96	5	–	101
Agency mortgage-backed securities[(a)]	**8,403**	**345**	**(18)**	**8,730**	9,743	542	(1)	10,284
Other bonds, notes and debentures	**3,161**	**119**	**(3)**	**3,277**	1,792	29	(9)	1,812
Other securities[(b)]	**1,033**	**3**	**-**	**1,036**	1,030	2	–	1,032
Total	**$ 14,571**	**657**	**(21)**	**15,207**	14,614	758	(10)	15,362
Held-to-maturity:								
Obligations of states and political subdivisions	**$ 282**	**–**	**–**	**282**	320	–	–	320
Other debt securities	**2**	**–**	**–**	**2**	2	–	–	2
Total	**$ 284**	**–**	**–**	**284**	322	–	–	322

*(a)Includes interest-only mortgage backed securities of **$408** and $110 as of **December 31, 2012** and 2011, respectively, recorded at fair value with fair value changes recorded in securities gains, net and securities gains, net – non-qualifying hedges on mortgage servicing rights in the Consolidated Statements of Income.*

*(b)Other securities consist of FHLB and FRB restricted stock holdings of **$497 and $347**, respectively, at **December 31, 2012** and, $497 and $345, respectively, at December 31, 2011, that are carried at cost, and certain mutual fund and equity security holdings.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents realized gains and losses that were recognized in income from available-for-sale securities for the years ended December 31:

($ in millions)	**2012**	2011	2010
Realized gains	**$ 75**	75	69
Realized losses	**(2)**	–	(10)
OTTI	**(58)**	(19)	(3)
Net realized gains	**$ 15**	56	56

Trading securities totaled $207 million as of December 31, 2012, compared to $177 million at December 31, 2011. Gross realized gains on trading securities were $2 million for the year ended December 31, 2012, and $1 million for the years ended 2011 and 2010. Gross realized losses on trading securities were immaterial to the Bancorp for the year ended December 31, 2012 and $7 million and $1 million for the years ended December 31, 2011 and 2010, respectively. Net unrealized gains on trading securities were $1 million and $5 million at December 31, 2012 and 2011, respectively, and immaterial to the Bancorp at December 31, 2010.

At December 31, 2012 and 2011 securities with a fair value of $12.6 billion and $13.3 billion, respectively, were pledged to secure borrowings, public deposits, trust funds, derivative contracts and for other purposes as required or permitted by law.

The expected maturity distribution of the Bancorp's agency mortgage-backed securities and the contractual maturity distribution of the Bancorp's available-for-sale and other and held-to-maturity securities as of December 31, 2012 are shown in the following table:

	Available-for-Sale & Other		Held-to-Maturity	
($ in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt securities:(a)				
Under 1 year	$ 555	566	73	73
1-5 years	8,865	9,356	185	185
5-10 years	2,223	2,280	20	20
Over 10 years	1,895	1,969	6	6
Other securities	1,033	1,036	–	–
Total	$ 14,571	15,207	284	284

(a)Actual maturities may differ from contractual maturities when there exists a right to call or prepay obligations with or without call or prepayment penalties.

The following table provides the fair value and gross unrealized losses on available-for-sale securities in an unrealized loss position, aggregated by investment category and length of time the individual securities have been in a continuous unrealized loss position as of December 31:

	Less than 12 months		12 months or more		Total	
($ in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2012						
U.S. Treasury and government agencies	**$ –**	**–**	**–**	**–**	**–**	**–**
U.S. Government sponsored agencies	**–**	**–**	**–**	**–**	**–**	**–**
Obligations of states and political subdivisions	**–**	**–**	**–**	**–**	**–**	**–**
Agency mortgage-backed securities	**1,784**	**(18)**	**–**	**–**	**1,784**	**(18)**
Other bonds, notes and debentures	**454**	**(3)**	**–**	**–**	**454**	**(3)**
Other securities	**1**	**–**	**–**	**–**	**1**	**–**
Total	**$2,239**	**(21)**	**–**	**–**	**2,239**	**(21)**
2011						
U.S. Treasury and government agencies	$ 70	–	1	–	71	–
U.S. Government sponsored agencies	–	–	–	–	–	–
Obligations of states and political subdivisions	–	–	2	–	2	–
Agency mortgage-backed securities	34	(1)	6	–	40	(1)
Other bonds, notes and debentures	523	(4)	38	(5)	561	(9)
Other securities	6	–	–	–	6	–
Total	$ 633	(5)	47	(5)	680	(10)

Other-Than-Temporary Impairments

The Bancorp recognized $58 million, $19 million, and $3 million of OTTI, included in securities gains, net and securities gains, net – non-qualifying hedges on mortgage servicing rights, in the Bancorp's Consolidated Statements of Income, on its available-for-sale and other debt securities during the years ended December 31, 2012, 2011, and 2010, respectively, and no OTTI was recognized on held-to-maturity debt securities for the years ended December 31, 2012, 2011, and 2010. Less than one percent of unrealized losses in the available-for-sale securities portfolio were represented by non-rated securities at December 31, 2012 and 2011.

During the years ended December 31, 2012 and 2011, the Bancorp did not recognize OTTI on any of its available-for-sale equity securities. In addition, for the year ended December 31, 2010, OTTI recognized on available-for-sale equity securities was immaterial to the Bancorp's Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. LOANS AND LEASES

The Bancorp diversifies its loan and lease portfolio by offering a variety of loan and lease products with various payment terms and rate structures. Lending activities are concentrated within those states in which the Bancorp has banking centers and are primarily located in the Midwestern and Southeastern regions of the United States. The Bancorp's commercial loan portfolio consists of lending to various industry types. Management periodically reviews the performance of its loan and lease products to evaluate whether they are performing within acceptable interest rate and credit risk levels and changes are made to underwriting policies and procedures as needed. The Bancorp maintains an allowance to absorb loan and lease losses inherent in the portfolio. For further information on credit quality and the ALLL, see Note 6.

The following table provides a summary of the total loans and leases classified by primary purpose as of December 31:

($ in millions)	2012	2011
Loans and leases held for sale:		
Commercial and industrial loans	$ 39	45
Commercial mortgage loans	13	76
Commercial construction loans	9	17
Residential mortgage loans	2,856	2,802
Other consumer loans and leases	22	14
Total loans and leases held for sale	$ 2,939	2,954
Portfolio loans and leases:		
Commercial and industrial loans	$ 36,038	30,783
Commercial mortgage loans	9,103	10,138
Commercial construction loans	698	1,020
Commercial leases	3,549	3,531
Total commercial loans and leases	49,388	45,472
Residential mortgage loans	12,017	10,672
Home equity	10,018	10,719
Automobile loans	11,972	11,827
Credit card	2,097	1,978
Other consumer loans and leases	290	350
Total consumer loans and leases	36,394	35,546
Total portfolio loans and leases	$ 85,782	81,018

Total portfolio loans and leases are recorded net of unearned income, which totaled $758 million as of December 31, 2012 and $942 million as of December 31, 2011. Additionally, portfolio loans and leases are recorded net of unamortized premiums and discounts, deferred loan fees and costs, and fair value adjustments (associated with acquired loans or loans designated as fair value upon origination) which totaled a net premium of $73 million and $45 million as of December 31, 2012 and 2011, respectively.

The Bancorp's FHLB and FRB advances are generally secured by loans. The Bancorp had loans of $12.7 billion and $11.2 billion at December 31, 2012 and 2011, respectively, pledged at the FHLB, and loans of $30.9 billion and $26.8 billion at December 31, 2012 and 2011, respectively, pledged at the FRB.

The following table presents a summary of the total loans and leases owned by the Bancorp as of and for the years ended December 31:

	Balance		90 Days Past Due and Still Accruing		Net Charge-Offs	
($ in millions)	2012	2011	2012	2011	2012	2011
Commercial and industrial loans	$ 36,077	30,828	$ 1	4	$165	276
Commercial mortgage loans	9,116	10,214	22	3	99	195
Commercial construction loans	707	1,037	1	1	25	85
Commercial leases	3,549	3,531	–	–	8	(2)
Residential mortgage loans	14,873	13,474	75	79	122	173
Home equity loans	10,018	10,719	58	74	157	220
Automobile loans	11,972	11,827	8	9	31	53
Credit card	2,097	1,978	30	30	74	98
Other consumer loans and leases	312	364	–	–	23	74
Total loans and leases	$ 88,721	83,972	$ 195	200	$ 704	1,172
Less: Loans held for sale	$ 2,939	2,954				
Total portfolio loans and leases	$ 85,782	81,018				

The Bancorp engages in commercial and consumer lease products primarily related to the financing of commercial equipment and automobiles. The Bancorp had $3.0 billion of direct financing leases and $1.3 billion of leveraged leases at December 31, 2012 compared to $2.9 billion and $1.7 billion, respectively, at December 31, 2011.

Pre-tax income from leveraged leases for 2012 was $37 million compared to pre-tax income in 2011 of $33 million. The tax effect of this income was a benefit of $6 million in 2012 and an expense of $10 million in 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The components of the investment in lease financing at December 31:

($ in millions)	2012	2011
Rentals receivable, net of principal and interest on nonrecourse debt	$3,543	3,757
Estimated residual value of leased assets	760	772
Initial direct cost, net of amortization	16	16
Gross investment in lease financing	4,319	4,545
Unearned income	(758)	(942)
Net investment in lease financing[(a)]	$3,561	3,603

(a)The accumulated allowance for uncollectible minimum lease payments was **$67 million** and $79 million at **December 31, 2012** and 2011, respectively.

The Bancorp periodically reviews residual values associated with its leasing portfolio. Declines in residual values that are deemed to be other-than-temporary are recognized as a loss. The Bancorp recognized $9 million and $4 million of residual value write-downs related to commercial leases for the years ended December 31, 2012 and 2011, respectively. The residual value write-downs related to commercial leases are recorded in corporate banking revenue in the Consolidated Statements of Income. The Bancorp recognized no residual value write-downs relating to consumer automobile leases in 2012 and 2011. At December 31, 2012, the minimum future lease payments receivable for each of the years 2013 through 2017 was $612 million, $593 million, $472 million, $389 million and $312 million, respectively.

6. CREDIT QUALITY AND THE ALLOWANCE FOR LOAN AND LEASE LOSSES

The Bancorp disaggregates ALLL balances and transactions in the ALLL by portfolio segment. Credit quality related disclosures for loans and leases are further disaggregated by class.

Allowance for Loan and Lease Losses

The following tables summarize transactions in the ALLL by portfolio segment:

For the year ended December 31, 2012 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance at January 1	$ 1,527	227	365	136	2,255
Losses charged off	(358)	(129)	(350)	–	(837)
Recoveries of losses previously charged off	61	7	65	–	133
Provision for loan and lease losses	6	124	198	(25)	303
Balance at December 31	$ 1,236	229	278	111	1,854

For the year ended December 31, 2011 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance at January 1	$ 1,989	310	555	150	3,004
Losses charged off	(615)	(180)	(519)	–	(1,314)
Recoveries of losses previously charged off	61	7	74	–	142
Provision for loan and lease losses	92	90	255	(14)	423
Balance at December 31	$ 1,527	227	365	136	2,255

For the year ended December 31, 2010 ($ in millions)	Commercial	Residential Mortgage	Consumer	Unallocated	Total
Transactions in the ALLL:					
Balance at January 1	$ 2,517	375	664	193	3,749
Losses charged off	(1,444)	(441)	(600)	–	(2,485)
Recoveries of losses previously charged off	80	2	75	–	157
Provision for loan and lease losses	836	374	371	(43)	1,538
Impact of change in accounting principle	–	–	45	–	45
Balance at December 31	$ 1,989	310	555	150	3,004

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables provide a summary of the ALLL and related loans and leases classified by portfolio segment:

As of December 31, 2012 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:(a)						
Individually evaluated for impairment	**$**	**95**	**137**	**62**	**–**	**294**
Collectively evaluated for impairment		**1,140**	**91**	**216**	**–**	**1,447**
Loans acquired with deteriorated credit quality		**1**	**1**	**–**	**–**	**2**
Unallocated		**–**	**–**	**–**	**111**	**111**
Total ALLL	**$**	**1,236**	**229**	**278**	**111**	**1,854**
Loans and leases:(b)						
Individually evaluated for impairment	**$**	**980**	**1,298**	**544**	**–**	**2,822**
Collectively evaluated for impairment		**48,407**	**10,637**	**23,833**	**–**	**82,877**
Loans acquired with deteriorated credit quality		**1**	**6**	**–**	**–**	**7**
Total portfolio loans and leases	**$**	**49,388**	**11,941**	**24,377**	**–**	**85,706**

(a)Includes $11 related to leveraged leases.
(b)Excludes $76 of residential mortgage loans measured at fair value, and includes $862 of leveraged leases, net of unearned income.

As of December 31, 2011 ($ in millions)		Commercial	Residential Mortgage	Consumer	Unallocated	Total
ALLL:(a)						
Individually evaluated for impairment	$	155	130	65	–	350
Collectively evaluated for impairment		1,371	96	300	–	1,767
Loans acquired with deteriorated credit quality		1	1	–	–	2
Unallocated		–	–	–	136	136
Total ALLL	$	1,527	227	365	136	2,255
Loans and leases:(b)						
Individually evaluated for impairment	$	1,170	1,258	574	–	3,002
Collectively evaluated for impairment		44,299	9,341	24,300	–	77,940
Loans acquired with deteriorated credit quality		3	8	–	–	11
Total portfolio loans and leases	$	45,472	10,607	24,874	–	80,953

(a)Includes $14 related to leveraged leases.
(b)Excludes $65 of residential mortgage loans measured at fair value, and includes $1,022 of leveraged leases, net of unearned income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CREDIT RISK PROFILE

Commercial Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its commercial portfolio segment, the Bancorp disaggregates the segment into the following classes: commercial and industrial, commercial mortgage owner-occupied, commercial mortgage nonowner-occupied, commercial construction and commercial leasing.

To facilitate the monitoring of credit quality within the commercial portfolio segment, and for purposes of analyzing historical loss rates used in the determination of the ALLL for the commercial portfolio segment, the Bancorp utilizes the following categories of credit grades: pass, special mention, substandard, doubtful or loss. The five categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers that do not have identified potential or well defined weaknesses and for which there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on a quarterly basis during the month preceding the end of the calendar quarter.

The Bancorp assigns a special mention rating to loans and leases that have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or lease or the Bancorp's credit position.

The Bancorp assigns a substandard rating to loans and leases that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans and leases have well defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases in this grade also are characterized by the distinct possibility that the Bancorp will sustain some loss if the deficiencies noted are not addressed and corrected.

The Bancorp assigns a doubtful rating to loans and leases that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.

Loans and leases classified as loss are considered uncollectible and are charged off in the period in which they are determined to be uncollectible. Because loans and leases in this category are fully charged down, they are not included in the following tables.

The following table summarizes the credit risk profile of the Bancorp's commercial portfolio segment, by class:

As of December 31, 2012 ($ in millions)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	**$33,521**	**1,113**	**1,379**	**25**	**36,038**
Commercial mortgage loans owner-occupied	**3,934**	**338**	**603**	**1**	**4,876**
Commercial mortgage loans nonowner-occupied	**2,958**	**449**	**815**	**5**	**4,227**
Commercial construction loans	**444**	**59**	**195**	**–**	**698**
Commercial leases	**3,483**	**48**	**18**	**–**	**3,549**
Total	**$44,340**	**2,007**	**3,010**	**31**	**49,388**

As of December 31, 2011 ($ in millions)	Pass	Special Mention	Substandard	Doubtful	Total
Commercial and industrial loans	$27,199	1,641	1,831	112	30,783
Commercial mortgage loans owner-occupied	3,893	567	778	28	5,266
Commercial mortgage loans nonowner-occupied	3,328	521	984	39	4,872
Commercial construction loans	343	235	413	29	1,020
Commercial leases	3,434	52	44	1	3,531
Total	$38,197	3,016	4,050	209	45,472

Consumer Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its consumer portfolio segment, the Bancorp disaggregates the segment into the following classes: home equity, automobile loans, credit card, and other consumer loans and leases. The Bancorp's residential mortgage portfolio segment is also a separate class.

The Bancorp considers repayment performance as the best indicator of credit quality for residential mortgage and consumer loans, which includes both the delinquency status and performing versus nonperforming status of the loans. The delinquency status of all residential mortgage and consumer loans is presented by class in the age analysis section below while the performing versus nonperforming status is presented in the table below. Residential mortgage loans that have principal and interest payments that have become past due 150 days and home equity loans with principal and interest payments that have become past due 180 days are classified as nonperforming unless such loans are both well secured and in the process of collection. Residential mortgage, home equity, automobile and other consumer loans and leases that have been modified in a TDR and subsequently become past due 90 days are classified as nonperforming, unless the loan is both well secured and in the process of collection. Credit card loans that have been modified in a TDR are classified as nonperforming unless such loans have a sustained repayment performance of six months or greater and are reasonably assured of repayment in accordance with the restructured terms. Well secured loans are collateralized by perfected security interests in real and/or personal property for which the Bancorp estimates proceeds from sale would be sufficient to recover the outstanding principal and accrued interest balance of the loan and pay all costs to sell the collateral. The Bancorp considers a loan in the process of collection if collection efforts or legal action is proceeding and the Bancorp expects to collect funds sufficient to bring the loan current or recover the entire outstanding principal and accrued interest balance.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table presents a summary of the Bancorp's residential mortgage and consumer portfolio segments disaggregated into performing versus nonperforming status as of December 31:

	2012		2011	
($ in millions)	Performing	Nonperforming	Performing	Nonperforming
Residential mortgage loans[(a)]	$ **11,704**	**237**	10,332	275
Home equity	**9,965**	**53**	10,665	54
Automobile loans	**11,970**	**2**	11,825	2
Credit card	**2,058**	**39**	1,930	48
Other consumer loans and leases	**289**	**1**	349	1
Total	$ **35,986**	**332**	35,101	380

(a)Excludes ***$76*** *and $65 of loans measured at fair value at* ***December 31, 2012*** *and 2011, respectively.*

Age Analysis of Past Due Loans and Leases

The following tables summarize the Bancorp's recorded investment in portfolio loans and leases by age and class:

As of December 31, 2012 ($ in millions)	Current Loans and Leases[(c)]	Past Due: 30-89 Days[(c)]	Past Due: 90 Days and Greater[(c)]	Past Due: Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:						
Commercial and industrial loans	$ **35,826**	**46**	**166**	**212**	**36,038**	**1**
Commercial mortgage owner-occupied loans	**4,752**	**29**	**95**	**124**	**4,876**	**22**
Commercial mortgage nonowner-occupied loans	**4,094**	**21**	**112**	**133**	**4,227**	**-**
Commercial construction loans	**622**	**-**	**76**	**76**	**698**	**1**
Commercial leases	**3,546**	**2**	**1**	**3**	**3,549**	**-**
Residential mortgage loans[(a)(b)]	**11,547**	**87**	**307**	**394**	**11,941**	**75**
Home equity	**9,782**	**126**	**110**	**236**	**10,018**	**58**
Automobile loans	**11,900**	**62**	**10**	**72**	**11,972**	**8**
Credit card	**2,025**	**38**	**34**	**72**	**2,097**	**30**
Other consumer loans and leases	**287**	**2**	**1**	**3**	**290**	**-**
Total portfolio loans and leases[(a)(d)]	$ **84,381**	**413**	**912**	**1,325**	**85,706**	**195**

(a)Excludes $76 of loans measured at fair value.
(b)Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2012, $80 of these loans were 30-89 days past due and $414 were 90 days or more past due. The Bancorp recognized $2 million of losses for the year ended December 31, 2012 due to claim denials and curtailments associated with these advances.
(c)Includes accrual and nonaccrual loans and leases.
(d)Includes an immaterial amount of government insured commercial loans 30-89 days and 90 days past due and accruing whose repayments are insured by the Small Business Administration at December 31, 2012.

As of December 31, 2011 ($ in millions)	Current Loans and Leases[(c)]	Past Due: 30-89 Days[(c)]	Past Due: 90 Days and Greater[(c)]	Past Due: Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial:						
Commercial and industrial loans	$ 30,493	49	241	290	30,783	4
Commercial mortgage owner-occupied loans	5,088	62	116	178	5,266	1
Commercial mortgage nonowner-occupied loans	4,649	41	182	223	4,872	2
Commercial construction loans	887	12	121	133	1,020	1
Commercial leases	3,521	4	6	10	3,531	-
Residential mortgage loans[(a)(b)]	10,149	110	348	458	10,607	79
Consumer:						
Home equity	10,455	136	128	264	10,719	74
Automobile loans	11,744	71	12	83	11,827	9
Credit card	1,873	33	72	105	1,978	30
Other consumer loans and leases	348	1	1	2	350	-
Total portfolio loans and leases[(a)(d)]	$ 79,207	519	1,227	1,746	80,953	200

(a)Excludes $65 of loans measured at fair value.
(b)Information for current residential mortgage loans includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs. As of December 31, 2011, $45 of these loans were 30-89 days past due and $309 were 90 days or more past due. The Bancorp recognized an immaterial amount of losses for the year ended December 31, 2011 due to claim denials and curtailments associated with these advances.
(c)Includes accrual and nonaccrual loans and leases.
(d)Includes an immaterial amount of government insured commercial loans 30-89 and 90 days past due and accruing whose repayments are insured by the Small Business Administration at December 31, 2011.

Table of Contents

Impaired Loans and Leases

Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp also performs an individual review on loans that are restructured in a troubled debt restructuring. The Bancorp considers the current value of collateral, credit quality of any guarantees, the loan structure, and other factors when evaluating whether an individual loan is impaired. Other factors may include the geography and industry of the borrower, size and financial condition of the borrower, cash flow and leverage of the borrower, and the Bancorp's evaluation of the borrower's management. Smaller balance homogenous loans that are collectively evaluated for impairment are not included in the following tables.

The following table summarizes the Bancorp's impaired loans and leases (by class) that were subject to individual review as of December 31, 2012:

As of December 31, 2012 ($ in millions)	Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 263	194	65
Commercial mortgage owner-occupied loans	54	43	5
Commercial mortgage nonowner-occupied loans	215	160	16
Commercial construction loans	48	37	5
Commercial leases	8	8	5
Restructured residential mortgage loans	1,067	1,023	137
Restructured consumer:			
Home equity	400	396	46
Automobile loans	31	30	4
Credit card	74	74	12
Other consumer loans and leases	2	2	-
Total impaired loans with a related allowance	$ 2,162	1,967	295
With no related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 207	169	-
Commercial mortgage owner-occupied loans	107	99	-
Commercial mortgage nonowner-occupied loans	209	199	-
Commercial construction loans	109	67	-
Commercial leases	5	5	-
Restructured residential mortgage loans	326	275	-
Restructured consumer:			
Home equity	40	39	-
Automobile loans	3	3	-
Total impaired loans with no related allowance	1,006	856	-
Total impaired loans	$ 3,168	2,823 (a)	295

*(a) Includes **$431**, **$1,175** and **$480**, respectively, of commercial, residential mortgage and consumer TDRs on accrual status; **$177**, **$123** and **$64**, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes the Bancorp's impaired loans and leases (by class) that were subject to individual review as of December 31, 2011:

As of December 31, 2011 ($ in millions)	Unpaid Principal Balance	Recorded Investment	Allowance
With a related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 330	246	102
Commercial mortgage owner-occupied loans	66	52	10
Commercial mortgage nonowner-occupied loans	203	147	24
Commercial construction loans	213	120	18
Commercial leases	11	10	2
Restructured residential mortgage loans	1,091	1,038	131
Restructured consumer:			
Home equity	401	397	46
Automobile loans	37	37	5
Credit card	94	88	14
Other consumer loans and leases	2	2	–
Total impaired loans with a related allowance	$ 2,448	2,137	352
With no related allowance recorded:			
Commercial:			
Commercial and industrial loans	$ 375	265	–
Commercial mortgage owner-occupied loans	78	69	–
Commercial mortgage nonowner-occupied loans	191	157	–
Commercial construction loans	143	105	–
Commercial leases	2	2	–
Restructured residential mortgage loans	276	228	–
Restructured consumer:			
Home equity	48	46	–
Automobile loans	4	4	–
Total impaired loans with no related allowance	1,117	876	–
Total impaired loans	$ 3,565	3,013(a)	352

(a)Includes $390, $1,117 and $495, respectively, of commercial, residential mortgage and consumer TDRs on accrual status; $160, $141 and $79, respectively, of commercial, residential mortgage and consumer TDRs on nonaccrual status.

The following table summarizes the Bancorp's average impaired loans and leases and interest income by class for the year ended December 31:

($ in millions)	2012 Average Recorded Investment	2012 Interest Income Recognized	2011 Average Recorded Investment	2011 Interest Income Recognized
Commercial:				
Commercial and industrial loans	**$ 448**	**4**	532	5
Commercial mortgage owner-occupied loans	**156**	**4**	117	2
Commercial mortgage nonowner-occupied loans	**361**	**10**	288	5
Commercial construction loans	**160**	**2**	198	3
Commercial leases	**10**	**–**	16	–
Restructured residential mortgage loans	**1,276**	**47**	1,217	41
Restructured consumer:				
Home equity	**439**	**24**	444	23
Automobile loans	**38**	**1**	41	1
Credit card	**80**	**4**	94	3
Other consumer loans and leases	**1**	**–**	21	-
Total impaired loans	**$ 2,969**	**96**	2,968	83

During the year ended December 31, 2010, interest income of $74 million was recognized on impaired loans that had an average balance of $3.2 billion.

Table of Contents

Nonperforming Assets

The following table summarizes the Bancorp's nonperforming loans and leases, by class, as of December 31:

($ in millions)	2012	2011
Commercial:		
Commercial and industrial loans	**$ 330**	487
Commercial mortgage owner-occupied loans	**125**	170
Commercial mortgage nonowner-occupied loans	**157**	251
Commercial construction loans	**76**	138
Commercial leases	**9**	12
Total commercial loans and leases	**697**	1,058
Residential mortgage loans	**237**	275
Consumer:		
Home equity	**53**	54
Automobile loans	**2**	2
Credit card	**39**	48
Other consumer loans and leases	**1**	1
Total consumer loans and leases	**95**	105
Total nonperforming loans and leases(a)(c)	**$1,029**	1,438
OREO and other repossessed property (b)	**257**	378

*(a)Excludes **$29** and $138 of nonaccrual loans held for sale at **December 31, 2012** and 2011, respectively.*
*(b)Excludes **$72** and $64 of OREO related to government insured loans at **December 31, 2012** and 2011, respectively.*
*(c)Includes **$10** and $17 of nonaccrual government insured commercial loans whose repayments are insured by the Small Business Administration at **December 31, 2012** and 2011, respectively, and **$1** and $2 of restructured nonaccrual government insured commercial loans at **December 31, 2012** and 2011, respectively.*

Troubled Debt Restructurings

If a borrower is experiencing financial difficulty, the Bancorp may consider, in certain circumstances, modifying the terms of their loan to maximize collection of amounts due. Within each of the Bancorp's loan classes, TDRs typically involve either a reduction of the stated interest rate of the loan, an extension of the loan's maturity date(s) with a stated rate lower than the current market rate for a new loan with similar risk, or in limited circumstances, a reduction of the principal balance of the loan or the loan's accrued interest. Modifying the terms of loans may result in an increase or decrease to the ALLL depending upon the terms modified, the method used to measure the ALLL for a loan prior to modification, and whether any charge-offs were recorded on the loan before or at the time of modification. Refer to the ALLL section of Note 1 for information on the Bancorp's ALLL methodology. Upon modification of a loan, the Bancorp measures the related impairment as the difference between the estimated future cash flows, discounted at the original effective yield of the loan, expected to be collected on the modified loan and the carrying value of the loan. The resulting measurement may result in the need for minimal or no valuation allowance because it is probable that all cash flows will be collected under the modified terms of the loan. In addition, if the stated interest rate was increased in a TDR, the cash flows on the modified loan, using the pre-modification interest rate as the discount rate, often exceed the recorded investment of the loan. Conversely, the Bancorp often recognizes an impairment loss as an increase to ALLL upon a modification that reduces the stated interest rate on a loan. If a TDR involves a reduction of the principal balance of the loan or the loan's accrued interest, that amount is charged off to the ALLL. At December 31, 2012, the Bancorp had $28 million in line of credit commitments and $25 million in letter of credit commitments to lend additional funds to borrowers whose terms have been modified in a TDR compared to $42 million and $1 million, respectively, at December 31, 2011.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides a summary of loans modified in a TDR by the Bancorp during the year ended December 31:

2012 ($ in millions)(a)	Number of loans modified in a TDR during the period(b)		Recorded investment in loans modified in a TDR during the period	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:					
Commercial and industrial loans	**108**	**$**	**84**	**(7)**	**9**
Commercial mortgage owner-occupied loans	**67**		**53**	**(8)**	**2**
Commercial mortgage nonowner-occupied loans	**67**		**91**	**(7)**	**-**
Commercial construction loans	**17**		**38**	**(4)**	**-**
Commercial leases	**8**		**7**	**1**	**-**
Residential mortgage loans	**1,758**		**340**	**35**	**-**
Consumer:					
Home equity	**1,343**		**82**	**1**	**-**
Automobile loans	**1,289**		**23**	**2**	**-**
Credit card	**11,407**		**75**	**11**	**-**
Total portfolio loans and leases	**16,064**	**$**	**793**	**24**	**11**

2011 ($ in millions)(a)	Number of loans modified in a TDR during the period(b)		Recorded investment in loans modified in a TDR during the period	Increase (Decrease) to ALLL upon modification	Charge-offs recognized upon modification
Commercial:					
Commercial and industrial loans	52	$	83	(4)	3
Commercial mortgage owner-occupied loans	32		55	(6)	2
Commercial mortgage nonowner-occupied loans	39		90	(21)	3
Commercial construction loans	26		59	(9)	1
Commercial leases	2		-	-	-
Residential mortgage loans	1,728		338	34	-
Consumer:					
Home equity	1,317		80	1	-
Automobile loans	1,482		26	3	-
Credit card	12,234		79	11	-
Total portfolio loans and leases	16,912	$	810	9	9

(a)Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.
(b)Represents number of loans post-modification.

The Bancorp considers TDRs that become 90 days or more past due under the modified terms as subsequently defaulted. For commercial loans not subject to individual review for impairment, the historical loss rates that are applied to such commercial loans for purposes of determining the allowance include historical losses associated with subsequent defaults on loans previously modified in a TDR. For consumer loans, the Bancorp performs a qualitative assessment of the adequacy of the consumer ALLL by comparing the consumer ALLL to forecasted consumer losses over the projected loss emergence period (the forecasted losses include the impact of subsequent defaults of consumer TDRs). When a residential mortgage, home equity, auto or other consumer loan that has been modified in a TDR subsequently defaults, the present value of expected cash flows used in the measurement of the potential impairment loss is generally limited to the expected net proceeds from the sale of the loan's underlying collateral and any resulting impairment loss is reflected as a charge-off or an increase in ALLL. When a credit card loan that has been modified in a TDR subsequently defaults, the calculation of the impairment loss is consistent with the Bancorp's calculation for other credit card loans that have become 90 days or more past due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table provides a summary of subsequent defaults that occurred during the years ended December 31, 2012 and 2011 and within 12 months of the restructuring date:

December 31, 2012 ($ in millions)[(a)]	Number of Contracts	Recorded Investment
Commercial:		
Commercial and industrial loans	**2**	**$ 3**
Commercial mortgage owner-occupied loans	**3**	**2**
Commercial mortgage nonowner-occupied loans	**2**	**1**
Commercial construction loans	**2**	**3**
Residential mortgage loans	**332**	**57**
Consumer:		
Home equity	**101**	**7**
Automobile loans	**42**	**–**
Credit card	**28**	**–**
Total portfolio loans and leases	**512**	**$ 73**

December 31, 2011 ($ in millions)[(a)]	Number of Contracts	Recorded Investment
Commercial:		
Commercial and industrial loans	8	$ 4
Commercial mortgage owner-occupied loans	4	5
Commercial mortgage nonowner-occupied loans	4	3
Commercial construction loans	3	4
Residential mortgage loans	337	55
Consumer:		
Home equity	206	13
Automobile loans	28	1
Credit card	67	1
Total portfolio loans and leases	657	$ 86

(a)Excludes all loans and leases held for sale and loans acquired with deteriorated credit quality.

Table of Contents

7. BANK PREMISES AND EQUIPMENT

The following is a summary of bank premises and equipment at December 31:

($ in millions)	Estimated Useful Life	2012	2011
Land and improvements		**$ 841**	834
Buildings	5 to 50 yrs.	**1,692**	1,623
Equipment	2 to 20 yrs.	**1,460**	1,318
Leasehold improvements	3 to 40 yrs.	**386**	394
Construction in progress		**141**	140
Accumulated depreciation and amortization		**(1,978)**	(1,862)
Total		**$ 2,542**	2,447

Depreciation and amortization expense related to bank premises and equipment was $233 million in 2012, $224 million in 2011 and $225 million in 2010.

During 2012, the Bancorp recorded charges of $21 million of lower of cost or market adjustments associated with bank premises. These adjustments were generally based on appraisals of the underlying bank premises less estimated selling costs. The recognized impairment losses were recorded in other noninterest income in the Consolidated Statements of Income.

Gross occupancy expense for cancelable and noncancelable leases was $99 million in 2012 and 2011 and $98 million in 2010, which was reduced by rental income from leased premises of $17 million in 2012 and $19 million in 2011 and 2010. The Bancorp's subsidiaries have entered into a number of noncancelable and capital lease agreements with respect to bank premises and equipment.

The following table provides the annual future minimum payments under capital leases and noncancelable operating leases at December 31, 2012:

($ in millions)	Operating Leases	Capital Leases
Year ended December 31,		
2013	$ 89	7
2014	85	7
2015	81	6
2016	74	3
2017	66	-
Thereafter	374	1
Total minimum lease payments	$ 769	24
Less: Amounts representing interest	-	3
Present value of net minimum lease payments	-	21

8. GOODWILL

Business combinations entered into by the Bancorp typically include the acquisition of goodwill. Acquisition activity includes acquisitions in the respective period, in addition to purchase accounting adjustments related to previous acquisitions. During the fourth quarter of 2008, the Bancorp determined that the Commercial Banking and Consumer Lending segments' goodwill carrying amounts exceeded their associated implied fair values by $750 million and $215 million, respectively. The resulting $965 million goodwill impairment charge was recorded in the fourth quarter of 2008 and represents the total amount of accumulated impairment losses as of December 31, 2012.

Changes in the net carrying amount of goodwill, by reporting unit, for the years ended December 31, 2012 and 2011 were as follows:

($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	Total
Net carrying value as of December 31, 2010	$ 613	1,656	-	148	2,417
Acquisition activity	-	-	-	-	-
Net carrying value as of December 31, 2011	$ 613	1,656	-	148	2,417
Acquisition activity	-	(1)	-	-	(1)
Net carrying value as of December 31, 2012	**$ 613**	**1,655**	**-**	**148**	**2,416**

The Bancorp completed its annual goodwill impairment test as of September 30, 2012 and the estimated fair values of the Commercial Banking, Branch Banking and Investment Advisors segments substantially exceeded their carrying values, including goodwill.

9. INTANGIBLE ASSETS

Intangible assets consist of mortgage servicing rights, core deposit intangibles, customer lists, non-compete agreements and cardholder relationships. Intangible assets, excluding servicing rights, are amortized on either a straight-line or an accelerated basis over their estimated useful lives and have an estimated remaining weighted-average life at December 31, 2012 of 3.9 years. For more information on mortgage servicing rights, see Note 11.

The details of the Bancorp's intangible assets are shown in the following table:

($ in millions)	Gross Carrying Amount	Accumulated Amortization	Valuation Allowance	Net Carrying Amount
As of December 31, 2012				
Mortgage servicing rights	**$ 2,825**	**(1,467)**	**(661)**	**697**
Core deposit intangibles	**180**	**(160)**	**-**	**20**
Other	**44**	**(37)**	**-**	**7**
Total intangible assets	**$ 3,049**	**(1,664)**	**(661)**	**724**
As of December 31, 2011				
Mortgage servicing rights	$ 2,520	(1,281)	(558)	681
Core deposit intangibles	439	(407)	-	32
Other	44	(36)	-	8
Total intangible assets	$ 3,003	(1,724)	(558)	721

As of December 31, 2012, all of the Bancorp's intangible assets were being amortized. Amortization expense recognized on intangible assets, including mortgage servicing rights, for the years ending December 31, 2012, 2011 and 2010 was $199 million, $157 million and $181 million, respectively.

Estimated amortization expense for the years ending December 31, 2013 through 2017 is as follows:

($ in millions)	Mortgage Servicing Rights	Other Intangible Assets	Total
2013	$ 284	8	292
2014	220	4	224
2015	173	2	175
2016	137	2	139
2017	109	2	111

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. VARIABLE INTEREST ENTITIES

The Bancorp, in the normal course of business, engages in a variety of activities that involve VIEs, which are legal entities that lack sufficient equity to finance their activities, or the equity investors of the entities as a group lack any of the characteristics of a controlling interest. The primary beneficiary of a VIE is generally the enterprise that has both the power to direct the activities most significant to the economic performance of the VIE and the obligation to absorb losses or receive benefits that could potentially be significant to the VIE. For certain investment funds, the primary beneficiary is the enterprise that will absorb a majority of the fund's expected losses or receive a majority of the fund's expected residual returns. The Bancorp evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Bancorp is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Bancorp is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate.

Consolidated VIEs

The following table provides a summary of the classifications of consolidated VIE assets, liabilities and noncontrolling interests included in the Bancorp's Consolidated Balance Sheets as of:

December 31, 2012 ($ in millions)	Home Equity Securitization	Automobile Loan Securitizations	CDC Investments	Total
Assets:				
Cash and due from banks	**$ -**	**-**	**-**	**-**
Other short-term investments	**-**	**-**	**-**	**-**
Commercial mortgage loans	**-**	**-**	**50**	**50**
Home equity	**-**	**-**	**-**	**-**
Automobile loans	**-**	**-**	**-**	**-**
ALLL	**-**	**-**	**(5)**	**(5)**
Other assets	**-**	**-**	**3**	**3**
Total assets	**-**	**-**	**48**	**48**
Liabilities:				
Other liabilities	**$ -**	**-**	**-**	**-**
Long-term debt	**-**	**-**	**-**	**-**
Total liabilities	**$ -**	**-**	**-**	**-**
Noncontrolling interests			**48**	**48**

December 31, 2011 ($ in millions)	Home Equity Securitization	Automobile Loan Securitizations	CDC Investments	Total
Assets:				
Cash and due from banks	$ 5	25	-	30
Other short-term investments	-	7	-	7
Commercial mortgage loans	-	-	50	50
Home equity	223	-	-	223
Automobile loans	-	259	-	259
ALLL	(5)	(3)	(2)	(10)
Other assets	1	1	2	4
Total assets	224	289	50	563
Liabilities:				
Other liabilities	$ -	4	-	4
Long-term debt	22	169	-	191
Total liabilities	$ 22	173	-	195
Noncontrolling interest			50	50

Home Equity and Automobile Loan Securitizations

The Bancorp previously sold $903 million of home equity lines of credit to an isolated trust. Additionally, the Bancorp previously sold $2.7 billion of automobile loans to an isolated trust and conduits in three separate transactions. Each of these transactions isolated the related loans through the use of a VIE that, under accounting guidance effective prior to January 1, 2010, was not consolidated by the Bancorp. The VIEs were funded through loans from large multi-seller asset-backed commercial paper conduits sponsored by third party agents, asset-backed securities issued with varying levels of credit subordination and payment priority, and residual interests. The Bancorp retained residual interests in these entities and, therefore, had an obligation to absorb losses and a right to receive benefits from the VIEs that could potentially be significant to the VIEs. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, held the power to direct the activities of the VIEs that most significantly impact the economic performance of the VIEs. As a result, the Bancorp determined it was the primary beneficiary of these VIEs and, effective January 1, 2010, these VIEs were consolidated in the Bancorp's Consolidated Financial Statements. On February 8, 2012, the Bancorp exercised cleanup call options on an automobile securitization conduit and an isolated trust and acquired all remaining automobile loans, the proceeds of which were used by the conduit and trust to repay outstanding debt. On April 12, 2012, the Bancorp exercised its cleanup call option on the home equity isolated trust and acquired

Table of Contents

all remaining home equity loans, the proceeds of which were used by the trust to repay outstanding debt. On September 17, 2012, the Bancorp exercised its cleanup call option on the remaining automobile securitization conduit and acquired all remaining automobile loans, the proceeds of which were used by the conduit to repay outstanding debt.

The economic performance of the VIEs was most significantly impacted by the performance of the underlying loans. The principal risks to which the entities were exposed include credit risk and interest rate risk. Credit risk was managed through credit enhancement in the form of reserve accounts, overcollateralization, excess interest on the loans, the subordination of certain classes of asset-backed securities to other classes, and in the case of the home equity transaction, an insurance policy with a third party guaranteeing payment of accrued and unpaid interest and principal on the securities. Interest rate risk was managed by interest rate swaps between the VIEs and third parties.

CDC Investments

CDC, a wholly owned subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks. CDC generally co-invests with other unrelated companies and/or individuals and typically makes investments in a separate legal entity that owns the property under development. The entities are usually formed as limited partnerships and LLCs, and CDC typically invests as a limited partner/investor member in the form of equity contributions. The economic performance of the VIEs is driven by the performance of their underlying investment projects as well as the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. Typically, the general partner or managing member will be the party that has the right to make decisions that will most significantly impact the economic performance of the entity. The Bancorp serves as the managing member of certain LLCs invested in business revitalization projects. The Bancorp has provided an indemnification guarantee to the investor member of these LLCs related to the qualification of tax credits generated by the investor member's investment. Accordingly, the Bancorp concluded that it is the primary beneficiary and, therefore, has consolidated these VIEs. As a result, the investor members' interests in these VIEs are presented as noncontrolling interests in the Bancorp's Consolidated Financial Statements. This presentation includes reporting separately the equity attributable to the noncontrolling interests in the Consolidated Balance Sheets and Consolidated Statements of Changes in Equity and reporting separately the comprehensive income attributable to the noncontrolling interests in the Consolidated Statements of Income and Consolidated Statements of Comprehensive Income. Additionally, the net income attributable to the noncontrolling interests is reported separately in the Consolidated Statements of Income. The Bancorp's maximum exposure related to these indemnifications at December 31, 2012 and 2011 was $18 million and $10 million, respectively, which is based on an amount required to meet the investor member's defined target rate of return.

Non-consolidated VIEs

The following tables provide a summary of assets and liabilities carried on the Bancorp's Consolidated Balance Sheets related to non-consolidated VIEs for which the Bancorp holds a variable interest, but is not the primary beneficiary of the VIE, as well as the Bancorp's maximum exposure to losses associated with its interests in the entities:

As of December 31, 2012 ($ in millions)	Total Assets	Total Liabilities	Maximum Exposure
CDC investments	**$1,442**	**394**	**1,442**
Private equity investments	**189**	**-**	**310**
Loans provided to VIEs	**1,622**	**-**	**2,465**
Restructured loans	**2**	**-**	**2**

As of December 31, 2011 ($ in millions)	Total Assets	Total Liabilities	Maximum Exposure
CDC investments	$1,243	269	1,243
Private equity investments	161	3	327
Money market funds	53	-	62
Loans provided to VIEs	1,370	-	2,203
Restructured loans	10	-	12

CDC Investments

As noted previously, CDC typically invests in VIEs as a limited partner or investor member in the form of equity contributions. The Bancorp has determined that it is not the primary beneficiary of these VIEs because it lacks the power to direct the activities that most significantly impact the economic performance of the underlying project or the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. This power is held by the general partners/managing members who exercise full and exclusive control of the operations of the VIEs. Accordingly, the Bancorp accounts for these investments under the equity method of accounting.

The Bancorp's funding requirements are limited to its invested capital and any additional unfunded commitments for future equity contributions. The Bancorp's maximum exposure to loss as a result of its involvement with the VIEs is limited to the carrying amounts of the investments, including the unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Consolidated Balance Sheets, and the liabilities related to the unfunded commitments, which are included in other liabilities in the Consolidated Balance Sheets, are included in the previous tables for all periods presented. The Bancorp has no other liquidity arrangements or obligations to purchase assets of the VIEs that would expose the Bancorp to a loss. In certain arrangements, the general partner/managing member of the VIE has guaranteed a level of projected tax credits to be received by the limited partners/investor members, thereby minimizing a portion of the Bancorp's risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Private Equity Investments

The Bancorp invests as a limited partner in private equity funds which provide the Bancorp an opportunity to obtain higher rates of return on invested capital, while also creating cross-selling opportunities for the Bancorp's commercial products. Each of the limited partnerships has an unrelated third-party general partner responsible for appointing the fund manager. The Bancorp has not been appointed fund manager for any of these private equity funds. The funds finance primarily all of their activities from the partners' capital contributions and investment returns. Under the VIE consolidation guidance still applicable to the funds, the Bancorp has determined that it is not the primary beneficiary of the funds because it does not absorb a majority of the funds' expected losses or receive a majority of the funds' expected residual returns. Therefore, the Bancorp accounts for its investments in these limited partnerships under the equity method of accounting.

The Bancorp is exposed to losses arising from negative performance of the underlying investments in the private equity funds. As a limited partner, the Bancorp's maximum exposure to loss is limited to the carrying amounts of the investments plus unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Consolidated Balance Sheets, are included in the previous tables. Also, as of December 31, 2012 and 2011, the unfunded commitment amounts to the funds were $121 million and $166 million, respectively. The Bancorp made capital contributions of $61 million and $48 million to private equity funds during 2012 and 2011, respectively.

Money Market Funds

Under U.S. GAAP, money market funds are generally not considered VIEs because they are generally deemed to have sufficient equity at risk to finance their activities without additional subordinated financial support, and the fund shareholders do not lack the characteristics of a controlling interest. However, when a situation arises where an investment manager provides credit support to a fund, even when not contractually required to do so, the investment manager is deemed under U.S. GAAP to have provided an implicit guarantee of the fund's performance to the fund's shareholders. Such an implicit guarantee would require the investment manager and other variable interest holders to reconsider the VIE status of the fund, as well as all other similar funds where such an implicit guarantee is now deemed to exist.

In the fourth quarter of 2010, the Bancorp voluntarily provided credit support of less than $1 million to a money market fund managed by FTAM. Accordingly, the Bancorp was required to analyze the money market funds and similar funds managed by FTAM under the VIE consolidation guidance applicable to these funds to determine the primary beneficiary of each fund. In analyzing these funds, the Bancorp determined that interest rate risk and credit risk were the two main risks to which the funds were exposed. After analyzing the interest rate risk variability and credit risk variability associated with these funds, the Bancorp determined that it was not the primary beneficiary of these funds because it did not absorb a majority of the funds' expected losses or receive a majority of the funds' expected residual returns. Therefore, the Bancorp's investments in these funds were included as other securities in the Bancorp's Consolidated Balance Sheets. In the third quarter of 2012, the Bancorp sold certain assets relating to the management of Fifth Third money market funds. The remaining maximum exposure as of December 31, 2012 is immaterial to the Bancorp's Consolidated Financial Statements.

Loans Provided to VIEs

The Bancorp has provided funding to certain unconsolidated VIEs sponsored by third parties. These VIEs are generally established to finance certain consumer and small business loans originated by third parties. The entities are primarily funded through the issuance of a loan from the Bancorp or syndication through which the Bancorp is involved. The sponsor/administrator of the entities is responsible for servicing the underlying assets in the VIEs. Because the sponsor/administrator, not the Bancorp, holds the servicing responsibilities, which include the establishment and employment of default mitigation policies and procedures, the Bancorp does not hold the power to direct the activities most significant to the economic performance of the entity and, therefore, is not the primary beneficiary.

The principal risk to which these entities are exposed is credit risk related to the underlying assets. The Bancorp's maximum exposure to loss is equal to the carrying amounts of the loans and unfunded commitments to the VIEs. The Bancorp's outstanding loans to these VIEs, included in commercial loans in the Consolidated Balance Sheets, are included in the previous tables for all periods presented. Also, as of December 31, 2012 and 2011, the Bancorp's unfunded commitments to these entities were $843 million and $833 million, respectively. The loans and unfunded commitments to these VIEs are included in the Bancorp's overall analysis of the ALLL and reserve for unfunded commitments, respectively. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Restructured Loans

As part of loan restructuring efforts, the Bancorp received equity capital from certain borrowers to facilitate the restructuring of the borrower's debt. These borrowers meet the definition of a VIE because the Bancorp was involved in their refinancing and because their equity capital is insufficient to fund ongoing operations. These restructurings were intended to provide the VIEs with serviceable debt levels while providing the Bancorp an opportunity to maximize the recovery of the loans. The VIEs finance their operations from earned income, capital contributions, and through restructured debt agreements. Assets of the VIEs are used to settle their specific obligations, including loan payments due to the Bancorp. The Bancorp continues to maintain its relationship with these VIEs as a lender and minority shareholder, however, it is not involved in management decisions and does not have sufficient voting rights to control the membership of the respective boards. Therefore, the Bancorp accounts for its equity investments in these VIEs under the equity method or cost method based on its percentage of ownership and ability to exercise significant influence.

The Bancorp's maximum exposure to loss as a result of its involvement with these VIEs is limited to the equity investments, the principal and accrued interest on the outstanding loans, and any unfunded commitments. Due to the VIEs' short-term cash deficit projections at the restructuring dates, the Bancorp determined that the initial fair value of its equity investments in these VIEs was zero. As of December 31, 2012 and 2011, the Bancorp's carrying value of these equity investments was immaterial to the Bancorp's Consolidated Balance Sheets. Additionally, the Bancorp had outstanding loans to these VIEs, included in commercial loans in the Consolidated Balance Sheets, which are included in the previous tables for all periods presented. The Bancorp had no unfunded loan commitments to these VIEs as of December 31, 2012 and $2 million at December 31, 2011. The loans and unfunded commitments to these VIEs are included in the Bancorp's overall analysis of the ALLL and reserve for unfunded commitments, respectively. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Table of Contents

11. SALES OF RESIDENTIAL MORTGAGE RECEIVABLES AND MORTGAGE SERVICING RIGHTS

The Bancorp sold fixed and adjustable rate residential mortgage loans during 2012, 2011, and 2010. In those sales, the Bancorp obtained servicing responsibilities and the investors have no recourse to the Bancorp's other assets for failure of debtors to pay when due. The Bancorp receives annual servicing fees based on a percentage of the outstanding balance. The Bancorp identifies classes of servicing assets based on financial asset type and interest rates.

Information related to residential mortgage loan sales and the Bancorp's mortgage banking activity, which is included in mortgage banking net revenue in the Consolidated Statements of Income, for the years ended December 31 is as follows:

($ in millions)	2012	2011	2010
Residential mortgage loan sales	**$21,574**	14,733	17,861
Origination fees and gains on loan sales	**821**	396	490
Servicing fees	**250**	234	221

Servicing Assets

The following table presents changes in the servicing assets related to residential mortgage loans for the years ended December 31:

($ in millions)	2012	2011
Carrying amount before valuation allowance as of the beginning of the period	**$1,239**	1,138
Servicing obligations that result from the transfer of residential mortgage loans	**305**	236
Amortization	**(186)**	(135)
Carrying amount before valuation allowance	**1,358**	1,239
Valuation allowance for servicing assets:		
Beginning balance	**(558)**	(316)
Servicing impairment	**(103)**	(242)
Ending balance	**(661)**	(558)
Carrying amount as of the end of the period	**$ 697**	681

Temporary impairment or impairment recovery, affected through a change in the MSR valuation allowance, is captured as a component of mortgage banking net revenue in the Consolidated Statements of Income. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the value of the MSR portfolio. This strategy includes the purchase of free-standing derivatives and various available-for-sale securities. The interest income, mark-to-market adjustments and gain or loss from sale activities associated with these portfolios are expected to economically hedge a portion of the change in value of the MSR portfolio caused by fluctuating discount rates, earnings rates and prepayment speeds. The fair value of the servicing asset is based on the present value of expected future cash flows.

The following table displays the beginning and ending fair value for the years ended December 31:

($ in millions)	2012	2011
Fixed rate residential mortgage loans:		
Beginning balance	**$ 649**	791
Ending balance	**664**	649
Adjustable rate residential mortgage loans:		
Beginning balance	**32**	31
Ending balance	**33**	32

The following table presents activity related to valuations of the MSR portfolio and the impact of the non-qualifying hedging strategy, which is included in the Consolidated Statements of Income for the years ended December 31:

($ in millions)	2012	2011	2010
Securities gains, net—non-qualifying hedges on MSRs	**$ 3**	9	14
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio (Mortgage banking net revenue)	**63**	344	109
Provision for MSR impairment (Mortgage banking net revenue)	**(103)**	(242)	(36)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2012 and 2011, the key economic assumptions used in measuring the MSRs that continued to be held by the Bancorp at the date of sale or securitization resulting from transactions completed during the years ended December 31 were as follows:

		2012				2011			
	Rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate	Weighted-Average Life (in years)	Prepayment Speed (annual)	Discount Rate (annual)	Weighted-Average Default rate
Residential mortgage loans:									
Servicing assets	Fixed	**6.9**	**9.6 %**	**10.4 %**	**N/A**	7.2	8.8 %	10.5 %	N/A
Servicing assets	Adjustable	**3.8**	**22.0**	**11.4**	**N/A**	3.7	22.8	11.4	N/A

Based on historical credit experience, expected credit losses for residential mortgage loan servicing assets have been deemed immaterial, as the Bancorp sold the majority of the underlying loans without recourse. At December 31, 2012 and 2011, the Bancorp serviced $62.5 billion and $57.1 billion, respectively, of residential mortgage loans for other investors. The value of MSRs that continue to be held by the Bancorp is subject to credit, prepayment and interest rate risks on the sold financial assets.

At December 31, 2012, the sensitivity of the current fair value of residual cash flows to immediate 10%, 20% and 50% adverse changes in prepayment speed assumptions and immediate 10% and 20% adverse changes in other assumptions are as follows:

				Prepayment Speed Assumption				Residual Servicing Cash Flows		
					Impact of Adverse Change on Fair Value				Impact of Adverse Change on Fair Value	
($ in millions)(a)	Rate	Fair Value	Weighted-Average Life (in years)	Rate	10%	20%	50%	Discount Rate	10%	20%
Residential mortgage loans:										
Servicing assets	Fixed	$ 664	4.8	16.1 %	$ (37)	(72)	(159)	10.5 %	$ (22)	(42)
Servicing assets	Adjustable	33	3.1	26.9	(2)	(3)	(6)	11.7	(1)	(2)

(a) The impact of the weighted-average default rate on the current fair value of residual cash flows for all scenarios is immaterial.

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on these variations in the assumptions typically cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. The Bancorp believes variations of these levels are reasonably possible; however there is the potential that adverse changes in key assumptions could be even greater. Also, in the previous table, the effect of a variation in a particular assumption on the fair value of the interests that continue to be held by the Bancorp is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments), which might magnify or counteract these sensitivities.

12. DERIVATIVE FINANCIAL INSTRUMENTS

The Bancorp maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate, prepayment and foreign currency volatility. Additionally, the Bancorp holds derivative instruments for the benefit of its commercial customers and for other business purposes. The Bancorp does not enter into unhedged speculative derivative positions.

The Bancorp's interest rate risk management strategy involves modifying the repricing characteristics of certain financial instruments so that changes in interest rates do not adversely affect the Bancorp's net interest margin and cash flows. Derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options and swaptions. Interest rate swap contracts are exchanges of interest payments, such as fixed-rate payments for floating-rate payments, based on a stated notional amount and maturity date. Interest rate floors protect against declining rates, while interest rate caps protect against rising interest rates. Forward contracts are contracts in which the buyer agrees to purchase, and the seller agrees to make delivery of, a specific financial instrument at a predetermined price or yield. Options provide the purchaser with the right, but not the obligation, to purchase or sell a contracted item during a specified period at an agreed upon price. Swaptions are financial instruments granting the owner the right, but not the obligation, to enter into or cancel a swap.

Prepayment volatility arises mostly from changes in fair value of the largely fixed-rate MSR portfolio, mortgage loans and mortgage-backed securities. The Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge prepayment volatility. Principal-only swaps are total return swaps based on changes in the value of the underlying mortgage principal-only trust. TBAs are a forward purchase agreement for a mortgage-backed securities trade whereby the terms of the security are undefined at the time the trade is made.

Foreign currency volatility occurs as the Bancorp enters into certain loans denominated in foreign currencies. Derivative instruments that the Bancorp may use to economically hedge these foreign denominated loans include foreign exchange swaps and forward contracts.

The Bancorp also enters into derivative contracts (including foreign exchange contracts, commodity contracts and interest rate contracts) for the benefit of commercial customers and other business purposes. The Bancorp may economically hedge significant exposures related to these free-standing derivatives by entering into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. The Bancorp's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. Credit risk is minimized through credit approvals, limits, counterparty collateral and monitoring procedures.

The Bancorp's derivative assets contain certain contracts in which the Bancorp requires the counterparties to provide collateral in the form of cash and securities to offset changes in the fair value of the derivatives, including changes in the fair value due to credit risk of the counterparty. As of December 31, 2012 and 2011, the balance of collateral held by the Bancorp for derivative assets was $927 million and $1.2 billion, respectively. The credit component negatively impacting the fair value of derivative assets associated with customer accommodation contracts as of December 31, 2012 and 2011 was $18 million and $28 million, respectively.

In measuring the fair value of derivative liabilities, the Bancorp considers its own credit risk, taking into consideration collateral maintenance requirements of certain derivative counterparties and the duration of instruments with counterparties that do not require collateral maintenance. When necessary, the Bancorp primarily posts collateral in the form of cash and securities to offset changes in fair value of the derivatives, including changes in fair value due to the Bancorp's credit risk. As of December 31, 2012 and 2011, the balance of collateral posted by the Bancorp for derivative liabilities was $785 million and $788 million, respectively. Certain of the Bancorp's derivative liabilities contain credit-risk related contingent features that could result in the requirement to post additional collateral upon the occurrence of specified events. As of December 31, 2012 and 2011, the fair value of the additional collateral that could be required to be posted as a result of the credit-risk related contingent features being triggered was not material to the Bancorp's Consolidated Financial Statements. The posting of collateral has been determined to remove the need for consideration of credit risk. As a result, the Bancorp determined that the impact of the Bancorp's credit risk to the valuation of its derivative liabilities was immaterial to the Bancorp's Consolidated Financial Statements.

The Bancorp holds certain derivative instruments that qualify for hedge accounting treatment and are designated as either fair value hedges or cash flow hedges. Derivative instruments that do not qualify for hedge accounting treatment, or for which hedge accounting is not established, are held as free-standing derivatives. All customer accommodation derivatives are held as free-standing derivatives.

The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements. Derivative instruments with a positive fair value are reported in other assets in the Consolidated Balance Sheets while derivative instruments with a negative fair value are reported in other liabilities in the Consolidated Balance Sheets. Cash collateral payables and receivables associated with the derivative instruments are not added to or netted against the fair value amounts.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables reflect the notional amounts and fair values for all derivative instruments included in the Consolidated Balance Sheets as of:

December 31, 2012 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 2,880	558	-
Total fair value hedges		558	-
Cash flow hedges:			
Interest rate floors related to C&I loans	1,500	22	-
Interest rate swaps related to C&I loans	1,000	60	-
Interest rate caps related to long-term debt	500	-	-
Interest rate swaps related to long-term debt	250	-	1
Total cash flow hedges		82	1
Total derivatives designated as qualifying hedging instruments		640	1
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives—risk management and other business purposes:			
Interest rate contracts related to MSRs	10,177	219	-
Forward contracts related to held for sale mortgage loans	5,322	2	14
Stock warrants associated with sale of the processing business	416	177	-
Swap associated with the sale of Visa, Inc. Class B shares	644	-	33
Total free-standing derivatives—risk management and other business purposes		398	47
Free-standing derivatives—customer accommodation:			
Interest rate contracts for customers	27,354	586	602
Interest rate lock commitments	4,894	60	-
Commodity contracts	3,084	87	82
Foreign exchange contracts	17,297	201	183
Derivative instruments related to equity linked CDs	5	-	-
Total free-standing derivatives—customer accommodation		934	867
Total derivatives not designated as qualifying hedging instruments		1,332	914
Total		$ 1,972	915

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Qualifying hedging instruments			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 4,080	662	-
Total fair value hedges		662	-
Cash flow hedges:			
Interest rate floors related to C&I loans	1,500	91	-
Interest rate swaps related to C&I loans	1,500	59	-
Interest rate caps related to long-term debt	500	-	-
Interest rate swaps related to long-term debt	250	-	5
Total cash flow hedges		150	5
Total derivatives designated as qualifying hedging instruments		812	5
Derivatives not designated as qualifying hedging instruments			
Free-standing derivatives—risk management and other business purposes:			
Interest rate contracts related to MSRs	3,077	187	-
Forward contracts related to held for sale mortgage loans	5,705	8	54
Interest rate swaps related to long-term debt	311	1	3
Put options associated with sale of the processing business	978	-	1
Stock warrants associated with sale of the processing business	223	111	-
Swap associated with the sale of Visa, Inc. Class B shares	436	-	78
Total free-standing derivatives—risk management and other business purposes		307	136
Free-standing derivatives—customer accommodation:			
Interest rate contracts for customers	30,000	774	795
Interest rate lock commitments	3,835	33	1
Commodity contracts	2,074	134	130
Foreign exchange contracts	17,909	294	275
Derivative instruments related to equity linked CDs	34	2	2
Total free-standing derivatives—customer accommodation		1,237	1,203
Total derivatives not designated as qualifying hedging instruments		1,544	1,339
Total		$ 2,356	1,344

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value Hedges

The Bancorp may enter into interest rate swaps to convert its fixed-rate funding to floating-rate. Decisions to convert fixed-rate funding to floating are made primarily through consideration of the asset/liability mix of the Bancorp, the desired asset/liability sensitivity and interest rate levels. As of December 31, 2012 and 2011, certain interest rate swaps met the criteria required to qualify for the shortcut method of accounting. Based on this shortcut method of accounting treatment, no ineffectiveness is assumed. For interest rate swaps that do not meet the shortcut requirements, an assessment of hedge effectiveness using regression analysis was performed and such swaps were accounted for using the "long-haul" method. The long-haul method requires a quarterly assessment of hedge effectiveness and measurement of ineffectiveness. For interest rate swaps accounted for as a fair value hedge using the long-haul method, ineffectiveness is the difference between the changes in the fair value of the interest rate swap and changes in fair value of the related hedged item attributable to the risk being hedged. The ineffectiveness on interest rate swaps hedging fixed-rate funding is reported within interest expense in the Consolidated Statements of Income.

The following table reflects the change in fair value of interest rate contracts, designated as fair value hedges, as well as the change in fair value of the related hedged items attributable to the risk being hedged, included in the Consolidated Statements of Income:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption	2012	2011	2010
Interest rate contracts:				
Change in fair value of interest rate swaps hedging long-term debt	Interest on long-term debt	**$(104)**	220	167
Change in fair value of hedged long-term debt attributable to the risk being hedged	Interest on long-term debt	**107**	(227)	(168)
Change in fair value of interest rate swaps hedging time deposits	Interest on deposits	**-**	-	6
Change in fair value of hedged time deposits	Interest on deposits	**-**	-	(6)

Cash Flow Hedges

The Bancorp may enter into interest rate swaps to convert floating-rate assets and liabilities to fixed rates or to hedge certain forecasted transactions. The assets or liabilities may be grouped in circumstances where they share the same risk exposure for which the Bancorp desired to hedge. The Bancorp may also enter into interest rate caps and floors to limit cash flow variability of floating rate assets and liabilities. As of December 31, 2012, all hedges designated as cash flow hedges are assessed for effectiveness using regression analysis. Ineffectiveness is generally measured as the amount by which the cumulative change in the fair value of the hedging instrument exceeds the present value of the cumulative change in the hedged item's expected cash flows attributable to the risk being hedged. Ineffectiveness is reported within other noninterest income in the Consolidated Statements of Income. The effective portion of the cumulative gains or losses on cash flow hedges are reported within accumulated other comprehensive income and are reclassified from accumulated other comprehensive income to current period earnings when the forecasted transaction affects earnings. As of December 31, 2012, the maximum length of time over which the Bancorp is hedging its exposure to the variability in future cash flows is 38 months.

Reclassified gains and losses on interest rate contracts related to commercial and industrial loans are recorded within interest income while reclassified gains and losses on interest rate contracts related to long-term debt are recorded within interest expense in the Consolidated Statements of Income. As of December 31, 2012 and 2011, $50 million and $80 million, respectively, of deferred gains, net of tax, on cash flow hedges were recorded in accumulated other comprehensive income in the Consolidated Balance Sheets. As of December 31, 2012, $20 million in net deferred gains, net of tax, recorded in accumulated other comprehensive income are expected to be reclassified into earnings during the next twelve months primarily due to the benefit of interest rate floors that mature during the second quarter of 2013. During 2012, there were no gains or losses reclassified from accumulated other comprehensive income into earnings associated with the discontinuance of cash flow hedges because it was probable that the original forecasted transaction would not occur. During 2011, $11 million of losses were reclassified from accumulated other comprehensive income into noninterest expense as it was determined that the original forecasted transaction was no longer probable of occurring by the end of the originally specified time period or within the additional period of time as defined by U.S. GAAP.

The following table presents the net gains recorded in the Consolidated Statements of Income and the Consolidated Statements of Comprehensive Income relating to derivative instruments designated as cash flow hedges:

For the year ended December 31 ($ in millions)	2012	2011	2010
Amount of net gain recognized in OCI	**$ 37**	89	2
Amount of net gain reclassified from OCI into net income	**83**	69	60
Amount of ineffectiveness recognized in other noninterest income	**-**	1	6

Free-Standing Derivative Instruments – Risk Management and Other Business Purposes

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBAs and interest rate swaps) to economically hedge changes in fair value of its largely fixed-rate MSR portfolio. Principal-only swaps hedge the mortgage-LIBOR spread because these swaps appreciate in value as a result of tightening spreads. Principal-only swaps also provide prepayment protection by increasing in value when prepayment speeds increase, as opposed to MSRs that lose value in a faster prepayment environment. Receive fixed/pay floating interest rate swaps and swaptions increase in value when interest rates do not increase as quickly as expected.

The Bancorp enters into forward contracts and mortgage options to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. Interest rate lock commitments issued on residential mortgage loan commitments that will be held for sale are also considered free-standing

derivative instruments and the interest rate exposure on these commitments is economically hedged primarily with forward contracts. Revaluation gains and losses from free-standing derivatives related to mortgage banking activity are recorded as a component of mortgage banking net revenue in the Consolidated Statements of Income.

Additionally, as part of the Bancorp's overall risk management strategy with respect to minimizing significant fluctuations in earnings and cash flows caused by interest rate and prepayment volatility, the Bancorp may enter into free-standing derivative instruments (options, swaptions and interest rate swaps). The gains and losses on these derivative contracts are recorded within other noninterest income in the Consolidated Statements of Income.

In conjunction with the sale of the processing business in 2009, the Bancorp received warrants and issued put options, which are accounted for as free-standing derivatives. The put options expired as a result of the Vantiv, Inc. initial public offering in March of 2012. Refer to Note 26 for further discussion of significant inputs and assumptions used in the valuation of these instruments.

In conjunction with the sale of Visa, Inc. Class B shares in 2009, the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. This total return swap is accounted for as a free-standing derivative. See Note 26 for further discussion of significant inputs and assumptions used in the valuation of this instrument.

The net gains (losses) recorded in the Consolidated Statements of Income relating to free-standing derivative instruments used for risk management and other business purposes are summarized in the following table:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption	2012	2011	2010
Interest rate contracts:				
Forward contracts related to mortgage loans held for sale	Mortgage banking net revenue	**$ 28**	(128)	40
Interest rate contracts related to MSRs	Mortgage banking net revenue	**63**	345	109
Interest rate swaps related to long-term debt	Other noninterest income	**2**	7	2
Equity contracts:				
Stock warrants associated with sale of the processing business	Other noninterest income	**66**	32	4
Put options associated with sale of the processing business	Other noninterest income	**1**	7	1
Swap associated with sale of Visa, Inc. Class B shares	Other noninterest income	**(45)**	(83)	(19)

Free-Standing Derivative Instruments – Customer Accommodation

The majority of the free-standing derivative instruments the Bancorp enters into are for the benefit of its commercial customers. These derivative contracts are not designated against specific assets or liabilities on the Bancorp's Consolidated Balance Sheets or to forecasted transactions and, therefore, do not qualify for hedge accounting. These instruments include foreign exchange derivative contracts entered into for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations and commodity contracts to hedge such items as natural gas and various other derivative contracts. The Bancorp may economically hedge significant exposures related to these derivative contracts entered into for the benefit of customers by entering into offsetting contracts with approved, reputable, independent counterparties with substantially matching terms. The Bancorp hedges its interest rate exposure on commercial customer transactions by executing offsetting swap agreements with primary dealers. Revaluation gains and losses on interest rate, foreign exchange, commodity and other commercial customer derivative contracts are recorded as a component of corporate banking revenue in the Consolidated Statements of Income.

The Bancorp enters into risk participation agreements, under which the Bancorp assumes credit exposure relating to certain underlying interest rate derivative contracts. The Bancorp only enters into these risk participation agreements in instances in which the Bancorp has participated in the loan that the underlying interest rate derivative contract was designed to hedge. The Bancorp will make payments under these agreements if a customer defaults on its obligation to perform under the terms of the underlying interest rate derivative contract. As of December 31, 2012 and 2011, the total notional amount of the risk participation agreements was $1.0 billion and $808 million, respectively, and the fair value was a liability of $2 million at both December 31, 2012 and 2011, which is included in interest rate contracts for customers. As of December 31, 2012, the risk participation agreements had an average life of 3.0 years.

The Bancorp's maximum exposure in the risk participation agreements is contingent on the fair value of the underlying interest rate derivative contracts in an asset position at the time of default. The Bancorp monitors the credit risk associated with the underlying customers in the risk participation agreements through the same risk grading system currently utilized for establishing loss reserves in its loan and lease portfolio.

Risk ratings of the notional amount of risk participation agreements under this risk rating system are summarized in the following table:

At December 31 ($ in millions)	2012	2011
Pass	**$ 993**	772
Special mention	**-**	14
Substandard	**13**	18
Doubtful	**-**	4
Total	**$1,006**	808

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The net gains (losses) recorded in the Consolidated Statements of Income relating to free-standing derivative instruments used for customer accommodation are summarized in the following table:

For the year ended December 31 ($ in millions)	Consolidated Statements of Income Caption	2012	2011	2010
Interest rate contracts:				
Interest rate contracts for customers (contract revenue)	Corporate banking revenue	**$ 30**	28	26
Interest rate contracts for customers (credit losses)	Other noninterest expense	**(2)**	(13)	(22)
Interest rate contracts for customers (credit portion of fair value adjustment)	Other noninterest expense	**6**	13	(1)
Interest rate lock commitments	Mortgage banking net revenue	**417**	206	187
Commodity contracts:				
Commodity contracts for customers (contract revenue)	Corporate banking revenue	**7**	8	8
Commodity contracts for customers (credit portion of fair value adjustment)	Other noninterest expense	**2**	-	-
Foreign exchange contracts:				
Foreign exchange contracts—customers (contract revenue)	Corporate banking revenue	**65**	47	63
Foreign exchange contracts—customers (credit portion of fair value adjustment)	Other noninterest expense	**2**	1	(1)

13. OTHER ASSETS

The following table provides the components of other assets included in the Consolidated Balance Sheets as of December 31:

($ in millions)	2012	2011
Derivative instruments	**$ 1,972**	2,356
Partnership investments	**1,657**	1,413
Bank owned life insurance	**1,547**	1,742
Accounts receivable and drafts-in-process	**1,155**	955
Investment in Vantiv Holding, LLC	**563**	576
Bankers' acceptances	**398**	726
Accrued interest receivable	**369**	382
OREO and other repossessed personal property	**329**	442
Prepaid expenses	**80**	84
Income tax receivable	**10**	5
Other	**124**	182
Total	**$ 8,204**	8,863

The Bancorp incorporates the utilization of derivative instruments as part of its overall risk management strategy to reduce certain risks related to interest rate, prepayment and foreign currency volatility. The Bancorp also holds derivatives instruments for the benefit of its commercial customers. For further information on derivative instruments, see Note 12.

CDC, a wholly owned subsidiary of the Bancorp, was created to invest in projects to create affordable housing, revitalize business and residential areas, and preserve historic landmarks, which are included above in partnership investments. In addition, the Bancorp invests as a limited partner in private equity funds. The Bancorp has determined that these entities are VIEs and the Bancorp's investments represent variable interests. See Note 10 for further information.

The Bancorp purchases life insurance policies on the lives of certain directors, officers and employees and is the owner and beneficiary of the policies. Certain BOLI policies have a stable value agreement through either a large, well-rated bank or multi-national insurance carrier that provides limited cash surrender value protection from declines in the value of each policy's underlying investments. See Note 1 for further information.

On June 30, 2009, the Bancorp sold an approximate 51% interest in Vantiv Holding, LLC to Advent International. During the first quarter of 2012, Vantiv, Inc. priced an IPO of its shares and contributed the net proceeds to Vantiv Holding, LLC for additional ownership interests. As a result of this offering, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 39%. In addition, the Bancorp sold an approximate 6% interest during the fourth quarter of 2012. The Bancorp's remaining approximate 33% ownership in Vantiv Holding, LLC is accounted for under the equity method of accounting. See Note 18 for further information.

A bankers' acceptance is created when a time draft is drawn on and accepted by a bank. By accepting the draft, the bank assumes the credit risk of the underlying obligor, usually the buyer or the seller of goods or their bank, and makes an unconditional promise to pay the holder of the draft the amount of the draft at maturity, which is generally less than one year from the date of the draft. When the Bancorp is the accepting bank, it records the full amount of the acceptance in both other assets and other liabilities on the Consolidated Balance Sheets.

OREO represents property acquired through foreclosure or other proceedings and is carried at the lower of cost or fair value, less costs to sell. See Note 1 for further information.

Table of Contents

14. SHORT-TERM BORROWINGS

Borrowings with original maturities of one year or less are classified as short term, and include federal funds purchased and other short-term borrowings. Federal funds purchased are excess balances in reserve accounts held at FRBs that the Bancorp purchased from other member banks on an overnight basis. Other short-term borrowings include securities sold under repurchase agreements, derivative collateral, FHLB advances and other borrowings with original maturities of one year or less.

A summary of short-term borrowings and weighted-average rates follows:

	2012		2011	
($ in millions)	Amount	Rate	Amount	Rate
As of December 31:				
Federal funds purchased	**$ 901**	**0.10%**	$ 346	0.04%
Other short-term borrowings	**6,280**	**0.15**	3,239	0.09
Average for the years ended December 31:				
Federal funds purchased	**$ 560**	**0.14%**	$ 345	0.11%
Other short-term borrowings	**4,246**	**0.18**	2,777	0.12
Maximum month-end balance for the years ended December 31:				
Federal funds purchased	**$ 901**		$ 451	
Other short-term borrowings	**6,330**		4,894	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. LONG-TERM DEBT

The following table is a summary of the Bancorp's long-term borrowings at December 31:

($ in millions)	Maturity	Interest Rate	2012	2011
Parent Company				
Senior:				
Fixed-rate notes	2013	6.25%	**$ 758**	779
Fixed-rate notes	2016	3.625%	**999**	1,000
Fixed-rate notes	2022	3.50%	**497**	-
Subordinated:(b)				
Floating-rate notes	2016	0.73%	**250**	250
Fixed-rate notes	2017	5.45%	**583**	589
Fixed-rate notes	2018	4.50%	**584**	581
Fixed-rate notes	2038	8.25%	**1,330**	1,348
Junior subordinated:(a)				
Fixed-rate notes(c)	2067	6.50%	**750**	750
Fixed-rate notes(c)			**-**	594
Fixed-rate notes(c)			**-**	894
Structured repurchase agreements:				
Floating-rate notes			**-**	250
Floating-rate notes			**-**	125
Subsidiaries				
Senior:				
Floating-rate bank notes	2013	0.42%	**500**	500
Subordinated:(b)				
Fixed-rate bank notes	2015	4.75%	**546**	561
Junior subordinated:(a)				
Floating-rate debentures	2035	1.73% -2.00%	**50**	62
FHLB advances	2014-2041	0.05% -8.34%	**53**	1,055
Notes associated with consolidated VIEs:				
Automobile loan securitizations:				
Fixed-rate notes			**-**	2
Floating-rate notes			**-**	169
Home equity securitization:				
Floating-rate notes			**-**	22
Other	2013-2039	Varies	**185**	151
Total			**$7,085**	9,682

(a)Qualify as Tier I capital for regulatory capital purposes. See Note 27 for further information.
(b)Qualify as Tier II capital for regulatory capital purposes.
(c)Future periods of debt are floating.

The Bancorp pays down long-term debt in accordance with contractual terms over maturity periods summarized in the above table. The aggregate annual maturities of long-term debt obligations (based on final maturity dates) as of December 31, 2012, are presented in the following table:

($ in millions)	Parent	Subsidiaries	Total
2013	$ 758	519	1,277
2014	-	38	38
2015	-	560	560
2016	1,249	10	1,259
2017	583	86	669
Thereafter	3,161	121	3,282
Total	$5,751	1,334	7,085

At December 31, 2012, the Bancorp had outstanding principal balances of $6.5 billion, net discounts of $20 million and additions for mark-to-market adjustments on its hedged debt of $555 million. At December 31, 2011, the Bancorp had outstanding principal balances of $9.0 billion, net discounts of $18 million and additions for mark-to-market adjustments on its hedged debt of $662 million. The Bancorp was in compliance with all debt covenants at December 31, 2012.

PARENT COMPANY LONG-TERM BORROWINGS

Senior Notes

In April 2008, the Bancorp issued $750 million of senior notes to third party investors. The senior notes bear a fixed rate of interest of 6.25% per annum. The Bancorp entered into interest rate swaps to convert $675 million to floating rate and, at December 31, 2012 and 2011, paid a rate of 2.72% and 2.84%, respectively. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal amount of the notes will be due upon maturity on May 1, 2013. The notes are not subject to redemption at the Bancorp's option at any time prior to maturity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

On January 25, 2011, the Bancorp issued $1.0 billion of senior notes to third party investors. The senior notes bear a fixed rate of interest of 3.625% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal amounts of the notes is due upon maturity on January 25, 2016. The notes are not subject to redemption at the Bancorp's option at any time prior to maturity.

On March 7, 2012, the Bancorp issued $500 million of senior notes to third party investors, and entered into a Supplemental Indenture dated March 7, 2012 with the Trustee, which modified the existing Indenture for Senior Debt Securities dated April 30, 2008. The Supplemental Indenture and the Indenture define the rights of the senior notes, which senior notes are represented by a Global Security dated as of March 7, 2012. The senior notes bear a fixed rate of interest of 3.50% per annum. The notes are unsecured, senior obligations of the Bancorp. Payment of the full principal amounts of the notes will be due upon maturity on March 15, 2022. The notes are not subject to redemption at the Bancorp's option at any time until 30 days prior to maturity.

Subordinated Debt

The subordinated floating-rate notes due in 2016 pay interest at three-month LIBOR plus 42 bps. The Bancorp has entered into interest rate swaps to convert its subordinated fixed-rate notes due in 2017 and 2018 to floating-rate, which pay interest at three-month LIBOR plus 42 bps and 25 bps, respectively, at December 31, 2012. The rates paid on the swaps hedging the subordinated floating-rate notes due in 2017 and 2018 were 0.76% and 0.56%, respectively, at December 31, 2012. Of the $1.0 billion in 8.25% subordinated fixed rate notes due in 2038, $705 million were subsequently hedged to floating and paid a rate of 3.36% at December 31, 2012.

Junior Subordinated Debt

The 6.50% junior subordinated notes due in 2067, with a carrying and outstanding principal balance of $750 million at December 31, 2012 and 2011, pay a fixed rate of 6.50% until 2017, then convert to a floating rate at three-month LIBOR plus 137 bps until 2047. Thereafter, the notes pay a floating rate at one-month LIBOR plus 237 bps. The obligations were issued to Fifth Third Capital Trust IV.

Consistent with the 2012 CCAR plan, the Bancorp redeemed all $575 million of the outstanding TruPS issued by Fifth Third Capital Trust V on August 15, 2012. The Fifth Third Capital Trust V securities had a distribution rate of 7.25% and a scheduled maturity date of August 15, 2067, and were redeemable at any time on or after August 15, 2012. The redemption price was $25 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions through the actual redemption date of $0.453125 per security. The Bancorp recognized a $17 million loss on extinguishment within other noninterest expense in the Consolidated Statements of Income.

Additionally, the Bancorp redeemed all $862.5 million of the outstanding TruPS issued by Fifth Third Capital Trust VI on August 8, 2012. These securities had a distribution rate of 7.25% and a scheduled maturity date of November 15, 2067. Pursuant to the terms of the TruPS, the securities of Fifth Third Capital Trust VI were redeemable within ninety days of a Capital Treatment Event. The Bancorp determined that a Capital Treatment Event occurred upon the authorization for publication in the Federal Register of a Joint Notice of Proposed Rulemaking by the Board of Governors of the Federal Reserve System, the FDIC and the Office of the Comptroller of the Currency addressing, among other matters, Section 171 of the Dodd-Frank Act of 2010 and providing detailed information regarding the cessation of Tier I capital treatment for outstanding TruPS. The redemption price was $25 per security, which reflected 100% of the liquidation amount, plus accrued and unpaid distributions through the actual redemption date of $0.422917 per security. The Bancorp recognized a $9 million loss on extinguishment within other noninterest expense in the Consolidated Statements of Income.

The Bancorp fully and unconditionally guaranteed all obligations under the trust preferred securities issued by Fifth Third Capital Trusts IV, V and VI. In addition, the Bancorp entered into replacement capital covenants for the benefit of holders of long-term debt senior to the junior subordinated notes that limits, subject to certain restrictions, the Bancorp's ability to redeem the junior subordinated notes prior to their scheduled maturity. In November 2010, the Bancorp amended the debt covenants to remove a requirement to issue replacement capital securities at least 180 days prior to calling the trust preferred securities.

Structured Repurchase Agreements

In order to meet its funding obligations, the Bancorp enters into repurchase agreements with customers, which are accounted for as collateralized financing transactions, where excess customer funds are borrowed overnight by the Bancorp, and later repurchased by the customers.

On March 29, 2012, the Bancorp terminated $375 million of structured repurchase agreements classified as long-term debt. As a result of these terminations in the first quarter of 2012, the Bancorp recorded a $9 million loss on extinguishment within other noninterest expense in the Consolidated Statements of Income.

SUBSIDIARY LONG-TERM BORROWINGS

Senior and Subordinated Debt

Medium-term senior notes and subordinated bank notes with maturities ranging from one year to 30 years can be issued by the Bancorp's banking subsidiary, of which $1.0 billion was outstanding at December 31, 2012 and 2011 with $19.0 billion available for future issuance. The senior floating-rate bank notes due in 2013 pay a floating rate at three-month LIBOR plus 11 bps. For the subordinated fixed-rate bank notes due in 2015, the Bancorp entered into interest rate swaps to convert the fixed-rate debt into floating rate. At December 31, 2012, the weighted-average rate paid on the swaps was 0.41%.

Junior Subordinated Debt

The junior subordinated floating-rate bank notes due in 2035 were assumed by the Bancorp's banking subsidiary as part of the acquisition of First Charter in May 2008. The obligation was issued to First Charter Capital Trust I and II, respectively. The notes of First Charter Capital Trust I and II pay floating at three-month LIBOR plus 169 bps and 142 bps, respectively. The Bancorp has fully and unconditionally guaranteed all obligations under the acquired trust preferred securities issued by First Charter Capital Trust I and II.

FHLB Advances

At December 31, 2012, FHLB advances have rates ranging from 0.05% to 8.34%, with interest payable monthly. The advances are secured by certain residential mortgage loans and securities totaling $19.1 billion. On December 7, 2012 the Bancorp terminated a $1.0 billion FHLB advance with a fixed rate of 4.56% and a maturity date of January 5, 2016. As a result, the Bancorp recognized a $134 million loss on extinguishment within other noninterest expense in the Consolidated Statements of Income. The $53 million in remaining advances mature as follows: $3 million in 2014, $4 million in 2015, $4 million in 2016, and $42 million thereafter.

Table of Contents

Notes Associated with Consolidated VIEs

As previously discussed in Note 10, the Bancorp was determined to be the primary beneficiary of VIEs associated with certain automobile loan and home equity securitizations and, effective January 1, 2010, these VIEs were consolidated in the Bancorp's Consolidated Financial Statements.

On February 8, 2012, the Bancorp exercised cleanup call options on an automobile securitization conduit and an isolated trust and acquired all remaining automobile loans, the proceeds of which were used by the conduit and trust to repay outstanding debt. On April 12, 2012, the Bancorp exercised its cleanup call option on the home equity isolated trust and acquired all remaining home equity loans, the proceeds of which were used by the trust to repay outstanding debt. On September 17, 2012, the Bancorp exercised its cleanup call option on the remaining automobile securitization conduit and acquired all remaining automobile loans, the proceeds of which were used by the conduit to repay outstanding debt.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. COMMITMENTS, CONTINGENT LIABILITIES AND GUARANTEES

The Bancorp, in the normal course of business, enters into financial instruments and various agreements to meet the financing needs of its customers. The Bancorp also enters into certain transactions and agreements to manage its interest rate and prepayment risks, provide funding, equipment and locations for its operations and invest in its communities. These instruments and agreements involve, to varying degrees, elements of credit risk, counterparty risk and market risk in excess of the amounts recognized in the Bancorp's Consolidated Balance Sheets. The creditworthiness of counterparties for all instruments and agreements is evaluated on a case-by-case basis in accordance with the Bancorp's credit policies. The Bancorp's significant commitments, contingent liabilities and guarantees in excess of the amounts recognized in the Consolidated Balance Sheets are discussed in further detail below:

Commitments

The Bancorp has certain commitments to make future payments under contracts. The following table reflects a summary of significant commitments as of December 31:

($ in millions)	**2012**	2011
Commitments to extend credit	**$53,403**	47,719
Forward contracts to sell mortgage loans	**5,322**	5,705
Letters of credit	**4,281**	4,744
Noncancelable lease obligations	**769**	851
Capital commitments for private equity investments	**121**	166
Purchase obligations	**87**	115
Capital expenditures	**29**	41
Capital lease obligations	**24**	26

Commitments to extend credit

Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Since many of the commitments to extend credit may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements. The Bancorp is exposed to credit risk in the event of nonperformance by the counterparty for the amount of the contract. Fixed-rate commitments are also subject to market risk resulting from fluctuations in interest rates and the Bancorp's exposure is limited to the replacement value of those commitments. As of December 31, 2012 and 2011, the Bancorp had a reserve for unfunded commitments totaling $179 million and $181 million, respectively, included in other liabilities in the Consolidated Balance Sheets. The Bancorp monitors the credit risk associated with commitments to extend credit using the same risk rating system utilized within its loan and lease portfolio.

Risk ratings under this risk rating system are summarized in the following table as of December 31:

($ in millions)	**2012**	2011
Pass	**$52,812**	46,825
Special mention	**370**	480
Substandard	**221**	403
Doubtful	**-**	11
Total	**$53,403**	47,719

Forward contracts to sell mortgage loans

The Bancorp enters into forward contracts to economically hedge the change in fair value of certain residential mortgage loans held for sale due to changes in interest rates. The outstanding notional amounts of these forward contracts are included in the summary of significant commitments table above for all periods presented.

Letters of credit

Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party and expire as summarized in the following table as of December 31, 2012:

($ in millions)	
Less than 1 year(a)	$1,831
1 - 5 years(a)	2,407
Over 5 years	43
Total	$4,281

(a) Includes $60 and $4 issued on behalf of commercial customers to facilitate trade payments in U.S. dollars and foreign currencies which expire less than one year and between one and five years, respectively.

Standby letters of credit accounted for 99% of total letters of credit at December 31, 2012 compared to 98% at December 31, 2011 and are considered guarantees in accordance with U.S. GAAP. Approximately 49% and 54% of the total standby letters of credit were fully secured as of December 31, 2012 and 2011, respectively. In the event of nonperformance by the customers, the Bancorp has rights to the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and marketable securities. At December 31, 2012 and 2011 the reserve related to these standby letters of credit was $4 million and $5 million, respectively, included in other liabilities in the Consolidated Balance Sheets. The Bancorp monitors the credit risk associated with letters of credit using the same risk rating system utilized within its loan and lease portfolio.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Risk ratings under this risk rating system are summarized in the following table as of December 31:

($ in millions)	2012	2011
Pass	**$3,902**	4,338
Special mention	**129**	149
Substandard	**223**	254
Doubtful	**27**	2
Loss	**-**	1
Total	**$4,281**	4,744

At December 31, 2012 and 2011, the Bancorp had outstanding letters of credit that were supporting certain securities issued as VRDNs. The Bancorp facilitates financing for its commercial customers, which consist of companies and municipalities, by marketing the VRDNs to investors. The VRDNs pay interest to holders at a rate of interest that fluctuates based upon market demand. The VRDNs generally have long-term maturity dates, but can be tendered by the holder for purchase at par value upon proper advance notice. When the VRDNs are tendered, a remarketing agent generally finds another investor to purchase the VRDNs to keep the securities outstanding in the market. As of December 31, 2012 and 2011, FTS acted as the remarketing agent to issuers on $2.5 billion and $2.9 billion, respectively, of VRDNs. As remarketing agent, FTS is responsible for finding purchasers for VRDNs that are put by investors. The Bancorp issues letters of credit, as a credit enhancement, to the VRDNs remarketed by FTS, in addition to $345 million and $440 million in VRDNs remarketed by third parties at December 31, 2012 and 2011, respectively. These letters of credit are included in the total letters of credit balance provided in the previous table.

Noncancelable lease obligations and other commitments

The Bancorp's subsidiaries have entered into a number of noncancelable lease agreements. The minimum rental commitments under noncancelable lease agreements are shown in the summary of significant commitments table. The Bancorp has also entered into a limited number of agreements for work related to banking center construction and to purchase goods or services.

Contingent Liabilities

Private mortgage reinsurance

For certain mortgage loans originated by the Bancorp, borrowers may be required to obtain PMI provided by third-party insurers. In some instances, these insurers cede a portion of the PMI premiums to the Bancorp, and the Bancorp provides reinsurance coverage within a specified range of the total PMI coverage. The Bancorp's reinsurance coverage typically ranges from 5% to 10% of the total PMI coverage. The Bancorp's maximum exposure in the event of nonperformance by the underlying borrowers is equivalent to the Bancorp's total outstanding reinsurance coverage, which was $58 million at December 31, 2012 and $77 million at December 31, 2011. As of December 31, 2012 and 2011, the Bancorp maintained a reserve of $18 million and $27 million, respectively, related to exposures within the reinsurance portfolio which was included in other liabilities in the Consolidated Balance Sheets. During 2009, the Bancorp suspended the practice of providing reinsurance of private mortgage insurance for newly originated mortgage loans. In the second quarter of 2011, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the Bancorp releasing collateral to the insurer in the form of investment securities and other assets with a carrying value of $5 million, and the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $11 million and decrease in the Bancorp's maximum exposure of $27 million. In the fourth quarter of 2012, the Bancorp allowed one of its third-party insurers to terminate its reinsurance agreement with the Bancorp, resulting in the insurer assuming the Bancorp's obligations under the reinsurance agreement, resulting in a decrease to the Bancorp's reserve liability of $2 million and decrease in the Bancorp's maximum exposure of $3 million.

Legal claims

There are legal claims pending against the Bancorp and its subsidiaries that have arisen in the normal course of business. See Note 17 for additional information regarding these proceedings.

Guarantees

The Bancorp has performance obligations upon the occurrence of certain events under financial guarantees provided in certain contractual arrangements as discussed in the following sections.

Residential mortgage loans sold with representation and warranty provisions

Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan or indemnify (make whole) the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading.

The Bancorp establishes a residential mortgage repurchase reserve related to various representations and warranties that reflects management's estimate of losses based on a combination of factors. The Bancorp's estimation process requires management to make subjective and complex judgments about matters that are inherently uncertain, such as, future demand expectations, economic factors and the specific characteristics of the loans subject to repurchase. Such factors incorporate historical investor audit and repurchase demand rates, appeals success rates, historical loss severity and any additional information obtained from the GSEs regarding future mortgage repurchase and file request criteria. At the time of a loan sale, the Bancorp records a representation and warranty reserve at the estimated fair value of the Bancorp's guarantee and continually updates the reserve during the life of the loan as losses in excess of the reserve become probable and reasonably estimable. The provision for the estimated fair value of the representation and warranty guarantee arising from the loan sales is recorded as an adjustment to the gain on sale, which is included in other noninterest income at the time of sale. Updates to the reserve are recorded in other noninterest expense.

As of December 31, 2012 and 2011, the Bancorp maintained reserves related to these loans sold with representation and warranty provisions totaling $110 million and $55 million, respectively, included in other liabilities in the Consolidated Balance Sheets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The Bancorp uses the best information available to it in estimating its mortgage representation and warranty reserve, however, the estimation process is inherently uncertain and imprecise and, accordingly, losses in excess of the amounts accrued as of December 31, 2012, are reasonably possible. The Bancorp currently estimates that it is reasonably possible that it could incur losses related to mortgage representation and warranty provisions in an amount up to approximately $83 million in excess of amounts reserved. This estimate was derived by modifying the key assumptions discussed above to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. The actual repurchase losses could vary significantly from the recorded mortgage representation and warranty reserve or this estimate of reasonably possibly losses, depending on the outcome of various factors, including those noted above.

The following table summarizes activity in the reserve for representation and warranty provisions:

($ in millions)	2012	2011
Balance, beginning of period	$ 55	85
Net additions to the reserve	107	52
Losses charged against the reserve	(52)	(82)
Balance, end of period	$110	55

The following table provides a rollforward of unresolved claims by claimant type for the year ended December 31, 2012:

	GSE		Private Label	
($ in millions)	Units	Dollars	Units	Dollars
Balance, beginning of period	328	$ 47	109	$ 19
New demands	2,519	333	230	7
Loan paydowns/payoffs	(42)	(7)	(2)	—
Resolved demands	(2,511)	(325)	(213)	(7)
Balance, end of period	294	$ 48	124	$ 19

The following table provides a rollforward of unresolved claims by claimant type for the year ended December 31, 2011:

	GSE		Private Label	
($ in millions)	Units	Dollars	Units	Dollars
Balance, beginning of period	845	$ 150	71	$ 11
New demands	2,050	328	107	22
Loan paydowns/payoffs	(21)	(3)	(2)	—
Resolved demands	(2,546)	(428)	(67)	(14)
Balance, end of period	328	$ 47	109	$ 19

Residential mortgage loans sold with credit recourse

The Bancorp sold certain residential mortgage loans in the secondary market with credit recourse. In the event of any customer default, pursuant to the credit recourse provided, the Bancorp is required to reimburse the third party. The maximum amount of credit risk in the event of nonperformance by the underlying borrowers is equivalent to the total outstanding balance. In the event of nonperformance, the Bancorp has rights to the underlying collateral value securing the loan. The outstanding balances on these loans sold with credit recourse were $662 million and $772 million at December 31, 2012 and 2011, respectively, and the delinquency rates were 5.9% at December 31, 2012 and 6.7% at December 31, 2011. The Bancorp maintained an estimated credit loss reserve on these loans sold with credit recourse of $20 million at December 31, 2012 and $17 million at December 31, 2011 recorded in other liabilities in the Consolidated Balance Sheets. To determine the credit loss reserve, the Bancorp used an approach that is consistent with its overall approach in estimating credit losses for various categories of residential mortgage loans held in its loan portfolio.

Margin accounts

FTS, a subsidiary of the Bancorp, guarantees the collection of all margin account balances held by its brokerage clearing agent for the benefit of its customers. FTS is responsible for payment to its brokerage clearing agent for any loss, liability, damage, cost or expense incurred as a result of customers failing to comply with margin or margin maintenance calls on all margin accounts. The margin account balance held by the brokerage clearing agent was $17 million at December 31, 2012 and $14 million at December 31, 2011. In the event of any customer default, FTS has rights to the underlying collateral provided. Given the existence of the underlying collateral provided and negligible historical credit losses, the Bancorp does not maintain a loss reserve related to the margin accounts.

Long-term borrowing obligations

The Bancorp had fully and unconditionally guaranteed certain long-term borrowing obligations issued by wholly-owned issuing trust entities of $800 million and $2.2 billion as of December 31, 2012 and 2011, respectively. See Note 15 for further information on these long-term borrowing obligations.

Visa litigation

The Bancorp, as a member bank of Visa prior to Visa's reorganization and IPO (the "IPO") of its Class A common shares in 2008, had certain indemnification obligations pursuant to Visa's certificate of incorporation and by-laws and in accordance with their membership agreements. In accordance with Visa's by-laws prior to the IPO, the Bancorp could have been required to indemnify Visa for the Bancorp's proportional share of losses based on the pre-IPO

membership interests. As part of its reorganization and IPO, the Bancorp's indemnification obligation was modified to include only certain known litigation (the "Covered Litigation") as of the date of the restructuring. This modification triggered a requirement to recognize a $3 million liability for the year ended December 31, 2007 equal to the fair value of the indemnification obligation. Additionally during 2007, the Bancorp recorded $169 million for its share of litigation formally settled by Visa and for probable future litigation settlements. In conjunction with the IPO, the Bancorp received 10.1 million of Visa's Class B shares based on the Bancorp's membership percentage in Visa prior to the IPO. The Class B shares are not transferable (other than to another member bank) until the later of the third anniversary of the IPO closing or the date which the Covered Litigation has been resolved; therefore, the Bancorp's Class B shares were classified in other assets and accounted for at their carryover basis of $0. Visa deposited $3 billion of the proceeds from the IPO into a litigation escrow account, established for the purpose of funding judgments in, or settlements of, the Covered Litigation. If Visa's litigation committee determines that the escrow account is insufficient, then Visa will issue additional Class A shares and deposit the proceeds from the sale of the shares into the litigation escrow account. When Visa funds the litigation escrow account, the Class B shares are subject to dilution through an adjustment in the conversion rate of Class B shares into Class A shares. During 2008, the Bancorp recorded additional reserves of $71 million for probable future settlements related to the Covered Litigation and recorded its proportional share of $169 million of the Visa escrow account net against the Bancorp's litigation reserve.

During 2009, Visa announced it had deposited an additional $700 million into the litigation escrow account. As a result of this funding, the Bancorp recorded its proportional share of $29 million of these additional funds as a reduction to its net Visa litigation reserve liability and a reduction to noninterest expense. Later in 2009, the Bancorp completed the sale of Visa, Inc. Class B shares for proceeds of $300 million. As part of this transaction the Bancorp entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B shares into Class A shares. The swap terminates on the later of the third anniversary of Visa's IPO or the date on which the Covered Litigation is settled. The Bancorp calculates the fair value of the swap based on its estimate of the probability and timing of certain Covered Litigation settlement scenarios and the resulting payments related to the swap. The counterparty to the swap as a result of its ownership of the Class B shares will be impacted by dilutive adjustments to the conversion rate of the Class B shares into Class A shares caused by any Covered Litigation losses in excess of the litigation escrow account. If actual judgments in, or settlements of, the Covered Litigation significantly exceed current expectations, then additional funding by Visa of the litigation escrow account and the resulting dilution of the Class B shares could result in a scenario where the Bancorp's ultimate exposure associated with the Covered Litigation (the "Visa Litigation Exposure") exceeds the value of the Class B shares owned by the swap counterparty (the "Class B Value"). In the event the Bancorp concludes that it is probable that the Visa Litigation Exposure exceeds the Class B Value, the Bancorp would record a litigation reserve liability and a corresponding amount of other noninterest expense for the amount of the excess. Any such litigation reserve liability would be separate and distinct from the fair value derivative liability associated with the total return swap.

As of the date of the Bancorp's sale of Visa Class B shares and through December 31, 2012, the Bancorp has concluded that it is not probable that the Visa Litigation Exposure will exceed the Class B value. Based on this determination, upon the sale of Class B shares, the Bancorp reversed its net Visa litigation reserve liability and recognized a free-standing derivative liability associated with the total return swap with an initial fair value of $55 million. The sale of the Class B shares, recognition of the derivative liability and reversal of the net litigation reserve liability resulted in a pre-tax benefit of $288 million ($187 million after-tax) recognized by the Bancorp for the year ended December 31, 2009. In the second and fourth quarters of 2010, Visa funded an additional $500 million and $800 million, respectively, into the escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make cash payments of $20 million and $35 million, respectively, (each of which reduced the swap liability) to the swap counterparty in accordance with the terms of the swap contract. In the second quarter of 2011, Visa funded an additional $400 million into the litigation escrow account. Upon Visa's funding of the litigation escrow account in the second quarter of 2011, along with additional terms of the total return swap, the Bancorp made a $19 million cash payment (which reduced the swap liability) to the swap counterparty. During the fourth quarter of 2011, Visa announced it decided to fund an additional $1.565 billion into the litigation escrow account which increased the swap liability approximately $54 million. Upon Visa's funding of the litigation escrow account in the first quarter of 2012, along with additional terms of the total return swap, the Bancorp made a $75 million cash payment (which reduced the swap liability) to the swap counterparty. On July 24, 2012, Visa funded an additional $150 million into the litigation escrow account which resulted in further dilution in the conversion of Class B shares into Class A shares and required the Bancorp to make a $6 million cash payment (which reduced the swap liability) to the swap counterparty during the quarter ended September 30, 2012. The fair value of the swap liability was $33 million and $78 million as of December 31, 2012 and 2011, respectively. Refer to Note 17 for further information.

Table of Contents

17. LEGAL AND REGULATORY PROCEEDINGS

During April 2006, the Bancorp was added as a defendant in a consolidated antitrust class action lawsuit originally filed against Visa®, MasterCard® and several other major financial institutions in the United States District Court for the Eastern District of New York. The plaintiffs, merchants operating commercial businesses throughout the U.S. and trade associations, claim that the interchange fees charged by card-issuing banks are unreasonable and seek injunctive relief and unspecified damages. In addition to being a named defendant, the Bancorp is also subject to a possible indemnification obligation of Visa as discussed in Note 16 and has also entered into judgment and loss sharing agreements with Visa, MasterCard and certain other named defendants. On October 19, 2012, the parties to the litigation entered into a settlement agreement. The court entered a Class Settlement Preliminary Approval Order on November 27, 2012. Pursuant to the terms of the settlement agreement, the Bancorp paid $46 million into a class settlement escrow account. Previously, the Bancorp paid an additional $4 million in another settlement escrow in connection with the settlement of claims from plaintiffs not included in the class action. The Bancorp had no remaining reserves related to this litigation as of December 31, 2012 and reserves of $49 million as of December 31, 2011. Refer to Note 16 for further information regarding the Bancorp's net litigation reserve and ownership interest in Visa.

In September 2007, Ronald A. Katz Technology Licensing, L.P. (Katz) filed a suit in the United States District Court for the Southern District of Ohio against the Bancorp and its Ohio banking subsidiary. In the suit, Katz alleges that the Bancorp and its Ohio bank are infringing on Katz's patents for interactive call processing technology by offering certain automated telephone banking and other services. This lawsuit is one of many related patent infringement suits brought by Katz in various courts against numerous other defendants. Katz is seeking unspecified monetary damages and penalties as well as injunctive relief in the suit. Management believes there are substantial defenses to these claims and intends to defend them vigorously. The impact of the final disposition of this lawsuit cannot be assessed at this time.

For the year ended December 31, 2008, five putative securities class action complaints were filed against the Bancorp and its Chief Executive Officer, among other parties. The five cases have been consolidated under the caption Local 295/Local 851 IBT Employer Group Pension Trust and Welfare Fund v. Fifth Third Bancorp. et al., Case No. 1:08CV00421, and are currently pending in the United States District Court for the Southern District of Ohio. On December 18, 2012, the Bancorp entered into a settlement agreement to resolve these cases. The settlement is subject to court approval. Under the terms of the settlement, the Bancorp and its insurer will pay a total of $16 million to a fund to settle all the claims of the class members. In the settlement the Bancorp has denied any liability and has agreed to the settlement in order to avoid potential future litigation costs and uncertainty. The Bancorp does not consider the impact of the settlement to be material to its financial condition or results of operations. In addition to the foregoing, two cases were filed in the United States District Court for the Southern District of Ohio against the Bancorp and certain officers alleging violations of ERISA based on allegations similar to those set forth in the securities class action cases filed during the same period of time. The two cases alleging violations of ERISA were dismissed by the trial court, but the Sixth Circuit Court of Appeals recently reversed the trial court decision. The Bancorp intends to petition the Supreme Court to review and reverse the Sixth Circuit decision and seek a stay of proceedings in the trial court pending appeal. The impact of the final disposition of these ERISA lawsuits cannot be assessed at this time.

The Bancorp and its subsidiaries are not parties to any other material litigation. However, there are other litigation matters that arise in the normal course of business. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes any resulting liability from these other actions would not have a material effect upon the Bancorp's consolidated financial position, results of operations or cash flows.

The Bancorp and/or its affiliates are or may become involved from time to time in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by government and self-regulatory agencies, including the SEC, regarding their respective businesses. Such matters may result in material adverse consequences, including without limitation, adverse judgments, settlements, fines, penalties, orders, injunctions or other actions, amendments and/or restatements of the Bancorp's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in our disclosure controls and procedures. The SEC is investigating and has made several requests for information, including by subpoena, and interviews of certain of our current and former officers and employees and others, concerning issues which the Bancorp understands relate to accounting and reporting matters involving certain of its commercial loans. This could lead to an enforcement proceeding by the SEC which, in turn, may result in one or more such material adverse consequences.

The Bancorp is party to numerous claims and lawsuits concerning matters arising from the conduct of its business activities. The outcome of litigation and the timing of ultimate resolution are inherently difficult to predict. The following factors, among others, contribute to this lack of predictability: plaintiff claims often include significant legal uncertainties, damages alleged by plaintiffs are often unspecified or overstated, discovery may not have started or may not be complete and material facts may be disputed or unsubstantiated. As a result of these factors, the Bancorp is not always able to provide an estimate of the range of reasonably possible outcomes for each claim. A reserve for a potential litigation loss is established when information related to the loss contingency indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such reserve is adjusted from time to time thereafter as appropriate to reflect changes in circumstances. The Bancorp also determines, when possible (due to the uncertainties described above), estimates of reasonably possible losses or ranges of reasonably possible losses, in excess of amounts reserved. Under U.S. GAAP, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Bancorp is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Bancorp believes the risk of loss is more than slight. For matters where the Bancorp is able to estimate such possible losses or ranges of possible losses, the Bancorp currently estimates that it is reasonably possible that it could incur losses related to legal proceedings including the matters discussed above in an aggregate amount up to approximately $38 million in excess of amounts reserved, with it also being reasonably possible that no losses will be incurred in these matters. The estimates included in this amount are based on the Bancorp's analysis of currently available information, and as new information is obtained the Bancorp may change its estimates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For these matters and others where an unfavorable outcome is reasonably possible but not probable, there may be a range of possible losses in excess of the established reserve that cannot be estimated. Based on information currently available, advice of counsel, available insurance coverage and established reserves, the Bancorp believes that the eventual outcome of the actions against the Bancorp and/or its subsidiaries, including the matters described above, will not, individually or in the aggregate, have a material adverse effect on the Bancorp's consolidated financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of those matters, if unfavorable, may be material to the Bancorp's results of operations for any particular period, depending, in part, upon the size of the loss or liability imposed and the operating results for the applicable period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

18. RELATED PARTY TRANSACTIONS

The Bancorp maintains written policies and procedures covering related party transactions to principal shareholders, directors and executives of the Bancorp. These procedures cover transactions such as employee-stock purchase loans, personal lines of credit, residential secured loans, overdrafts, letters of credit and increases in indebtedness. Such transactions are subject to the Bancorp's normal underwriting and approval procedures. Prior to the closing of a loan to a related party, Compliance Risk Management must approve and determine whether the transaction requires approval from or a post notification be sent to the Bancorp's Board of Directors. At December 31, 2012 and 2011, certain directors, executive officers, principal holders of Bancorp common stock, associates of such persons, and affiliated companies of such persons were indebted, including undrawn commitments to lend, to the Bancorp's banking subsidiary.

The following table summarizes the Bancorp's activities with its principal shareholders, directors and executives at December 31:

($ in millions)	2012	2011
Commitments to lend, net of participations:		
Directors and their affiliated companies	$364	254
Executive officers	3	5
Total	$367	259
Outstanding balance on loans, net of participations and undrawn commitments	$ 93	172

The commitments to lend are in the form of loans and guarantees for various business and personal interests. This indebtedness was incurred in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated parties. This indebtedness does not involve more than the normal risk of repayment or present other features unfavorable to the Bancorp.

On June 30, 2009, the Bancorp completed the sale of a majority interest in its processing business, Vantiv Holding, LLC. Advent International acquired an approximate 51% interest in Vantiv Holding, LLC for cash and warrants. The Bancorp retained the remaining approximate 49% interest in Vantiv Holding, LLC. During the first quarter of 2012, Vantiv, Inc. priced an IPO of its shares and contributed the net proceeds to Vantiv Holding, LLC for additional ownership interests. As a result of this offering, the Bancorp's ownership of Vantiv Holding, LLC was reduced to approximately 39%. The impact of the capital contributions to Vantiv Holding, LLC and the resulting dilution in the Bancorp's interest resulted in a gain of $115 million recognized by the Bancorp in the first quarter of 2012.

The Bancorp's ownership share in Vantiv was further reduced during the fourth quarter of 2012 when the Bancorp sold an approximate 6% interest and recognized a $157 million gain. The Bancorp's remaining approximate 33% ownership in Vantiv Holding, LLC is accounted for under the equity method of accounting and has a carrying value of $563 million as of December 31, 2012.

As of December 31, 2012, the Bancorp continued to hold approximately 70 million units of Vantiv Holding, LLC and a warrant to purchase approximately 20 million incremental Vantiv Holding, LLC non-voting units, both of which may be exchanged for common stock of Vantiv, Inc. on a one for one basis or at Vantiv, Inc.'s option for cash. In addition, the Bancorp holds approximately 70 million Class B common shares of Vantiv, Inc. The Class B common shares give the Bancorp voting rights, but no economic interest in Vantiv, Inc. The voting rights attributable to the Class B common shares are limited to 18.5% of the voting power in Vantiv, Inc. at any time other than in connection with a stockholder vote with respect to a change in control in Vantiv, Inc. These securities are subject to certain terms and restrictions

The Bancorp recognized $61 million and $57 million, respectively, in noninterest income as part of its equity method investment in Vantiv Holding, LLC for the years ended December 31, 2012 and 2011 and received distributions totaling $74 million and $3 million, respectively, during 2012 and 2011.

The Bancorp and Vantiv Holding, LLC have various agreements in place covering services relating to the operations of Vantiv Holding, LLC. The services provided by the Bancorp to Vantiv Holding, LLC were required to support Vantiv Holding, LLC as a standalone entity during the deconversion period. These services involve transition support, including product development, risk management, legal, accounting and general business resources. Vantiv Holding, LLC paid the Bancorp $1 million and $21 million, respectively, for these services for the years ended December 31, 2012 and 2011. Other services provided to Vantiv Holding, LLC by the Bancorp, which will continue beyond the deconversion period, include treasury management, clearing, settlement, sponsorship, and data center support. Vantiv Holding, LLC paid the Bancorp $34 million and $37 million, respectively, for these services for the years ended December 31, 2012 and 2011. In addition to the previously mentioned services, the Bancorp entered into an agreement under which Vantiv Holding, LLC will provide processing services to the Bancorp. The total amount of fees relating to the processing services provided to the Bancorp by Vantiv Holding, LLC totaled $83 million and $74 million, respectively, for the years ended December 31, 2012 and 2011.

As part of the sale, Vantiv Holding, LLC assumed loans totaling $1.25 billion owed to the Bancorp. During the fourth quarter of 2010, Vantiv Holding, LLC refinanced its debt into a larger syndicated loan structure that included the Bancorp. The Bancorp recognized $4 million in syndication fees in 2010 associated with the refinanced loan to Vantiv Holding, LLC. The outstanding balance of loans to Vantiv Holding, LLC was $325 million and $377 million at December 31, 2012 and 2011, respectively. Interest income relating to the loans was $11 million, $18 million and $102 million, respectively, for the years ended December 31, 2012, 2011 and 2010 and is included in interest and fees on loans and leases in the Consolidated Statements of Income. Vantiv Holding, LLC's line of credit was $50 million as of December 31, 2012 and 2011. Vantiv Holding, LLC did not draw upon its lines of credit during the years ended December 31, 2012 or 2011.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19. INCOME TAXES

The Bancorp and its subsidiaries file a consolidated federal income tax return. The following is a summary of applicable income taxes included in the Consolidated Statements of Income for the years ended December 31:

($ in millions)	2012	2011	2010
Current income tax expense (benefit):			
U.S. Federal income taxes	**$327**	82	(5)
State and local income taxes	**38**	14	16
Total current tax expense	**365**	96	11
Deferred income tax expense			
U.S. Federal income taxes	**252**	411	165
State and local income taxes	**19**	26	11
Total deferred income tax expense	**271**	437	176
Applicable income tax expense	**$636**	533	187

The following is a reconciliation between the statutory U.S. Federal income tax rate and the Bancorp's effective tax rate for the years ended December 31:

($ in millions)	2012	2011	2010
Statutory tax rate	**35.0 %**	35.0	35.0
Increase (decrease) resulting from:			
State taxes, net of federal benefit	**1.7**	1.4	1.8
Tax-exempt income	**(2.1)**	(1.4)	(3.6)
Credits	**(6.7)**	(7.3)	(14.1)
Interest to taxing authority, net of tax	**-**	-	(0.8)
Other changes in unrecognized tax benefits	**-**	-	(1.8)
Unrealized stock-based compensation benefits	**0.8**	1.3	2.5
Other, net	**0.1**	0.1	0.8
Effective tax rate	**28.8 %**	29.1	19.8

Tax-exempt income in the rate reconciliation table includes interest on municipal bonds, interest on tax-exempt lending, income/charges on life insurance policies held by the Bancorp, and certain gains on sales of leases that are exempt from federal taxation.

During 2010, the Bancorp settled its outstanding dispute with the IRS relating to a specific capital raising transaction. This favorable settlement reduced income tax expense (including interest) by $19 million. During 2009, the Bancorp settled its outstanding dispute with the IRS relating to certain leveraged lease transactions. This favorable settlement reduced income tax expense (including interest) by $6 million for 2010.

The following table provides a summary of the Bancorp's unrecognized tax benefits as of December 31:

($ in millions)	2012	2011
Tax positions that would impact the effective tax rate, if recognized	**$ 18**	14
Tax positions where the ultimate deductibility is highly certain, but for which there is uncertainty about the timing of the deduction	**-**	-
Unrecognized tax benefits	**$ 18**	14

The following table provides a reconciliation of the beginning and ending amounts of the Bancorp's unrecognized tax benefits:

($ in millions)	2012	2011	2010
Unrecognized tax benefits at January 1	**$ 14**	16	82
Gross increases for tax positions taken during prior period	**6**	1	4
Gross decreases for tax positions taken during prior period	**(3)**	(2)	(23)
Gross increases for tax positions taken during current period	**2**	-	2
Settlements with taxing authorities	**-**	-	(48)
Lapse of applicable statute of limitations	**(1)**	(1)	(1)
Unrecognized tax benefits at December 31	**$ 18**	14	16

The Bancorp's unrecognized tax benefits as of December 31, 2012 and 2011 relate largely to state income tax exposures from taking tax positions where the Bancorp believes it is likely that, upon examination, a state will take a position contrary to the position taken by the Bancorp.

Substantially all of the reduction of unrecognized tax benefits during 2010 related to the settlement of the Bancorp's dispute with the IRS relating to the specific capital raising transaction mentioned previously.

While it is reasonably possible that the amount of the unrecognized tax benefit with respect to certain of the Bancorp's uncertain tax positions could increase or decrease during the next 12 months, the Bancorp believes it is unlikely that its unrecognized tax benefits will change by a material amount during the next 12 months.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Deferred income taxes are comprised of the following items at December 31:

($ in millions)	2012	2011
Deferred tax assets:		
Allowance for loan and lease losses	**$ 649**	789
Deferred compensation	**105**	119
Impairment reserves	**74**	102
Reserves	**63**	70
Reserve for unfunded commitments	**47**	63
State net operating losses	**33**	63
Other	**191**	216
Total deferred tax assets	**$1,162**	1,422
Deferred tax liabilities:		
Lease financing	**$ 844**	853
Investments in joint ventures and partnership interests	**470**	468
Other comprehensive income	**202**	253
MSRs	**162**	173
Bank premises and equipment	**108**	95
State deferred taxes	**64**	74
Other	**155**	130
Total deferred tax liabilities	**$ 2,005**	2,046
Total net deferred tax liability	**$ (843)**	(624)

At December 31, 2012 and 2011, the Bancorp had recorded deferred tax assets of $33 million and $63 million, respectively, related to state net operating loss carryforwards. The deferred tax assets relating to state net operating losses are presented net of specific valuation allowances, primarily resulting from leasing operations, of $20 million and $34 million at December 31, 2012 and 2011, respectively. If these carryforwards are not utilized, they will expire in varying amounts through 2030. Additionally, at December 31, 2011, the Bancorp had federal general business tax credit carryforwards of $5 million that were fully utilized in 2012.

The Bancorp has determined that a valuation allowance is not needed against the remaining deferred tax assets as of December 31, 2012 or 2011. The Bancorp considered all of the positive and negative evidence available to determine whether it is more likely than not that the deferred tax assets will ultimately be realized and, based upon that evidence, the Bancorp believes it is more likely than not that the deferred tax assets recorded at December 31, 2012 and 2011 will ultimately be realized. The Bancorp reached this conclusion as the Bancorp has taxable income in the carryback period and it is expected that the Bancorp's remaining deferred tax assets will be realized through the reversal of its existing taxable temporary differences and its projected future taxable income.

The IRS concluded its audit for 2008 and 2009 during the first quarter of 2012. As a result, all issues have been resolved with the IRS through 2009. The IRS is currently examining the Bancorp's 2010 and 2011 federal income tax returns. The statute of limitations for the Bancorp's federal income tax returns remains open for tax years 2008-2012. On occasion, as various state and local taxing jurisdictions examine the returns of the Bancorp and its subsidiaries, the Bancorp may agree to extend the statute of limitations for a short period of time. Otherwise, with the exception of a few states with insignificant uncertain tax positions, the statutes of limitations for state income tax returns remain open only for tax years in accordance with each state's statutes.

During the years ended December 31, 2012 and 2011, the Bancorp recognized an immaterial amount of interest expense in connection with income taxes. At December 31, 2012 and 2011, the Bancorp had accrued interest liabilities, net of the related tax benefits of $3 million. No material liabilities were recorded for penalties.

Retained earnings at December 31, 2012 and 2011 included $157 million in allocations of earnings for bad debt deductions of former thrift subsidiaries for which no income tax has been provided. Under current tax law, if certain of the Bancorp's subsidiaries use these bad debt reserves for purposes other than to absorb bad debt losses, they will be subject to federal income tax at the current corporate tax rate.

Table of Contents

20. RETIREMENT AND BENEFIT PLANS

The Bancorp's qualified defined benefit plan's benefits were frozen in 1998, except for grandfathered employees. The Bancorp's other retirement plans consist of nonqualified, supplemental retirement plans, which are funded on an as needed basis. A majority of these plans were obtained in acquisitions from prior years. The Bancorp recognizes the overfunded and underfunded status of its pension plans as an asset and liability, respectively. The Bancorp's other defined benefit plans had an underfunded projected benefit obligation at December 31, 2012 and 2011, respectively. The underfunded amounts recognized in other liabilities on the Consolidated Balance Sheets were $71 million and $72 million as of December 31, 2012 and 2011, respectively.

The following table summarizes the defined benefit retirement plans as of and for the years ended December 31:

Plans with an Underfunded Status

($ in millions)	2012	2011
Fair value of plan assets at January 1	**$181**	197
Actual return on assets	**21**	-
Contributions	**4**	4
Settlement	**(10)**	(10)
Benefits paid	**(11)**	(10)
Fair value of plan assets at December 31	**$185**	181
Projected benefit obligation at January 1	**$ 253**	227
Service cost	**-**	-
Interest cost	**10**	11
Settlement	**(10)**	(10)
Actuarial loss	**14**	35
Benefits paid	**(11)**	(10)
Projected benefit obligation at December 31	**$ 256**	253
Unfunded projected benefit obligation at December 31	**$ (71)**	(72)

The estimated net actuarial loss for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2013 is $13 million. The estimated net prior service cost for the defined benefit pension plan that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2013 is immaterial to the Consolidated Financial Statements.

The following table summarizes net periodic benefit cost and other changes in plan assets and benefit obligations recognized in other comprehensive income for the years ended December 31:

($ in millions)	2012	2011	2010
Components of net periodic benefit cost:			
Service cost	**$ -**	-	-
Interest cost	**10**	11	12
Expected return on assets	**(13)**	(15)	(14)
Amortization of net actuarial loss	**14**	11	12
Amortization of net prior service cost	**-**	1	1
Settlement	**6**	6	-
Net periodic benefit cost	**$ 17**	14	11
Other changes in plan assets and benefit obligations recognized in other comprehensive income:			
Net actuarial loss	**7**	50	2
Net prior service cost	**-**	-	-
Amortization of net actuarial loss	**(14)**	(11)	(12)
Amortization of prior service cost	**-**	(1)	(1)
Settlement	**(6)**	(6)	-
Total recognized in other comprehensive income	**(13)**	32	(11)
Total recognized in net periodic benefit cost and other comprehensive income	**$ 4**	46	-

Table of Contents

Fair Value Measurements of Plan Assets

The following table summarizes plan assets measured at fair value on a recurring basis as of December 31:

	Fair Value Measurements Using (a)			
2012 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Equity securities:				
Equity securities (Growth)[(b)]	**$ 50**	**-**	**-**	**$ 50**
Equity securities (Value)	**52**	**-**	**-**	**52**
Equity securities (Blended)	**4**	**-**	**-**	**4**
Total equity securities	**106**	**-**	**-**	**106**
Mutual and exchange traded funds:				
Money market funds	**4**	**-**	**-**	**4**
International funds	**29**	**-**	**-**	**29**
Commodity funds	**9**	**-**	**-**	**9**
Total mutual and exchange traded funds	**42**	**-**	**-**	**42**
Debt securities:				
U.S. Treasury obligations	**13**	**-**	**-**	**13**
Agency mortgage backed	**-**	**21**	**-**	**21**
Non-agency mortgage backed	**-**	**2**	**-**	**2**
Corporate bonds[(c)]	**-**	**1**	**-**	**1**
Total debt securities	**13**	**24**	**-**	**37**
Total plan assets	**$ 161**	**24**	**-**	**$ 185**

	Fair Value Measurements Using (a)			
2011 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Equity Securities:				
Equity securities (Growth)[(b)]	$ 53	-	-	$ 53
Equity securities (Value)	52	-	-	52
Total equity securities	105	-	-	105
Mutual and exchange traded funds:				
Money market funds	5	-	-	5
International funds	25	-	-	25
Commodity funds	9	-	-	9
Total mutual and exchange traded funds	39	-	-	39
Debt securities:				
U.S. Treasury obligations	10	-	-	10
Agency mortgage backed	-	25	-	25
Non-agency mortgage backed	-	1	-	1
Corporate bonds[(c)]	-	1	-	1
Total debt securities	10	27	-	37
Total plan assets	$ 154	27	-	$ 181

(a)For further information on fair value hierarchy levels, see Note 1.
(b)Includes holdings in Bancorp common stock.
(c)Includes private label asset backed securities.

The following is a description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Equity securities

The plan measures common stock using quoted prices which are available in an active market and classifies these investments within Level 1 of the valuation hierarchy.

Mutual and exchange traded funds

All of the plan's mutual and exchange traded funds are publicly traded. The plan measures the value of these investments using the fund's quoted prices that are available in an active market and classifies these investments within Level 1 of the valuation hierarchy.

Debt securities

For certain U.S. Treasury obligations and federal agency securities, the plan measures the fair value based on quoted prices, which are available in an active market and classifies these investments within Level 1 of the valuation hierarchy. Where quoted prices are not available, the plan measures the fair value of these investments based on matrix pricing models that include the bid price, which factors in the yield curve and other characteristics of the security including the interest rate, prepayment speeds and length of maturity. Therefore, these investments are classified within Level 2 of the valuation hierarchy.

Table of Contents

Plan Assumptions

The plan assumptions are evaluated annually and are updated as necessary. The discount rate assumption reflects the yield on a portfolio of high quality fixed-income instruments that have a similar duration to the plan's liabilities. The expected long-term rate of return assumption reflects the average return expected on the assets invested to provide for the plan's liabilities. In determining the expected long-term rate of return, the Bancorp evaluated actuarial and economic inputs, including long-term inflation rate assumptions and broad equity and bond indices long-term return projections, as well as actual long-term historical plan performance.

The following table summarizes the plan assumptions for the years ended December 31:

Weighted-Average Assumptions	2012	2011	2010
For measuring benefit obligations at year end:			
Discount rate	**3.83 %**	4.27	5.39
Rate of compensation increase	**4.00**	5.00	5.00
Expected return on plan assets	**8.00**	8.25	8.25
For measuring net periodic benefit cost:			
Discount rate	**4.27**	5.39	5.88
Rate of compensation increase	**5.00**	5.00	5.00
Expected return on plan assets	**8.00**	8.25	8.25

Lowering both the expected rate of return on the plan assets and the discount rate by 0.25% would have increased the 2012 pension expense by approximately $1 million. Lowering the rate of compensation increase by 0.25% would have an immaterial impact on the Bancorp's Consolidated Financial Statements.

Based on the actuarial assumptions, the Bancorp does not expect to contribute to the plan in 2013. Estimated pension benefit payments, which reflect expected future service, are $19 million in 2013, $18 million in 2014, $17 million in 2015, $16 million in 2016 and $15 million in 2017. The total estimated payments for the years 2018 through 2022 is $67 million.

Investment Policies and Strategies

The Bancorp's policy for the investment of plan assets is to employ investment strategies that achieve a range of weighted-average target asset allocations relating to equity securities (including the Bancorp's common stock), fixed income securities (including federal agency obligations, corporate bonds and notes) and cash.

The following table provides the Bancorp's targeted and actual weighted-average asset allocations by asset category for the years ended December 31:

Weighted-average asset allocation	Targeted range		2012	2011
Equity securities			**76 %**	74
Bancorp common stock			**1**	2
Total equity securities[(a)]	70-80	%	**77**	76
Total fixed income securities	20-25		**20**	21
Cash[(b)]	0-5		**3**	3
Total			**100 %**	100

(a)Includes mutual and exchange traded funds
(b)Cash held in a Fifth Third Money Market Fund.

The risk tolerance for the plan is determined by management to be "moderate to aggressive", recognizing that higher returns involve some volatility and that periodic declines in the portfolio's value are tolerated in an effort to achieve real capital growth. There were no significant concentrations of risk associated with the investments of the Bancorp's benefit and retirement plan at December 31, 2012 and 2011.

Permitted asset classes of the plan include cash and cash equivalents, fixed income (domestic and non-U.S. bonds), equities (U.S., non-U.S., emerging markets and REITS), equipment leasing, precious metals, commodity transactions and mortgages. The plan utilizes derivative instruments including puts, calls, straddles or other option strategies, as approved by management.

Prohibited asset classes of the plan include venture capital, short sales, limited partnerships and leveraged transactions. Per ERISA, the Bancorp's common stock cannot exceed ten percent of the fair value of plan assets.

Fifth Third Bank, as Trustee, is expected to manage the plan assets in a manner consistent with the plan agreement and other regulatory, federal and state laws. The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee (the "Committee") is the plan administrator. The Trustee is required to provide to the Committee monthly and quarterly reports covering a list of plan assets, portfolio performance, transactions and asset allocation. The Trustee is also required to keep the Committee apprised of any material changes in the Trustee's outlook and recommended investment policy.

Other Information on Retirement and Benefit Plans

The accumulated benefit obligation for all defined benefit plans was $256 million and $253 million at December 31, 2012 and 2011, respectively. The Bancorp does not have any defined benefit plans with assets exceeding benefit obligations at December 31, 2012 and 2011, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amounts relating to the Bancorp's defined benefit plans with benefit obligations exceeding assets were as follows at December 31:

($ in millions)	**2012**	2011
Projected benefit obligation	**$ 256**	253
Accumulated benefit obligation	**256**	253
Fair value of plan assets	**185**	181

As of December 31, 2012 and 2011, $123 million and $159 million, respectively, of plan assets were managed through a collective fund and separately managed accounts by Fifth Third Bank, a subsidiary of the Bancorp. Plan assets included $3 million and $5 million of Bancorp common stock as of December 31, 2012 and 2011, respectively. Plan assets are not expected to be returned to the Bancorp during 2013.

The Bancorp's profit sharing plan expense was $46 million for 2012, $35 million for 2011, and $31 million for 2010. Expenses recognized for matching contributions to the Bancorp's defined contribution savings plans were $42 million, $40 million, and $36 million for the years ended December 31, 2012, 2011, and 2010, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

21. ACCUMULATED OTHER COMPREHENSIVE INCOME

The activity of the components of other comprehensive income and accumulated other comprehensive income for the years ended December 31:

	Total Other Comprehensive Income			Total Accumulated Other Comprehensive Income		
($ in millions)	Pretax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
2012						
Unrealized holding losses on available-for-sale securities arising during period	**$ (97)**	**34**	**(63)**			
Reclassification adjustment for net gains included in net income	**(15)**	**5**	**(10)**			
Net unrealized gains on available-for-sale securities	**(112)**	**39**	**(73)**	**485**	**(73)**	**412**
Unrealized holding gains on cash flow hedge derivatives arising during period	**37**	**(13)**	**24**			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	**(83)**	**29**	**(54)**			
Net unrealized gains on cash flow hedge derivatives	**(46)**	**16**	**(30)**	**80**	**(30)**	**50**
Defined benefit plans:						
Net actuarial loss	**13**	**(5)**	**8**			
Defined benefit plans, net	**13**	**(5)**	**8**	**(95)**	**8**	**(87)**
Total	**$ (145)**	**50**	**(95)**	**470**	**(95)**	**375**
2011						
Unrealized holding gains on available-for-sale securities arising during period	$ 309	(108)	201			
Reclassification adjustment for net gains included in net income	(56)	19	(37)			
Net unrealized gains on available-for-sale securities	253	(89)	164	321	164	485
Unrealized holding gains on cash flow hedge derivatives arising during period	89	(31)	58			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(69)	24	(45)			
Net unrealized gains on cash flow hedge derivatives	20	(7)	13	67	13	80
Defined benefit plans:						
Net actuarial gain	(32)	11	(21)			
Defined benefit plans, net	(32)	11	(21)	(74)	(21)	(95)
Total	$ 241	(85)	156	314	156	470
2010						
Unrealized holding gains on available-for-sale securities arising during period	$ 216	(73)	143			
Reclassification adjustment for net gains included in net income	(57)	19	(38)			
Net unrealized gains on available-for-sale securities	159	(54)	105	216	105	321
Unrealized holding gains on cash flow hedge derivatives arising during period	2	(1)	1			
Reclassification adjustment for net gains on cash flow hedge derivatives included in net income	(60)	21	(39)			
Net unrealized gains on cash flow hedge derivatives	(58)	20	(38)	105	(38)	67
Defined benefit plans:						
Net prior service cost	1	(1)	-			
Net actuarial loss	10	(4)	6			
Defined benefit plans, net	11	(5)	6	(80)	6	(74)
Total	$ 112	(39)	73	241	73	314

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

22. COMMON, PREFERRED AND TREASURY STOCK

The following is a summary of the share activity within common, preferred and treasury stock for the years ended December 31:

($ in millions, except share data)	Common Stock		Preferred Stock		Treasury Stock	
	Value	Shares	Value	Shares	Value	Shares
Shares at December 31, 2009	$ 1,779	801,504,188	$ 3,609	152,771	$ 201	6,436,024
Accretion from dividends on preferred shares, Series F	-	-	45	-	-	-
Stock-based awards issued or exercised, including treasury shares issued	-	-	-	-	(6)	16,391
Restricted stock grants	-	-	-	-	(62)	(1,334,967)
Other	-	-	-	-	(3)	114,218
Shares at December 31, 2010	$ 1,779	801,504,188	$ 3,654	152,771	$ 130	5,231,666
Issuance of common shares	272	122,388,393	-	-	-	-
Exchange of preferred shares, Series G	-	-	-	(1)	-	-
Redemption of preferred shares, Series F	-	-	(3,408)	(136,320)	-	-
Accretion from dividends on preferred shares, Series F	-	-	153	-	-	-
Stock-based awards issued or exercised, including treasury shares issued	-	-	-	-	(7)	(336,735)
Restricted stock grants	-	-	-	-	(58)	(756,381)
Other	-	-	(1)		(1)	(50,405)
Shares at December 31, 2011	$2,051	923,892,581	$ 398	16,450	$ 64	4,088,145
Shares acquired for treasury	**-**	**-**	**-**	**-**	**627**	**42,424,014**
Stock-based awards issued or exercised, including treasury shares issued	**-**	**-**	**-**	**-**	**(7)**	**(1,776,508)**
Restricted stock grants	**-**	**-**	**-**	**-**	**(47)**	**(2,877,657)**
Other	**-**	**-**	**-**	**-**	**(3)**	**(117,470)**
Shares at December 31, 2012	**$2,051**	**923,892,581**	**$ 398**	**16,450**	**$ 634**	**41,740,524**

Common Stock

On January 25, 2011, the Bancorp raised $1.7 billion in new common equity through the issuance of common stock in an underwritten offering with an initial price of $14.00 per share. 121,428,572 shares were issued, which included 12,142,857 shares issued to the underwriters, who exercised their option to purchase additional shares at the offering price of $14.00 per share on January 24, 2011. In connection with this exercise, the Bancorp entered into a forward sale agreement which resulted in a final net payment of 959,821 shares on February 4, 2011.

Preferred Stock—Series G

In 2008, the Bancorp issued 8.5% non-cumulative Series G convertible preferred stock. The depository shares represent shares of its convertible preferred stock and have a liquidation preference of $25,000 per share. The preferred stock is convertible at any time, at the option of the shareholder, into 2,159.8272 shares of common stock, representing a conversion price of approximately $11.575 per share of common stock.

As of December 31, 2012, Series G preferred stock had 4,112,750 depositary shares representing 16,450 shares outstanding and 1,700 shares reserved for issuance.

Preferred Stock—Series F

On December 31, 2008, the U.S. Treasury purchased $3.4 billion, or 136,320 shares, of the Bancorp's Fixed Rate Cumulative Perpetual Preferred Stock, Series F, with a liquidation preference of $25,000 per share and related 10-year warrant in the amount of 15% of the preferred stock investment. The warrant gave the U.S Treasury the right to purchase 43,617,747 shares of the Bancorp's common stock at $11.72 per share. The Series F senior preferred stock was issued complying with the terms established by the CPP. Per the program terms, the U.S. Treasury's investment consisted of senior preferred stock with a five percent dividend for each of the first five years of investment and nine percent thereafter, unless the shares were redeemed. The shares were callable by the Bancorp at par after three years and could be repurchased at any time under certain circumstances. The terms also included restrictions on the repurchase of common stock and an increase in common stock dividends, which required the U.S. Treasury's consent, for a period of three years from the date of investment unless the preferred shares were redeemed in whole or the U.S. Treasury had transferred all of the preferred shares to a third party.

The proceeds from issuance of the Series F preferred stock were allocated to the preferred stock and to the warrant based on their relative fair values, which resulted in an initial book value of $3.2 billion for the preferred stock and $239 million for the warrant. The resulting discount to the preferred stock was being accreted over five years through retained earnings as a preferred stock dividend, resulting in an effective yield of 6.7% for the Series F preferred stock for the first five years.

On February 2, 2011, the Bancorp used proceeds from the issuance of common shares along with proceeds from a senior debt offering and other available resources to repurchase all 136,320 Series F preferred shares. In connection with the redemption of the Series F Preferred Stock, the Bancorp accelerated the accretion of the remaining issuance discount on the Series F Preferred Stock and recorded a reduction in retained earnings and a corresponding increase in preferred stock of $153 million in the Bancorp's Consolidated Balance Sheet. On March 16, 2011, the Bancorp repurchased the warrant issued to the U.S. Treasury in connection with the CPP preferred stock investment at an agreed upon price of $280 million, which was recorded as a reduction to capital surplus in the Bancorp's Consolidated Financial Statements.

Treasury Stock

On March 13, 2012, the Bancorp announced the results of its capital plan submitted to the FRB as part of the 2012 CCAR. The FRB indicated to the Bancorp that it did not object to the repurchase of common shares in an amount equal to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. Following the Vantiv Inc. IPO, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 4,838,710 shares, or approximately $75 million, of its outstanding common stock on April 26, 2012. As part of this transaction and all subsequent accelerated share repurchase transactions in 2012, the Bancorp entered into forward contracts in which the final number

of shares to be delivered at settlement of the accelerated share repurchase transaction was based on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreements. Each of the accelerated share repurchases was treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock. At settlement of the April 2012 forward contract on June 1, 2012, the Bancorp received an additional 631,986 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On August 21, 2012, the Bancorp announced that the FRB did not object to its capital plan resubmitted under the CCAR process, which included the repurchases of common shares of up to $600 million through the first quarter of 2013, in addition to any incremental repurchase of common shares related to any after-tax gains realized by the Bancorp from the sale of Vantiv, Inc. common shares by either the Bancorp or Vantiv, Inc. As a result, on August 21, 2012, Fifth Third's Board of Directors authorized the Bancorp to repurchase up to 100 million shares of its outstanding common stock in the open market or in privately negotiated transactions, and to utilize any derivative or similar instrument to affect share repurchase transactions. This share repurchase authorization replaces the Board's previous authorization pursuant to which approximately 14 million shares remained available for repurchase by the Bancorp.

On August 23, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 21,531,100 shares, or approximately $350 million, of its outstanding common stock on August 28, 2012. At settlement of the forward contract on October 24, 2012, the Bancorp received an additional 1,444,047 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

On November 6, 2012, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp purchased 7,710,761 shares, or approximately $125 million, of its outstanding common stock on November 9, 2012. At settlement of the forward contract on February 12, 2013, the Bancorp received an additional 657,917 shares which were recorded as an adjustment to the basis in the treasury shares purchased on the acquisition date.

Following the sale of a portion of the Bancorp's shares of Class A Vantiv, Inc. common stock, the Bancorp entered into an accelerated share repurchase transaction on December 14, 2012 with a counterparty pursuant to which the Bancorp purchased 6,267,410 shares, or approximately $100 million, of its outstanding common stock on December 19, 2012. The Bancorp expects the settlement of the transaction to occur on or before March 14, 2013.

Additionally, on January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction. See Note 30 for additional information.

During 2011 and 2010, the Bancorp repurchased an immaterial amount of common stock.

23. STOCK-BASED COMPENSATION

The Bancorp has historically emphasized employee stock ownership. The following table provides detail of the number of shares to be issued upon exercise of outstanding stock-based awards and remaining shares available for future issuance under all of the Bancorp's equity compensation plans as of December 31, 2012:

Plan Category (shares in thousands)	Number of Shares to be Issued Upon Exercise	Weighted-Average Exercise Price	Shares Available for Future Issuance
Equity compensation plans approved by shareholders			23,215*(a)*
SARs	*(b)*	*(b)*	*(a)*
Restricted stock	6,379	N/A	*(a)*
Stock options*(c)*	3,108	$ 51.75	*(a)*
Phantom stock units	*(d)*	N/A	N/A
Performance units	*(e)*	N/A	*(a)*
Employee stock purchase plan			8,720*(f)*
Total shares	9,487		31,935

(a) *Under the 2011 Incentive Compensation Plan, 39 million shares plus up to 4.5 million shares from the 2008 Incentive Compensation Plan (the Predecessor Plan) of stock were authorized for issuance as incentive and nonqualified stock options, SARs, restricted stock and restricted stock units, performance units and performance restricted stock awards.*
(b) *The number of shares to be issued upon exercise will be determined at vesting based on the difference between the grant price and the market price at the date of exercise.*
(c) *Excludes 0.8 million outstanding options awarded under plans assumed by the Bancorp in connection with certain mergers and acquisitions. The Bancorp has not made any awards under these plans and will make no additional awards under these plans. The weighted-average exercise price of the outstanding options is $17.74 per share.*
(d) *Phantom stock units are settled in cash.*
(e) *The number of shares to be issued is dependent upon the Bancorp achieving certain predefined performance targets and ranges from zero shares to approximately 0.6 million shares.*
(f) *Represents remaining shares of Fifth Third common stock under the Bancorp's 1993 Stock Purchase Plan, as amended and restated, including an additional 1.5 million shares approved by shareholders on March 28, 2007 and an additional 12 million shares approved by shareholders on April 21, 2009.*

Stock-based awards are eligible for issuance under the Bancorp's Incentive Compensation Plan to key employees and directors of the Bancorp and its subsidiaries. The Incentive Compensation Plan was approved by shareholders on April 19, 2011, and authorized the issuance of up to 39 million shares plus up to 4.5 million shares under the Predecessor Plan for Full Value Awards as equity compensation and provides for incentive and nonqualified stock options, stock appreciation rights, restricted stock and restricted stock units, and performance share and restricted stock awards. Full Value Awards are defined as awards with no cash outlay for the employee to obtain the full value. Based on total stock-based awards outstanding (including stock options, stock appreciation rights, restricted stock and performance units) and shares remaining for future grants under the 2011 Incentive Compensation Plan, the potential dilution to which the Bancorp's shareholders of common stock are exposed due to the potential that stock-based compensation will be awarded to executives, directors or key employees of the Bancorp is nine percent. SARs, restricted stock, stock options and performance units outstanding represent six percent of the Bancorp's issued shares at December 31, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

All of the Bancorp's stock-based awards are to be settled with stock with the exception of phantom stock units that are to be settled in cash. The Bancorp has historically used treasury stock to settle stock-based awards, when available. SARs, issued at fair value based on the closing price of the Bancorp's common stock on the date of grant, have up to ten-year terms and vest and become exercisable either ratably or fully over a four year period of continued employment. The Bancorp does not grant discounted SARs or stock options, re-price previously granted SARs or stock options, or grant reload stock options. Restricted stock grants vest after four years, or ratably over three or four years or ratably after three years of continued employment and include dividend and voting rights. Stock options were previously issued at fair value based on the closing price of the Bancorp's common stock on the date of grant, had up to ten-year terms and vested and became fully exercisable ratably over a three or four year period of continued employment. Performance unit awards have three-year cliff vesting terms with market conditions as defined by the plan.

Stock-based compensation expense was $69 million, $59 million and $64 million for the years ended December 31, 2012, 2011 and 2010, respectively, and is included in salaries, wages, and incentives in the Consolidated Statements of Income. The total related income tax benefit recognized was $24 million, $21 million and $18 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Stock Appreciation Rights

The Bancorp uses assumptions, which are evaluated and revised as necessary, in estimating the grant-date fair value of each SAR grant.

The weighted-average assumptions were as follows for the years ended:

	2012	2011	2010
Expected life (in years)	**6**	6	6
Expected volatility	**37%**	35%	38%
Expected dividend yield	**2.8%**	2.0%	2.0%
Risk-free interest rate	**1.2%**	2.6%	3.1%

The expected life is derived from historical exercise patterns and represents the amount of time that SARs granted are expected to be outstanding. The expected volatility is based on a combination of historical and implied volatilities of the Bancorp's common stock. The expected dividend yield is based on annual dividends divided by the Bancorp's stock price. Annual dividends are based on projected dividends, estimated using a historical long-term dividend payout ratio, over the estimated life of the awards. The risk-free interest rate for periods within the contractual life of the SARs is based on the U.S. Treasury yield curve in effect at the time of grant.

The grant-date fair value of SARs is measured using the Black-Scholes option-pricing model. The weighted-average grant-date fair value of SARs granted was $4.23, $4.29 and $5.10 per share for the years ended 2012, 2011 and 2010, respectively. The total grant-date fair value of SARs that vested during 2012, 2011 and 2010 was $22 million, $20 million, and $25 million, respectively.

At December 31, 2012, there was $64 million of stock-based compensation expense related to nonvested SARs not yet recognized. The expense is expected to be recognized over a remaining weighted-average period of approximately 2.8 years.

	2012		2011		2010	
SARs (shares in thousands)	Shares	Weighted-Average Grant Price	Shares	Weighted-Average Grant Price	Shares	Weighted-Average Grant Price
Outstanding at January 1	**36,502**	**$ 22.20**	31,152	$ 24.67	28,571	$ 26.82
Granted	**12,179**	**14.36**	8,633	13.36	5,310	14.74
Exercised	**(1,271)**	**6.29**	(521)	3.96	(319)	3.96
Forfeited or expired	**(3,290)**	**23.33**	(2,762)	25.76	(2,410)	30.87
Outstanding at December 31	**44,120**	**$ 20.41**	36,502	$ 22.20	31,152	$ 24.67
Exercisable at December 31	**23,248**	**$ 26.76**	20,070	$ 30.29	16,347	$ 34.94

The following table summarizes outstanding and exercisable SARs by grant price at December 31, 2012:

	Outstanding SARs			Exercisable SARs		
Grant price per share	Number of SARs at Year End (000s)	Weighted-Average Grant Price	Weighted-Average Remaining Contractual Life (in years)	Number of SARs at Year End (000s)	Weighted-Average Grant Price	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	5,100	$ 4.06	6.3	3,481	$ 3.96	6.3
$10.01-$20.00	27,812	14.98	8.0	8,559	16.94	6.4
$20.01-$30.00	34	22.88	5.2	34	22.88	5.2
$30.01-$40.00	7,231	38.69	3.6	7,231	38.69	3.6
Over $40.00	3,943	46.37	2.2	3,943	46.37	2.2
All SARs	44,120	$ 20.41	6.6	23,248	$ 26.76	4.8

Table of Contents

Restricted Stock Awards

The total grant-date fair value of RSAs that vested during 2012, 2011 and 2010 was $32 million, $37 million and $30 million, respectively. At December 31, 2012, there was $57 million of stock-based compensation expense related to nonvested restricted stock not yet recognized. The expense is expected to be recognized over a remaining weighted-average period of approximately 2.7 years.

	2012		2011		2010	
RSAs (shares in thousands)	Shares	Weighted-Average Grant - Date Fair Value	Shares	Weighted-Average Grant - Date Fair Value	Shares	Weighted-Average Grant - Date Fair Value
Nonvested at January 1	**4,764**	**$ 15.95**	5,158	$ 18.89	4,645	$ 23.85
Granted	**3,863**	**14.33**	1,702	13.19	1,677	14.69
Exercised	**(1,826)**	**18.37**	(1,646)	22.52	(817)	36.96
Forfeited	**(422)**	**15.35**	(450)	15.34	(347)	22.39
Nonvested at December 31	**6,379**	**$ 14.32**	4,764	$ 15.95	5,158	$ 18.89

The following table summarizes unvested RSAs by grant-date fair value at December 31, 2012:

	Nonvested RSAs	
Grant-Date Fair Value Per Share	Number of RSAs at Year End (000s)	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	254	0.9
$10.01-$20.00	6,123	1.4
$20.01-$30.00	2	0.3
All RSAs	6,379	1.4

Stock options

The grant-date fair value of stock options is measured using the Black-Scholes option-pricing model. There were no stock options granted during 2012, 2011 and 2010.

The total intrinsic value of options exercised during 2012 was $1 million and was immaterial to the Bancorp's Consolidated Financial Statements in both 2011 and 2010. Cash received from options exercised during 2012 and 2011 was $2 million and $1 million, respectively. Cash received from options exercised during 2010 was immaterial to the Bancorp's Consolidated Financial Statements. Tax benefits realized from exercised options were immaterial to the Bancorp's Consolidated Financial Statements during 2012, 2011 and 2010. All stock options were vested as of December 31, 2008, therefore, no stock options vested during 2012, 2011, or 2010. As of December 31, 2012, the aggregate intrinsic value of both outstanding options and exercisable options was $1 million.

	2012		2011		2010	
Stock Options (shares in thousands)	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Grant Price
Outstanding at January 1	**7,584**	**$ 53.88**	11,859	$ 52.01	15,504	$ 49.29
Exercised	**(205)**	**10.32**	(96)	9.25	(58)	8.76
Forfeited or expired	**(3,502)**	**66.25**	(4,179)	49.61	(3,587)	40.54
Outstanding at December 31	**3,877**	**$ 45.00**	7,584	$ 53.88	11,859	$ 52.01
Exercisable at December 31	**3,877**	**$ 45.00**	7,584	$ 53.88	11,859	$ 52.01

The following table summarizes outstanding and exercisable stock options by exercise price at December 31, 2012:

	Outstanding and Exercisable Stock Options		
Exercise price per share	Number of Options at Year End (000s)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)
Under $10.00	5	$9.65	1.5
$10.01-$20.00	590	12.86	2.1
$20.01-$30.00	33	23.38	0.2
$30.01-$40.00	136	36.31	1.3
Over $40.00	3,113	51.77	0.3
All stock options	3,877	$45.00	0.6

Other stock-based compensation

During 2009, the Bancorp's Board of Directors approved the use of phantom stock units as part of its compensation for executives in connection with changes made in reaction to the TARP compensation rules. On February 22, 2011, the Bancorp redeemed its Series F preferred stock held by the U.S. Treasury under the CPP. As a result of this redemption, the last payment of phantom stock occurred in April of 2011. The phantom stock units were issued under the Bancorp's 2008 Incentive Compensation Plan. The number of phantom stock units was determined each pay period by dividing the amount of salary to be paid in phantom stock units for that pay period, by the reported closing price of the Bancorp's common stock on the pay date for such pay period. The phantom stock units vested immediately on issuance. Phantom stock was expensed based on the number of outstanding units multiplied by the closing price of the Bancorp's stock at period end. The phantom stock units did not include any rights to receive dividends or dividend equivalents. Phantom stock units issued on or before June 12, 2010 were settled in cash upon the earlier to occur of June 15, 2011 or the executive's death. Units issued thereafter will be settled in cash with 50% settled on June 15, 2012 and 50% to be settled on June 15, 2013. The amount paid on settlement of the phantom stock units is equal to the total amount of phantom stock units settled at the reported closing price of the Bancorp's common stock on the settlement date. Under the phantom stock program, no phantom stock units were granted during the year ended December 31, 2012, and phantom stock units of 132,649 and 488,703 were granted with a weighted average grant price of $14.40 and $12.80 during the years ended December 31, 2011 and 2010, respectively. During 2012 and 2011, 199,813 and 521,091, phantom stock units were settled, respectively. No phantom stock units were settled during 2010.

Performance units are payable contingent upon the Bancorp achieving certain predefined performance targets over the three-year measurement period. Awards granted during 2012, 2011 and 2010 will be entirely settled in stock. The performance targets are based on the Bancorp's performance relative to a defined peer group. During 2012, 2011 and 2010, 344,741, 328,061, and 61,320 performance units, respectively, were granted by the Bancorp. These awards were granted at a weighted-average grant-date fair value of $14.36, $13.36 and $13.76 per unit during 2012, 2011 and 2010, respectively.

The Bancorp sponsors a stock purchase plan that allows qualifying employees to purchase shares of the Bancorp's common stock with a 15% match. During the years ended December 31, 2012, 2011 and 2010, there were 827,709, 886,447 and 749,127 shares, respectively, purchased by participants and the Bancorp recognized stock-based compensation expense of $1 million in each of the respective years.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

24. OTHER NONINTEREST INCOME AND OTHER NONINTEREST EXPENSE

The following table presents the major components of other noninterest income and other noninterest expense for the years ended December 31:

($ in millions)	2012	2011	2010
Other noninterest income:			
Gain on Vantiv, Inc. IPO and sale of Vantiv, Inc. shares	**$ 272**	-	-
Net gain from warrant and put options associated with sale of the processing business	**67**	39	5
Equity method income from interest in Vantiv Holding, LLC	**61**	57	26
Operating lease income	**60**	58	62
Cardholder fees	**46**	41	36
BOLI income	**35**	41	194
Banking center income	**32**	27	22
Insurance income	**28**	28	38
Consumer loan and lease fees	**27**	31	32
Gain on loan sales	**20**	37	51
TSA revenue	**1**	21	49
Loss on swap associated with the sale of Visa, Inc. class B shares	**(45)**	(83)	(19)
Loss on sale of OREO	**(57)**	(71)	(78)
Other, net	**27**	24	(12)
Total	**$ 574**	250	406
Other noninterest expense:			
Losses and adjustments	**$ 187**	129	187
Loan and lease	**183**	195	211
Loss (gain) on debt extinguishment	**169**	(8)	17
Marketing	**128**	115	98
FDIC insurance and other taxes	**114**	201	242
Impairment of affordable housing investments	**90**	85	100
Professional services fees	**56**	58	77
Travel	**52**	52	51
Postal and courier	**48**	49	48
Operating lease	**43**	41	41
Data processing	**40**	29	24
Recruitment and education	**28**	31	31
OREO expense	**21**	34	33
Insurance	**18**	25	42
Supplies	**17**	18	24
Intangible asset amortization	**13**	22	43
Provision (benefit) for unfunded commitments and letters of credit	**(2)**	(46)	(24)
Other, net	**169**	194	149
Total	**$1,374**	1,224	1,394

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

25. EARNINGS PER SHARE

The calculation of earnings per share and the reconciliation of earnings per share and earnings per diluted share for the years ended December 31:

(in millions, except per share data)	2012 Income	2012 Average Shares	2012 Per Share Amount	2011 Income	2011 Average Shares	2011 Per Share Amount	2010 Income	2010 Average Shares	2010 Per Share Amount
Earnings per share:									
Net income attributable to Bancorp	**$ 1,576**			1,297			753		
Dividends on preferred stock	**35**			203			250		
Net income available to common shareholders	**1,541**			1,094			503		
Less: Income allocated to participating securities	**10**			6			3		
Net income allocated to common shareholders	**$1,531**	**904**	**1.69**	1,088	906	1.20	500	791	0.63
Earnings per diluted share:									
Net income available to common shareholders	**$1,541**			1,094			503		
Effect of dilutive securities:									
Stock-based awards	**-**	**6**	**-**	-	6	-	-	5	-
Series G convertible preferred stock	**35**	**36**	**(0.03)**	35	36	(0.02)	-	-	-
Warrants related to Series F preferred stock	**-**	**-**	**-**	-	2	-	-	3	-
Net income available to common shareholders plus assumed conversions	**1,576**			1,129			503		
Less: Income allocated to participating securities	**10**			6			3		
Net income allocated to common shareholders plus assumed conversions	**$ 1,566**	**946**	**1.66**	1,123	950	1.18	500	799	0.63

Shares are excluded from the computation of net income per diluted share when their inclusion has an anti-dilutive effect on earnings per share. The diluted earnings per share computation for 2012, 2011, and 2010 excludes 36 million, 29 million, and 23 million, respectively, of stock appreciation rights, 5 million, 8 million, and 12 million, respectively, of stock options and 1 million, 1 million and 1 million shares, respectively, of unvested restricted stock that had not yet been exercised. In 2010, 36 million shares related to the Bancorp's Series G preferred stock that were not part of the conversion of preferred shares in the second quarter of 2009 were excluded from the computation of net income per diluted share because their inclusion would have been anti-dilutive to earnings per share.

The diluted earnings per share computation for the year ended December 31, 2012 excludes the impact of the forward contracts related to the November 6, 2012 and December 14, 2012 accelerated share repurchase transactions because, based upon the average daily volume-weighted average price of the Bancorp's common stock during the fourth quarter of 2012, the counterparty to the transactions would have been required to deliver approximately 1 million shares as of December 31, 2012, and thus the impact of the two accelerated share repurchase transactions would have been anti-dilutive to earnings per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

26. FAIR VALUE MEASUREMENTS

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. For more information regarding the fair value hierarchy and how the Bancorp measures fair value, see Note 1.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured at fair value on a recurring basis, including residential mortgage loans held for sale for which the Bancorp has elected the fair value option as of:

	Fair Value Measurements Using			
December 31, 2012 ($ in millions)	Level 1[(c)]	Level 2[(c)]	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	**$41**	**-**	**-**	**41**
U.S. Government sponsored agencies	**-**	**1,911**	**-**	**1,911**
Obligations of states and political subdivisions	**-**	**212**	**-**	**212**
Agency mortgage-backed securities	**-**	**8,730**	**-**	**8,730**
Other bonds, notes and debentures	**-**	**3,277**	**-**	**3,277**
Other securities[(a)]	**79**	**113**	**-**	**192**
Available-for-sale securities[(a)]	**120**	**14,243**	**-**	**14,363**
Trading securities:				
U.S. Treasury and Government agencies	**1**	**-**	**-**	**1**
U.S. Government sponsored agencies	**-**	**6**	**-**	**6**
Obligations of states and political subdivisions	**-**	**16**	**1**	**17**
Agency mortgage-backed securities	**-**	**7**	**-**	**7**
Other bonds, notes and debentures	**-**	**15**	**-**	**15**
Other securities	**161**	**-**	**-**	**161**
Trading securities	**162**	**44**	**1**	**207**
Residential mortgage loans held for sale	**-**	**2,856**	**-**	**2,856**
Residential mortgage loans[(b)]	**-**	**-**	**76**	**76**
Derivative assets:				
Interest rate contracts	**2**	**1,445**	**60**	**1,507**
Foreign exchange contracts	**-**	**201**	**-**	**201**
Equity contracts	**-**	**-**	**177**	**177**
Commodity contracts	**-**	**87**	**-**	**87**
Derivative assets	**2**	**1,733**	**237**	**1,972**
Total assets	**$284**	**18,876**	**314**	**19,474**
Liabilities:				
Derivative liabilities				
Interest rate contracts	**$ 14**	**600**	**3**	**617**
Foreign exchange contracts	**-**	**183**	**-**	**183**
Equity contracts	**-**	**-**	**33**	**33**
Commodity contracts	**-**	**82**	**-**	**82**
Derivative liabilities	**14**	**865**	**36**	**915**
Short positions	**8**	**2**	**-**	**10**
Total liabilities	**$22**	**867**	**36**	**925**

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2011 ($ in millions)	Fair Value Measurements Using Level 1(c)	Level 2(c)	Level 3	Total Fair Value
Assets:				
Available-for-sale securities:				
U.S. Treasury and Government agencies	$171	-	-	171
U.S. Government sponsored agencies	-	1,962	-	1,962
Obligations of states and political subdivisions	-	101	-	101
Agency mortgage-backed securities	-	10,284	-	10,284
Other bonds, notes and debentures	-	1,812	-	1,812
Other securities(a)	185	5	-	190
Available-for-sale securities(a)	356	14,164	-	14,520
Trading securities:				
Obligations of states and political subdivisions	-	8	1	9
Agency mortgage-backed securities	-	11	-	11
Other bonds, notes and debentures	-	13	-	13
Other securities	144	-	-	144
Trading securities	144	32	1	177
Residential mortgage loans held for sale	-	2,751	-	2,751
Residential mortgage loans(b)	-	-	65	65
Derivative assets:				
Interest rate contracts	8	1,773	34	1,815
Foreign exchange contracts	-	294	-	294
Equity contracts	-	-	113	113
Commodity contracts	-	134	-	134
Derivative assets	8	2,201	147	2,356
Total assets	$508	19,148	213	19,869
Liabilities:				
Derivative liabilities				
Interest rate contracts	$ 54	802	2	858
Foreign exchange contracts	-	275	-	275
Equity contracts	-	-	81	81
Commodity contracts	-	130	-	130
Derivative liabilities	54	1,207	83	1,344
Short positions	2	4	-	6
Total liabilities	$56	1,211	83	1,350

*(a)Excludes FHLB and FRB restricted stock totaling **$497** and **$347**, respectively, at **December 31, 2012** and $497 and $345, respectively, at December 31, 2011.*
(b)Includes residential mortgage loans originated as held for sale and subsequently transferred to held for investment.
(c)During the years ended December 31, 2012 and 2011, no assets or liabilities were transferred between Level 1 and Level 2.

The following is a description of the valuation methodologies used for significant instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Available-for-sale and trading securities

Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include government bonds and exchange traded equities. If quoted market prices are not available, then fair values are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. Examples of such instruments, which are classified within Level 2 of the valuation hierarchy, include agency and non-agency mortgage-backed securities, other asset-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds. Corporate bonds are included in other bonds, notes and debentures in the previous table. Agency mortgage-backed securities, obligations of U.S. Government sponsored agencies, and corporate and municipal bonds are generally valued using a market approach based on observable prices of securities with similar characteristics.

Non-agency mortgage-backed securities and other asset-backed securities, which are included in other bonds, notes and debentures, are generally valued using an income approach based on discounted cash flows, incorporating prepayment speeds, performance of underlying collateral and specific tranche-level attributes. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Residential mortgage loans held for sale

For residential mortgage loans held for sale, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, DCF models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as

held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the DCF model. These observable inputs include interest rate spreads from agency mortgage-backed securities market rates and observable discount rates.

Residential mortgage loans

Residential mortgage loans held for sale that are reclassified to held for investment are transferred from Level 2 to Level 3 of the fair value hierarchy. It is the Bancorp's policy to value any transfers between levels of the fair value hierarchy based on end of period fair values.

For residential mortgage loans reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are classified within Level 3 of the valuation hierarchy. An adverse change in the loss rate or severity assumption would result in a decrease in fair value of the related loan. The Secondary Marketing Department, which reports to the Bancorp's Chief Operating Officer, in conjunction with the Consumer Credit Risk Department, which reports to the Bancorp's Chief Risk Officer, are responsible for determining the valuation methodology for residential mortgage loans held for investment. The Secondary Marketing Department reviews loss severity assumptions quarterly to determine if adjustments are necessary based on decreases in observable housing market data. This group also reviews trades in comparable benchmark securities and adjusts the values of loans as necessary. Consumer Credit Risk is responsible for the credit component of the fair value which is based on internally developed loss rate models that take into account historical loss rates and loss severities based on underlying collateral values.

Derivatives

Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using discounted cash flow or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At December 31, 2012 and 2011, derivatives classified as Level 3, which are valued using models containing unobservable inputs, consisted primarily of warrants associated with the sale of the processing business to Advent International and a total return swap associated with the Bancorp's sale of Visa, Inc. Class B shares. Level 3 derivatives also include interest rate lock commitments, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

In connection with the sale of the processing business, the Bancorp provided Advent International with certain put options that were exercisable in the event of certain circumstances. The put options expired as a result of the Vantiv, Inc. initial public offering in March of 2012. In addition, the associated warrants allow the Bancorp to purchase approximately 20 million incremental nonvoting units in Vantiv Holding, LLC under certain defined conditions involving change of control. The fair value of the warrants is calculated in conjunction with a third party valuation provider by applying Black-Scholes option valuation models using probability weighted scenarios which contain the following inputs: Vantiv, Inc. stock price, strike price per the Warrant Agreement and several unobservable inputs, such as expected term, expected volatility, and expected dividend rate.

For the warrants, an increase in the expected term (years), the expected volatility and the risk free rate assumptions would result in an increase in the fair value; correspondingly, a decrease in these assumptions would result in a decrease in the fair value. The Accounting and Treasury Departments, both of which report to the Bancorp's Chief Financial Officer, determined the valuation methodology for the warrants and put option. Accounting and Treasury review changes in fair value on a quarterly basis for reasonableness based on changes in historical and implied volatilities, expected terms, probability weightings of the related scenarios, and other assumptions.

Under the terms of the total return swap, the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Visa, Inc. Class B shares into Class A shares. The fair value of the total return swap was calculated using a discounted cash flow model based on unobservable inputs consisting of management's estimate of the probability of certain litigation scenarios, the timing of the resolution of the Covered Litigation and Visa litigation loss estimates in excess, or shortfall, of the Bancorp's proportional share of escrow funds.

An increase in the loss estimate or a delay in the resolution of the Covered Litigation would result in an increase in fair value; correspondingly, a decrease in the loss estimate or an acceleration of the resolution of the Covered Litigation would result in a decrease in fair value. The Accounting and Treasury Departments determined the valuation methodology for the total return swap. Accounting and Treasury review the changes in fair value on a quarterly basis for reasonableness based on Visa stock price changes, litigation contingencies, and escrow funding.

The net fair value of the interest rate lock commitments at December 31, 2012 was $60 million. Immediate decreases in current interest rates of 25 bps and 50 bps would result in increases in the fair value of the interest rate lock commitments of approximately $24 million and $39 million, respectively. Immediate increases of current interest rates of 25 bps and 50 bps would result in decreases in the fair value of the interest rate lock commitments of approximately $32 million and $69 million, respectively. The decrease in fair value of interest rate lock commitments due to immediate 10% and 20% adverse changes in the assumed loan closing rates would be approximately $6 million and $12 million, respectively, and the increase in fair value due to immediate 10% and 20% favorable changes in the assumed loan closing rates would be approximately $6 million and $12 million, respectively. These sensitivities are hypothetical and should be used with caution, as changes in fair value based on a variation in assumptions typically cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear.

The Secondary Marketing Department and the Consumer Line of Business Finance Department, which reports to the Bancorp's Chief Financial Officer, are responsible for determining the valuation methodology for IRLCs. Secondary Marketing, in conjunction with a third party valuation provider, periodically review loan closing rate assumptions and recent loan sales to determine if adjustments are needed for current market conditions not reflected in historical data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following tables are a reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the year ended December 31, 2012 ($ in millions)	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 1	65	32	32	$ 130
Total gains or losses (realized/unrealized):					
Included in earnings	**-**	**-**	**418**	**22**	**440**
Purchases	**-**	**-**	**-**	**-**	**-**
Settlements	**-**	**(15)**	**(393)**	**90**	**(318)**
Transfers into Level 3(b)	**-**	**26**	**-**	**-**	**26**
Ending balance	**$ 1**	**76**	**57**	**144**	**$ 278**
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2012 (c)	**$ -**	**-**	**233**	**22**	**$ 255**

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the year ended December 31, 2011 ($ in millions)	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 6	46	2	53	$ 107
Total gains or losses (realized/unrealized):					
Included in earnings	-	4	205	(43)	166
Purchases	-	-	-	2	2
Sales	(5)	-	-	-	(5)
Settlements	-	(9)	(175)	20	(164)
Transfers into Level 3(b)	-	24	-	-	24
Ending balance	$ 1	65	32	32	$ 130
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2011 (c)	$ -	4	32	(43)	$ (7)

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)					
For the year ended December 31, 2010 ($ in millions)	Residual Interests in Securitizations	Trading Securities	Residential Mortgage Loans	Interest Rate Derivatives, Net(a)	Equity Derivatives, Net(a)	Total Fair Value
Beginning balance	$ 174	13	26	(2)	11	$ 222
Total gains or losses (realized/unrealized):						
Included in earnings	-	3	-	187	(14)	176
Purchases, sales, issuances, and settlements, net	(174)(d)	(10)	(6)	(183)	56	(317)
Transfers into Level 3(b)	-	-	26	-	-	26
Ending balance	$ -	6	46	2	53	$ 107
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at December 31, 2010(c)	$ -	-	-	60	(14)	$ 46

(a)Net interest rate derivatives include derivative assets and liabilities of ***$60*** *and* ***$3****, respectively, as of* ***December 31, 2012****, $34 and $2, respectively as of December 31, 2011 and $13 and $11, respectively, as of December 31, 2010. Net equity derivatives include derivative assets and liabilities of* ***$177*** *and* ***$33****, respectively, as of* ***December 31, 2012,*** *$113 and $81, respectively, as of December 31, 2011, and $81 and $28, respectively, as of December 31, 2010.*

(b)Includes residential mortgage loans held for sale that were transferred to held for investment.

(c)Includes interest income and expense.

(d)Due to a change in U.S. GAAP adopted by the Bancorp on January 1, 2010, all residual interests in securitizations were eliminated concurrent with the consolidation of the related VIEs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The total gains and losses included in earnings for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were recorded in the Consolidated Statements of Income as follows:

($ in millions)	2012	2011	2010
Mortgage banking net revenue	**418**	210	187
Corporate banking revenue	**1**	2	1
Other noninterest income	**21**	(46)	(15)
Securities gains, net	**-**	-	3
Total gains	**$440**	166	176

The total gains and losses included in earnings attributable to changes in unrealized gains and losses related to Level 3 assets and liabilities still held at December 31, 2012, 2011 and 2010 were recorded in the Consolidated Statements of Income as follows:

($ in millions)	2012	2011	2010
Mortgage banking net revenue	**233**	37	60
Corporate banking revenue	**1**	1	1
Other noninterest income	**21**	(45)	(15)
Total (losses) gains	**$255**	(7)	46

The following table presents information as of December 31, 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a recurring basis:

($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Residential mortgage loans	$ 76	Loss rate model	Interest rate risk factor	(91.2) - 17.0%	5.8%
			Credit risk factor	0 - 68.4%	4.3%
IRLCs, net	60	Discounted cash flow	Loan closing rates	9.9 - 95.0%	58.3%
Stock warrants associated with the sale of the processing business	177	Black-Scholes option valuation model	Expected term (years)	2.00 - 16.50	6.2
			Expected volatility[(a)]	27.2 - 40.0%	33.8%
			Expected dividend rate	-	-
Swap associated with the sale of Visa, Inc. Class B shares	(33)	Discounted cash flow	Timing of the resolution of the Covered Litigation	12/31/2013 - 12/31/2016	NM

(a)Based on historical and implied volatilities of comparable companies assuming similar expected terms.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

The following tables represent those assets that were subject to fair value adjustments during the years ended December 31, 2012 and 2011 and still held as of the end of the period, and the related losses from fair value adjustments on assets sold during the period as well as assets still held as of the end of the period:

	Fair Value Measurements Using				Total Losses
As of December 31, 2012 ($ in millions)	Level 1	Level 2	Level 3	Total	2012
Commercial loans held for sale[(a)]	**$ -**	**-**	**9**	**9**	**(13)**
Commercial and industrial loans	**-**	**-**	**83**	**83**	**(122)**
Commercial mortgage loans	**-**	**-**	**46**	**46**	**(50)**
Commercial construction loans	**-**	**-**	**4**	**4**	**(22)**
MSRs	**-**	**-**	**697**	**697**	**(103)**
OREO property	**-**	**-**	**165**	**165**	**(74)**
Total	**$ -**	**-**	**1,004**	**1,004**	**(384)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

	Fair Value Measurements Using				Total Losses
As of December 31, 2011 ($ in millions)	Level 1	Level 2	Level 3	Total	2011
Commercial loans held for sale[(a)]	$ -	-	27	27	(67)
Commercial and industrial loans	-	-	101	101	(328)
Commercial mortgage loans	-	-	85	85	(124)
Commercial construction loans	-	-	55	55	(60)
MSRs	-	-	681	681	(242)
OREO property	-	-	224	224	(171)
Total	$ -	-	1,173	1,173	(992)

(a)Includes commercial nonaccrual loans held for sale.

The following table presents information as of December 31, 2012 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a nonrecurring basis:

($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	$ 9	Appraised value	Appraised value	NM	NM
			Cost to sell	NM	10.0%
Commercial and industrial loans	83	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
			Loss severities	0 - 100%	8.9%
Commercial mortgage loans	46	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
			Loss severities	0 - 100%	19.9%
Commercial construction loans	4	Appraised value	Default rates	100%	NM
			Collateral value	NM	NM
			Loss severities	0 - 21.5%	8.9%
MSRs	697	Discounted cash flow	Prepayment speed	0 - 100%	(Fixed) 16.1% (Adjustable) 26.9%
			Discount rates	9.4 - 18.0%	(Fixed) 10.5% (Adjustable) 11.7%
OREO property	165	Appraised value	Appraised value	NM	NM

Commercial loans held for sale

During 2012, the Bancorp transferred $16 million of commercial loans from the portfolio to loans held for sale that upon transfer were measured at fair value using significant unobservable inputs. These loans had fair value adjustments totaling $1 million and were generally based on appraisals of the underlying collateral and were therefore, classified within Level 3 of the valuation hierarchy. Additionally, during 2012 there were fair value adjustments on existing commercial loans held for sale of $12 million. The fair value adjustments are also based on appraisals of the underlying collateral and were therefore classified within Level 3 of the valuation hierarchy. An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The Accounting Department determines the procedures for valuation of commercial HFS loans which may include a comparison to recently executed transactions of similar type loans. A monthly review of the portfolio is performed for reasonableness. Quarterly, appraisals approaching a year-old are updated and the Real Estate Valuation group, which reports to the Chief Credit Officer, in conjunction with the Commercial Line of Business review the third party appraisals for reasonableness. Additionally, the Commercial Line of Business Finance Department, which reports to the Bancorp Chief Financial Officer, in conjunction with Accounting review all loan appraisal values, carrying values and vintages.

Commercial loans held for investment

During 2012 and 2011, the Bancorp recorded nonrecurring impairment adjustments to certain commercial and industrial, commercial mortgage and commercial construction loans held for investment. Larger commercial loans included within aggregate borrower relationship balances exceeding $1 million that exhibit probable or observed credit weaknesses are subject to individual review for impairment. The Bancorp considers the current value of collateral, credit quality of any guarantees, the guarantor's liquidity and willingness to cooperate, the loan structure and other factors when evaluating whether an individual loan is impaired. When the loan is collateral dependent, the fair value of the loan is generally based on the fair value of the underlying collateral supporting the loan and therefore these loans were classified within Level 3 of the valuation hierarchy. In cases where the carrying value exceeds the fair value, an impairment loss is recognized.

An adverse change in the fair value of the underlying collateral would result in a decrease in the fair value measurement. The fair values and recognized impairment losses are reflected in the previous table. Commercial Credit Risk, which reports to the Chief Risk Officer, is responsible for preparing and reviewing the fair value estimates for commercial loans held for investment.

MSRs

During 2012 and 2011, the Bancorp recognized temporary impairments in certain classes of the MSR portfolio in which the carrying value was adjusted to fair value. MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs do occur, the precise terms and conditions typically are not readily available. Accordingly, the Bancorp estimates the fair value of MSRs using internal discounted cash flow models with certain unobservable inputs, primarily prepayment speed assumptions, discount rates and weighted average lives, resulting in a classification within Level 3 of the valuation hierarchy. Refer to Note 11 for

Table of Contents

further information on the assumptions used in the valuation of the Bancorp's MSRs. The Secondary Marketing Department and Treasury Department are responsible for determining the valuation methodology for MSRs. Representatives from Secondary Marketing, Treasury, Accounting and Risk Management are responsible for reviewing key assumptions used in the internal discounted cash flow model. Two external valuations of the MSR portfolio are obtained from third parties that use valuation models in order to assess the reasonableness of the internal discounted cash flow model. Additionally, the Bancorp participates in peer surveys that provide additional confirmation of the reasonableness of key assumptions utilized in the MSR valuation process and the resulting MSR prices.

OREO

During 2012 and 2011, the Bancorp recorded nonrecurring adjustments to certain commercial and residential real estate properties classified as OREO and measured at the lower of carrying amount or fair value. These nonrecurring losses are primarily due to declines in real estate values of the properties recorded in OREO. For the years ended December 31, 2012 and 2011, these losses include $17 million and $100 million in losses, respectively, recorded as charge-offs, on new OREO properties transferred from loans during the periods and $57 million and $71 million, respectively, in losses, recorded in other noninterest income, attributable to fair value adjustments on OREO properties subsequent to their transfer from loans. As discussed in the following paragraphs, the fair value amounts are generally based on appraisals of the property values, resulting in a classification within Level 3 of the valuation hierarchy. In cases where the carrying amount exceeds the fair value, less costs to sell, an impairment loss is recognized. The previous tables reflect the fair value measurements of the properties before deducting the estimated costs to sell.

The Real Estate Valuation department, which reports to the Chief Credit Officer, is solely responsible for managing the appraisal process and evaluating the appraisal for all commercial properties transferred to OREO. All appraisals on commercial OREO properties are updated on at least an annual basis.

The Real Estate Valuation department reviews the BPO data and internal market information to determine the initial charge-off on residential real estate loans transferred to OREO. Once the foreclosure process is completed, the Bancorp performs an interior inspection to update the initial fair value of the property. These properties are reviewed at least every 30 days after the initial interior inspections are completed. The Asset Manager receives a monthly status report for each property which includes the number of showings, recently sold properties, current comparable listings and overall market conditions.

Fair Value Option

The Bancorp elected to measure certain residential mortgage loans held for sale under the fair value option as allowed under U.S. GAAP. Electing to measure residential mortgage loans held for sale at fair value reduces certain timing differences and better matches changes in the value of these assets with changes in the value of derivatives used as economic hedges for these assets. Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and maintained in the Bancorp's loan portfolio. In such cases, the loans will continue to be measured at fair value.

Fair value changes recognized in earnings for instruments held at December 31, 2012 and 2011 for which the fair value option was elected as well as the changes in fair value of the underlying IRLCs, included gains of $157 million and $123 million, respectively. Additionally, fair value changes included in earnings for instruments for which the fair value option was elected but are no longer held by the Bancorp at December 31, 2012 and 2011 included gains of $849 million and $341 million during 2012 and 2011, respectively. These gains are reported in mortgage banking net revenue in the Consolidated Statements of Income.

Valuation adjustments related to instrument-specific credit risk for residential mortgage loans measured at fair value negatively impacted the fair value of those loans by $3 million at December 31, 2012 and 2011. Interest on residential mortgage loans measured at fair value is accrued as it is earned using the effective interest method and is reported as interest income in the Consolidated Statements of Income.

The following table summarizes the difference between the fair value and the principal balance for residential mortgage loans measured at fair value as of:

($ in millions)	Aggregate Fair Value	Aggregate Unpaid Principal Balance	Difference
December 31, 2012			
Residential mortgage loans measured at fair value	**$2,932**	**2,775**	**157**
Past due loans of 90 days or more	**3**	**4**	**(1)**
Nonaccrual loans	**-**	**1**	**(1)**
December 31, 2011			
Residential mortgage loans measured at fair value	$2,816	2,693	123
Past due loans of 90 days or more	4	5	(1)
Nonaccrual loans	-	-	-

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fair Value of Certain Financial Instruments

The following tables summarize the carrying amounts and estimated fair values for certain financial instruments, excluding financial instruments measured at fair value on a recurring basis:

As of December 31, 2012 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
Financial assets:					
Cash and due from banks	$ 2,441	2,441	-	-	2,441
Other securities	844	-	844	-	844
Held-to-maturity securities	284	-	-	284	284
Other short-term investments	2,421	2,421	-	-	2,421
Loans held for sale	83	-	-	83	83
Portfolio loans and leases:					
Commercial and industrial loans	35,236	-	-	36,496	36,496
Commercial mortgage loans	8,770	-	-	8,020	8,020
Commercial construction loans	665	-	-	505	505
Commercial leases	3,481	-	-	3,310	3,310
Residential mortgage loans(a)	11,712	-	-	11,532	11,532
Home equity	9,875	-	-	9,798	9,798
Automobile loans	11,944	-	-	12,076	12,076
Credit card	2,010	-	-	2,139	2,139
Other consumer loans and leases	270	-	-	288	288
Unallocated allowance for loan and lease losses	(111)	-	-	-	-
Total portfolio loans and leases, net(a)	83,852	-	-	84,164	84,164
Financial liabilities:					
Deposits	89,517	-	89,592	-	89,592
Federal funds purchased	901	901	-	-	901
Other short-term borrowings	6,280	-	6,280	-	6,280
Long-term debt	7,085	6,925	884		7,809

(a)Excludes $76 of residential mortgage loans measured at fair value on a recurring basis.

As of December 31, 2011 ($ in millions)	Net Carrying Amount	Fair Value
Financial assets:		
Cash and due from banks	$ 2,663	2,663
Other securities	842	842
Held-to-maturity securities	322	322
Other short-term investments	1,781	1,781
Loans held for sale	203	203
Portfolio loans and leases:		
Commercial and industrial loans	29,854	30,300
Commercial mortgage loans	9,697	8,870
Commercial construction loans	943	791
Commercial leases	3,451	3,237
Residential mortgage loans(a)	10,380	9,978
Home equity	10,524	9,737
Automobile loans	11,784	11,747
Credit card	1,872	1,958
Other consumer loans and leases	329	346
Unallocated allowance for loan and lease losses	(136)	-
Total portfolio loans and leases, net(a)	78,698	76,964
Financial liabilities:		
Deposits	85,710	85,599
Federal funds purchased	346	346
Other short-term borrowings	3,239	3,239
Long-term debt	9,682	10,197

(a)Excludes $65 of residential mortgage loans measured at fair value on a recurring basis.

Cash and due from banks, other securities, other short-term investments, deposits, federal funds purchased and other short-term borrowings

For financial instruments with a short-term or no stated maturity, prevailing market rates and limited credit risk, carrying amounts approximate fair value. Those financial instruments include cash and due from banks, FHLB and FRB restricted stock, other short-term investments, certain deposits (demand, interest checking, savings, money market and foreign office deposits), and federal funds purchased. Fair values for other time deposits, certificates of deposit $100,000 and over and other short-term borrowings were estimated using a discounted cash flow calculation that applied prevailing LIBOR/swap interest rates for the same maturities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Held-to-maturity securities

The Bancorp's held-to-maturity securities are primarily composed of instruments that provide income tax credits as the economic return on the investment. The fair value of these instruments is estimated based on current U.S. Treasury tax credit rates.

Loans held for sale

Fair values for commercial loans held for sale were valued based on executable bids when available, or on discounted cash flow models incorporating appraisals of the underlying collateral, as well as assumptions about investor return requirements and amounts and timing of expected cash flows. Fair values for other consumer loans held for sale are based on contractual values upon which the loans may be sold to a third party, and approximate their carrying value.

Portfolio loans and leases, net

Fair values were estimated by discounting future cash flows using the current market rates of loans to borrowers with similar credit characteristics and similar remaining maturities.

Long-term debt

Fair value of long-term debt was based on quoted market prices, when available, or a discounted cash flow calculation using LIBOR/swap interest rates and, in some cases, a spread for new issuances with similar terms.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27. CERTAIN REGULATORY REQUIREMENTS AND CAPITAL RATIOS

The principal source of income and funds for the Bancorp (parent company) are dividends from its subsidiaries. The dividends paid by the Bancorp's banking subsidiary are subject to regulations and limitations prescribed by the appropriate state and federal supervisory authorities. The Bancorp's nonbank subsidiaries are also limited by certain federal and state statutory provisions and regulations covering the amount of dividends that may be paid in any given year.

The Bancorp's banking subsidiary must maintain cash reserve balances when total reservable deposit liabilities are greater than the regulatory exemption. These reserve requirements may be satisfied with vault cash and balances on deposit with the FRB. In 2012 and 2011, the banking subsidiary was required to maintain average cash reserve balances of $1.5 billion and $744 million, respectively.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines pursuant to which it assesses the adequacy of capital in examining and supervising a bank holding company and in analyzing applications to it under the Bank Holding Company Act of 1956, as amended. These guidelines include quantitative measures that assign risk weightings to assets and off-balance sheet items, as well as define and set minimum regulatory capital requirements. All bank holding companies are required to maintain Tier I capital (core capital) of at least four percent of risk-weighted assets (Tier I capital ratio), total capital (Tier I plus Tier II capital) of at least eight percent of risk-weighted assets (Total risk-based capital ratio), and Tier I capital of at least three percent of adjusted quarterly average assets (Tier I leverage ratio). Failure to meet the minimum capital requirements can initiate certain actions by regulators that could have a direct material effect on the Consolidated Financial Statements of the Bancorp.

Tier I capital consists principally of shareholders' equity including Tier I qualifying TruPS. It excludes unrealized gains and losses on available-for-sale securities and unrecognized pension actuarial gains and losses and prior service cost, goodwill, certain other intangibles and unrealized cash flow hedges. Current provisions of the Dodd-Frank Act will phase out the inclusion of certain TruPS as a component of Tier I capital beginning January 1, 2013. Under these provisions, these TruPS would qualify as a component of Tier II capital. At December 31, 2012, the Bancorp's Tier I capital included $810 million of TruPS representing approximately 74 bps of risk-weighted assets.

Tier II capital consists principally of term subordinated debt, redeemable preferred stock and, subject to limitations, allowances for loan and lease losses.

Assets and credit equivalent amounts of off-balance-sheet items are assigned to one of several broad risk categories, according to the obligor, guarantor or nature of collateral. The aggregate dollar value of the amount of each category is multiplied by the associated risk weighting of that category. The resulting weighted values from each of the risk categories in sum is the total risk-weighted assets. Quarterly average assets for this purpose do not include goodwill and any other intangible assets and other investments that the FRB determines should be deducted from Tier I capital.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines for banking subsidiaries substantially similar to those adopted by the Board of Governors of the Federal Reserve System regarding bank holding companies, as described previously. In addition, the federal banking agencies have issued substantially similar regulations to implement the system of prompt corrective action established by Section 38 of the Federal Deposit Insurance Act. Under the regulations, a bank generally shall be deemed to be well-capitalized if it has a Total risk-based capital ratio of 10% or more, a Tier I capital ratio of six percent or more, a Tier I leverage ratio of five percent or more and is not subject to any written capital order or directive. If an institution becomes undercapitalized, it would become subject to significant additional oversight, regulations and requirements as mandated by the Federal Deposit Insurance Act.

The Bancorp and its banking subsidiary, Fifth Third Bank, had Tier I capital, Total risk-based capital and Tier I leverage ratios above the well-capitalized levels at December 31, 2012 and 2011. As of December 31, 2012, the most recent notification from the FRB categorized the Bancorp and its banking subsidiary as well-capitalized under the regulatory framework for prompt corrective action. To continue to qualify for financial holding company status pursuant to the Gramm-Leach-Bliley Act of 1999, the Bancorp's banking subsidiary must, among other things, maintain "well-capitalized" capital ratios.

The following table presents capital and risk-based capital and leverage ratios for the Bancorp and its banking subsidiary at December 31:

	2012		2011	
($ in millions)	**Amount**	**Ratio**	Amount	Ratio
Tier I risk-based capital (to risk-weighted assets):(a)				
Fifth Third Bancorp (Consolidated)	**$11,685**	**10.65%**	$12,503	11.91%
Fifth Third Bank	**12,145**	**11.28**	12,373	12.02
Total risk-based capital (to risk-weighted assets):(a)				
Fifth Third Bancorp (Consolidated)	**15,816**	**14.42**	16,885	16.09
Fifth Third Bank	**13,721**	**12.74**	14,013	13.61
Tier I leverage (to average assets):				
Fifth Third Bancorp (Consolidated)	**11,685**	**10.05**	12,503	11.10
Fifth Third Bank	**12,145**	**10.65**	12,373	11.20

(a) Under the banking agencies risk-based capital guidelines, assets and credit equivalent amounts of derivatives and off-balance sheet exposures are assigned to broad risk categories. The aggregate dollar amount in each risk category is multiplied by the associated risk weight of the category. The resulting weighted values are added together resulting in the Bancorp's total risk-weighted assets.

Table of Contents

28. PARENT COMPANY FINANCIAL STATEMENTS

Condensed Statements of Income (Parent Company Only) For the years ended December 31 ($ in millions)	2012	2011	2010
Income			
Dividends from subsidiaries:			
Consolidated bank subsidiaries(a)	$ —	—	—
Consolidated nonbank subsidiary	1,959	1,677	1,400
Interest on loans to subsidiaries	17	29	33
Total income	1,976	1,706	1,433
Expenses			
Interest	215	216	188
Other	61	25	26
Total expenses	276	241	214
Income Before Income Taxes and Change in Undistributed Earnings of Subsidiaries	1,700	1,465	1,219
Applicable income tax benefit	96	79	64
Income Before Change in Undistributed Earnings of Subsidiaries	1,796	1,544	1,283
Decrease in undistributed earnings	(220)	(247)	(530)
Net Income	$1,576	1,297	753

*(a) The Bancorp's indirect banking subsidiary paid dividends, to the Bancorp's direct nonbank subsidiary holding company of **$2.0 billion**, $2.0 billion, and $1.4 billion for the years ended **2012**, 2011, and 2010, respectively.*

Condensed Statements of Comprehensive Income (Parent Company Only) For the years ended December 31 ($ in millions)	2012	2011	2010
Net income	$1,576	1,297	753
Other comprehensive income (loss), net of tax:			
Unrealized gains on cash flow hedge derivatives	3	2	(4)
Other comprehensive income (loss)	3	2	(4)
Comprehensive income	1,579	1,299	749
Less: Comprehensive income attributable to noncontrolling interests	(2)	1	—
Comprehensive income attributable to Bancorp	$1,581	1,298	749

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Condensed Balance Sheets (Parent Company Only) As of December 31 ($ in millions)	**2012**	2011
Assets		
Cash	**$ —**	50
Short-term investments	**3,481**	3,588
Loans to subsidiaries:		
Bank subsidiaries	**—**	—
Nonbank subsidiaries	**1,021**	1,032
Total loans to subsidiaries	**1,021**	1,032
Investment in subsidiaries		
Nonbank subsidiaries	**15,376**	15,631
Total investment in subsidiaries	**15,376**	15,631
Goodwill	**80**	80
Other assets	**579**	731
Total Assets	**$20,537**	21,112
Liabilities		
Other short-term borrowings	**566**	655
Accrued expenses and other liabilities	**456**	422
Long-term debt (external)	**5,751**	6,784
Total Liabilities	**6,773**	7,861
Parent Company Shareholders' Equity	**13,764**	13,251
Total Liabilities and Parent Company Shareholders' Equity	**$20,537**	21,112

Condensed Statements of Cash Flows (Parent Company Only) For the years ended December 31 ($ in millions)	**2012**	2011	2010
Operating Activities			
Net income	**$ 1,576**	1,297	753
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for (Benefit from) deferred income taxes	**2**	(3)	(2)
Decrease in undistributed earnings	**220**	247	530
Net change in:			
Other assets	**57**	39	(6)
Accrued expenses and other liabilities	**18**	3	(339)
Other, net	**—**	—	(11)
Net Cash Provided by Operating Activities	**1,873**	1,583	925
Investing Activities			
Net change in:			
Short-term investments	**107**	(635)	(603)
Loans to subsidiaries	**11**	489	(161)
Net Cash Provided by (Used in) Investing Activities	**118**	(146)	(764)
Financing Activities			
Net change in other short-term borrowings	**(89)**	241	134
Proceeds from issuance of long-term debt	**500**	1,000	—
Repayment of long-term debt	**(1,440)**	(400)	—
Dividends paid on common shares	**(309)**	(192)	(32)
Dividends paid on preferred shares	**(35)**	(50)	(205)
Issuance of common shares	**—**	1,648	—
Repurchases of treasury shares and related forward contracts	**(650)**	—	—
Redemption of Series F preferred shares and related warrants	**—**	(3,688)	—
Other, net	**(18)**	(6)	—
Net Cash Used in Financing Activities	**(2,041)**	(1,447)	(103)
Net (Decrease) Increase in Cash	**(50)**	(10)	58
Cash at Beginning of Year	**50**	60	2
Cash at End of Year	**$ —**	50	60

29. BUSINESS SEGMENTS

The Bancorp reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices are improved and businesses change.

The Bancorp manages interest rate risk centrally at the corporate level by employing a FTP methodology. This methodology insulates the business segments from interest rate volatility, enabling them to focus on serving customers through loan originations and deposit taking. The FTP system assigns charge rates and credit rates to classes of assets and liabilities, respectively, based on expected duration and the U.S. swap curve. Matching duration allocates interest income and interest expense to each segment so its resulting net interest income is insulated from interest rate risk. In a rising rate environment, the Bancorp benefits from the widening spread between deposit costs and wholesale funding costs. However, the Bancorp's FTP system credits this benefit to deposit-providing businesses, such as Branch Banking and Investment Advisors, on a duration-adjusted basis. The net impact of the FTP methodology is captured in General Corporate and Other.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of the estimated durations for the indeterminate-lived deposits. The credit rate provided for demand deposit accounts is reviewed annually based upon the account type, its estimated duration and the corresponding fed funds, U.S. swap curve or swap rate. The credit rates for several deposit products were reset January 1, 2012 to reflect the current market rates and updated market assumptions. These rates were lower than those in place during 2011, thus net interest income for deposit providing businesses was negatively impacted during 2012.

The business segments are charged provision expense based on the actual net charge-offs experienced by the loans and leases owned by each segment. Provision expense attributable to loan and leases growth and changes in ALLL factors are captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Even with these allocations, the financial results are not necessarily indicative of the business segments' financial condition and results of operations as if they existed as independent entities. Additionally, the business segments form synergies by taking advantage of cross-sell opportunities and when funding operations, by accessing the capital markets as a collective unit.

Results of operations and assets by segment for each of the three years ended December 31 are:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2012 ($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$ 1,432	1,362	314	117	370	—	3,595
Provision for loan and lease losses	223	294	176	10	(400)	—	303
Net interest income after provision for loan and lease losses	1,209	1,068	138	107	770	—	3,292
Noninterest income:							
Mortgage banking net revenue	—	14	830	1	—	—	845
Service charges on deposits	225	294	—	3	—	—	522
Corporate banking revenue	395	15	—	3	—		413
Investment advisory revenue	6	129	—	366	—	(127)(a)	374
Card and processing revenue	46	279	—	4	(76)	—	253
Other noninterest income	65	81	42	19	367	—	574
Securities gains, net	—	—	1	—	14	—	15
Securities gains, net—non-qualifying hedges on mortgage servicing rights	—	—	3	—	—	—	3
Total noninterest income	737	812	876	396	305	(127)	2,999
Noninterest expense:							
Salaries, wages and incentives	229	448	192	136	602	—	1,607
Employee benefits	39	125	39	25	143	—	371
Net occupancy expense	21	187	8	11	75	—	302
Technology and communications	10	3	1	—	182	—	196
Card and processing expense	5	115	—	—	1	—	121
Equipment expense	2	54	1	1	52	—	110
Other noninterest expense	800	660	429	264	(652)	(127)	1,374
Total noninterest expense	1,106	1,592	670	437	403	(127)	4,081
Income before income taxes	840	288	344	66	672	—	2,210
Applicable income tax expense	146	102	121	23	244	—	636
Net income	694	186	223	43	428	—	1,574
Less: Net income attributable to noncontrolling interests	—	—	—	—	(2)	—	(2)
Net income attributable to Bancorp	694	186	223	43	430	—	1,576
Dividends on preferred stock	—	—	—	—	35	—	35
Net income available to common shareholders	$ 694	186	223	43	395	—	1,541
Total goodwill	$ 613	1,655	—	148	—	—	2,416
Total assets	$ 48,693	48,856	24,657	9,212	(9,524)	—	121,894

(a)Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2011 ($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$ 1,357	1,423	343	113	321	—	3,557
Provision for loan and lease losses	490	393	261	27	(748)	—	423
Net interest income after provision for loan and lease losses	867	1,030	82	86	1,069	—	3,134
Noninterest income:							
Mortgage banking net revenue	—	11	585	1	—	—	597
Service charges on deposits	207	309	—	4	—	—	520
Corporate banking revenue	332	14	—	3	1	—	350
Investment advisory revenue	12	117	—	364	(1)	(117)(a)	375
Card and processing revenue	38	305	—	4	(39)	—	308
Other noninterest income	52	81	36	(3)	84	—	250
Securities gains, net	—	—	—	—	46	—	46
Securities gains, net—non-qualifying hedges on mortgage servicing rights	—	—	9	—	—	—	9
Total noninterest income	641	837	630	373	91	(117)	2,455
Noninterest expense:							
Salaries, wages and incentives	203	454	149	138	534	—	1,478
Employee benefits	37	127	34	26	106	—	330
Net occupancy expense	20	184	8	11	82	—	305
Technology and communications	11	5	1	1	170	—	188
Card and processing expense	5	114	—	—	1	—	120
Equipment expense	2	51	1	1	58	—	113
Other noninterest expense	795	640	433	244	(771)	(117)	1,224
Total noninterest expense	1,073	1,575	626	421	180	(117)	3,758
Income before income taxes	435	292	86	38	980	—	1,831
Applicable income tax (benefit) expense	(6)	102	30	14	393	—	533
Net income	441	190	56	24	587	—	1,298
Less: Net income attributable to noncontrolling interest	—	—	—	—	1	—	1
Net income attributable to Bancorp	441	190	56	24	586	—	1,297
Dividends on preferred stock	—	—	—	—	203	—	203
Net income available to common shareholders	$ 441	190	56	24	383	—	1,094
Total goodwill	$ 613	1,656	—	148	—	—	2,417
Total assets	$ 45,864	46,703	24,325	7,670	(7,595)	—	116,967

(a)Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

Table of Contents

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2010 ($ in millions)	Commercial Banking	Branch Banking	Consumer Lending	Investment Advisors	General Corporate and Other	Eliminations	Total
Net interest income	$ 1,531	1,514	405	138	16	—	3,604
Provision for loan and lease losses	1,159	555	569	44	(789)	—	1,538
Net interest income (loss) after provision for loan and lease losses	372	959	(164)	94	805	—	2,066
Noninterest income:							
Mortgage banking net revenue	—	27	619	2	(1)	—	647
Service charges on deposits	199	369	1	6	(1)	—	574
Corporate banking revenue	346	15	—	3	—	—	364
Investment advisory revenue	15	106	—	346	—	(106)(a)	361
Card and processing revenue	33	298	—	1	(16)	—	316
Other noninterest income	42	70	36	(2)	260	—	406
Securities gains, net	—	—	—	—	47	—	47
Securities gains, net—non-qualifying hedges on mortgage servicing rights	—	—	14	—	—	—	14
Total noninterest income	635	885	670	356	289	(106)	2,729
Noninterest expense:							
Salaries, wages and incentives	182	439	163	131	515	—	1,430
Employee benefits	32	121	31	25	105	—	314
Net occupancy expense	16	174	7	9	92	—	298
Technology and communications	14	16	2	2	155	—	189
Card and processing expense	2	105	—	—	1	—	108
Equipment expense	2	49	1	1	69	—	122
Other noninterest expense	723	652	342	237	(454)	(106)	1,394
Total noninterest expense	971	1,556	546	405	483	(106)	3,855
Income (loss) before income taxes	36	288	(40)	45	611	—	940
Applicable income tax expense (benefit)	(142)	103	(14)	16	224	—	187
Net income (loss)	178	185	(26)	29	387	—	753
Less: Net income attributable to noncontrolling interest	—	—	—	—	—	—	—
Net income (loss) attributable to Bancorp	178	185	(26)	29	387	—	753
Dividends on preferred stock	—	—	—	—	250	—	250
Net income available to common shareholders	$ 178	185	(26)	29	137	—	503
Total goodwill	$ 613	1,656	—	148	—	—	2,417
Total assets	$ 43,609	46,244	22,604	6,759	(8,209)	—	111,007

(a)Revenue sharing agreements between Investment Advisors and Branch Banking are eliminated in the Consolidated Statements of Income.

30. SUBSEQUENT EVENT

On January 28, 2013, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp will purchase approximately $125 million of its outstanding common stock. The Bancorp is repurchasing the shares of its common stock as part of its previously announced 100 million share repurchase program. This repurchase transaction concludes the $600 million of common share repurchases not objected to by the FRB in the 2012 CCAR process. As part of this transaction, the Bancorp entered into a forward contract in which the final number of shares to be delivered at settlement of the accelerated share repurchase transaction will be based generally on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the Repurchase Agreement. The accelerated share repurchase will be treated as two separate transactions (i) the acquisition of treasury shares on the acquisition date and (ii) a forward contract indexed to the Bancorp's stock.

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2012

Commission file number 001-33653

Incorporated in the State of Ohio
I.R.S. Employer Identification No. 31-0854434
Address: 38 Fountain Square
Plaza Cincinnati, Ohio 45263
Telephone: (800) 972-3030

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Common Stock, Without Par Value	The NASDAQ Stock Market LLC
8.5% Non-Cumulative Series G Convertible Perpetual Preferred Stock	The NASDAQ Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes: ☒ No: ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes: ☐ No: ☒

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes: ☒ 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). Yes: ☒ No: ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

There were 875,281,580 shares of the Bancorp's Common Stock, without par value, outstanding as of January 31, 2013. The Aggregate Market Value of the Voting Stock held by non-affiliates of the Bancorp was $12,248,353,562 as of June 30, 2012.

DOCUMENTS INCORPORATED BY REFERENCE

This report incorporates into a single document the requirements of the U.S. Securities and Exchange Commission (SEC) with respect to annual reports on Form 10-K and annual reports to shareholders. The Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders is incorporated by reference into Part III of this report.

Only those sections of this 2012 Annual Report to Shareholders that are specified in this Cross Reference Index constitute part of the Registrant's Form 10-K for the year ended December 31, 2012. No other information contained in this 2012 Annual Report to Shareholders shall be deemed to constitute any part of this Form 10-K nor shall any such information be incorporated into the Form 10-K and shall not be deemed "filed" as part of the Registrant's Form 10-K.

10-K Cross Reference Index

PART I		
Item 1.	Business	16-19, 164-169
	Employees	40
	Segment Information	42-48, 158-161
	Average Balance Sheets	36
	Analysis of Net Interest Income and Net Interest Income Changes	35-48
	Investment Securities Portfolio	52-53, 96-97
	Loan and Lease Portfolio	51-52, 98-99
	Risk Elements of Loan and Lease Portfolio	57-72
	Deposits	53-54
	Return on Equity and Assets	15
	Short-term Borrowings	54-55, 121
Item 1A.	Risk Factors	26-34
Item 1B.	Unresolved Staff Comments	None
Item 2.	Properties	170
Item 3.	Legal Proceedings	129-130
Item 4.	Mine Safety Disclosures	N/A
	Executive Officers of the Bancorp	170
PART II		
Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	171
Item 6.	Selected Financial Data	15
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	15-80
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	72-75
Item 8.	Financial Statements and Supplementary Data	83-162
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	None
Item 9A.	Controls and Procedures	81
Item 9B.	Other Information	None
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	173
Item 11.	Executive Compensation	173

Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	140-143, 173
Item 13.	Certain Relationships and Related Transactions, and Director Independence	173
Item 14.	Principal Accounting Fees and Services	173
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	173-176
SIGNATURES		177

AVAILABILITY OF FINANCIAL INFORMATION

Fifth Third Bancorp (the "Bancorp") files reports with the SEC. Those reports include the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements, as well as any amendments to those reports. The public may read and copy any materials the Bancorp files with the SEC at the SEC's Public Reference Room at 450 Fifth Street, NW, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at www.sec.gov. The Bancorp's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those reports filed or furnished pursuant to section 13(a) or 15(d) of the Exchange Act are accessible at no cost on the Bancorp's web site at www.53.com on a same day basis after they are electronically filed with or furnished to the SEC.

PART I

ITEM 1. BUSINESS

General Information

The Bancorp, an Ohio corporation organized in 1975, is a bank holding company as defined by the Bank Holding Company Act of 1956, as amended (the "BHCA"), and is registered as such with the Board of Governors of the Federal Reserve System (the "FRB"). The Bancorp's principal office is located in Cincinnati, Ohio.

The Bancorp's subsidiaries provide a wide range of financial products and services to the retail, commercial, financial, governmental, educational and medical sectors, including a wide variety of checking, savings and money market accounts, and credit products such as credit cards, installment loans, mortgage loans and leases. Fifth Third Bank has deposit insurance provided by the Federal Deposit Insurance Corporation (the "FDIC") through the Deposit Insurance Fund. Refer to Exhibit 21 filed as an attachment to this Annual Report on Form 10-K for a list of subsidiaries of the Bancorp as of December 31, 2012.

The Bancorp derives the majority of its revenues from the U.S. Revenue from foreign countries and external customers domiciled in foreign countries is immaterial to the Bancorp's Consolidated Financial Statements.

Additional information regarding the Bancorp's businesses is included in Management's Discussion and Analysis of Financial Condition and Results of Operations.

Competition

The Bancorp competes for deposits, loans and other banking services in its principal geographic markets as well as in selected national markets as opportunities arise. In addition to the challenge of attracting and retaining customers for traditional banking services, the Bancorp's competitors include securities dealers, brokers, mortgage bankers, investment advisors and insurance companies. These competitors, with focused products targeted at highly profitable customer segments, compete across geographic boundaries and provide customers increasing access to meaningful alternatives to banking services in nearly all significant products. The increasingly competitive environment is a result primarily of changes in regulation, changes in technology, product delivery systems and the accelerating pace of consolidation among financial service providers. These competitive trends are likely to continue.

Acquisitions

The Bancorp's strategy for growth includes strengthening its presence in core markets, expanding into contiguous markets and broadening its product offerings while taking into account the integration and other risks of growth. The Bancorp evaluates strategic acquisition opportunities and conducts due diligence activities in connection with possible transactions. As a result, discussions, and in some cases, negotiations may take place and future acquisitions involving cash, debt or equity securities may occur. These typically involve the payment of a premium over book value and current market price, and therefore, some dilution of book value and net income per share may occur with any future transactions.

Regulation and Supervision

In addition to the generally applicable state and federal laws governing businesses and employers, the Bancorp and its banking subsidiary are subject to extensive regulation by federal and state laws and regulations applicable to financial institutions and their parent companies. Virtually all aspects of the business of the Bancorp and its banking subsidiary are subject to specific

requirements or restrictions and general regulatory oversight. The principal objectives of state and federal banking laws and regulations and the supervision, regulation and examination of banks and their parent companies (such as the Bancorp) by bank regulatory agencies are the maintenance of the safety and soundness of financial institutions, maintenance of the federal deposit insurance system and the protection of consumers or classes of consumers, rather than the specific protection of shareholders of a bank or the parent company of a bank. To the extent the following material describes statutory or regulatory provisions, it is qualified in its entirety by reference to the particular statute or regulation.

Regulators

The Bancorp and/or its banking subsidiary are subject to regulation and supervision primarily by the FRB, the Consumer Financial Protection Bureau (the "CFPB") and the Ohio Division of Financial Institutions (the "Division") and additionally by certain other functional regulators and self-regulatory organizations. The Bancorp is also subject to regulation by the SEC by virtue of its status as a public company and due to the nature of some of its businesses. The Bancorp's banking subsidiary is subject to regulation by the FDIC, which insures the bank's deposits as permitted by law.

The federal and state laws and regulations that are applicable to banks and to some extent bank holding companies regulate, among other matters, the scope of their business, their activities, their investments, their reserves against deposits, the timing of the availability of deposited funds, the amount of loans to individual and related borrowers and the nature, amount of and collateral for certain loans, and the amount of interest that may be charged on loans. Various federal and state consumer laws and regulations also affect the services provided to consumers.

The Bancorp and/or its subsidiary are required to file various reports with, and is subject to examination by regulators, including the FRB and the Division. The FRB, Division and the CFPB have the authority to issue orders to bank holding companies and/or banks to cease and desist from certain banking practices and violations of conditions imposed by, or violations of agreements with, the FRB, Division and CFPB. Certain of the Bancorp's and/or its banking subsidiary regulators are also empowered to assess civil money penalties against companies or individuals in certain situations, such as when there is a violation of a law or regulation. Applicable state and federal law also grant certain regulators the authority to impose additional requirements and restrictions on the activities of the Bancorp and or its banking subsidiary and, in some situations, the imposition of such additional requirements and restrictions will not be publicly available information.

Acquisitions

The BHCA requires the prior approval of the FRB for a bank holding company to acquire substantially all the assets of a bank or to acquire direct or indirect ownership or control of more than 5% of any class of the voting shares of any bank, bank holding company or savings association, or to increase any such non-majority ownership or control of any bank, bank holding company or savings association, or to merge or consolidate with any bank holding company.

The BHCA prohibits a bank holding company from acquiring a direct or indirect interest in or control of more than 5% of any class of the voting shares of a company that is not a bank or a bank holding company and from engaging directly or indirectly in activities other than those of banking, managing or controlling banks or furnishing services to its banking subsidiaries, except that it may engage in and may own shares of companies engaged in certain activities the FRB has determined to be so closely related to banking or managing or controlling banks as to be proper incident thereto.

Financial Holding Companies

The Gramm-Leach-Bliley Act of 1999 ("GLBA") permits a qualifying bank holding company to become a financial holding company ("FHC") and thereby to engage directly or indirectly in a broader range of activities than those permitted for a bank holding company under the BHCA. Permitted activities for a FHC include securities underwriting and dealing, insurance underwriting and brokerage, merchant banking and other activities that are declared by the FRB, in cooperation with the Treasury Department, to be "financial in nature or incidental thereto" or are declared by the FRB unilaterally to be "complementary" to financial activities. In addition, a FHC is allowed to conduct permissible new financial activities or acquire permissible non-bank financial companies with after-the-fact notice to the FRB. A bank holding company may elect to become a FHC if each of its banking subsidiaries is well capitalized, is well managed and has at least a "Satisfactory" rating under the Community Reinvestment Act ("CRA"). Dodd-Frank also extended the well capitalized and well managed requirement to the bank holding company. In 2000, the Bancorp elected and qualified for FHC status under the GLBA. To maintain FHC status, a holding company must continue to meet certain requirements. The failure to meet such requirements could result in restrictions on the activities of the FHC or loss of FHC status. If restrictions are imposed on the activities of an FHC, such information may not necessarily be available to the public.

Dividends

The Bancorp depends in part upon dividends received from its direct and indirect subsidiaries, including its indirect banking subsidiary, to fund its activities, including the payment of dividends. The Bancorp and its banking subsidiary are subject to various federal and state restrictions on their ability to pay dividends. The FRB has authority to prohibit bank holding companies from paying dividends if such payment is deemed to be an unsafe or unsound practice. The FRB has indicated generally that it may be an unsafe or unsound practice for bank holding companies to pay dividends unless a bank holding company's net income is sufficient to fund the dividends and the expected rate of earnings retention is consistent with the organization's capital needs, asset quality and overall financial condition. The ability to pay dividends may be further limited by provisions of the Dodd-Frank Act and implanting regulations (see the "Regulatory Reform" section).

Source of Strength

Under long-standing FRB policy and now as codified in the Dodd-Frank Act, a bank holding company is expected to act as a source of financial and managerial strength to each of its banking subsidiaries and to commit resources to their support. This support may be required at times when the bank holding company may not have the resources to provide it.

FDIC Assessments

As contemplated by the Dodd-Frank Act the FDIC has revised the framework by which insured depository institutions with more

than $10 billion in assets (“large IDIs”) are assessed for purposes of payments to the Deposit Insurance Fund (the “DIF”). The final rule implementing revisions to the assessment system was released on February 7, 2011, and took effect for the quarter beginning April 1, 2011.

Prior to the passage of the Dodd-Frank Act, a large IDI’s DIF premiums principally were based on the size of an IDI’s domestic deposit base. The Dodd-Frank Act changed the assessment base from a large IDI’s domestic deposit base to its total assets less tangible equity. In addition to potentially greatly increasing the size of a large IDI’s assessment base, the expansion of the assessment base affords the FDIC much greater flexibility to vary its assessment system based upon the different asset classes that large IDIs normally hold on their balance sheets.

To implement this provision, the FDIC created an assessment scheme vastly different from the deposit-based system. Under the new system, large IDIs are assessed under a complex “scorecard” methodology that seeks to capture both the probability that an individual large IDI will fail and the magnitude of the impact on the DIF if such a failure occurs.

Transactions with Affiliates

Sections 23A and 23B of the Federal Reserve Act, restrict transactions between a bank and its affiliates (as defined in Sections 23A and 23B of the Federal Reserve Act), including a parent bank holding company. The Bancorp’s banking subsidiary is subject to certain restrictions, including but not limited to restrictions on loans to its affiliates, on investments in the stock or securities thereof, on the taking of such stock or securities as collateral for loans to any borrower, and on the issuance of a guarantee or letter of credit on their behalf. Among other things, these restrictions limit the amount of such transactions, require collateral in prescribed amounts for extensions of credit, prohibit the purchase of low quality assets and require that the terms of such transactions be substantially equivalent to terms of comparable transactions with non-affiliates. Generally, the Bancorp’s banking subsidiary is limited in its extension of credit to any affiliate to 10% of the banking subsidiary’s capital stock and surplus and its extension of credit to all affiliates to 20% of the banking subsidiary’s capital stock and surplus.

Community Reinvestment Act

The CRA generally requires insured depository institutions to identify the communities they serve and to make loans and investments and provide services that meet the credit needs of those communities. Furthermore, the CRA requires the FRB to evaluate the performance of the Bancorp’s banking subsidiary in helping to meet the credit needs of its communities. As a part of the CRA program, the banking subsidiary is subject to periodic examinations by the FRB, and must maintain comprehensive records of their CRA activities for this purpose. During these examinations, the FRB rates such institutions’ compliance with the CRA as “Outstanding,” “Satisfactory,” “Needs to Improve” or “Substantial Noncompliance.” Failure of an institution to receive at least a “Satisfactory” rating could inhibit such institution or its holding company from undertaking certain activities, including engaging in activities permitted as a financial holding company under the GLBA and acquiring other financial institutions. The FRB must take into account the record of performance of banks in meeting the credit needs of the entire community served, including low- and moderate-income neighborhoods. Fifth Third Bank received a “Satisfactory” CRA rating in its most recent CRA examination.

Capital

The FRB has established capital guidelines for bank holding companies and FHCs. The FRB, the Division and the FDIC have also issued regulations establishing capital requirements for banks. Failure to meet capital requirements could subject the Bancorp and its banking subsidiary to a variety of restrictions and enforcement actions. In addition, as discussed previously, the Bancorp and its banking subsidiary must remain well capitalized and well managed for the Bancorp to retain its status as a FHC. See the “Regulatory Reform” section for additional information on capital requirements impacting the Bancorp.

Privacy

The FRB, FDIC and other bank regulatory agencies have adopted final guidelines (the “Guidelines) for safeguarding confidential, personal customer information. The Guidelines require each financial institution, under the supervision and ongoing oversight of its Board of Directors or an appropriate committee thereof, to create, implement and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, protect against any anticipated threats or hazards to the security or integrity of such information and protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. The Bancorp has adopted a customer information security program that has been approved by the Bancorp’s Board of Directors (the “Board).

The GLBA requires financial institutions to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to non-affiliated third parties. In general, the statute requires explanations to consumers on policies and procedures regarding the disclosure of such nonpublic personal information, and, except as otherwise required by law, prohibits disclosing such information except as provided in the banking subsidiary’s policies and procedures. The Bancorp’s banking subsidiary has implemented a privacy policy.

Anti-Money Laundering

The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “Patriot Act”), designed to deny terrorists and others the ability to obtain access to the United States financial system, has significant implications for depository institutions, brokers, dealers and other businesses involved in the transfer of money. The Patriot Act, as implemented by various federal regulatory agencies, requires financial institutions, including the Bancorp and its subsidiaries, to implement new policies and procedures or amend existing policies and procedures with respect to, among other matters, anti-money laundering, compliance, suspicious activity and currency transaction reporting and due diligence on customers. The Patriot Act and its underlying regulations also permit information sharing for counter-terrorist purposes between federal law enforcement agencies and financial institutions, as well as among financial institutions, subject to certain conditions, and require the FRB (and other federal banking agencies) to evaluate the effectiveness of an applicant in combating money laundering activities when considering applications filed under Section 3 of the BHCA or the Bank Merger Act. The Bancorp’s Board has approved policies and procedures that are believed to be compliant with the Patriot Act.

Table of Contents

Exempt Brokerage Activities

The GLBA amended the federal securities laws to eliminate the blanket exceptions that banks traditionally have had from the definition of "broker" and "dealer." The GLBA also required that there be certain transactional activities that would not be "brokerage" activities, which banks could effect without having to register as a broker. In September 2007, the FRB and SEC approved Regulation R to govern bank securities activities. Various exemptions permit banks to conduct activities that would otherwise constitute brokerage activities under the securities laws. Those exemptions include conducting brokerage activities related to trust, fiduciary and similar services, certain services and also conducting a de minimis number of riskless principal transactions, certain asset-backed transactions and certain securities lending transactions. The Bancorp only conducts non-exempt brokerage activities through its affiliated registered broker-dealer.

Regulatory Reform

On July 21, 2010, President Obama signed into law the Dodd-Frank Act, which is aimed, in part, at accountability and transparency in the financial system and includes numerous provisions that apply to and/or could impact the Bancorp and its banking subsidiary. The Dodd-Frank Act implements changes that, among other things, affect the oversight and supervision of financial institutions, provide for a new resolution procedure for large financial companies, create a new agency responsible for implementing and enforcing compliance with consumer financial laws, introduce more stringent regulatory capital requirements, effect significant changes in the regulation of over-the-counter derivatives, reform the regulation of credit rating agencies, implement changes to corporate governance and executive compensation practices, incorporate requirements on proprietary trading and investing in certain funds by financial institutions (known as the "Volcker Rule"), require registration of advisers to certain private funds, and effect significant changes in the securitization market. In order to fully implement many provisions of the Dodd-Frank Act, various government agencies, in particular banking and other financial services agencies are required to promulgate regulations. Set forth below is a discussion of some of the major sections the Dodd-Frank Act and implementing regulations that have or could have a substantial impact on the Bancorp and its banking subsidiary. Due to the volume of regulations required by the Dodd-Frank Act, not all proposed or final regulations that may have an impact on the Bancorp or its banking subsidiary are necessarily discussed.

Financial Stability Oversight Council

The Dodd-Frank Act creates the Financial Stability Oversight Council ("FSOC"), which is chaired by the Secretary of the Treasury and composed of expertise from various financial services regulators. The FSOC has responsibility for identifying risks and responding to emerging threats to financial stability. On March 15, 2012, the Department of Treasury issued a final rule to establish an assessment schedule for the collection of fees from bank holding companies with at least $50 billion in assets and foreign banks with at least $50 billion in assets in the U.S. to cover the expenses of the Office of Financial Research and FSOC. The fees would also cover certain expenses incurred by the FDIC. The initial assessment period commenced July 21, 2012 and ends March 31, 2013. The Bancorp paid approximately $1 million for the initial assessment period. The next scheduled assessment is set to occur on September 16, 2013.

Executive Compensation

The Dodd-Frank Act provides for a say on pay for shareholders of all public companies. Under the Dodd-Frank Act, each company must give its shareholders the opportunity to vote on the compensation of its executives at least once every three years. The Dodd-Frank Act also adds disclosure and voting requirements for golden parachute compensation that is payable to named executive officers in connection with sale transactions.

Pursuant to the Dodd-Frank Act, in June 2012, the SEC adopted a final rule directing the stock exchanges to prohibit listing classes of equity securities if a company's compensation committee members are not independent. The rule also provides that a company's compensation committee may only select a compensation consultant, legal counsel or other advisor after taking into consideration factors to be identified by the SEC that affect the independence of a compensation consultant, legal counsel or other advisor.

The SEC is required under the Dodd-Frank Act to issue rules obligating companies to disclose in proxy materials for annual meetings of shareholders information that shows the relationship between executive compensation actually paid to their named executive officers and their financial performance, taking into account any change in the value of the shares of a company's stock and dividends or distributions.

The Dodd-Frank Act provides that the SEC must issue rules directing the stock exchanges to prohibit listing any security of a company unless the company develops and implements a policy providing for disclosure of the policy of the company on incentive-based compensation that is based on financial information required to be reported under the securities laws and that, in the event the company is required to prepare an accounting restatement due to the material noncompliance of the company with any financial reporting requirement under the securities laws, the company will recover from any current or former executive officer of the company who received incentive-based compensation during the three-year period preceding the date on which the company is required to prepare the restatement based on the erroneous data, any exceptional compensation above what would have been paid under the restatement.

The Dodd-Frank Act requires the SEC to adopt a rule to require that each company disclose in the proxy materials for its annual meetings whether an employee or board member is permitted to purchase financial instruments designed to hedge or offset decreases in the market value of equity securities granted as compensation or otherwise held by the employee or board member.

Corporate Governance

The Dodd-Frank Act clarifies that the SEC may, but is not required to promulgate rules that would require that a company's proxy materials include a nominee for the board of directors submitted by a shareholder. Although the SEC promulgated rules to accomplish this, these rules were invalidated by a federal appeals court decision. The SEC has said that they will not challenge the ruling, but has not ruled out the possibility that new rules could be proposed.

The Dodd-Frank Act requires stock exchanges to have rules prohibiting their members from voting securities that they do not beneficially own (unless they have received voting instructions from the beneficial owner) with respect to the election of a member of the board of directors (other than an uncontested election of directors of an investment company registered under the Investment Company Act of 1940), executive compensation or any other significant matter, as determined by the SEC by rule.

Credit Ratings
The Dodd-Frank Act includes a number of provisions that are targeted at improving the reliability of credit ratings. The SEC has been charged with adopting various rules in this regard.

Consumer Issues
The Dodd-Frank Act created a new bureau, the CFPB, which has the authority to implement regulations pursuant to numerous consumer protection laws and has supervisory authority, including the power to conduct examination and take enforcement actions, with respect to depository institutions with more than $10 billion in consolidated assets. The CFPB also has authority, with respect to consumer financial services to, among other things, restrict unfair, deceptive or abusive acts or practices, enforce laws that prohibit discrimination and unfair treatment and to require certain consumer disclosures.

Debit Card Interchange Fees
The Dodd-Frank Act provides for a set of new rules requiring that interchange transaction fees for electric debit transactions be "reasonable" and proportional to certain costs associated with processing the transactions. The FRB was given authority to, among other things, establish standards for assessing whether interchange fees are reasonable and proportional. In June 2011, the FRB issued a final rule establishing certain standards and prohibitions pursuant to the Dodd-Frank Act, including establishing standards for debit card interchange fees and allowing for an upward adjustment if the issuer develops and implements policies and procedures reasonably designed to prevent fraud. The provisions regarding debit card interchange fees and the fraud adjustment became effective October 1, 2011. The rules impose requirements on the Bancorp and its banking subsidiary and may negatively impact our revenues and results of operations.

FDIC Matters and Resolution Planning
The Dodd-Frank Act creates an orderly liquidation process that the FDIC can employ for failing financial companies that are not insured depository institutions. The Dodd-Frank Act gives the FDIC new authority to create a widely available emergency financial stabilization program to guarantee the obligations of solvent depository institutions and their holding companies and affiliates during times of severe economic stress. Additionally, the Dodd-Frank Act also codifies many of the temporary changes that had already been implemented, such as permanently increasing the amount of deposit insurance to $250,000.

In September 2011, the FDIC approved an interim final rule that requires an insured depository institution with $50 billion or more in total assets to submit periodic contingency plans to the FDIC for resolution in the event of the institution's failure. The rule became effective in January 2012, however, submission of plans will be staggered over a period of time. The Bancorp's banking subsidiary is subject to this rule.

In October 2011, the FRB issued a final rule implementing resolution planning requirements in the Dodd-Frank Act. The final rule requires bank holding companies with assets of $50 billion or more and nonbank financial firms designated by FSOC for supervision by the FRB to annually submit resolution plans to the FDIC and FRB. Each plan shall describe the company's strategy for rapid and orderly resolution in bankruptcy during times of financial distress. Under the final rule, companies will submit their initial resolution plans on a staggered basis. The Bancorp will be required to submit a resolution plan pursuant to this rule.

Proprietary Trading and Investing in Certain Funds
The Dodd-Frank Act sets forth new restrictions on banking organizations' ability to engage in proprietary trading and sponsorship of or investment in private equity and hedge funds (the "Volcker Rule"). The scope of the new restrictions will be more clear upon adoption of final regulations promulgated under the Volcker Rule, however the Volcker Rule also generally prohibits any banking entity from sponsoring or acquiring any ownership interest in a private equity or hedge fund. The Volcker Rule, however, contains a number of exceptions, which exceptions will be clarified upon promulgation of final rules adopted on an interagency basis. The Volcker Rule permits transactions in the securities of the U.S. government and its agencies, certain government-sponsored enterprises and states and their political subdivisions, as well as certain investments in small business investment companies. Transactions on behalf of customers and in connection with certain underwriting and market making activities, as well as risk-mitigating hedging activities and certain foreign banking activities are also permitted. De minimus ownership of private equity or hedge funds will also be permitted under final regulations as well. In addition to the general prohibition on sponsorship and investment, the Volcker Rule contains additional requirements applicable to any private equity or hedge fund that is sponsored by the banking entity or for which it serves as investment manager or investment advisor. The Bancorp will be required to demonstrate that it has a satisfactory compliance program specifically to monitor compliance with the Volcker rule. Under the final rule to implement the conformance period, the Bancorp will have until July 21, 2014, to fully conform its activities and investments. The rule also grants the FRB the authority to grant up to three one-year extension periods for any illiquid funds.

Derivatives
The Dodd-Frank Act includes measures to broaden the scope of derivative instruments subject to regulation by requiring clearing and exchange trading of certain derivatives, imposing new capital and margin requirements for certain market participants and imposing position limits on certain over-the-counter derivatives. To the extent that the Bancorp acts in certain capacities in trading derivatives or trades a certain amount of certain derivatives instruments, then certain affiliates of the Bancorp may be required to register with the Commodity Futures Trading Commission or the SEC. As with the Volcker Rule, the Bancorp will be required to demonstrate that it has a satisfactory compliance program to monitor the activities of any swap dealer or major swap participant registered under the new regulations. Although final rules defining certain key terms were adopted in June, 2012, the ultimate impact of these derivatives regulations, and the time it will take to comply, continues to remain uncertain. The final regulations will impose additional operational and compliance costs on us and may require us to restructure certain businesses and negatively impact our revenues and results of operations.

Interstate Bank Branching
The Dodd-Frank Act includes provisions permitting national and insured state banks to engage in *de novo* interstate branching if, under the laws of the state where the new branch is to be established, a state bank chartered in that state would be permitted to establish a branch.

Systemically Significant Companies and Capital

The Dodd-Frank Act creates a new regulatory regime for entities that are deemed to be "systemically significant financial companies." The Dodd-Frank Act sets a $50 billion consolidated asset floor for a bank holding company to be subject to the heightened oversight and regulation, although the FRB can adjust those amounts upward for some of the heightened standards under certain circumstances. Dodd-Frank establishes a broad framework for identifying, applying heightened supervision and regulation to, and (as necessary) limiting the size and activities of systemically significant financial companies.

The Dodd-Frank Act instructs the FRB to impose enhanced capital and risk-management standards on large financial firms and mandates the FRB to conduct annual stress tests on all bank holding companies with $50 billion or more in assets to determine whether they have the capital needed to absorb losses in baseline, adverse, and severely adverse economic conditions. In November 2011, the FRB adopted final rules requiring bank holding companies with $50 billion or more in consolidated assets to submit capital plans to the FRB on an annual basis. Under the final rules, the FRB annually will evaluate an institutions capital adequacy, internal capital adequacy, assessment processes and plans to make capital distributions such as dividend payments and stock repurchases.

In November 2012, the FRB provided instructions on the 2013 Comprehensive Capital Analysis and Review ("CCAR"). The 2013 CCAR required bank holding companies with consolidated assets of $50 billion or more to submit a capital plan to the FRB by January 7, 2013. The mandatory elements of the capital plan are an assessment of the expected use and sources of capital over the planning horizon, a description of all planned capital actions over the planning horizon, a discussion of any expected changes to the Bancorp's business plan that are likely to have a material impact on its capital adequacy or liquidity, a detailed description of the Bancorp's process for assessing capital adequacy and the Bancorp's capital policy.

In December 2011, the FRB issued proposed rules to strengthen regulation and supervision of large bank holding companies and systemically important nonbank financial firms. The proposed rules would generally apply to all U.S. bank holding companies with consolidated assets of $50 billion or more, such as the Bancorp, and any nonbank financial firms that may be designated by the FSOC as systemically important companies. The proposal, which is mandated by the Dodd-Frank Act, includes a wide range of measures addressing such issues as capital, liquidity, credit exposure, stress testing, risk management and early remediation requirements. In particular, the proposal includes proposed risk-based capital and leverage requirements that would be implemented in two phases, the first phase would be subject to the FRB's capital plan rule issued in November 2011. The second phase would involve the FRB issuing a proposal to implement a risk-based capital surcharge based on the framework and methodology developed by the Basel Committee on Banking Supervision (the "Basel Committee"), the current version referred to as "Basel III."

Basel III is designed to materially improve the quality of regulatory capital and introduces a new minimum common equity requirement. Basel III also raises the numerical minimum capital requirements and introduces capital conservation and countercyclical buffers to induce banking organizations to hold capital in excess of regulatory minimums. In addition, Basel III establishes an international leverage standard for internationally active banks. The FRB is working with other U.S. banking regulators to implement the Basel III capital reforms in the United States. On June 12, 2012, the federal banking agencies, including the FRB, issued a joint release announcing three separate notices of proposed rulemaking ("NPRs") seeking comment on proposed rules that would revise and replace their current capital rules in a manner consistent both with relevant provisions of the Dodd-Frank Act as well as the implementation of Basel III. Also on June 12, 2012, these agencies announced the finalization of their market risk capital rule proposed in 2011. The NPRs indicated that the final rule would become effective on January 1, 2013, and the changes set forth in the final rules would be phased in from January 1, 2013 through January 1, 2019. However, in November 2012, the agencies announced that the effective date would be delayed.

Table of Contents

ITEM 2. PROPERTIES

The Bancorp's executive offices and the main office of Fifth Third Bank are located on Fountain Square Plaza in downtown Cincinnati, Ohio in a 32-story office tower, a five-story office building with an attached parking garage and a separate ten-story office building known as the Fifth Third Center, the William S. Rowe Building and the 530 Building, respectively. The Bancorp's main operations center is located in Cincinnati, Ohio, in a three-story building with an attached parking garage known as the Madisonville Operations Center. The Bank owns 100% of these buildings.

At December 31, 2012, the Bancorp, through its banking and non-banking subsidiaries, operated 1,325 banking centers, of which 940 were owned, 267 were leased and 118 for which the buildings are owned but the land is leased. The banking centers are located in the states of Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, North Carolina, West Virginia, Pennsylvania, Missouri, and Georgia. The Bancorp's significant owned properties are owned free from mortgages and major encumbrances.

EXECUTIVE OFFICERS OF THE BANCORP

Officers are appointed annually by the Board of Directors at the meeting of Directors immediately following the Annual Meeting of Shareholders. The names, ages and positions of the Executive Officers of the Bancorp as of February 22, are listed below along with their business experience during the past 5 years:

Kevin T. Kabat, 56. Vice Chairman of the Bancorp since September 2012 and Chief Executive Officer of the Bancorp since April 2007. Previously, Mr. Kabat was President of the Bancorp from June 2006 to September 2012 and Chairman from June 2008 to June 2010. Prior to that, Mr. Kabat was Executive Vice President of the Bancorp since December 2003.

Steven Alonso, 52. Executive Vice President of the Bancorp since March 2012. Previously, Mr. Alonso was Executive Vice President of Fifth Third Bank since November 2008. Prior to that, Mr. Alonso served as founder, chairman and CEO of OakStreet Mortgage, LLC.

Greg D. Carmichael, 51. President of the Bancorp since September 2012 and Chief Operating Officer of the Bancorp since June 2006. Previously, Mr. Carmichael was the Executive Vice President and Chief Information Officer of the Bancorp since June 2003.

Todd Clossin, 51. Executive Vice President and Chief Administrative Officer of the Bancorp since December 2011. Previously, Mr. Clossin was the President and CEO of Fifth Third Bank (Northeastern Ohio) since January 2005.

Mark D. Hazel, 47. Senior Vice President and Controller of the Bancorp since February 2010. Prior to that, Mr. Hazel was the Assistant Bancorp Controller since 2006 and was the Controller of Nonbank entities since 2003.

James R. Hubbard, 54. Senior Vice President and Chief Legal Officer of the Bancorp since February 2010. Prior to that, Mr. Hubbard was the Senior Vice President and Director of Legal Services since June 2001.

Gregory L. Kosch, 53. Executive Vice President of the Bancorp since June 2005. Previously, Mr. Kosch was Senior Vice President and head of the Bancorp's Commercial Division in the Chicago affiliate since June 2002.

Daniel T. Poston, 54. Executive Vice President of the Bancorp since June 2003, and Chief Financial Officer of the Bancorp since September 2009. Previously, Mr. Poston was the Controller of the Bancorp from July 2007 to May 2008 and from November 2008 to September 2009. Previously, Mr. Poston was the Chief Financial Officer of the Bancorp from May 2008 to November 2008. Formerly, Mr. Poston was the Auditor of the Bancorp since October 2001 and was Senior Vice President of the Bancorp and Fifth Third Bank since January 2002.

Paul L. Reynolds, 51. Executive Vice President, Secretary and Chief Risk Officer of the Bancorp since October 2011. Previously, Mr. Reynolds was Executive Vice President, Secretary and Chief Administrative Officer of the Bancorp since September 2009. Previously, Mr. Reynolds was Executive Vice President, Secretary and General Counsel since 2002. Prior to that he was Executive Vice President, General Counsel and Assistant Secretary since 1999.

Joseph R. Robinson, 44. Executive Vice President and Chief Information Officer and Director of Information Technology and Operations of the Bancorp since September 2009. Previously, Mr. Robinson was Executive Vice President and Chief Information Officer of the Bancorp since April 2008. Prior to that, he was Senior Vice President and Director of Central Operations since November 2006 and Senior Vice President of IT Enterprise Solutions since March 2004.

Robert A. Sullivan, 58. Senior Executive Vice President of the Bancorp since December 2002.

Teresa J. Tanner, 44. Executive Vice President and Chief Human Resources Officer of the Bancorp since February 2010. Previously, Ms. Tanner was Senior Vice President and Director of Enterprise Learning since September 2008. Prior to that, she was Human Resources Senior Vice President and Senior Business Partner for the Information Technology and Central Operations divisions since July 2006. Previously, she was Vice President and Senior Business Partner for Operations since September 2004.

Tayfun Tuzun, 48. Senior Vice President and Treasurer of the Bancorp since December of 2011. Previously, Mr. Tuzun was the Assistant Treasurer and Balance Sheet Manager of Fifth Third Bancorp since 2007. Previously, Mr. Tuzun was the Structured Finance Manager since 2007.

Table of Contents

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Bancorp’s common stock is traded in the over-the-counter market and is listed under the symbol “FITB” on the NASDAQ ® Global Select Market System.

High and Low Stock Prices and Dividends Paid Per Share

2012	High	Low	Dividends Paid Per Share
Fourth Quarter	$ 16.16	$ 13.75	$0.10
Third Quarter	$15.95	$ 13.07	$0.10
Second Quarter	$ 14.67	$ 12.04	$0.08
First Quarter	$ 14.73	$12.78	$0.08

2011	High	Low	Dividends Paid Per Share
Fourth Quarter	$ 13.08	$ 9.60	$0.08
Third Quarter	$ 13.09	$ 9.13	$0.08
Second Quarter	$ 14.15	$11.88	$0.06
First Quarter	$15.75	$13.25	$0.06

See a discussion of dividend limitations that the subsidiaries can pay to the Bancorp discussed in Note 3 of the Notes to the Consolidated Financial Statements. Additionally, as of December 31, 2012, the Bancorp had 52,997 shareholders of record.

Issuer Purchases of Equity Securities

Period	Shares Purchased*(a)*	Average Price Paid Per Share	Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Shares that May Be Purchased Under the Plans or Programs
October 2012	1,444,047	$ 15.23	1,444,047	77,024,853
November 2012	7,710,761	14.35	7,710,761	69,314,092
December 2012	6,267,410	14.83	6,267,410	63,046,682
Total	15,422,218	$ 14.63	15,422,218	63,046,682

(a)The Bancorp repurchased 87,515, 65,484 and 55,046 shares during October, November and December of 2012 in connection with various employee compensation plans of the Bancorp. These purchases are not included against the maximum number of shares that may yet be purchased under the Board of Directors authorization.

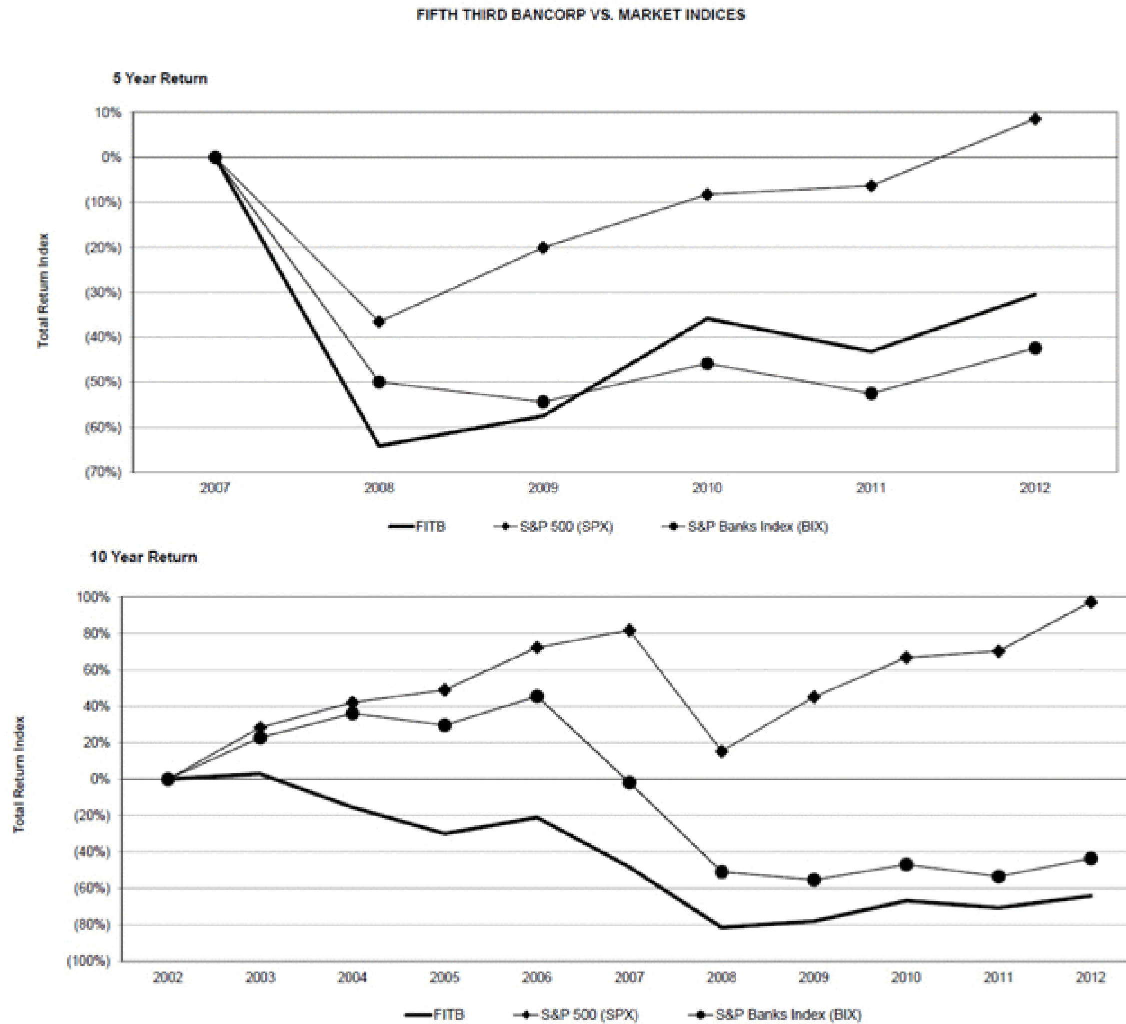
See further discussion of stock-based compensation in Note 23 of the Notes to the Consolidated Financial Statements.

The following performance graphs do not constitute soliciting material and should not be deemed filed or incorporated by reference into any other Company filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Bancorp specifically incorporates the performance graphs by reference therein.

Total Return Analysis

The graphs below summarize the cumulative return experienced by the Bancorp's shareholders over the years 2007 through 2012, and 2002 through 2012, respectively, compared to the S&P 500 Stock and the S&P Banks indices.

FIFTH THIRD BANCORP VS. MARKET INDICES



PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item relating to the Executive Officers of the Registrant is included in PART I under "EXECUTIVE OFFICERS OF THE BANCORP."

The information required by this item concerning Directors and the nomination process is incorporated herein by reference under the caption "ELECTION OF DIRECTORS" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

The information required by this item concerning the Audit Committee and Code of Business Conduct and Ethics is incorporated herein by reference under the captions "CORPORATE GOVERNANCE" and "BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

The information required by this item concerning Section 16 (a) Beneficial Ownership Reporting Compliance is incorporated herein by reference under the caption "SECTION 16 (a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference under the captions "COMPENSATION DISCUSSION AND ANALYSIS," "COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS," "COMPENSATION COMMITTEE REPORT" and "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Security ownership information of certain beneficial owners and management is incorporated herein by reference under the captions "CERTAIN BENEFICIAL OWNERS," "ELECTION OF DIRECTORS," "COMPENSATION DISCUSSION AND ANALYSIS" and "COMPENSATION OF NAMED EXECUTIVE OFFICERS AND DIRECTORS" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

The information required by this item concerning Equity Compensation Plan information is included in Note 23 of the Notes to the Consolidated Financial Statements.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference under the captions "CERTAIN TRANSACTIONS", "ELECTION OF DIRECTORS", "CORPORATE GOVERNANCE" and "BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated herein by reference under the caption "PRINCIPAL INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES" of the Bancorp's Proxy Statement for the 2013 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

	Pages
Public Accounting Firm	82
Fifth Third Bancorp and Subsidiaries Consolidated Financial Statements	83-87
Notes to Consolidated Financial Statements	88-162

The schedules for the Bancorp and its subsidiaries are omitted because of the absence of conditions under which they are required, or because the information is set forth in the Consolidated Financial Statements or the notes thereto.

The following lists the Exhibits to the Annual Report on Form 10-K.

2.1 Master Investment Agreement (excluding exhibits and schedules) dated as of March 27, 2009 and amended as of June 30, 2009, among Fifth Third Bank, Fifth Third Financial Corporation, Advent-Kong Blocker Corp., FTPS Holding, LLC and Fifth Third Processing Solutions, LLC. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 2, 2009.

3.1 Amended Articles of Incorporation of Fifth Third Bancorp, as amended. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012.

3.2 Code of Regulations of Fifth Third Bancorp, as Amended as of September 18, 2012. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on September 21, 2012.

4.1 Junior Subordinated Indenture, dated as of March 20, 1997 between Fifth Third Bancorp and Wilmington Trust Company, as Debenture Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 26, 1997.

4.2 Amended and Restated Trust Agreement, dated as of March 20, 1997 of Fifth Third Capital Trust II, among Fifth Third Bancorp, as Depositor, Wilmington Trust Company, as Property Trustee, and the Administrative Trustees named therein. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 26, 1997.

4.3 Guarantee Agreement, dated as of March 20, 1997 between Fifth Third Bancorp, as Guarantor, and Wilmington Trust Company, as Guarantee Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 26, 1997.

4.4 Agreement as to Expense and Liabilities, dated as of March 20, 1997 between Fifth Third Bancorp, as the holder of the Common Securities of Fifth Third Capital Trust I and Fifth Third Capital Trust II. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 26, 1997.

4.5 Indenture, dated as of May 23, 2003, between Fifth Third Bancorp and Wilmington Trust Company, as Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2003.

4.6 Global security representing Fifth Third Bancorp's $500,000,000 4.50% Subordinated Notes due 2018. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 22, 2003.

4.7 First Supplemental Indenture, dated as of December 20, 2006, between Fifth Third Bancorp and Wilmington Trust Company, as Trustee. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.8 Global security representing Fifth Third Bancorp's $500,000,000 5.45% Subordinated Notes due 2017. Incorporated by reference to

Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.9 Global security representing Fifth Third Bancorp's $250,000,000 Floating Rate Subordinated Notes due 2016. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2006.

4.10 First Supplemental Indenture dated as of March 30, 2007 between Fifth Third Bancorp and Wilmington Trust Company, as trustee, to the Junior Subordinated Indenture dated as of May 20, 1997 between Fifth Third and the Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 30, 2007.

4.11 Certificate Representing $500,000,000.00 of 6.50% Junior Subordinated Notes of Fifth Third Bancorp. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.12 Certificate Representing $250,010,000.00 of 6.50% Junior Subordinated Notes of Fifth Third Bancorp. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.13 Amended and Restated Declaration of Trust dated as of March 30, 2007 of Fifth Third Capital Trust IV among Fifth Third Bancorp, as Sponsor, Wilmington Trust Company, as Property Trustee and Delaware Trustee, and the Administrative Trustees named therein. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.14 Certificate Representing 500,000 6.50% Trust Preferred Securities of Fifth Third Capital Trust IV (liquidation amount $1,000 per Trust Preferred Security). Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.15 Certificate Representing 250,000 6.50% Trust Preferred Securities of Fifth Third Capital Trust IV (liquidation amount $1,000 per Trust Preferred Security). Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.16 Certificate Representing 10 6.50% Common Securities of Fifth Third Capital Trust IV (liquidation amount $1,000 per Common Security). Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.17 Guarantee Agreement, dated as of March 30, 2007 between Fifth Third Bancorp, as Guarantor, and Wilmington Trust Company, as Guarantee Trustee. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.18 Agreement as to Expense and Liabilities, dated as of March 30, 2007 between Fifth Third Bancorp and Fifth Third Capital Trust IV. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2007.

4.19 Replacement Capital Covenant of Fifth Third Bancorp dated as of March 30, 2007. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 30, 2007.

4.20 Amendment No. 1 to Replacement Capital Covenant, dated as of November 24, 2010 amending the Replacement Capital Covenant dated as of March 30, 2007. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 26, 2010.

4.21 Global security dated as of March 4, 2008 representing Fifth Third Bancorp's $500,000,000 8.25% Subordinated Notes due 2038. Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed for the quarter ended March 31, 2008. (1)

4.22 Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third Bancorp and Wilmington Trust Company, as trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2008.

4.23 Global security dated as of April 30, 2008 representing Fifth Third Bancorp's $500,000,000 6.25% Senior Notes due 2013.

4.25 Form of Certificate Representing the 8.50% Non-Cumulative Perpetual Convertible Preferred Stock, Series G, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 25, 2008.

4.26 Form of Depositary Receipt for the 8.50% Non-Cumulative Perpetual Convertible Preferred Stock, Series G, of Fifth Third Bancorp. Incorporated by reference to Exhibit 4.4 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 25, 2008.

4.27 Supplemental Indenture dated as of January 25, 2011 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third and the Trustee. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011.

4.28 Global Security dated as of January 25, 2011 representing Fifth Third Bancorp's $500,000,000 3.625% Senior Notes due 2016. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 25, 2011. (3)

4.29 Second Supplemental Indenture dated as of March 7, 2012 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third and the Trustee. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 7, 2012.

4.30 Global Security dated as of March 7, 2012 representing Fifth Third Bancorp's $500,000,000 3.500% Senior Notes due 2022. Incorporated by reference to the Registrant's Current Report on Form 8-K/A filed with the Securities and Exchange Commission on March 7, 2012.

10.1 Fifth Third Bancorp Unfunded Deferred Compensation Plan for Non-Employee Directors, as Amended and Restated. Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2011. *

10.2 Fifth Third Bancorp 1990 Stock Option Plan. Incorporated by reference to Registrant's filing with the Securities and Exchange Commission as an exhibit to the Registrant's Registration Statement on Form S-8, Registration No. 33-34075. *

10.3 Fifth Third Bancorp 1987 Stock Option Plan. Incorporated by reference to Registrant's filing with the Securities and Exchange Commission as an exhibit to the Registrant's Registration Statement on Form S-8, Registration No. 33-13252. *

10.4 Indenture effective November 19, 1992 between Fifth Third Bancorp, Issuer and NBD Bank, N.A., Trustee. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 1992 and as Exhibit 4.1 to the Registrant's Registration Statement on Form S-3, Registration No. 33-54134.

10.5 Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.6 First Amendment to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.7 Second Amended to Fifth Third Bancorp Master Profit Sharing Plan, as Amended and Restated. *

10.8 Fifth Third Bancorp 2011 Incentive Compensation Plan. Incorporated by reference to the Registrant's Proxy Statement dated March 10, 2011.*

Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 6, 2008. (2)

4.24 Deposit Agreement dated June 25, 2008, between Fifth Third Bancorp, Wilmington Trust Company, as depositary and conversion agent and American Stock Transfer and Trust Company, as transfer agent, and the holders from time to time of the Receipts described therein. Incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 25, 2008.

10.9 Amended and Restated Fifth Third Bancorp 1993 Stock Purchase Plan. Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*

10.10 Fifth Third Bancorp 1998 Long-Term Incentive Stock Plan, as Amended. Incorporated by reference to the Exhibits to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003.*

10.11 Fifth Third Bancorp Non-qualified Deferred Compensation Plan, as Amended and Restated.

10.12 CNB Bancshares, Inc. 1999 Stock Incentive Plan, 1995 Stock Incentive Plan, 1992 Stock Incentive Plan and Associate Stock Option Plan; and Indiana Federal Corporation 1986 Stock Option and Incentive Plan. Incorporated by reference to Registrant's filing with the Securities and Exchange Commission as an exhibit to a

	Registration Statement on Form S-4, Registration No. 333-84955 and by reference to CNB Bancshares Annual Report on Form 10-K, as amended, for the fiscal year ended December 31, 1998. *
10.13	Fifth Third Bancorp Stock Option Gain Deferral Plan. Incorporated by reference to Registrant's Proxy Statement dated February 9, 2001.*
10.14	Amendment No. 1 to Fifth Third Bancorp Stock Option Gain Deferral Plan. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 26, 2006. * .
10.15	Old Kent Executive Stock Option Plan of 1986, as Amended. Incorporated by reference to the following filings by Old Kent Financial Corporation with the Securities and Exchange Commission: Exhibit 10 to Form 10-Q for the quarter ended September 30, 1995; Exhibit 10.19 to Form 8-K filed on March 5, 1997; Exhibit 10.3 to Form 8-K filed on March 2, 2000. *
10.16	Old Kent Stock Option Incentive Plan of 1992, as Amended. Incorporated by reference to the following filings by Old Kent Financial Corporation with the Securities and Exchange Commission: Exhibit 10(b) to Form 10-Q for the quarter ended June 30, 1995; Exhibit 10.20 to Form 8-K filed on March 5, 1997; Exhibit 10(d) to Form 10-Q for the quarter ended June 30, 1997; Exhibit 10.3 to Form 8-K filed on March 2, 2000. *
10.17	Old Kent Executive Stock Incentive Plan of 1997, as Amended. Incorporated by reference to Old Kent Financial Corporation's Annual Meeting Proxy Statement dated March 1, 1997. *
10.18	Old Kent Stock Incentive Plan of 1999. Incorporated by reference to Old Kent Financial Corporation's Annual Meeting Proxy Statement dated March 1, 1999. *
10.19	Notice of Grant of Performance Units and Award Agreement. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *
10.20	Notice of Grant of Restricted Stock and Award Agreement (for Executive Officers). Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *
10.21	Notice of Grant of Stock Appreciation Rights and Award Agreement. Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *
10.22	Notice of Grant of Restricted Stock and Award Agreement (for Directors). Incorporated by reference to Registrant's Annual Report on Form 10-K filed for the fiscal year ended December 31, 2004. *
10.23	Franklin Financial Corporation 1990 Incentive Stock Option Plan. Incorporated by reference to Franklin Financial Corporation's Annual Report on Form 10-K for the year ended December 31, 1989.*
10.24	Franklin Financial Corporation 2000 Incentive Stock Option Plan. Incorporated by reference to Franklin Financial Corporation's Registration Statement on Form S-8, Registration No. 333-52928. *
10.25	Amended and Restated First National Bankshares of Florida, Inc. 2003 Incentive Plan. Incorporated by reference to First National Bankshares of Florida, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2003. *
10.26	Southern Community Bancorp Equity Incentive Plan. Incorporated by reference to Southern Community Bancorp's Registration Statement on Form SB-2, Registration No. 333-35548. *
10.27	Southern Community Bancorp Director Statutory Stock Option Plan. Incorporated by reference to Southern Community
10.33	Second Amendment to Stipulation dated August 12, 2005. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2005.
10.34	Order and Final Judgment of the United States District Court for the Southern District of Ohio. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2005.
10.35	Form of Executive Agreements effective December 31, 2008, between Fifth Third Bancorp and Kevin T. Kabat, Robert A. Sullivan, Greg D. Carmichael, Ross Kari, Bruce K. Lee, Charles D. Drucker and Terry Zink. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *
10.36	Form of Executive Agreements effective December 31, 2008, between Fifth Third Bancorp and Nancy Phillips, Daniel T. Poston, Paul L. Reynolds and Mary E. Tuuk. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *
10.37	Form of Executive Agreement effective December 31, 2008, between Fifth Third Bancorp and Mahesh Sankaran. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 31, 2008. *
10.38	Form of Executive Agreement effective January 17, 2012, between Fifth Third Bancorp and Tayfun Tuzun. Incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.*
10.39	Form of Amended Executive Agreements effective January 19, 2012, between Fifth Third Bancorp and Daniel T. Poston and Paul L. Reynolds. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 24, 2012. *
10.40	Warrant dated June 30, 2009 issued by Vantiv Holding, LLC to Fifth Third Bank. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.
10.41	Second Amended & Restated Limited Liability Company Agreement (excluding certain exhibits) dated as of March 21, 2012 by and among Vantiv, Inc., Fifth Third Bank, FTPS Partners, LLC, Vantiv Holding, LLC and each person who becomes a member after March 21, 2012. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.
10.42	Amendment and Restatement Agreement and Reaffirmation (excluding certain schedules) dated as of June 30, 2009 among Fifth Third Processing Solutions, LLC, FTPS Holding, LLC, Card Management Company, LLC, Fifth Third Holdings, LLC and Fifth Third Bank. Incorporated by reference to the Registrant's Current Report on Form 8-K filed with the Commission on July 2, 2009.
10.43	Registration Rights Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Fifth Third Bank, FTPS Partners, LLC, JPDN Enterprises, LLC and certain stockholders of Vantiv, Inc. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.
10.44	Exchange Agreement dated as of March 21, 2012 by and among Vantiv, Inc., Vantiv Holding, LLC, Fifth Third Bank, FTPS Partners, LLC and such other holders of Class B Units and Class C Non-Voting Units that are from time to time parties of the Exchange Agreement. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.
10.45	Recapitalization Agreement dated as of March 21, 2012 by and

Bancorp's Registration Statement on Form SB-2, Registration No. 333-35548. *

10.28 Peninsula Bank of Central Florida Key Employee Stock Option Plan. Incorporated by reference to Southern Community Bancorp's Annual Report on Form 10-K for the year ended December 31, 2003. *

10.29 Peninsula Bank of Central Florida Director Stock Option Plan. Incorporated by reference to Southern Community Bancorp's Annual Report on Form 10-K for the year ended December 31, 2003. *

10.30 First Bradenton Bank Amended and Restated Stock Option Plan. Incorporated by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2004. *

10.31 Stipulation and Agreement of Settlement dated March 29, 2005, as Amended. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2005.

10.32 Amendment to Stipulation dated May 10, 2005. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 18, 2005.

among Vantiv, Inc., Vantiv Holding, LLC, Fifth Third Bank, FTPS Partners, LLC, JPDN Enterprises, LLC and certain stockholders of Vantiv, Inc. Incorporated by reference to the Registrant's Schedule 13D filed with the Commission on April 2, 2012.

10.46 Form of Agreement Regarding Portion of Salary Payable in Phantom Stock Units dated October 16, 2009 executed by Kevin Kabat, Greg Carmichael, Greg Kosch, Bruce Lee, Dan Poston, Paul Reynolds, Robert Sullivan, and Terry Zink. Incorporated by reference to the Registrant's Quarterly Report on 10-Q for the quarter ended September 30, 2009. *

10.47 Form of Letter Agreement dated June 29, 2010 executed by each of Kevin Kabat, Greg Carmichael, Greg Kosch, Bruce Lee, Dan Poston, Paul Reynolds, Robert A. Sullivan and Mary Tuuk with the Company. Incorporated by reference to the Registrant's Quarterly Report on 10-Q for the quarter ended June 30, 2010. *

10.48	Form of Addendum No.1 to Agreement Regarding Portion of Salary Payable in Phantom Stock Units executed by each of Kevin Kabat, Greg Carmichael, Greg Kosch, Bruce Lee, Dan Poston, Paul Reynolds, Robert A. Sullivan and Mary Tuuk with the Company. Incorporated by reference to the Registrant's Quarterly Report on 10-Q for the quarter ended June 30, 2010. *
10.49	Description of Vantiv, Inc. Director Compensation for Paul L. Reynolds and Greg D. Carmichael. Incorporated by reference to Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012. On May 10, 2012, Daniel T. Poston was elected as a Class B Director of Vantiv, Inc. to replace Paul L. Reynolds. Mr. Poston will be subject to a substantially similar compensation arrangement as described in Exhibit 10.8 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.*
10.50	Master Confirmation, as supplemented by a Supplemental Confirmation, for accelerated share repurchase transaction dated November 6, 2012 between Fifth Third Bancorp and Credit Suisse International***
10.51	Master Confirmation, as supplemented by a Supplemental Confirmation, for accelerated share repurchase transaction dated December 14, 2012 between Fifth Third Bancorp and Credit Suisse International***
12.1	Computations of Consolidated Ratios of Earnings to Fixed Charges.
12.2	Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements.
21	Fifth Third Bancorp Subsidiaries, as of December 31, 2013.
23	Consent of Independent Registered Public Accounting Firm-Deloitte & Touche LLP.
31(i)	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
31(ii)	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
32(i)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
32(ii)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income (iv) the Consolidated Statements of Changes in Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements tagged as blocks of text and in detail. **

(1)Fifth Third Bancorp also entered into an identical security on March 4, 2008 representing an additional $500,000,000 of its 8.25% Subordinated Notes due 2038.
(2)Fifth Third Bancorp also entered into an identical security on April 30, 2008 representing an additional $250,000,000 of its 6.25% Senior Notes due 2013.
(3)Fifth Third Bancorp also entered into an identical security on January 25, 2011 representing an additional $500,000,000 of its 3.625% Senior Notes due 2016.
** Denotes management contract or compensatory plan or arrangement.*
***As provided in Rule 406T of Regulation S-T, this information is furnished and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.*
****An application for confidential treatment for selected portions of this exhibit has been filed with the Securities and Exchange Commission.*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIFTH THIRD BANCORP
Registrant

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and CEO
Principal Executive Officer
February 22, 2013

Pursuant to requirements of the Securities Exchange Act of 1934, this report has been signed on February 22, 2013 by the following persons on behalf of the Registrant and in the capacities indicated.

OFFICERS:

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and CEO
Principal Executive Officer

/s/ Daniel T. Poston
Daniel T. Poston
Executive Vice President and CFO
Principal Financial Officer

/s/ Mark D. Hazel
Mark D. Hazel
Senior Vice President and Controller
Principal Accounting Officer

DIRECTORS:

/s/ William M. Isaac
William M. Isaac
Chairman

/s/ James P. Hackett
James P. Hackett
Lead Director

/s/ Darryl F. Allen
Darryl F. Allen

/s/ B. Evan Bayh III
B. Evan Bayh III

/s/ Ulysses L. Bridgeman, Jr.
Ulysses L. Bridgeman, Jr.

/s/ Emerson L. Brumback
Emerson L. Brumback

/s/ Gary R. Heminger
Gary R. Heminger

/s/ Jewell D. Hoover
Jewell D. Hoover

/s/ Kevin T. Kabat
Kevin T. Kabat

/s/ Mitchel D. Livingston, Ph.D.
Mitchel D. Livingston, Ph.D.

/s/ Michael B. McCallister
Michael B. McCallister

/s/ Hendrik G. Meijer
Hendrik G. Meijer

/s/ John J. Schiff, Jr.
John J. Schiff, Jr.

/s/ Marsha C. Williams
Marsha C. Williams

Table of Contents

CONSOLIDATED TEN YEAR COMPARISON

AVERAGE ASSETS ($ IN MILLIONS)

	Interest-Earning Assets							
Year	Loans and Leases	Federal Funds Sold *(a)*	Interest-Bearing Deposits in Banks *(a)*	Securities	Total	Cash and Due from Banks	Other Assets	Total Average Assets
2012	**$ 84,822**	**2**	**1,493**	**15,319**	**$ 101,636**	**2,355**	**15,695**	**$ 117,614**
2011	80,214	1	2,030	15,437	97,682	2,352	15,335	112,666
2010	79,232	11	3,317	16,371	98,931	2,245	14,841	112,434
2009	83,391	12	1,023	17,100	101,526	2,329	14,266	114,856
2008	85,835	438	183	13,424	99,880	2,490	13,411	114,296
2007	78,348	257	147	11,630	90,382	2,275	10,613	102,477
2006	73,493	252	144	20,910	94,799	2,477	8,713	105,238
2005	67,737	88	113	24,806	92,744	2,750	8,102	102,876
2004	57,042	120	195	30,282	87,639	2,216	5,763	94,896
2003	52,414	92	215	28,640	81,361	1,600	5,250	87,481

AVERAGE DEPOSITS AND SHORT-TERM BORROWINGS ($ IN MILLIONS)

	Deposits									
Year	Demand	Interest Checking	Savings	Money Market	Other Time	Certificates $100,000 and Over	Foreign Office	Total	Short-Term Borrowings	Total
2012	**$ 27,196**	**23,096**	**21,393**	**4,903**	**4,306**	**3,102**	**1,555**	**$ 85,551**	**4,806**	**$ 90,357**
2011	23,389	18,707	21,652	5,154	6,260	3,656	3,497	82,315	3,122	85,437
2010	19,669	18,218	19,612	4,808	10,526	6,083	3,361	82,277	1,926	84,203
2009	16,862	15,070	16,875	4,320	14,103	10,367	2,265	79,862	6,980	86,842
2008	14,017	14,191	16,192	6,127	11,135	9,531	4,220	75,413	10,760	86,173
2007	13,261	14,820	14,836	6,308	10,778	6,466	3,155	69,624	6,890	76,514
2006	13,741	16,650	12,189	6,366	10,500	5,795	3,711	68,952	8,670	77,622
2005	13,868	18,884	10,007	5,170	8,491	4,001	3,967	64,388	9,511	73,899
2004	12,327	19,434	7,941	3,473	6,208	2,403	4,449	56,235	13,539	69,774
2003	10,482	18,679	8,020	3,189	6,426	3,832	3,862	54,490	12,373	66,863

INCOME ($ IN MILLIONS, EXCEPT PER SHARE DATA)

						Per Share *(b)*				
									Originally Reported	
Year	Interest Income	Interest Expense	Noninterest Income	Noninterest Expense	Net Income (Loss) Available to Common Shareholders	Earnings	Diluted Earnings	Dividends Declared	Earnings	Diluted Earnings
2012	**$ 4,107**	**512**	**2,999**	**4,081**	**1,541**	**1.69**	**1.66**	**0.36**	**1.69**	**$ 1.66**
2011	4,218	661	2,455	3,758	1,094	1.20	1.18	0.28	1.20	1.18
2010	4,489	885	2,729	3,855	503	0.63	0.63	0.04	0.63	0.63
2009	4,668	1,314	4,782	3,826	511	0.73	0.67	0.04	0.73	0.67
2008	5,608	2,094	2,946	4,564	(2,180)	(3.91)	(3.91)	0.75	(3.94)	(3.94)
2007	6,027	3,018	2,467	3,311	1,075	1.99	1.98	1.70	2.00	1.99
2006	5,955	3,082	2,012	2,915	1,188	2.13	2.12	1.58	2.14	2.13
2005	4,995	2,030	2,374	2,801	1,548	2.79	2.77	1.46	2.79	2.77
2004	4,114	1,102	2,355	2,863	1,524	2.72	2.68	1.31	2.72	2.68
2003	3,991	1,086	2,398	2,466	1,664	2.91	2.87	1.13	2.91	2.87

MISCELLANEOUS AT DECEMBER 31 ($ IN MILLIONS, EXCEPT PER SHARE DATA)

		Bancorp Shareholders' Equity								
Year	Common Shares Outstanding	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total	Book Value Per Share	Allowance for Loan and Leases Losses
2012	**882,152,057**	**$ 2,051**	**398**	**2,758**	**8,768**	**375**	**(634)**	**$ 13,716**	**15.10**	**$ 1,854**
2011	919,804,436	2,051	398	2,792	7,554	470	(64)	13,201	13.92	2,255
2010	796,272,522	1,779	3,654	1,715	6,719	314	(130)	14,051	13.06	3,004
2009	795,068,164	1,779	3,609	1,743	6,326	241	(201)	13,497	12.44	3,749
2008	577,386,612	1,295	4,241	848	5,824	98	(229)	12,077	13.57	2,787
2007	532,671,925	1,295	9	1,779	8,413	(126)	(2,209)	9,161	17.18	937
2006	556,252,674	1,295	9	1,812	8,317	(179)	(1,232)	10,022	18.00	771
2005	555,623,430	1,295	9	1,827	8,007	(413)	(1,279)	9,446	16.98	744
2004	557,648,989	1,295	9	1,934	7,269	(169)	(1,414)	8,924	15.99	713
2003	566,685,301	1,295	9	1,964	6,481	(120)	(962)	8,667	15.29	697

(a)Federal funds sold and interest-bearing deposits in banks are combined in other short-term investments in the Consolidated Financial Statements.
(b)Adjusted for accounting guidance related to the calculation of earnings per share, which was adopted retroactively on January 1, 2009.

Table of Contents

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FTI Consulting

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Cincinnati Financial Corporation

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Exhibit 10.7

SECOND AMENDMENT
TO
THE FIFTH THIRD BANCORP MASTER
PROFIT SHARING PLAN

(as amended and restated effective as of September 20, 2010)

Pursuant to the reserved power of amendment contained in Section 12.1 of The Fifth Third Bancorp Master Profit Sharing Plan (as amended and restated effective as of September 20, 2010) (the "Plan"), the Plan is hereby amended effective January 1, 2012 in the following respects:

1. Section 7.1(c)(2) is amended in its entirety and a new Section 7.1(c)(3) is added, to read as follows:

(2) Procedural. An investment election shall be made in such manner as the Administrator shall direct. The Administrator shall have the power and authority in its sole, absolute and uncontrolled discretion to prescribe rules and procedures applicable to this investment election feature. Without limitation, this may include rules and procedures which limit the frequency of changes to elections, prescribe times for making elections, including new elections when a core investment fund (referred to in (1)(A) above) is eliminated or when the Administrator determines to implement a re-enrollment, regulate the amount or increment a Participant may allocate to a particular fund or the self-directed brokerage account, require or allow an election (or election change) to relate only to future contributions, specify how an election may apply to the subaccounts within an Account and provide for the investment of an Account of a Participant who fails to make an investment election when required to do so, as more fully described in (3) below.

(3) Default Investment Alternative. The Administrator may designate one or more default investment alternatives and may prescribe the circumstances in which a Participant's Account (or portion thereof) is to be invested in a default investment alternative. Such circumstances may include, without limitation, when an original investment election is not correctly and timely made by a Participant, when a core investment fund (referred to in (1)(A) above) is eliminated and a new election is not correctly and timely made by a Participant for any amounts in that fund, or in a re-enrollment in which Participants are required to make new investment elections, and a Participant does not respond with a correct and timely investment election.

The Administrator may administer the default investment alternatives in a manner intended to qualify for the safe harbor of ERISA §404(c)(5). Neither the Administrator, the Employer, nor the Trustee shall have any fiduciary responsibility in connection with the failure of a Participant to make an investment election when required to do so, or the resulting investment of his Account (or portion thereof) in a default investment alternative.

2. Section 8.6(d) of the Plan is hereby amended in its entirety to read as follows:

(d) Cash-Out Distributions.

(1) $5,000 and Under Cash-Out. Any other provisions of the Plan to the contrary notwithstanding, any amount payable to a Participant under the Plan shall be paid in a single sum, provided that the value of the Participant's nonforfeitable benefit under the Plan (including the value of a Participant's Rollover Account and other subaccounts specified in an Appendix attributable to rollover contributions), determined as of the date of distribution, does not exceed $5,000, and such payment is made before payment otherwise begins. Such single sum shall be paid as soon as administratively feasible after the amount otherwise becomes distributable under the Plan.

(2) Default Method of Payment. In the event of such a cash-out under (1) above (also referred to in Section 9.1(c)), if the Participant does not affirmatively make an election as to whether to have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover or to receive such distribution directly in accordance with Section 9.3, then the Administrator will pay the distribution as follows:

(A) Roth Accounts. If the portion of the distribution attributable to the Roth 401(k) Account and the Roth Rollover Account in the aggregate exceeds $1,000, then the Administrator will pay such portion of the distribution in a direct rollover to an individual retirement plan designated by the Administrator. If the portion of the distribution attributable to the Roth 401(k) Account and the Roth Rollover Account in the aggregate is $1,000 or less, then the Administrator will pay such portion of the distribution directly to the Participant.

(B) Non-Roth Accounts. If the portion of the distribution attributable to the non-Roth subaccounts (that is, all subaccounts other than the Roth 401(k) Account and the Roth Rollover Account) in the aggregate exceeds $1,000, then the Administrator will pay such portion of the distribution in a direct rollover to an individual retirement plan designated by the Administrator. If the portion of the distribution attributable to the non-Roth subaccounts in the aggregate is $1,000 or less, then the Administrator will pay such portion of the distribution directly to the Participant.

IN WITNESS WHEREOF, Fifth Third Bank has caused this Amendment to be adopted as of this   day of   , 2012.

FIFTH THIRD BANK

BY: ______________________________

Exhibit 10.11

THE FIFTH THIRD BANCORP
NONQUALIFIED DEFERRED COMPENSATION PLAN

(as amended and restated effective as of January 1, 2013)

THE FIFTH THIRD BANCORP
NONQUALIFIED DEFERRED COMPENSATION PLAN

(as amended and restated effective as of January 1, 2013)

ARTICLE I — INTRODUCTION AND SECTION 409A COMPLIANCE

1.1 Amendment and Restatement. Fifth Third Bancorp most recently amended and restated The Fifth Third Bancorp Nonqualified Deferred Compensation Plan in its entirety effective January 1, 2009. That document was amended by the First and Second Amendments. Fifth Third Bancorp hereby again amends and restates the Plan effective January 1, 2013; provided however, Section 2.10 is effective as of the first day of the Open Enrollment Period relating to the 2012 Plan Year.

1.2 Transition Rules under Section 409A.

(a) 2005 Payment Elections. In accordance with Paragraph 10.3, the Committee allowed new payment elections under Article X in 2005 with respect to Pre-2013 Accounts which, for purposes of Article X, were treated as a Participant's timely initial election under Paragraph 10.2(a) with respect to his Pre-2013 Account and not as a change in election under Paragraph 10.2(b). Any such election shall be administered by the Committee in its sole and absolute discretion and in compliance with Internal Revenue Service Notice 2005-1 and any other applicable legal authority.

(b) 2007 and 2008 Payment Elections. In its discretion, the Committee was authorized to allow a Participant who remained actively employed by an Employer to complete a new payment election under Paragraph 10.1 with respect to his Pre-2013 Account by a date in 2007 or 2008 determined by the Committee. The Committee was authorized to allow such an election on a case-by-case basis in its discretion without being required to extend the opportunity to all Participants. Any such election shall be treated as an initial election under Paragraph 10.2(a) with respect to his Pre-2013 Account and not a change under Paragraph 10.2(b). Any such election shall be administered by the Committee in compliance with Internal Revenue Service Notice 2006-79 (for elections in 2007) and Notice 2007-86 (for elections in 2008) and any other applicable legal authority.

(c) 2007 Performance Based Restricted Stock Deferral. In accordance with Paragraph 4.4, the Committee shall administer deferral elections with respect to certain Performance Based Restricted Stock in 2007. Any such election shall be administered by the Committee in its sole and absolute discretion and in compliance with Internal Revenue Service Notice 2006-79 and any other applicable legal authority.

(d) Required 2008 Payment Elections by Active Participants . A Participant who, as of the first day of the Open Enrollment Period in 2008, was actively employed by an Employer (i.e., had not had a Separation from Service) was required to complete a new payment election under Paragraph 10.1 by a date in 2008 determined by the Committee. Any such election shall be treated as an initial election under Paragraph 10.2(a) with respect to the Participant's Pre-2013 Account and not a change under Paragraph 10.2(b). If such a Participant did not make a timely election in 2008 under this Paragraph 1.2(d), payment of his Pre-2013 Account shall be made (consistent with Paragraph 10.2(a)) as of the first business day of August of the Plan Year immediately following the Plan Year in which the Separation from Service occurs in a single lump sum cash distribution (except as provided in Paragraph 10.2(b) in the case of a valid change in payment election). Any prior payment elections by such a Participant shall have no force and effect.

ARTICLE II — DEFINITIONS

2.1 "Beneficiary" shall mean the person or persons entitled to receive the distributions, if any, payable under the Plan upon or after a Participant's death, to such person or persons as such Participant's Beneficiary. Each Participant may designate a Beneficiary by filing the proper form with the Committee. A Participant may designate one or more contingent Beneficiaries to receive any distributions after the death of a prior Beneficiary. A designation shall be effective upon said filing, provided that it is so filed during such Participant's lifetime, and may be changed from time to time by the Participant. If there is no designated Beneficiary to receive any amount that becomes payable to a Beneficiary, then the Participant's Beneficiary shall be the estate of the last to die of the Participant and any properly designated Beneficiaries.

2.2 "Claims Review Committee" shall mean the committee established by the Committee for purposes of administering the claims and claim review procedures under the Plan.

2.3 "Code" shall mean the Internal Revenue Code of 1986, as amended at the particular time applicable. A reference to a section of the Code shall include said section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.

2.4 "Committee" shall mean The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee which is responsible for the administration of this Plan in accordance with the provisions of the Plan as set forth in this document. A reference to the Committee includes its delegate.

2.5 "Compensation" shall mean the total base earnings plus the cash portion of variable compensation (but excluding performance-based, additional cash compensation incentives) paid by an Employer to a Participant or which would otherwise be paid but for a deferral election hereunder.

2.6 "Effective Date" shall mean January 1, 2013.

2.7 "Employer" shall mean Fifth Third Bank, an Ohio Banking Corporation, and any other subsidiary of Fifth Third Bancorp or any successor or assignee of any of them.

2.8 "Executive" shall mean an employee of an Employer who is employed on a full-time basis and who is a Bank President, Bank Executive Vice President, Bank Senior Vice President or Bank Vice President. For employment on and after the Effective Date, full-time employment status shall no longer be required such that for periods on and after the Effective Date, "Executive" shall mean an employee of an Employer (regardless of whether he is full-time or part-time) who is a Bank President, Bank Executive Vice President, Bank Senior Vice President or Bank Vice President.

2.9 "Grandfathered Participant" shall mean a Participant (other than an individual who is a Participant under Paragraph 2.13(b)) whose service with all Employers terminated prior to September 1, 1999.

2.10 "Key Employee" shall mean an employee of an Employer who is in Pay Band A, B, C, D, P or Q, as determined by Fifth Third Bancorp.

2.11 "Master Profit Sharing Plan" shall mean The Fifth Third Bancorp Master Profit Sharing Plan, as amended from time to time.

2.12 "Open Enrollment Period" shall mean such period no more than thirty (30) days in length prescribed by the Committee, closing no later than the last day of the Plan Year immediately preceding the Plan Year for which elections to defer Compensation under Article IV are permitted.

2.13 "Participant" shall mean any of the following:

(a) any Executive or Key Employee who satisfies the eligibility requirements of Article III and who receives an allocation to his Post-2012 Account or Pre-2013 Account under Article IV, Article V, or Article VI, as well as any former Executive or Key Employee who has a Pre-2013 Account or Post-2012 Account under the Plan; or

(b) any person who has a Predecessor Plan Account attributable to his employment covered by a Predecessor Plan.

2.14 "Performance Based Restricted Stock" shall mean common stock without par value of Fifth Third Bancorp, granted under the 2004 Fifth Third Bancorp Incentive Compensation Plan, or any successor plan, subject to the satisfaction of specified performance goals, provided the grant is not includible in the income of the recipient in the year of grant for federal income tax purposes (and the recipient does not make an election under section 83(b) of the Code to include the grant in income in the year of the grant).

2.15 "Plan" shall mean The Fifth Third Bancorp Nonqualified Deferred Compensation Plan as described in this instrument, and as may be amended, thereafter.

2.16 "Plan Year" shall mean the calendar year.

2.17 "Post-2012 Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited to a Participant under this Plan for Plan Years after 2012. A Participant's Post-2012 Account under the Plan may include one or more of the following subaccounts:

(a) Post-2012 Employee Contribution Account.

(b) Post-2012 Employer Contribution Account.

2.18 "Post-2012 Employee Contribution Account" shall mean the account established by an Employer as a book reserve to reflect the amounts deferred by a Participant under Paragraphs 4.1 and 4.2 for Plan Years beginning after 2012, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.19 "Post-2012 Employer Contribution Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited by an Employer as matching contributions under Article V for Plan Years beginning after 2012 and profit sharing contributions under Article VI for Plan Years beginning after 2012, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.20 "Pre-2013 Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited to a Participant under this Plan for Plan Years before 2013. A Participant's Pre-2013 Account under the Plan may include one or more of the following subaccounts:

(a) Pre-2013 Deferred Compensation Account.

(b) Pre-2013 Matching Account.

(c) Predecessor Plan Account.

(d) Pre-2013 Profit Sharing Account.

2.21 "Pre-2013 Deferred Compensation Account" shall mean the account established by an Employer as a book reserve to reflect the amounts deferred by a Participant under Paragraphs 4.1 and 4.2 for Plan Years beginning before 2013, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.22 "Pre-2013 Matching Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited by an Employer as matching contributions under Article V for Plan Years beginning before 2013, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.23 "Pre-2013 Profit Sharing Account" shall mean the account established by an Employer as a book reserve to reflect the amounts credited by an Employer as profit sharing contributions under Article VI for Plan Years beginning before 2013, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.24 "Predecessor Plan" shall mean any other nonqualified deferred compensation plan designated by the Committee. Each such Predecessor Plan was completely amended and restated into this Plan.

2.25 "Predecessor Plan Account" shall mean an account established by the Employer as a book reserve to reflect amounts credited hereunder with respect to a Predecessor Plan, as adjusted by earnings (and losses) under Article VIII and as reduced by distributions under Article X and Article XI.

2.26 "Qualified Executive" shall mean an employee of an Employer who is an Executive who meets the criteria in either (a) or (b) below:

(a) an Executive is a Qualified Executive if he was an Executive for the 2007 Plan Year who had a Compensation deferral election in effect under the Plan for the 2007 Plan Year and thereafter;

(b) an Executive is a Qualified Executive if (i) he was a Key Employee who had a Compensation deferral election in effect under the Plan for the most recent Plan Year in which he was eligible to do so as a Key Employee, and thereafter, and (ii) as of the first day of an Open Enrollment Period, he no longer qualifies as a Key Employee by reason of a change in his Pay Band (i.e., he is no longer in Pay Band A, B, C, D, P or Q).

An individual meeting the criteria in (a) or (b) shall no longer be considered a Qualified Executive if, at any time and for any reason (including termination of employment and voluntary decision to cease deferring), he no longer has a Compensation deferral election in effect.

2.27 "Separation from Service" means the termination of employment with all Employers. Whether a termination of employment has occurred shall be determined based on whether the facts and circumstances indicate that the Employer and Participant reasonably anticipate that no further services would be performed after a certain date or that the level of bona fide services would permanently decrease to no more than 20 percent of the average level of bona fide services performed over the immediately preceding 36-month period (or the full period of employment if the Participant has been employed by an Employer less than 36 months). A Participant is not treated as having terminated employment while he is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six months, or if longer, so long as the individual retains a right to reemployment under an applicable statute or by contract. The determination of whether a Separation of Service has occurred shall be based on applicable regulations and other applicable legal authority under section 409A of the Code.

ARTICLE III — ELIGIBILITY AND PARTICIPATION

3.1 For Plan Years 2009 and Later. Eligibility and participation shall be determined in accordance with this Paragraph 3.1 for Plan Years beginning on or after January 1, 2009. Each individual who, on the first day of an Open Enrollment Period relating to the 2009 Plan Year or a later Plan Year, is either a Key Employee or a Qualified Executive:

(a) may elect to defer Compensation for services performed during the ensuing Plan Year to which the Open Enrollment Period relates, in accordance with Article IV; and

(b) shall be eligible for matching allocations under Article V and profit sharing allocations under Article VI for the ensuing Plan Year to which such Open Enrollment Period relates.

An individual who is not a Key Employee or a Qualified Executive on the first day of an Open Enrollment Period but who later becomes a Key Employee shall not be eligible to defer Compensation until the first day of the next Open Enrollment Period with respect to which he is still a Key Employee (for the Plan Year to which such next Open Enrollment Period relates); and he shall not be eligible for matching or profit sharing allocations until the Plan Year following the next Open Enrollment Period as of the first day of which he is a Key Employee.

A Qualified Executive's eligibility for matching allocations under Article V and profit sharing allocations under Article VI may be limited to the amount his allocations under the Master Profit Sharing Plan are reduced by reason of his Compensation deferrals under this Plan.

3.2 Eligibility for Deferral of Performance Based Restricted Stock. If the Committee allows a Key Employee to make a deferral election during an Open Enrollment Period with respect to Performance Based Restricted Stock granted during the ensuing Plan Year, as provided in Paragraph 4.2(a)(i), a Key Employee would be eligible to make such a deferral election only if he is a Key Employee on the first day of the applicable Open Enrollment Period. If the Committee allows a Key Employee to make a deferral election during an election period it establishes during the year of the grant of Performance Based Restricted Stock, as provided in Paragraph 4.2(a)(ii), a Key Employee could be eligible to make such a deferral election only if he is a Key Employee on the first day of the applicable election period established by the Committee.

3.3 Changes in Eligibility Status. A new, separate Pre-2013 Account or Post-2012 Account shall be established for a Participant who (a) has an existing Pre-2013 Account balance or Post-2012 Account balance, as the case may be, (b) is not eligible for contributions under Paragraph 3.1 in at least one Plan Year after having been eligible previously, and (c) again meets the eligibility criteria in Paragraph 3.1 for a future Plan Year.

The payment provisions (including available elections and changes) in Article X shall be applied separately as to each of a Participant's separate Pre-2013 Accounts and Post-2012 Accounts. As an example, such a Participant, upon becoming eligible again after a period of ineligibility, may make an initial payment election under Paragraph 10.2(a) within the first Open Enrollment Period applicable to him after again meeting the eligibility requirements of Paragraph 3.1; and such election (or default payment under Paragraph 10.2(a)) shall apply solely to his new Post-2012 Account and shall not affect the payment provisions applicable to his prior Post-2012 Account or Pre-2013 Account.

In the event of multiple changes in eligibility, the above process shall be repeated such that a Participant may have multiple separate Pre-2013 Accounts and Post-2012 Accounts, each with payment provisions unaffected by the payment provisions applicable to the others.

Notwithstanding the above, Paragraph 2.1 (regarding the Participant's designation of a Beneficiary) and Article XI (regarding the payment upon death) shall not be applied separately as to each of a Participant's Pre-2013 Accounts and Post-2012 Accounts. Instead, a Participant's Beneficiary designation under Paragraph 2.1 shall apply to a Participant's entire benefit in the Plan.

In addition, for purposes of applying the $25,000 threshold in Paragraphs 10.1(a)(i) and (ii), all of a Participant's Pre-2013 Accounts and Post-2012 Accounts shall be aggregated.

ARTICLE IV — ELECTION TO DEFER COMPENSATION OR RESTRICTED STOCK

4.1 Compensation Deferral

(a) Compensation Deferral. Each Key Employee and Qualified Executive eligible under Article III may elect to have a portion of his Compensation for services performed during a Plan Year deferred and credited with earnings in accordance with the terms and conditions of the Plan. The amount of Compensation deferred for any Plan Year by a Participant may not reduce the amount of base pay such Participant receives in a Plan Year below $50,000.

(b) Implementation. The Compensation otherwise payable to the Participant during the Plan Year shall be reduced by the amount of the Participant's election under this Paragraph 4.1. Such amounts shall be credited to the Participant's Post-2012 Employee Contribution Account at the time his Compensation is so reduced (or his Pre-2013 Deferred Compensation Account for Plan Years beginning before 2013). For purposes of this Paragraph 4.1, base earnings payable after December 31st solely for services performed during the final payroll period containing such December 31st, shall be treated as Compensation for services performed in the subsequent taxable year in which the payment is made.

4.2 Performance Based Restricted Stock Deferral.

(a) Deferral of Performance Based Restricted Stock.

(i) During Open Enrollment. The Committee may allow each Key Employee eligible under Article III to elect to have all (and not less than all) eligible Performance Based Restricted Stock granted to him during the ensuing Plan Year to which an Open Enrollment Period relates to be deferred and credited with earnings in accordance with the terms and conditions of the Plan.

(ii) During Year of Grant. With respect to Performance Based Restricted Stock meeting the requirements of Paragraph 4.2(b)(ii) below, the Committee may allow each Key Employee to elect to have all (and not less than all) eligible Performance Based Restricted Stock granted to him during the Plan Year of the grant to be deferred and credited with earnings in accordance with the terms and conditions of the Plan. The Committee shall determine, the period within the Plan Year of the grant, during which such a deferral election must be made subject to the following:

(A) the election must be made on or before the 30th day after the grant; and

(B) the election must be made at least twelve (12) months in advance of the earliest date at which the forfeiture restrictions could lapse. A condition will not be treated as failing this requirement merely because the Performance Based Restricted Stock becomes fully vested such that there is no further requirement of services upon the death or disability (as defined in applicable Treasury Regulations) of the Key Employee or upon a change in control event (as defined in applicable Treasury Regulations). However, if such death, disability or change in control event occurs before the end of twelve (12) months of service, the deferral election shall not be given effect.

(b) Eligible Performance Based Restricted Stock. Performance Based Restricted Stock is eligible for deferral under (a)(i) above pursuant to an election during the Open Enrollment Period if it meets one or both of the conditions in (i) and (ii) below. Performance Based Restricted Stock is eligible for deferral under (a)(ii) above pursuant to an election during the Plan Year of the grant only if it meets the conditions in (ii) below.

(i) The Performance Based Restricted Stock is granted solely for services performed during the Plan Year in which the grant occurs or future services (but not for any past services); or

(ii) The Performance Based Restricted Stock is granted subject to a requirement that the Key Employee continue to provide services for a period of at least twelve (12) months from the date of the grant in order to avoid forfeiture of such Performance Based Restricted Stock. A condition will not be treated as failing this requirement merely because the Performance Based Restricted Stock becomes fully vested such that there is no further requirement of services upon the death or disability (as defined in applicable Treasury Regulations) of the Key Employee or upon a change in control event (as defined in applicable Treasury Regulations). However, if such death, disability or change in control event occurs before the end of twelve (12) months of service, the deferral election shall not be given effect.

(c) Implementation. At such time as any eligible Performance Based Restricted Stock subject to a deferral election becomes both earned and vested according to the terms of the grant and plan under which it was granted, such Performance Based Restricted Stock shall be deemed to be credited to the Participant’s Pre-2013 Deferred Compensation Account or Post-2012 Employee Contribution Account, as the case may be, rather than being released in a taxable event to the Key Employee. Performance Based Restricted Stock which is not earned or which is forfeited shall not be deemed credited under this Plan.

(d) Deemed Investment in Fifth Third Stock Fund. Amounts credited to a Participant’s Pre-2013 Deferred Compensation Account or Post-2012 Employee Contribution Account pursuant to an election to defer Performance Based Restricted Stock shall be credited with earnings (or losses) under Article VIII as if invested in the Fifth Third Stock Fund. The other investment benchmarks generally available under Article VIII are not available for such amounts which must remain in the Fifth Third Stock Fund.

(e) Dividends on Unvested Performance Based Restricted Stock. Any dividends payable with respect to Performance Based Restricted Stock prior to such time as the Performance Based Restricted Stock is earned or vested, shall not be eligible for deferral hereunder.

4.3 Election Procedure. An eligible Key Employee or Qualified Executive desiring to exercise an available election under Paragraph 4.1 or 4.2 for a Plan Year shall notify the Committee each Plan Year of his deferral election during the Open Enrollment Period or other election period established by the Committee under Paragraph 4.2(a)(ii). Such notice must be binding and must be in accordance with the procedures established by the Committee during the applicable election period. A deferral election shall be effective for the entire Plan Year (but not for any future Plan Year) to which it relates and may not be modified or terminated for that Plan Year. A deferral election with respect to Performance Based Restricted Stock shall be effective for the entire grant regardless of the future year(s) in which the forfeiture restrictions lapse; and an election with respect to such grant may not be modified or terminated.

4.4 2007 Election to Defer Non-Vested Performance Based Restricted Stock. The Committee was authorized to allow an individual who, on the first day of the Open Enrollment Period falling in 2007 (relating to the 2008 Plan Year), was a Key Employee, to elect to defer Performance Based Restricted Stock previously granted to him, in accordance with the following provisions and Internal Revenue Service Notice 2006-79, Section 3.02. Any such deferral election must have been completed by a date in 2007 determined by the Committee. Such a deferral election was authorized only with respect to Performance Based Restricted Stock which had always been subject to a substantial risk of forfeiture (as defined for purposes of section 409A of the Code) and which remained subject to a substantial risk of forfeiture throughout 2007 (i.e., the substantial risk of forfeiture had not lapsed in 2007 or earlier). Such an election shall be treated as a valid and timely election under Paragraph 4.2(a), and Paragraphs 4.2(c), (d) and (e) (but not Paragraph 4.2(b)) shall apply.

ARTICLE V — MATCHING ALLOCATIONS

5.1 Matching Allocations. An Employer, in its discretion, may credit a matching allocation to the Post-2012 Employer Contribution Account (Pre-2013 Matching Account for Plan Years before 2013) of any Key Employee or Qualified Executive eligible under Article III it selects provided:

(a) he remains in the employment of an Employer as a Key Employee or Qualified Executive (or is on an Employer-approved leave of absence) on the date the Committee determines to credit the allocation; and

(b) he either has a Compensation deferral election in effect under Paragraph 4.1 for the Plan Year, or has “Annual Compensation” (as defined in the Master Profit Sharing Plan) in the corresponding Plan Year of that plan in excess of the compensation limitation imposed by section 401(a)(17) of the Code.

The matching allocations for such selected Participants shall be determined by the Employer and may vary for each such Participant. The amount of the matching allocations as so determined under this paragraph shall be credited to the Participants’ Post-2012 Employer Contribution Accounts (Pre-2013 Matching Accounts for Plan Years before 2013) as of the last day of the Plan Year, or at such other time or times determined by the Committee.

ARTICLE VI — PROFIT SHARING ALLOCATIONS

6.1 Profit Sharing Allocations. An Employer, in its discretion, may credit a profit sharing allocation to the Post-2012 Employer Contribution Account (Pre-2013 Profit Sharing Account for Plan Years before 2013) of any Key Employee or Qualified Executive eligible under Article III it selects for a Plan Year provided he remains in the employment of an Employer as a Key Employee or Qualified Executive (or is on an Employer-approved leave of absence) on the date the Committee determines to credit the allocation.

The profit sharing allocations for such selected Participants shall be determined by the Employer and may vary for each such Participant. The amount of the profit sharing allocations as so determined under this paragraph shall be credited to the Participants' Post-2012 Employer Contribution Accounts (Pre-2013 Profit Sharing Accounts before 2013) as of the last day of the Plan Year, or at such other time or times determined by the Committee.

ARTICLE VII — PARTICIPANT'S INTEREST

7.1 Unsecured Creditor. No Participant or his designated Beneficiary shall acquire any property interest in his Pre-2013 Account or Post-2012 Account or any other assets of the Employer or Fifth Third Bancorp, their rights being limited to receiving from the Employer or Fifth Third Bancorp deferred payments as set forth in this Plan and these rights are conditioned upon continued compliance with the terms and conditions of this Plan. To the extent that any Participant or Beneficiary acquires a right to receive benefits under this Plan, such right shall be no greater than the right of any unsecured general creditor of the Employer or Fifth Third Bancorp.

ARTICLE VIII — CREDITING OF EARNINGS

8.1 General. There shall be credited to the Pre-2013 Account and Post-2012 Account of each Participant an additional amount of earnings (or losses) determined under this Article VIII.

8.2 Investment Elections. As provided in Paragraph 4.2(d), that part of a Participant's Pre-2013 Account or Post-2012 Account credited with deferred Performance Based Restricted Stock shall be credited with earnings (or losses) as if invested in the Fifth Third Stock Fund. Each Participant shall elect to have earnings (or losses) credited to all other parts of his Pre-2013 Account and Post-2012 Account from among various investment benchmarks the Committee determines to establish for this purpose. One of such investment benchmarks shall be the Fifth Third Stock Fund.

Such an election shall be made in such manner as the Committee shall direct.

The Committee may prescribe rules including rules which limit the frequency of changes to elections, prescribe times for making elections, regulate the amount or increment a Participant may allocate to a particular investment benchmark, require or allow an election (or election change) to relate only to future allocations, require an election to apply consistently to all subaccounts and provide for the investment of a Pre-2013 Account or Post-2012 Account of a Participant who fails to make an election.

8.3 Rate of Return Benchmarks. The Committee shall determine the rate of return for the Fifth Third Stock Fund, as well as each of the other investment benchmarks selected by the Committee under Paragraph 8.2 above.

8.4 Crediting. The Participant's Pre-2013 Account and Post-2012 Account shall be increased or decreased as if they had earned the rate of return corresponding to the Participant's investment election. The time and method of such crediting and the recordkeeping methodologies used shall be determined in the sole and absolute discretion of the Committee.

ARTICLE IX — VESTING

9.1 Vesting Provisions. A Participant's rights to his Pre-2013 Account (including each of its subaccounts) and Post-2012 Account (including each of its subaccounts) shall be nonforfeitable at all times.

ARTICLE X — PLAN BENEFITS

10.1 Distributions.

(a) Time and Form of Payment.

(i) Pre-2013 Account. In accordance with the election procedures in Paragraph 10.2(a)(i), a Participant was permitted to elect to have the amounts represented by the Participant's vested Pre-2013 Account to be paid (or commence to be paid) as of the first business day of August of the Plan Year immediately following the Plan Year in which the Participant's Separation from Service with all Employers occurs, or the first business day of August of any subsequent year, but not later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs. In accordance with the election procedures in Paragraph 10.2, a Participant may have elected to have such amounts paid in one of the following forms:

(A) single lump distribution; or

(B) substantially equal annual installments, the last payment of which is no later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs.

If installment payments are in effect, the Participant's Pre-2013 Account shall continue to be credited with earnings (or losses) under Article VIII until fully paid.

Notwithstanding the foregoing or Paragraph 10.3(a), (b) or (c), in the event the aggregate of the Participant's vested Pre-2013 Account and vested Post-2012 Account does not exceed $25,000 as of any December 31st after the Participant has a Separation from Service, then any payment election by a Participant shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) and vested Post-2012 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if the aggregate of such vested Pre-2013 Account and vested Post-2012 Account exceeds $25,000 at that time).

(ii) Post-2012 Account. In accordance with the election procedures in Paragraph 10.2(a)(ii), a Participant may elect to have the amounts represented by the Participant's vested Post-2012 Account paid (or commence to be paid) as of the first business day of August of the Plan Year immediately following the Plan Year in which the Participant's Separation from Service with all Employers occurs, or the first business day of August of any subsequent year, but not later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs. In accordance with the election procedures in Paragraph 10.2, a Participant may elect to have such amounts paid in one of the following forms:

(A) single lump distribution; or

(B) substantially equal annual installments, the last payment of which is no later than the first business day of August of the tenth Plan Year following the Plan Year in which such Separation from Service occurs.

If installment payments are in effect, the Participant's Post-2012 Account shall continue to be credited with earnings (or losses) under Article VIII until fully paid.

Notwithstanding the foregoing or Paragraph 10.3(a), (b) or (c), in the event the aggregate of the Participant's vested Post-2012 Account and vested Pre-2013 Account does not exceed $25,000 as of any December 31st after the Participant has a Separation from Service, then any payment election by a Participant shall be disregarded. In such a case, the vested Post-2012 Account (or remaining balance thereof) and vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if the aggregate of such vested Post-2012 Account and vested Pre-2013 Account exceeds $25,000 at that time).

(b) Medium of Payment. The payment as a lump sum or installments under (a) above or 10.3 shall be in cash. Previously, the Plan provided for payment in common stock of Fifth Third Bancorp, and election forms used under the Plan referenced payment in such stock. References to payment in stock on such forms shall be disregarded, and payments shall be in cash.

10.2 Election Procedures.

(a) Initial Elections.

(i) Pre-2013 Account. A Participant who wished to make an initial election referred to in Paragraph 10.1(a)(i) with respect to his Pre-2013 Account was required to do so within the first Open Enrollment Period applicable to him under Article III, or, if earlier, within such other election period applicable to him established by the Committee under Paragraph 4.2(a)(ii).

Any such election became effective immediately.

As provided in Paragraph 1.2, a payment election before 2009 under Internal Revenue Service Notice 2005-1, 2006-79 or 2007-86 shall be considered a timely initial election.

If a Participant did not make a timely initial election concerning the commencement date and payment schedule of his Pre-2013 Account under Paragraph 10.2(a)(i), then, except as provided in (b) below, payment of his Pre-2013 Account shall be made as of the first business day of August of the Plan Year immediately following the Plan Year in which the Separation from Service occurs in a single lump sum cash distribution.

(ii) Post-2012 Account. A Participant who is eligible under Paragraph 3.1 during the Open Enrollment Period falling in 2012, applicable to the 2013 Plan Year, who wishes to make an initial election referred to in Paragraph 10.1(a)(ii) with respect to his Post-2012 Account must do so within such Open Enrollment Period. A Participant who is not eligible under Paragraph 3.1 during such Open Enrollment Period falling in 2012, who wishes to make an initial election referred to in Paragraph 10.1(a)(ii) must do so within the first Open Enrollment Period applicable to him under Article III, or, if earlier, within such other election period applicable to him established by the Committee under Paragraph 4.2(a)(ii).

Any such election shall be effective immediately.

If a Participant does not make a timely initial election concerning the commencement date and payment schedule of benefits under Paragraph 10.2(a)(ii), then, except as provided in (b) below, payment of this Post-2012 Account shall be made as of the first business day of August of the Plan Year immediately following the Plan Year in which the Separation from Service occurs in a single lump sum cash distribution.

(b) A Participant may make or change an election after the deadline established in (a) above at any time in order to defer payment of either (or both) his Pre-2013 Account or his Post-2012 Account, for a period of not less than five years from the date payment would otherwise begin (but not to accelerate any payment). Payment shall be made in accordance with any such election only if the Participant has a Separation from Service at least one year following the date of the election. Otherwise, the payment shall be made in accordance with the election (if any) in effect immediately prior to the changed election, or in accordance with the default payment provision in (a) above if no such election is in effect.

(c) Elections shall be made in accordance with the rules and procedures established by the Committee.

10.3 Transition Rules.

(a) Grandfathered Participants. A Grandfathered Participant shall be paid in cash in accordance with the payment provisions under the Plan or election (whichever is controlling) in effect immediately prior to September 1, 1999. In the event the Participant's vested Pre-2013 Account does not exceed $25,000 as of any December 31st, then any payment election by a Participant shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum cash distribution as of the first business day of August following such December 31st (even if such vested Pre-2013 Account exceeds $25,000 at that time).

(b) Participants in Pay Status in 2005. A Participant (who is not a Grandfathered Participant) who had commenced receiving installment payments in 2005 or earlier, shall continue to receive such payments in accordance with the payment provisions under the Plan or election (whichever is controlling) in effect prior to January 1, 2005, provided that the value of his vested Pre-2013 Account as of a date in 2005 determined by the Committee was greater than $10,000. If the value of such a Participant's vested Pre-2013 Account as of such date was not greater than $10,000, then he received a single lump sum distribution of his entire vested Pre-2013 Account in 2005. Effective December 31, 2005, in the event the Participant's vested Pre-2013 Account does not exceed $25,000 as of any December 31st, then any payment election by a Participant shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31st (even if such vested Pre-2013 Account exceeds $25,000 at that time).

(c) Terminated Participants Not in Pay Status in 2005. A Participant (who is not a Grandfathered Participant) who has separated from service in 2005 or earlier, but who, as of a date in 2005 determined by the Committee, has not received or commenced receiving payments of his vested Pre-2013 Account, shall be subject to the payment provisions of Paragraph 10.1, and any prior payment elections shall be of no force or effect. As provided in Paragraph 1.2, such a Participant had the opportunity to complete a new election by a date in 2005 determined by the Committee. Such a Participant who did not properly complete and return such an election by such date received a single lump sum distribution of his entire vested Pre-2013 Account as of August 1, 2006. Notwithstanding the foregoing, if such a Participant's vested Pre-2013 Account as of a date in 2005 determined by the Committee was not greater than $10,000, then he received a single lump sum distribution of his entire vested Pre-2013 Account in 2005. Effective

December 31, 2005, in the event the Participant's vested Pre-2013 Account does not exceed $25,000 as of any December 31 st, then any payment election shall be disregarded. In such a case, the vested Pre-2013 Account (or remaining balance thereof) shall be paid in a single lump sum distribution as of the first business day of August following such December 31 st (even if such vested Pre-2013 Account exceeds $25,000 at that time).

(d) 2005 Payment Elections by Participants Actively Employed . A Participant who remained employed by an Employer as of a date in 2005 determined by the Committee shall be subject to the payment provisions of Paragraph 10.1 and any prior elections shall be of no force or effect. As provided in Paragraph 1.2, such a Participant had the opportunity to complete a new election by a date in 2005 determined by the Committee. Any such election shall be treated as an initial election under Paragraph 10.2(a) with respect to his Pre-2013 Account. Such a Participant who does not make a timely election shall be treated the same as provided for in Paragraph 10.2(a)(i) for Participants who do not make timely initial elections.

(e) Post-2012 Account. In the event a Participant who is subject to (a), (b) or (c) above also has a Post-2012 Account, the $25,000 cashout limit in each of (a), (b) and (c) above shall be determined by aggregating the Participant's vested Pre-2013 Account and vested Post-2012 Account.

10.4 Facility of Payment. A payment required to be made hereunder on or as of a specified date may be made in a reasonable period after such date for administrative convenience, provided the payment is made in the same taxable year as the specified date.

ARTICLE XI — DEATH

11.1 If a Participant dies before commencing payment of the amounts represented by the Participant's Pre-2013 Account or Post-2012 Account, then such Pre-2013 Account and Post-2012 Account shall be paid to the Participant's Beneficiary in a single lump sum cash distribution, as soon as reasonably possible after the Committee is notified of the Participant's death and in all events not more than ninety (90) days following the Participant's death. Neither the Participant nor the Beneficiary shall have the right to designate the taxable year of the payment. If the Participant has already commenced receiving the amounts represented by the Participant's Pre-2013 Account or Post-2012 Account in the installment payment form, the installment payments shall continue to be paid to the Participant's Beneficiary in cash.

ARTICLE XII — NON-ASSIGNABLE/NON-ATTACHMENT

12.1 Except as required by law, no right of the Participant or designated Beneficiary to receive payments under this Plan shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy or similar process or assignment by operation of law and any attempt, voluntary or involuntary, to effect any such action shall be null and void and of no effect.

ARTICLE XIII — ADMINISTRATION

13.1 Administration. In addition to the powers which are expressly provided in the Plan, the Committee shall have the power and authority in its sole, absolute and uncontrolled discretion to control and manage the operation and administration of the Plan and shall have all powers necessary to accomplish these purposes including, but not limited to the following:

(a) the power to determine who is a Participant;

(b) the power to determine allocations, balances, and nonforfeitable percentages with respect to Participants' Pre-2013 Accounts and Post-2012 Accounts;

(c) the power to determine when, to whom, in what amount, and in what form distributions are to be made; and

(d) such powers as are necessary, appropriate or desirable to enable it to perform its responsibilities, including the power to interpret the Plan, establish rules, regulations and forms with respect thereto.

Benefits under this Plan will be paid only if the Committee decides in its discretion that the applicant is entitled to them.

13.2 409A of the Code. This Plan is intended to satisfy the applicable requirements of section 409A of the Code and shall be interpreted accordingly.

ARTICLE XIV — CONSOLIDATION OR MERGER

14.1 In the event that Fifth Third Bancorp or any entity (resulting from any merger or consolidation or which shall be a purchaser or transferee so referred to), shall at any time be merged or consolidated into or with any other entity or entities, or in the event that substantially all of the assets of Fifth Third Bancorp or any such entity shall be sold or otherwise transferred to another entity, the provisions of this Plan shall be binding upon and shall inure to the benefit of the continuing entity or the entity resulting from such merger or consolidation or the entity to which such assets shall be sold or transferred. Except as provided in the preceding sentence, this Plan shall not be assignable by Fifth Third Bancorp or by any entity referred to in such preceding sentence.

ARTICLE XV — AMENDMENT OR TERMINATION

15.1 Amendment. Fifth Third Bancorp reserves the right to amend the Plan. Any amendment of the Plan shall be by action of the Committee or by the Chairman of the Committee. If an amendment is being made by said Committee, it must be approved by a majority of the members of the Committee as constituted at the time of adoption of the amendment.

Any amendment may be given retroactive effect as determined by said Committee or Chairman. Any amendment may, without limitation, (a) affect a Participant whether or not vested, employed or in pay status, and (b) affect or modify Participant elections and payment methods. An amendment may be evidenced in such manner as said Committee or Chairman shall determine. If the amendment is approved by said Committee, such evidence may include (but shall not be limited to) a written resolution signed by a majority of the members of the Committee or minutes of a meeting of the Committee reflecting approval by a majority of the members.

15.2 Termination. Fifth Third Bancorp reserves the right to terminate the Plan. Any termination of the Plan shall be by action of the Committee. Any termination must be approved by a majority of the members of said Committee as constituted at the time of adoption of the termination; and any such termination may be given retroactive effect as determined by said Committee. Any termination may, without limitation, (a) affect a Participant whether or not vested, employed or in pay status, and (b) affect or modify Participant elections and payment methods. A termination may be evidenced in such manner as said Committee shall determine, and such evidence may include (but shall not be limited to) a written resolution signed by a majority of the members of the Committee or minutes of a meeting of the Committee reflecting approval by a majority of the members.

ARTICLE XVI — CLAIMS

16.1 Initial Claims Procedure.

(a) Claim. In order to present a complaint regarding the nonpayment of a Plan benefit or a portion thereof (a “Claim”), a Participant or Beneficiary under the Plan (a “Claimant”) or his duly authorized representative must file such Claim by mailing or delivering a writing stating such Claim to the department, officer, or Employee responsible for employee benefit matters of the Employer. Upon such receipt of a Claim, the Claims Review Committee shall furnish to the Claimant a written acknowledgment which shall inform such Claimant of the time limit set forth in (b)(i) below and of the effect, pursuant to (b)(iii) below, of failure to decide the Claim within such time limit.

(b) Initial Decision.

(i) Time Limit. The Claims Review Committee shall decide upon a Claim within a reasonable period of time after receipt of such Claim; provided, however, that such period shall in no event exceed 90 days, unless special circumstances require an extension of time for processing. If such an extension of time for processing is required, then the Claimant shall, prior to the termination of the initial 90-day period, be furnished a written notice indicating such special circumstances and the date by which the Claims Review Committee expects to render a decision. In no event shall an extension exceed a period of 90 days from the end of the initial period.

(ii) Notice of Denial. If the Claim is wholly or partially denied, then the Claims Review Committee shall furnish to the Claimant, within the time limit applicable under (i) above, a written notice setting forth in a manner calculated to be understood by the Claimant:

(A) the specific reason or reasons for such denial;

(B) specific reference to the pertinent Plan provisions on which such denial is based;

(C) a description of any additional material or information necessary for such Claimant to perfect his Claim and an explanation of why such material or information is necessary; and

(D) appropriate information as to the steps to be taken if such Claimant wishes to submit his Claim for review pursuant to Paragraph 16.2, including notice of the time limits set forth in subsection 16.2(b)(ii).

(iii) Deemed Denial for Purposes of Review. If a Claim is not granted and if, despite the provisions of (i) and (ii) above, notice of the denial of a Claim is not furnished within the time limit applicable under (i) above, then the Claimant may deem such Claim denied and may request a review of such deemed denial pursuant to the provisions of Paragraph 16.2.

16.2 Claim Review Procedure.

(a) Claimant's Rights. If a Claim is wholly or partially denied under Paragraph 16.1, then the Claimant or his duly authorized representative shall have the following rights:

(i) to obtain, subject to (b) below, a full and fair review by the Claims Review Committee;

(ii) to review pertinent documents; and

(iii) to submit issues and comments in writing.

(b) Request for Review.

(i) Filing. To obtain a review pursuant to (a) above, a Claimant entitled to such a review or his duly authorized representative shall, subject to (ii) below, mail or deliver a written request for such a review (a "Request for Review") to the department, officer, or Employee responsible for employee benefit matters of the Employer.

(ii) Time Limits for Requesting a Review. A Request for Review must be mailed or delivered within 60 days after receipt by the Claimant of written notice of the denial of the Claim.

(iii) Acknowledgment. Upon such receipt of a Request for Review, the Claims Review Committee shall furnish to the Claimant a written acknowledgment which shall inform such Claimant of the time limit set forth in (c)(i) below and of the effect, pursuant to (c)(iii) below, of failure to furnish a decision on review within such time limit.

(c) Decision on Review.

(i) Time Limit.

(A) General. If, pursuant to (b) above, a review is requested, then, except as otherwise provided in (B) below, the Claims Review Committee or its delegate (but only if such delegate has been given the authority to make a final decision on the Claim) shall make a decision promptly and no later than 60 days after receipt of the Request for Review; except that, if special circumstances require an extension of time for processing, then the decision shall be made as soon as possible but not later than 120 days after receipt of the Request for Review. The Claims Review Committee must furnish the Claimant written notice of any extension prior to its commencement.

(B) Regularly Scheduled Meetings. Anything to the contrary in (A) above notwithstanding, if the Claims Review Committee holds regularly scheduled meetings at least quarterly, then its decision on review shall be made no later than the date of the meeting which immediately follows the receipt of the Request for Review; provided, however, if such Request for Review is received within 30 days preceding the date of such meeting, then such decision on review shall be made no later than the date of the second meeting which follows such receipt; and provided further that, if special circumstances require a further extension of time for processing, and if the Claimant is furnished written notice of such extension prior to its commencement, then such decision on review shall be rendered no later than the third meeting which follows such receipt.

(ii) Notice of Decision. The Claims Review Committee or its delegate shall furnish to the Claimant, within the time limit applicable under (i) above, a written notice setting forth in a manner calculated to be understood by the Claimant:

(A) the specific reason or reasons for the decision on review;

(B) specific reference to the pertinent Plan provisions on which the decision on review is based;

(C) a statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the Claimant's claim for benefits; and

(D) a statement of the Claimant's right to bring an action under section 502(a) of the Employee Retirement Income Security Act of 1974.

(iii) Deemed Denial. If, despite the provisions of (i) and (ii) above, the decision on review is not furnished within the time limit applicable under (i) above, then the Claimant shall be deemed to have exhausted his remedies under the Plan and he may deem the Claim to have been denied on review.

The Claims Review Committee shall have the sole, absolute and uncontrolled discretion to decide all claims under the initial claims procedure and under the claims review procedure, and its decisions shall be binding on all parties.

16.3 Required Exhaustion of Administrative Remedies. Before a Participant may file a lawsuit regarding the Plan or benefits under the Plan, the Participant must first use the Initial Claims Procedure and the Claim Review Procedure (including the requirement of a timely request for review) described above.

ARTICLE XVII — MISCELLANEOUS

17.1 No Enlargement of Employment Rights. Neither this Plan, nor any action of Fifth Third Bancorp, an Employer or the Committee, nor any election to defer Compensation hereunder shall be held or construed to confer on any person any legal right to be continued as an employee of Fifth Third Bancorp, or any Employer.

17.2 Withholdings. Fifth Third Bancorp and the Participant's Employer shall have the right to deduct from a Participant's Pre-2013 Account and Post-2012 Account and/or any payments due a Participant or Beneficiary under the Plan any and all taxes determined by the Committee to be applicable with respect to such benefits. In the discretion of the Committee, Fifth Third Bancorp and the Participant's Employer may accept payment by the Participant (or Beneficiary) of the amount of any applicable taxes in lieu of deducting such amount from the Participant's Pre-2013 Account and Post-2012 Account or payments due under the Plan.

17.3 Entire Agreement. This Plan document constitutes the entire agreement between the Employer and any Participant (or Beneficiary), and supersedes all other prior agreements, undertakings, both written and oral, with respect to the subject matter hereof. This Plan document may not be amended orally or by any course or purported course of dealing,

but only by an amendment in accordance with Paragraph 15.1 specifically identified within its text as a Plan amendment. Written communications and descriptions not specifically identified within their text as amendments, shall not constitute amendments and shall have no interpretive or controlling effect on the interpretation of this Plan. Oral communications shall not constitute amendments and shall have no interpretation or controlling effect on the interpretation of this Plan.

17.4 No Guarantee of Tax Consequences. The Participant (or Beneficiary) shall be responsible for all taxes with respect to his benefit hereunder. Neither Fifth Third Bancorp nor any Employer guarantees any particular tax consequences. This includes, without limitation, any taxes, interest or penalties imposed by, or with respect to, section 409A of the Code.

IN WITNESS WHEREOF, Fifth Third Bancorp has caused this Plan to be executed this day of , 2012.

FIFTH THIRD BANCORP

By: ________________________________

Paul L. Reynolds, Chairman of The Fifth Third Bank Pension, Profit Sharing and Medical Plan Committee

Exhibit 10.50

A MARK OF [**] IN THE TEXT OF THIS EXHIBIT INDICATES THAT CONFIDENTIAL MATERIAL HAS BEEN OMITTED. THIS EXHIBIT, INCLUDING THE OMIITED PORTIONS, HAS BEEN FILED SEPERATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

To: Fifth Third Bancorp
Fifth Third Center
Cincinnati, Ohio 45263

From: Credit Suisse International
One Cabot Square
London, England E14 4QJ

Re: Accelerated Stock Buyback

Ref. No: As provided in the Supplemental Confirmation

Date: **November 6, 2012**

This master confirmation (this "**Master Confirmation**"), dated as of **November 6, 2012** is intended to set forth certain terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between Credit Suisse International (" **CSI**"), Fifth Third Bancorp ("**Counterparty**") and Credit Suisse AG, New York Branch, as agent (the "**Agent**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the " **Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and CSI as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if CSI and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars (" **USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions and (iii) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Counterparty and CSI, with a "Threshold Amount" equal to 3% of such party's shareholders' equity as reported in their respective most recent audited financial statements; *provided* that the words ", or becoming capable at such time of being declared," shall be deleted from such Section 5(a)(vi)).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between CSI and Counterparty or any confirmation or other agreement between CSI and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between CSI and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which CSI and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and

the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	CSI
Shares:	Common stock, without par value, of Counterparty (Ticker: FITB)
Exchange:	NASDAQ Global Select Market
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the NASDAQ 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page "FITB <Equity> AQR_SEC" (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable discretion, erroneous, such VWAP Price shall be as reasonably determined in good faith and in a commercially reasonable manner by the Calculation Agent. For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (such trades, "Rule 10b-18 eligible transactions").
Forward Price:	The average of the VWAP Prices for the Exchange Business Days in the Calculation Period, subject to "Valuation Disruption" below.
Forward Price Adjustment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Calculation Period:	The period from and including the Calculation Period Start Date to and including the Termination Date.
Calculation Period Start Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Termination Date:	The Scheduled Termination Date; *provided* that CSI shall have the right to

designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date (the "**Accelerated Termination Date**") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Exchange Business Day immediately following the designated Accelerated Termination Date.

Scheduled Termination Date:	For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.
First Acceleration Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Valuation Disruption:	The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be" and inserting the words "at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period" after the word "material," in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, extend the Settlement Valuation Period, in both cases by no more than one Exchange Business Day for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in good faith and in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such ninth Scheduled Trading Day using its good faith estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures:	If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that CSI does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by CSI to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.
Number of Shares to be Delivered:	A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount, *minus* (y) the number of Initial Shares.
Divisor Amount:	The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) $1.00.
Excess Dividend Amount:	For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.
Settlement Date:	If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.
Settlement Currency:	USD
Initial Share Delivery:	CSI shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.
Initial Share Delivery Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Initial Shares:	For each Transaction, as set forth in the related Supplemental Confirmation; provided that CSI does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by CSI to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares.

Share Adjustments:

Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event. It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to "Valuation Disruption" above, in which case the Calculation Agent may, in good faith and in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as appropriate to account for the economic effect on the Transaction of such postponement.
Extraordinary Dividend:	For any calendar quarter, any dividend or distribution on the Shares with an ex- dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions) (a "**Dividend**") the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount.
Ordinary Dividend Amount:	For each Transaction, as set forth in the related Supplemental Confirmation

Method of Adjustment:	Calculation Agent Adjustment

Extraordinary Events:

Consequences of Merger Events:

(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment
(c) Share-for-Combined:	Component Adjustment
Tender Offer:	Applicable; *provided* that (i) Section 12.1(l)of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing "that" in the fifth line thereof with "whether or not such announcement" and (z) by adding immediately after the words "Tender Offer" in the fifth line thereof ", and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)" and (ii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words "Tender Offer Date" by "Announcement Date."

Consequences of Tender Offers:

(a) Share-for-Share:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of CSI
(b) Share-for-Other:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of CSI
(c) Share-for-Combined:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of CSI
Nationalization, Insolvency or Delisting:	Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re- listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.

Additional Disruption Events:

(a) Change in Law:	Applicable; provided that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase ", or public announcement of the interpretation", (ii) by replacing the word "Shares" where it appears in clause (X) thereof with the words "Hedge Position" and (iii) by immediately following the word "Transaction" in clause (X) thereof, adding the phrase "in the manner contemplated by the Hedging Party on the Trade Date"; provided further that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the

promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a "Change in Law" shall be made without regard to Section 739 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof the words "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".

(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	200 basis points per annum
Hedging Party:	CSI
(e) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	25 basis points per annum
Hedging Party:	CSI
Determining Party:	CSI; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which CSI is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Determining Party. Upon receipt of written request from Counterparty, the Determining Party shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing CSI's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Determining Party shall be made in good faith and in a commercially reasonable manner.
Additional Termination Event(s):	Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and

	Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s). The declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, or the occurrence of an ex-dividend date for any Dividend that is not an Extraordinary Dividend during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.
Relevant Dividend Period:	The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.
Relevant Dividend Period End Date:	If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.
Scheduled Ex-Dividend Dates:	For each Transaction for each calendar quarter, as set forth in the related Supplemental Confirmation.
Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:	Applicable
Transfer:	Notwithstanding anything to the contrary in the Agreement, CSI may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of CSI under any Transaction, in whole or in part, to an affiliate of CSI whose obligations are guaranteed by CSI, without the consent of Counterparty.
CSI Payment Instructions:	To be advised under separate cover
Counterparty's Contact Details for Purpose of Giving Notice:	To be provided by Counterparty
Role of Agent:	Credit Suisse AG, New York branch, in its capacity as Agent will be responsible for (A) effecting this Transaction, (B) issuing all required confirmations and statements to CSI and Counterparty, (C) maintaining books and records relating to this Transaction in accordance with its standard practices and procedures and in accordance with applicable law and (D) unless otherwise requested by Counterparty, receiving, delivering, and safeguarding Counterparty's funds and any securities in connection with this Transaction, in accordance with its standard practices and procedures and in accordance with applicable law. The Agent is acting in connection with this Transaction solely in its capacity as Agent for CSI and Counterparty pursuant to instructions from CSI and Counterparty. Agent shall have no responsibility or personal liability to CSI or Counterparty arising from any failure by CSI or Counterparty to pay or perform any obligations hereunder, or to monitor or enforce compliance by CSI or Counterparty with any obligation hereunder, including, without limitation, any obligations to maintain collateral. Each of CSI and Counterparty agrees to proceed solely against the other to collect or recover any securities or monies owing to it in connection with or as a result of this Transaction. Agent shall otherwise have no liability in respect of this Transaction, except for its gross negligence or willful misconduct in performing its duties as Agent. Any and all notices, demands, or communications of any kind relating to this Transaction between CSI and Counterparty shall be transmitted exclusively through Agent at the following address:

Credit Suisse AG, New York branch
Eleven Madison Avenue
New York, NY 10010-3629
For payments and deliveries:
Facsimile No.: (212) 325 8175
Telephone No.: (212) 325 8678 / (212) 325 3213

For all other communications:
Facsimile No.: (212) 325 8173
Telephone No.: (212) 325 8676 / (212) 538 5306 / (212) 538 1193 / (212) 538 6886

The date and time of the Transaction evidenced hereby will be furnished by the Agent to CSI and Counterparty upon written request.

The Agent will furnish to Counterparty upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction evidenced hereby.

CSI is regulated by The Securities and Futures Authority and has entered into this Transaction as principal. The time at which this Transaction was executed will be notified to Counterparty (through the Agent) on request.

2. Calculation Agent. CSI; *provided that*, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which CSI is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Calculation Agent. Upon receipt of written request from Counterparty, the Calculation Agent shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing CSI's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

3. Additional Mutual Representations, Warranties and Covenants of Each Party. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. It is an "eligible contract participant", as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to CSI that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither CSI nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to CSI of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; " **Regulation M Period**" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "**Relevant Period**" means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by CSI and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the " **Bankruptcy Code**")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not and will not enter into agreements similar to the Transactions described herein where any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction overlaps with any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

5. Regulatory Disruption. In the event that CSI concludes, in good faith and based on the advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and

procedures generally applicable to the relevant line of business (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by CSI), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, CSI may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to CSI that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence CSI's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, CSI's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 under the Exchange Act (" **Rule 10b-18**")) shall not, without the prior written consent of CSI, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period or, if applicable, Settlement Valuation Period, except through CSI However, the foregoing shall not limit Counterparty's ability (or the ability of any "agent independent of the issuer" (as defined in Rule 10b-18)), pursuant to any plan (as defined in Rule 10b-18) of Counterparty, to re-acquire Shares in connection with any equity transaction related to such plan or to limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such equity transactions or otherwise restrict Counterparty's ability to repurchase Shares under privately negotiated or off-market transactions (including, without limitation, an agreement relating to Counterparty's 401(k) Plan or transactions with any of Counterparty's employees, officers, directors or affiliates), so long as any re-acquisition, withholding or repurchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Public Announcement**") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify CSI following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide CSI with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases

(as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date that were not effected through CSI or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to CSI that such information is true and correct. In addition, Counterparty shall promptly notify CSI of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party), CSI may in its sole discretion (i) make adjustments in good faith and in a commercially reasonable manner to the terms of any Transaction, including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"**Merger Transaction**" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. Special Provisions for Acquisition Transaction Announcements . (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Number of Shares to be Delivered for such Transaction shall be determined as if the Divisor Amount were equal to "The greater of (i) the Forward Price and (ii) $1.00." If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) "**Acquisition Transaction Announcement**" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent could reasonably be expected to result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) "**Acquisition Transaction**" means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "15%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. Acknowledgments. (a) The parties hereto intend for:

(i) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections

afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, CSI and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) CSI and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) CSI shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of CSI and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted CSI an option; CSI may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, CSI agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from CSI to Counterparty with respect to contracts or instruments that are not Equity Contracts. " **Equity Contract**" means any transaction or instrument that does not convey to CSI rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. Delivery of Shares. Notwithstanding anything to the contrary herein, CSI may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a " **Payment Amount**"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for CSI to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "**Alternative Delivery Unit**" and, the securities or property comprising such unit, " **Alternative Delivery Property**")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by CSI, the prices at which CSI purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to CSI in writing on the date it notifies CSI of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Close-out Amount pursuant to Section 6 of the Agreement CSI may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or sooner following the designation of an Early Termination Date. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by CSI as promptly as practicable.

16. [Reserved.]

17. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by CSI or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, and the Exchange Business Day that the price of the Shares on the Exchange at any time falls below the Termination Price will be the "Early Termination Date" for purposes of the Agreement.

18. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master

Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

19. Claim in Bankruptcy. CSI acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

20. [Reserved.]

21. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

22. Offices.

The Office of Counterparty for each Transaction is: Fifth Third Bancorp, Fifth Third Center Cincinnati, Ohio 45263.

23. Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to any Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into any Transaction hereunder by, among other things, the mutual waivers and certifications provided herein.

24. Submission to Jurisdiction. Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

"Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, "Proceedings") to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party's property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court's decision or judgment to any higher court with competent appellate jurisdiction over that court's decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction."

25. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing and returning to us a copy of this Confirmation.

Yours sincerely,

CREDIT SUISSE INTERNATIONAL

By: /s/ Emillie Blay
Authorized Signatory
Emillie Blay

By: /s/ Shui Wong
Authorized Signatory
Shui Wong

CREDIT SUISSE AG, NEW YORK BRANCH, as Agent

By: /s/ Michael G. Clark
Authorized Signatory
Michael G. Clark

By: /s/ Louis J. Impellizeri
Authorized Signatory
Louis J. Impellizeri
Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ Tayfun Tuzun
Name: Tayfun Tuzun
Title: Treasurer

SCHEDULE A

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	Credit Suisse International
Subject:	Accelerated Stock Buyback
Ref. No:	**55215064**
Date:	**November 6, 2012**

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Credit Suisse International ("**CSI**"), Fifth Third Bancorp ("**Counterparty**") (together, the "**Contracting Parties**") and Credit Suisse AG, New York Branch, as agent, on the Trade Date specified below. This Supplemental Confirmation is a binding contract between CSI and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of **November 6, 2012** (the "**Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	November 6, 2012
Forward Price Adjustment Amount:	[**]*
Calculation Period Start Date:	November 7, 2012
Scheduled Termination Date:	February 7, 2013
First Acceleration Date:	[**]*
Prepayment Amount:	USD 125,000,000
Prepayment Date:	November 9, 2012
Initial Shares:	7,710,761 Shares; *provided* that if, in connection with the Transaction, CSI is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that CSI is able to so borrow or otherwise acquire, and CSI shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Initial Share Delivery Date:	November 9, 2012
Ordinary Dividend Amount:	[**]*
Scheduled Ex-Dividend Dates:	December 27, 2012
Termination Price:	[**]*
Additional Relevant Days:	The Three Exchange Business Days immediately following the Calculation Period.

3. Counterparty represents and warrants to CSI that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

Please confirm your agreement to be bound by the terms of the foregoing by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

CREDIT SUISSE INTERNATIONAL

By: /s/ Emillie Blay
Authorized Signatory

By: /s/ Shui Wong
Authorized Signatory

CREDIT SUISSE AG, NEW YORK BRANCH, as Agent

By: /s/ Michael G. Clark
Authorized Signatory

By: /s/ Louis J. Impellizeri
Louis J. Impellizeri
Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ Tayfun Tuzun
Name: Tayfun Tuzun
Title: Treasurer

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; *provided* that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word “Physical” in the sixth line thereof and replacing it with the words “Net Share” and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to CSI in writing on the date it notifies CSI of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered multiplied by the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Scheduled Trading Days selected by CSI in good faith and in a commercially reasonable manner, such number to be approximately equal to the Number of Shares to be Delivered divided by 10% of the ADTV (as defined in Rule 10b-18, and expressed as a number of Shares) for the Shares at the time of determination, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.
Net Share Settlement Procedures:	If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the “**Registered Settlement Shares**”), or a number

of Shares not satisfying such conditions (the "**Unregistered Settlement Shares**"), in either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to CSI (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by CSI (the " **Registration Statement**") shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the "**Prospectus**") shall have been delivered to CSI, in such quantities as CSI shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to CSI;

(c) as of or prior to the date of delivery, CSI and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to CSI, in its discretion; and

(d) as of the date of delivery, an agreement (the "**Underwriting Agreement**") shall have been entered into with CSI in connection with the public resale of the Registered Settlement Shares by CSI substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance satisfactory to CSI, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, CSI and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to CSI (or any affiliate of CSI designated by CSI) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(b) as of or prior to the date of delivery, CSI and any potential purchaser of any such shares from CSI (or any affiliate of CSI designated by CSI) identified by CSI shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a " **Private Placement Agreement**") with CSI (or any affiliate of CSI designated by CSI) in connection with the private placement of such shares by Counterparty to CSI (or any such affiliate) and the private resale of such shares by CSI (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to CSI, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, CSI and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all fees and expenses in connection with such resale, including all fees and expenses of counsel for CSI, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to CSI (or any such affiliate) and the private resale of such shares by CSI (or any such affiliate), Counterparty shall, if so requested by CSI, prepare, in cooperation with CSI, a private placement memorandum in form and substance reasonably satisfactory to CSI

5. CSI, itself or through an affiliate (the "**Selling Agent**") or any underwriter(s), will sell all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares

and any Makewhole Shares (as defined below) (together, the "**Settlement Shares**") delivered by Counterparty to CSI pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by CSI, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "**Final Resale Date**"). If the proceeds of any sale(s) made by CSI, the Selling Agent or any underwriter(s), net of any fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the "**Net Proceeds**") exceed the absolute value of the Forward Cash Settlement Amount, CSI will refund, in USD, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, CSI shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the "**Shortfall**" and the date on which such determination is made, the "**Deficiency Determination Date**"), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the "**Makewhole Notice Date**") deliver to CSI, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to CSI additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the "**Makewhole Shares**"), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by CSI in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to CSI further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "**Capped Number**"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

$$A – B$$

Where A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"**Reserved Shares**" means initially, 8,500,000 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

Exhibit 10.51

A MARK OF [**] IN THE TEXT OF THIS EXHIBIT INDICATES THAT CONFIDENTIAL MATERIAL HAS BEEN OMITTED. THIS EXHIBIT, INCLUDING THE OMIITED PORTIONS, HAS BEEN FILED SEPERATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT UNDER RULE 24B-2 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	Credit Suisse International One Cabot Square London, England E14 4QJ
Re:	Accelerated Stock Buyback
Ref. No:	As provided in the Supplemental Confirmation
Date:	**November 6, 2012**

This master confirmation (this "**Master Confirmation**"), dated as of **November 6, 2012** is intended to set forth certain terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between Credit Suisse International (" **CSI**"), Fifth Third Bancorp ("**Counterparty**") and Credit Suisse AG, New York Branch, as agent (the "**Agent**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the " **Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and CSI as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if CSI and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars (" **USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions and (iii) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Counterparty and CSI, with a "Threshold Amount" equal to 3% of such party's shareholders' equity as reported in their respective most recent audited financial statements; *provided* that the words ", or becoming capable at such time of being declared," shall be deleted from such Section 5(a)(vi)).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between CSI and Counterparty or any confirmation or other agreement between CSI and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between CSI and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which CSI and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and

the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	CSI
Shares:	Common stock, without par value, of Counterparty (Ticker: FITB)
Exchange:	NASDAQ Global Select Market
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the NASDAQ 10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page “FITB <Equity> AQR_SEC” (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent’s reasonable discretion, erroneous, such VWAP Price shall be as reasonably determined in good faith and in a commercially reasonable manner by the Calculation Agent. For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (such trades, “Rule 10b-18 eligible transactions”).
Forward Price:	The average of the VWAP Prices for the Exchange Business Days in the Calculation Period, subject to “Valuation Disruption” below.
Forward Price Adjustment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Calculation Period:	The period from and including the Calculation Period Start Date to and including the Termination Date.
Calculation Period Start Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Termination Date:	The Scheduled Termination Date; *provided* that CSI shall have the right to

designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date (the "**Accelerated Termination Date**") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Exchange Business Day immediately following the designated Accelerated Termination Date.

Scheduled Termination Date: For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.

First Acceleration Date: For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation Disruption: The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be" and inserting the words "at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period" after the word "material," in the third line thereof.

Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof.

Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, extend the Settlement Valuation Period, in both cases by no more than one Exchange Business Day for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in good faith and in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full.

If a Disrupted Day occurs during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such ninth Scheduled Trading Day using its good faith estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures:	If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that CSI does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by CSI to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.
Number of Shares to be Delivered:	A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount, *minus* (y) the number of Initial Shares.
Divisor Amount:	The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) $1.00.
Excess Dividend Amount:	For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.
Settlement Date:	If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.
Settlement Currency:	USD
Initial Share Delivery:	CSI shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.
Initial Share Delivery Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Initial Shares:	For each Transaction, as set forth in the related Supplemental Confirmation; provided that CSI does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by CSI to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares.

Share Adjustments:

Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event. It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to "Valuation Disruption" above, in which case the Calculation Agent may, in good faith and in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as appropriate to account for the economic effect on the Transaction of such postponement.
Extraordinary Dividend:	For any calendar quarter, any dividend or distribution on the Shares with an ex- dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions) (a "**Dividend**") the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount.
Ordinary Dividend Amount:	For each Transaction, as set forth in the related Supplemental Confirmation

Method of Adjustment:	Calculation Agent Adjustment
Extraordinary Events:	
Consequences of Merger Events:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment
(c) Share-for-Combined:	Component Adjustment
Tender Offer:	Applicable; *provided* that (i) Section 12.1(l)of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing “that” in the fifth line thereof with “whether or not such announcement” and (z) by adding immediately after the words “Tender Offer” in the fifth line thereof “, and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)” and (ii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words “Tender Offer Date” by “Announcement Date.”
Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of CSI
(b) Share-for-Other:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of CSI
(c) Share-for-Combined:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of CSI
Nationalization, Insolvency or Delisting:	Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re- listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.
Additional Disruption Events:	
(a) Change in Law:	Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase “the interpretation” in the third line thereof with the phrase “, or public announcement of the interpretation”, (ii) by replacing the word “Shares” where it appears in clause (X) thereof with the words “Hedge Position” and (iii) by immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”; provided further that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the

promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a "Change in Law" shall be made without regard to Section 739 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof the words "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".

(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	200 basis points per annum
Hedging Party:	CSI
(e) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	25 basis points per annum
Hedging Party:	CSI
Determining Party:	CSI; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which CSI is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Determining Party. Upon receipt of written request from Counterparty, the Determining Party shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing CSI's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Determining Party shall be made in good faith and in a commercially reasonable manner.
Additional Termination Event(s):	Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and

	Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s). The declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, or the occurrence of an ex-dividend date for any Dividend that is not an Extraordinary Dividend during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.
Relevant Dividend Period:	The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.
Relevant Dividend Period End Date:	If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.
Scheduled Ex-Dividend Dates:	For each Transaction for each calendar quarter, as set forth in the related Supplemental Confirmation.
Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:	Applicable
Transfer:	Notwithstanding anything to the contrary in the Agreement, CSI may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of CSI under any Transaction, in whole or in part, to an affiliate of CSI whose obligations are guaranteed by CSI, without the consent of Counterparty.
CSI Payment Instructions:	To be advised under separate cover
Counterparty's Contact Details for Purpose of Giving Notice:	To be provided by Counterparty
Role of Agent:	Credit Suisse AG, New York branch, in its capacity as Agent will be responsible for (A) effecting this Transaction, (B) issuing all required confirmations and statements to CSI and Counterparty, (C) maintaining books and records relating to this Transaction in accordance with its standard practices and procedures and in accordance with applicable law and (D) unless otherwise requested by Counterparty, receiving, delivering, and safeguarding Counterparty's funds and any securities in connection with this Transaction, in accordance with its standard practices and procedures and in accordance with applicable law. The Agent is acting in connection with this Transaction solely in its capacity as Agent for CSI and Counterparty pursuant to instructions from CSI and Counterparty. Agent shall have no responsibility or personal liability to CSI or Counterparty arising from any failure by CSI or Counterparty to pay or perform any obligations hereunder, or to monitor or enforce compliance by CSI or Counterparty with any obligation hereunder, including, without limitation, any obligations to maintain collateral. Each of CSI and Counterparty agrees to proceed solely against the other to collect or recover any securities or monies owing to it in connection with or as a result of this Transaction. Agent shall otherwise have no liability in respect of this Transaction, except for its gross negligence or willful misconduct in performing its duties as Agent. Any and all notices, demands, or communications of any kind relating to this Transaction between CSI and Counterparty shall be transmitted exclusively through Agent at the following address:

Credit Suisse AG, New York branch
Eleven Madison Avenue
New York, NY 10010-3629
For payments and deliveries:
Facsimile No.: (212) 325 8175
Telephone No.: (212) 325 8678 / (212) 325 3213

For all other communications:
Facsimile No.: (212) 325 8173
Telephone No.: (212) 325 8676 / (212) 538 5306 / (212) 538 1193 / (212) 538 6886

The date and time of the Transaction evidenced hereby will be furnished by the Agent to CSI and Counterparty upon written request.

The Agent will furnish to Counterparty upon written request a statement as to the source and amount of any remuneration received or to be received by the Agent in connection with the Transaction evidenced hereby.

CSI is regulated by The Securities and Futures Authority and has entered into this Transaction as principal. The time at which this Transaction was executed will be notified to Counterparty (through the Agent) on request.

2. Calculation Agent. CSI; *provided that*, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which CSI is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Calculation Agent. Upon receipt of written request from Counterparty, the Calculation Agent shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing CSI's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

3. Additional Mutual Representations, Warranties and Covenants of Each Party. In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. It is an "eligible contract participant", as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of Counterparty. In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to CSI that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither CSI nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to CSI of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; " **Regulation M Period**" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "**Relevant Period**" means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by CSI and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the " **Bankruptcy Code**")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not and will not enter into agreements similar to the Transactions described herein where any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with any Relevant Period or, if applicable, any Settlement Valuation Period under this Master Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction overlaps with any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

5. Regulatory Disruption. In the event that CSI concludes, in good faith and based on the advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and

procedures generally applicable to the relevant line of business (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by CSI), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, CSI may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to CSI that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence CSI's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, CSI's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 under the Exchange Act (" **Rule 10b-18**")) shall not, without the prior written consent of CSI, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period or, if applicable, Settlement Valuation Period, except through CSI However, the foregoing shall not limit Counterparty's ability (or the ability of any "agent independent of the issuer" (as defined in Rule 10b-18)), pursuant to any plan (as defined in Rule 10b-18) of Counterparty, to re-acquire Shares in connection with any equity transaction related to such plan or to limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such equity transactions or otherwise restrict Counterparty's ability to repurchase Shares under privately negotiated or off-market transactions (including, without limitation, an agreement relating to Counterparty's 401(k) Plan or transactions with any of Counterparty's employees, officers, directors or affiliates), so long as any re-acquisition, withholding or repurchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Public Announcement**") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify CSI following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide CSI with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date that were not effected through CSI or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to CSI that such information is true and correct. In addition, Counterparty shall promptly notify CSI of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party), CSI may in its sole discretion (i) make adjustments in good faith and in a commercially reasonable manner to the terms of any Transaction, including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"**Merger Transaction**" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. Special Provisions for Acquisition Transaction Announcements . (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Number of Shares to be Delivered for such Transaction shall be determined as if the Divisor Amount were equal to "The greater of (i) the Forward Price and (ii) $1.00." If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) "**Acquisition Transaction Announcement**" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent could reasonably be expected to result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) "**Acquisition Transaction**" means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "15%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. Acknowledgments. (a) The parties hereto intend for:

(i) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as

defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, CSI and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) CSI and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) CSI shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of CSI and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted CSI an option; CSI may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, CSI agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from CSI to Counterparty with respect to contracts or instruments that are not Equity Contracts. " **Equity Contract**" means any transaction or instrument that does not convey to CSI rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. Delivery of Shares. Notwithstanding anything to the contrary herein, CSI may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a " **Payment Amount**"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for CSI to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "**Alternative Delivery Unit**" and, the securities or property comprising such unit, " **Alternative Delivery Property**")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by CSI, the prices at which CSI purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to CSI in writing on the date it notifies CSI of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Close-out Amount pursuant to Section 6 of the Agreement CSI may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or sooner following the designation of an Early Termination Date. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by CSI as promptly as practicable.

16. [Reserved.]

17. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by CSI or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, and the Exchange Business Day that the price of the Shares on the Exchange at any time falls below the Termination Price will be the "Early Termination Date" for purposes of the Agreement.

18. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master

Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity*, as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

19. Claim in Bankruptcy. CSI acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

20. [Reserved.]

21. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

22. Offices.

The Office of Counterparty for each Transaction is: Fifth Third Bancorp, Fifth Third Center Cincinnati, Ohio 45263.

23. Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to any Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into any Transaction hereunder by, among other things, the mutual waivers and certifications provided herein.

24. Submission to Jurisdiction. Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

"Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, "Proceedings") to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party's property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court's decision or judgment to any higher court with competent appellate jurisdiction over that court's decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction."

25. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

Please confirm that the foregoing correctly sets forth the terms of our agreement by signing and returning to us a copy of this Confirmation.

Yours sincerely,

CREDIT SUISSE INTERNATIONAL

By: /s/ Emillie Blay
Authorized Signatory
Emillie Blay

By: /s/ Shui Wong
Authorized Signatory
Shui Wong

CREDIT SUISSE AG, NEW YORK BRANCH, as Agent

By: /s/ Michael G. Clark
Authorized Signatory
Michael G. Clark

By: /s/ Louis J. Impellizeri
Authorized Signatory
Louis J. Impellizeri
Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ Tayfun Tuzun
Name: Tayfun Tuzun
Title: Treasurer

SCHEDULE A

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	Credit Suisse International
Subject:	Accelerated Stock Buyback
Ref. No:	**55261397**
Date:	**December 14, 2012**

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Credit Suisse International ("**CSI**"), Fifth Third Bancorp ("**Counterparty**") (together, the "**Contracting Parties**") and Credit Suisse AG, New York Branch, as agent, on the Trade Date specified below. This Supplemental Confirmation is a binding contract between CSI and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of **November 6, 2012** (the "**Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	December 14, 2012
Forward Price Adjustment Amount:	[**]*
Calculation Period Start Date:	December 17, 2012
Scheduled Termination Date:	March 14, 2013
First Acceleration Date:	[**]*
Prepayment Amount:	USD 100,000,000
Prepayment Date:	December 19, 2012
Initial Shares:	6,267,410 Shares; *provided* that if, in connection with the Transaction, CSI is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that CSI is able to so borrow or otherwise acquire, and CSI shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Initial Share Delivery Date:	December 19, 2012
Ordinary Dividend Amount:	[**]*
Scheduled Ex-Dividend Dates:	December 27, 2012
Termination Price:	[**]*
Additional Relevant Days:	The Three Exchange Business Days immediately following the Calculation Period.

3. Counterparty represents and warrants to CSI that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

* CONFIDENTIAL INFORMATION HAS BEEN OMITTED AND HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

Please confirm your agreement to be bound by the terms of the foregoing by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

CREDIT SUISSE INTERNATIONAL

By: /s/ Shui Wong
Authorized Signatory

By: /s/ Bik Kwan Chung
Authorized Signatory

CREDIT SUISSE AG, NEW YORK BRANCH, as Agent

By: /s/ Michael G. Clark
Authorized Signatory

By: /s/ Louis J. Impellizeri
Authorized Signatory

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ Tayfun Tuzun
Name: Tayfun Tuzun
Title: Treasurer

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; *provided* that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word “Physical” in the sixth line thereof and replacing it with the words “Net Share” and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to CSI in writing on the date it notifies CSI of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered multiplied by the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Scheduled Trading Days selected by CSI in good faith and in a commercially reasonable manner, such number to be approximately equal to the Number of Shares to be Delivered divided by 10% of the ADTV (as defined in Rule 10b-18, and expressed as a number of Shares) for the Shares at the time of determination, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.
Net Share Settlement Procedures:	If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the "**Registered Settlement Shares**"), or a number of Shares not satisfying such conditions (the "**Unregistered Settlement Shares**"), in either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to CSI (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by CSI (the "**Registration Statement**") shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the "**Prospectus**") shall have been delivered to CSI, in such quantities as CSI shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to CSI;

(c) as of or prior to the date of delivery, CSI and its agents shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to CSI, in its discretion; and

(d) as of the date of delivery, an agreement (the "**Underwriting Agreement**") shall have been entered into with CSI in connection with the public resale of the Registered Settlement Shares by CSI substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance satisfactory to CSI, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, CSI and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to CSI (or any affiliate of CSI designated by CSI) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(b) as of or prior to the date of delivery, CSI and any potential purchaser of any such shares from CSI (or any affiliate of CSI designated by CSI) identified by CSI shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a "**Private Placement Agreement**") with CSI (or any affiliate of CSI designated by CSI) in connection with the private placement of such shares by Counterparty to CSI (or any such affiliate) and the private resale of such shares by CSI (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to CSI, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, CSI and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all fees and expenses in connection with such resale, including all fees and expenses of counsel for CSI, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to CSI (or any such affiliate) and the private resale of such shares by CSI (or any such affiliate), Counterparty shall, if so requested by CSI, prepare, in cooperation with CSI, a private placement memorandum in form and substance reasonably satisfactory to CSI

5. CSI, itself or through an affiliate (the "**Selling Agent**") or any underwriter(s), will sell all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the " **Settlement Shares**") delivered by Counterparty to CSI pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by CSI, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "**Final Resale Date**"). If the proceeds of any sale(s) made by CSI, the Selling Agent or any underwriter(s), net of any fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the " **Net Proceeds**") exceed the absolute value of the Forward Cash Settlement Amount, CSI will refund, in USD, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, CSI shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the " **Shortfall**" and the date on which such determination is made, the "**Deficiency Determination Date**"), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the "**Makewhole Notice Date**") deliver to CSI, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to CSI additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the " **Makewhole Shares**"), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by CSI in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to CSI further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "**Capped Number**"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

$$A - B$$

Where A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"**Reserved Shares**" means initially, 8,500,000 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

Exhibit 12.1

Fifth Third Bancorp
Computations of Consolidated Ratios of Earnings to Fixed Charges
($ In Millions)

	Year Ended December 31,				
	2012	2011	2010	2009	2008
Excluding Interest on Deposits:					
Fixed Charges:					
Interest Expense (excluding interest on deposits)	$ 296	309	293	361	805
One-Third of Rents, Net of Income from Subleases	28	27	26	29	28
Total Fixed Charges	$ 324	336	319	390	833
Earnings:					
Income (Loss) Before Income Taxes	$ 2,210	1,831	940	767	(2,664)
Fixed Charges	324	336	319	390	833
Total Earnings	$ 2,534	2,167	1,259	1,157	(1,831)
Ratio of Earnings to Fixed Charges, Excluding Interest On Deposits	7.82x	6.45x	3.94x	2.97x	N/A*(a)*
Coverage Deficiency	—	—	—	—	(2,664)
Including Interest on Deposits:					
Fixed Charges:					
Interest Expense	$ 512	661	885	1,314	2,094
One-Third of Rents, Net of Income from Subleases	28	27	26	29	28
Total Fixed Charges	$ 540	688	911	1,343	2,122
Earnings:					
Income (Loss) Before Income Taxes	$ 2,210	1,831	940	767	(2,664)
Fixed Charges	540	688	911	1,343	2,122
Total Earnings	$2,750	2,519	1,851	2,110	(542)
Ratio of Earnings to Fixed Charges, Including Interest On Deposits	5.09x	3.66x	2.03x	1.57x	N/A*(a)*
Coverage Deficiency	—	—	—	—	(2,664)

(a) *Earnings were inadequate to cover fixed charges by $2.7 billion*

Exhibit 12.2

Fifth Third Bancorp
Computations of Consolidated Ratios of Earnings to Combined Fixed Charges and Preferred Stock Dividend Requirements
($ In Millions)

	Year Ended December 31,				
	2012	2011	2010	2009	2008
Excluding Interest on Deposits:					
Fixed Charges:					
Interest Expense (excluding interest on deposits)	$ 296	309	293	361	805
One-Third of Rents, Net of Income from Subleases	28	27	26	29	28
Preferred Stock Dividends	35	203	250	226	67
Total Fixed Charges	$ 359	539	569	616	900
Earnings:					
Income (Loss) Before Income Taxes	$ 2,210	1,831	940	767	(2,664)
Fixed Charges—Excluding Preferred Stock Dividends	324	336	319	390	833
Total Earnings	$ 2,534	2,167	1,259	1,157	(1,831)
Ratio of Earnings to Fixed Charges, Excluding Interest On Deposits	7.06x	4.02x	2.21x	1.88x	N/A*(a)*
Coverage Deficiency	—	—	—	—	(2,731)
Including Interest on Deposits:					
Fixed Charges:					
Interest Expense	$ 512	661	885	1,314	2,094
One-Third of Rents, Net of Income from Subleases	28	27	26	29	28
Preferred Stock Dividends	35	203	250	226	67
Total Fixed Charges	$ 575	891	1,161	1,569	2,189
Earnings:					
Income (Loss) Before Income Taxes	$ 2,210	1,831	940	767	(2,664)
Fixed Charges—Excluding Preferred Stock Dividends	540	688	911	1,343	2,122
Total Earnings	$2,750	2,519	1,851	2,110	(542)
Ratio of Earnings to Fixed Charges, Including Interest On Deposits	4.78x	2.83x	1.59x	1.34x	N/A*(a)*
Coverage Deficiency	—	—	—	—	(2,731)

(a) Earnings were inadequate to cover fixed charges by $2.7 billion

Exhibit 21

FIFTH THIRD BANCORP SUBSIDIARIES
As of December 31, 2012

Name	Jurisdiction of Incorporation
Fifth Third Capital Trust IV	Delaware
Fifth Third Financial Corporation	Ohio
Fifth Third Bank	Ohio
Fifth Third Equipment Finance Company	Ohio
The Fifth Third Auto Leasing Trust	Delaware
Fifth Third International Company	Kentucky
Fifth Third Trade Services Limited	Hong Kong
Fifth Third Holdings, LLC	Delaware
Fifth Third Holdings Funding, LLC	Delaware
Fifth Third Conduit Holdings, LLC	Delaware
Fifth Third Auto Conduit Funding, LLC	Delaware
Fifth Third Mortgage Insurance Reinsurance Company	Vermont
Fifth Third Mortgage Company	Ohio
Fifth Third Real Estate Investment Trust, Inc.	Maryland
Fifth Third Securities, Inc.	Ohio
Fifth Third Asset Management, Inc.	Ohio
Fifth Third Insurance Agency, Inc.	Ohio
FTPS Partners, LLC	Delaware
Old Kent Investment Corporation	Nevada
GNB Management, LLC	Delaware
GNB Realty, LLC	Delaware
Old Kent Mortgage Services, Inc.	Michigan
Fifth Third Mortgage – Michigan, LLC	Delaware
Fifth Third Funding, LLC	Delaware
Fifth Third Home Equity Loan Trust 2003-1	Delaware
Walnut & Vine Holdings, LLC	Delaware
Walnut & Vine Properties I, LLC	Delaware
Walnut & Vine Properties II, LLC	Delaware
Fifth Third Community Development Corporation	Indiana
Bicycle Factory Investment Fund, LLC	Michigan
Boner-CDC, LLC	Indiana
Capital-CDC Associates, LLC	Indiana
CPF Affordable Housing Fund I, LP	Ohio
Cumberland Wellness Investment Fund, LLC	Ohio
Fifth Third New Markets Development Co., LLC	Ohio
Fifth Third West Louisville Emerging, LLC	Ohio
SCD VII Investment Company, LLC	Delaware
SCG Investment Fund, LLC	Ohio
Steelyyards Investment Fund, LLC	Ohio
Studio One Investment Fund, LLC	Michigan
5/3 Better Family Life Investment Fund, LLC	Ohio
5/3 GCM NMTC Investment Fund, LLC	Ohio
5/3 Georgia Aquarium Investment Fund, LLC	Ohio
5/3 LWC NMTC Investment Fund, LLC	Ohio
5/3 Middough NMTC Investment Fund, LLC	Ohio
5/3 Middough NMTC Investment Fund, II	Ohio
5/3 Shoreway NMTC Investment Fund, LLC	Ohio
5/3 SIP NMTC Investment Fund, LLC	Ohio
5/3 The Views NMTC Investment Fund, LLC	Ohio
5/3 120 East Sixth Investment Fund, LLC	Ohio
5/3 1400 Race Street Investment Fund, LLC	Ohio
5/3 200 Peachtree Investment Fund, LLC	Ohio
5/3 7000 Euclid Investment Fund, LLC	Ohio
5/3 CNMF NMTC Investment Fund, LLC	Ohio
600 Fifth Street Properties Master Tenant, LLC	Michigan
Fifth Third Capital Holdings, LLC	Delaware
Fountain Square Life Reinsurance Company, Ltd.	Turks and Caicos Islands
Vista Settlement Services, LLC	Delaware
Fifth Third Investment Company	Ohio
Fifth Third Mauritius Holdings Limited	Mauritius
First Charter Capital Trust I	Delaware

First Charter Capital Trust II	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of Fifth Third Bancorp and subsidiaries (the "Bancorp") of our reports dated February 22, 2013, relating to the consolidated financial statements of the Bancorp, and the effectiveness of the Bancorp's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Bancorp for the year ended December 31, 2012:

Form S-8	Form S-3
No. 33-34075	No. 33-54134
No. 33-55553	No. 333-165689
No. 333-52182	
No. 333-52188	
No. 333-58249	
No. 333-58618	
No. 333-63518	
No. 333-72910	
No. 333-108996	
No. 333-114001	
No. 333-116535	
No. 333-119280	
No. 333-123493	
No. 333-147533	
No. 333-157687	
No. 333-158742	
No. 333-175258	

/s/ Deloitte and Touche LLP
Cincinnati, Ohio
February 22, 2013

Exhibit 31(i)

**CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Kevin T. Kabat, certify that:

1. I have reviewed this report on Form 10-K of Fifth Third Bancorp (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Kevin T. Kabat
Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 22, 2013

Exhibit 31(ii)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Daniel T. Poston, certify that:

1. I have reviewed this report on Form 10-K of Fifth Third Bancorp (the “Registrant”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Daniel T. Poston

Daniel T. Poston
Executive Vice President and Chief Financial Officer
February 22, 2013

Exhibit 32(i)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Fifth Third Bancorp (the “Registrant”) on Form 10-K for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Kevin T. Kabat, Vice Chairman and Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Kevin T. Kabat

Kevin T. Kabat
Vice Chairman and Chief Executive Officer
February 22, 2013

Exhibit 32(ii)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Fifth Third Bancorp (the “Registrant”) on Form 10-K for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel T. Poston, Executive Vice President and Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Daniel T. Poston

Daniel T. Poston
Executive Vice President and Chief Financial Officer
February 22, 2013