A BRIEF HISTORY OF FIFTH THIRD BANK

THE LESSONS WE HAVE LEARNED

THE TESTS WE FACE

March 31, 2011
WHERE DID THE NAME ORIGINATE?
Our Name Reflects Our History

- Began as the Bank of the Ohio Valley in Cincinnati in 1858
- Purchased by Third National Bank in 1871
- Third National Bank merged with Fifth National Bank in 1908
Fifth Third Bank Today

- Headquartered in Cincinnati, Ohio
- 15 affiliates in 12 states
- 1,312 Banking Centers
- More than 21,000 employees
- “FITB” traded on NASDAQ
Fifth Third Franchise

- $111 billion assets
- $82 billion deposits
- Leading market share in mature Midwest market
- Built strong presence in higher growth Southeastern markets over past 5 years
- Moved into the North Carolina Market in 2008, with our acquisition of First Charter
Fifth Third Bancorp Operating Model

- **Lines of Business**
  - Branch Banking
  - Consumer Lending
  - Commercial
  - Investment Advisors
  - Fifth Third Processing Solutions (49% interest)

- **Divisions**
  - Central Operations
  - Information Technology
  - Human Resources
  - Legal
  - Community Affairs
  - Risk Management
  - Finance
  - Audit
  - Marketing

Twelve months revenue from lines of business* = $6.2 billion

- Branch Banking: $2.4B (39%)
- Commercial Banking: $2.2B (35%)
- Consumer Lending: $1.1B (18%)
- Investment Advisors: $494MM (8%)

* Q1 Annualized.
Fifth Third Bank’s Affiliate Structure

- Each affiliate has:
  - The strength of the Bancorp combined with local decision-making power, which gives each affiliate a small bank culture
  - A local Board of Directors that, because members are part of the community, is able to provide effective guidance to the affiliate
  - A local President who leads the affiliate and is empowered to make decisions that are best for his or her market
  - Local senior leaders who report to the President and run the lines of business and divisions
Fifth Third Bank’s Affiliate Structure

- The affiliate model supports our success
  - Market place differentiation
  - Customer responsiveness
  - Attracting and retaining high-caliber talent
  - Collaboration
  - Creating best practices
  - Consolidation of back office functions
Our More Recent History can be Grouped into Three Periods:

1990 – 2004:
THE WONDER YEARS
### Historical Context: Extraordinary Growth

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2004</th>
<th>CAGR</th>
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<tbody>
<tr>
<td>Assets</td>
<td>$8 billion</td>
<td>$101 billion</td>
<td>17%</td>
</tr>
<tr>
<td>Net income</td>
<td>$120 million</td>
<td>$1.5 billion</td>
<td>17%</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>$0.41</td>
<td>$2.65</td>
<td>12%</td>
</tr>
<tr>
<td>Market cap</td>
<td>$1.3 billion</td>
<td>$23 billion</td>
<td>20%</td>
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<tr>
<td>Branches</td>
<td>214</td>
<td>1,150</td>
<td>11%</td>
</tr>
<tr>
<td>ATMs</td>
<td>262</td>
<td>2,096</td>
<td>14%</td>
</tr>
<tr>
<td>Rank, U.S.</td>
<td># 50 - 60</td>
<td># 13</td>
<td></td>
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</tbody>
</table>
ATTRIBUTES. . . .

- Hard Work – “Working Hard to be the Only Bank you’ll ever Need”
- Results Focused / Product Focused – “What Did You Sell Today?”
- “HUSTLE” as a Strategy
- Expense Control
Stock Price Performance  1990 - 2005

Source: Bloomberg, 06/16/11
The Event . . . .

Out of Balance Condition leads to Written Agreement

Lessons We Learned

- Incremental Growth can be as Dangerous as Sudden Growth
- Infrastructure and Controls are Critical to Success
- The Affiliate Model has its limits
2005 – 2009:
BACK TO REALITY
ATTRIBUTES.

- Adopted a New Strategic Approach
- Focus on Customer Instead of Products
- Employee Engagement
In 2007 we also Changed our Brand

- Brand Personality
  - Determined
  - Confident
  - Optimistic
  - Caring
Some Got Us Confused with Wachovia

Luckily, Wachovia is changing theirs . . .
Expanding the Fifth Third Franchise into North Carolina

• Entry into the Charlotte, Raleigh-Durham and Atlanta markets
  - Immediate presence in Charlotte, ranking 4th in deposit market share
  - 5 branches in Raleigh serve as a base for future growth
• Opportunity to develop Georgia presence
• Helps connect Fifth Third’s Midwest and Florida operations
• Very attractive demographics
  - 59 branch network (34 in Charlotte MSA, 5 in Raleigh MSA, 2 in Atlanta MSA)
  - Generates high scores in FITB branch scoring model
  - Weighted average projected population growth of 14% in footprint
  - Weighted average projected household income growth of 18%
Stock Price Performance 2005 - SCAP Results

Source: Bloomberg, 03/16/11
Lessons We Learned

- Risk Management Practices will Support Sustained Growth
- Geography and Concentration Limits Matter
- Capital is King – Liquidity is Queen
2009 – TODAY:
PREPARING FOR
THE FUTURE
Stock Price Performance  SCAP Results - Today

Source: Bloomberg, 03/16/11
What Made the Difference?

- Early and Aggressive Credit Actions
- FTPS Spinoff
- Comprehensive Capital Planning – Including Equity Raise
Credit Trends

- **Loans 30-89 days delinquent % vs. peers**
  - FITB and Peer Average trends over time from Q3 2007 to 4Q 2010.
  - FITB shows a decrease in delinquency rates compared to peers.

- **Loans 90+ days delinquent % vs. peers**
  - FITB and Peer Average trends over time from Q3 2007 to 4Q 2010.
  - FITB shows a decrease in delinquency rates compared to peers.

- **HFI NPA ratio vs. peers**
  - FITB and Peer Average trends over time from Q3 2007 to 1Q 2011.
  - FITB shows an increase in NPA ratio compared to peers.

- **Net charge-off ratio vs. peers**
  - FITB and Peer Average trends over time from Q3 2007 to 1Q 2011.
  - FITB shows a decrease in charge-off ratios compared to peers.

**FITB credit metrics are now generally better than peers**

Source: SNL Financial and company filings. Peers include: BBT, CMA, HBAN, KEY, MI, MTB, PNC, RF, STI, USB, WFC, and ZION.

Note: FITB credit metrics are generally better than peers. FITB credit metrics include: 
- **HFI NPA ratio vs. peers**: FITB shows an increase in NPA ratio compared to peers.
- **Net charge-off ratio vs. peers**: FITB shows a decrease in charge-off ratios compared to peers.

Expected as of January 19, 2011.
Strategic Focus

- Deliver growth company performance
- Operational excellence
- Enhance the customer experience
- Employee Engagement
Well-positioned for the Future

Diversified Traditional Banking Platform
- Traditional commercial banking franchise built on customer-oriented localized operating model
- Strong market share in key markets with focus on further improving density
- Fee income ~40% of total revenues

Strong Industry Leader in Earnings Power
- PPNR has remained strong throughout the credit cycle
- PPNR substantially exceeds annual net charge-offs (164% PPNR / NCOs in 4Q10)
- 1.18% ROAA in 4Q10

Proactive Approach to Risk Management
- $1.2bn problem assets addressed through loan sales and transfer to HFS in 3Q10
- NCOs below 2%; 213% reserves / annualized NCOs
- Substantial reduction in exposure to CRE since 1Q09; relatively low CRE exposure versus peers

Superior Capital and Liquidity Position
- Holding company cash currently sufficient for more than two years of obligations; no holding company or Bank debt maturities until 2013
- Bank level capital ratios significantly above most peers
- After TARP repayment, Fifth Third has completely exited all crisis-era government support programs
  - Fifth Third is one of the few large banks that have no TLGP-guaranteed debt
TARP Repayment

- Repaid $3.408 billion TARP CPP investment on February 2, 2011

- Utilized proceeds from
  - $1.7 billion common equity offering
  - $1.0 billion debt offering
  - Internally available funds

- Repurchased warrants from U.S. Treasury signaling an exit from all Government Programs

- Pro forma Tier 1 common ratio 9.0%, pro forma Tier 1 capital ratio 9.4%
  - On Basel III basis, pro forma Tier 1 common (9.3%) and Tier 1 capital (9.7%) ratio at top of peer group

Pro forma capital structure provides additional flexibility in capital deployment

*Estimates based on current Basel III rules released by Basel Committee, SNL Financial, company filings, and third party estimates
A Foundation of Continued Growth

**Capital – Foundation for Continued Growth**
- Tier 1 common capital has increased 313bps or $2.6bn\(^1\)
- Capital base transformed through series of capital actions
  - 9.4% pro forma Tier 1 ratio excluding trust preferred securities to be phased-out beginning 2013
- Capital levels supplemented by strong reserve levels
  - Loan loss reserves 3.88% of loans and 179% of NPLs
- 9.0% pro forma Tier 1 common ratio is $1.0bn in excess of internal 8.0% target

**Credit – Ongoing Discipline Driving Steady Improvement**
- Broad-based improvements in problem loans
  - 72% reduction in 90+ day delinquent loans since 3Q09
  - NCO ratio of 1.86%, first time below 2.0% since 2Q08
  - 164% PPNR\(^2\) / NCOs in 4Q10
- Balance sheet risk lowered through asset sales, resolutions
  - $1.3bn (43%) decline in NPLs since 4Q09

**Profitability – Recent Results Support Positive Momentum**
- PPNR remained stable throughout cycle
- 5 consecutive quarters of increasing earnings with 3 consecutive profitable quarters
- Return on assets 1.18%; Return on average common equity 10.4% in 4Q10

Well positioned due to combination of strong PPNR trends, robust reserves and strong Tier 1 common capital

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1 Since December 31, 2008
2 Pre-provision net revenue (PPNR): net interest income plus noninterest income minus noninterest expense; refer to reconciliation on page 25
3 Nonperforming loans and leases as a percent of portfolio loans, leases and other assets, including other real estate owned (excludes nonaccrual loans held-for-sale)
4 Excluding $510mm net charge-offs attributable to credit actions and $127mm in net BOLI settlement gains
THE TESTS WE FACE

REGULATORY “FALLOUT”
# Potential Impact of Key Elements of Dodd-Frank Act and Other Recent Financial Legislation*

<table>
<thead>
<tr>
<th>Activity</th>
<th>Current Assessments/Deposits</th>
<th>Potential Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Debit Interchange (Durbin Amendment)</strong></td>
<td>~$78B</td>
<td>&gt;300 bps of non-common Tier 1 currently</td>
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<tr>
<td>• 2010 debit interchange revenue of $204mm</td>
<td></td>
<td>- Expected to be more than needed post-Basel III</td>
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<tr>
<td>• 2010 debit interchange $ volume: $15.7B</td>
<td></td>
<td>- 3-year transition period begins 2013</td>
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<tr>
<td>• Vast majority of derivatives activities are exempted (FITB generally not a market maker)</td>
<td></td>
<td>- Will manage capital structure to desired composition</td>
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<tr>
<td>• Any proprietary trading de minimis</td>
<td></td>
<td></td>
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<tr>
<td>• “P/E” fund investments ~$100mm (&lt;1% of Tier 1 capital)</td>
<td></td>
<td></td>
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<tr>
<td>• 2010 debit interchange transaction volume: 433mm</td>
<td></td>
<td></td>
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<tr>
<td>• Signature 347mm, PIN 86mm</td>
<td></td>
<td></td>
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<tr>
<td><strong>TRUPs exclusion (Collins Amendment)</strong></td>
<td>~$97B</td>
<td>&gt;300 bps of non-common Tier 1 currently</td>
</tr>
<tr>
<td>• ~280 bps of non-common Tier 1 capital in capital structure</td>
<td></td>
<td>- Expected to be more than needed post-Basel III</td>
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<tr>
<td><strong>Volcker Rule / Derivatives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Vast majority of derivatives activities are exempted (FITB generally not a market maker)</td>
<td>~$97B</td>
<td>- Expect minimal financial impact from loss of existing revenue</td>
</tr>
<tr>
<td>• Any proprietary trading de minimis</td>
<td></td>
<td>- Potentially higher compliance costs despite small levels of non-exempt activities</td>
</tr>
<tr>
<td>• “P/E” fund investments ~$100mm (&lt;1% of Tier 1 capital)</td>
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<td></td>
</tr>
<tr>
<td><strong>Deposit Insurance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Current assessed base (Deposits): ~$78B</td>
<td></td>
<td>Lower due to reduced share of assessed base</td>
</tr>
<tr>
<td>• Proposed assessed base (Assets-TE): ~$97B</td>
<td></td>
<td></td>
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<tr>
<td>• FITB rate under new industry assessment, based upon large bank scorecard, less than rate under old assessment</td>
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<td><strong>Reg. E</strong></td>
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<tr>
<td>• Requires customers to “opt-in” to allow non-recurring electronic overdrafts (e.g. debit, ATM) from accounts</td>
<td></td>
<td>Estimated 4Q10 impact of $17mm ($68mm annualized) to deposit service charges, before effect of mitigation; in full run-rate for 4Q10</td>
</tr>
</tbody>
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* Based on current understanding of legislation. ** Potential impact, as noted above, is not intended to be inclusive of all potential impacts that may result from implementation of legislation and does not include benefit of mitigation activities. Please refer also to cautionary statement.
Regulatory Reform Initiative

Dodd – Frank Act

17 provisions or areas of impact for Financial Services providers:

- Financial Stability Oversight Council
- Enhance Prudential Standards
- Bank & Bank Holding Companies
- Resolution Authority
- Corporate Governance
- Consumer Protection Bureau
- Interchange Fee Regulation
- Housing Related Issues
- Payment, Clearing, and Settlement
- Retail Securities Issues
- Insurance
- The Volcker Rule
- Swaps
- Derivatives
- Credit Rating Agencies
- Asset Backed Securities
- Privacy and Data Security
Regulatory Reform Initiative

Fifth Third Bank Implementation Approach

- Employing the same leadership & support structure used for enterprise-wide initiatives such as Merger & Acquisition Integrations
- Implementation Team reports through Chief Administrative Officer to Bancorp Enterprise Committee
- Regulatory Reform Initiative led by Managing Director of Business Integrations with support from Enterprise Program Management Office
- Lobbying efforts coordinated & led by Director of Government Affairs
- Internal & External Communications led by Chief Marketing Officer
- Information gathering & analysis led by Legal Team including Chief Legal Officer
Regulatory Reform Initiative

Implementation Team Organization

Senior-Level Steering Committee  (25 Members)
• Cross-Functional Senior Leaders with Enterprise-Wide Initiative Experience
• Supported by Team of Enterprise Program Managers
• Prioritize, Direct, & Coordinate Response Efforts Based on Institutional Impact

Collective Working Groups  (5 Working Groups / 40 Members)
• Cross-Functional Teams of Subject Matter Experts
• Supported by a Project Manager
• Evaluate Gathered Information & Determine Institutional Impact

Individual Work Streams  (Durbin Work Stream / 33 Members)
• Specific Subject Matter Experts with Cross-Functional Representation
• Supported by a Project Manager
• Develop Response Strategies for a Specific Issue (Durbin Amendment)
Regulatory Reform Initiative

Collective Working Groups

Systemic Lobbying / Communications

• Bancorp Responsibility
  - Financial Stability Oversight Council
  - M&A Limitations
  - BHC Supervision
  - Geographic Expansion
  - Preemption
  - Affiliate Transactions & Lending Limits
  - Executive Comp
  - Corp Governance Disclosures/Rules
  - Enhanced Prudential Standards

• Consumer Affairs
  - Consumer Financial Protection Bureau
  - UDAP
  - State Enforcement
  - Interchange Fees (Durbin Amend)
  - Mortgage Basics
  - Mortgage Sales
  - Mortgage Comp
  - Privacy & Data Security
  - Commercial Deposits

• Securities
  - Volcker Rule
  - Asset-Backed Securities
  - Derivatives
  - Swaps
  - Municipal Advisors
  - Credit Rating Agencies
  - Payment, Clearing, & Settlement
  - Credit Exposure
  - Retail Securities
  - Broker-Dealer
  - Investment Advisors
  - Insurance

• Capital / Liquidity Strategies
  - Systemic Risk
  - Contingent Capital
  - Stress Test
  - Basel III
  - Fees & Assessments
  - Resolution Authority
  - Living Will
  - Liquidation
Other Consumer Rules & Regulations

... Are Driving Significant Financial Exposure and Expense Burden

- **States Attorney General (AG) Letter Concerning wide-ranging Collection Practices** – creating regulatory rules via threat of litigation
  - Targeting Top 5 Lenders with threat of litigation
  - Letter includes provisions that, if adopted, would put into practice deep principal forgiveness for 1st mortgages and full 2nd mortgage principal forgiveness
  - It is expected that the CFPB would serve as an enforcement arm for this and similar consumer protection actions

- **Foreclosure Process Reviews – penalties for errors made by servicers**
  - Driven by well-publicized issues with the trillionaire servicing organizations, including “robo” signers followed by discovery of inappropriate and forged documents
  - Regulatory audits of largest servicers have resulted in significant findings
  - Issues are driving significant regulatory examination focus
  - Issues are driving constant change at the state and municipal level related to foreclosure process and documentation within an already complex and highly variable legal process
Other Consumer Rules & Regulations

- **Safe Act**
  - Requires registration of Fifth Third and subsidiaries
  - All persons taking loan applications secured by residential real property must be trained and registered – expected to impact approximately 6,000 employees

- **Department of Labor – Mortgage Loan Originator Compensation**
  - March 2010 interpretation by the Department of Labor that the individuals performing duties of a mortgage loan originator should be overtime eligible under federal wage and hour law
  - Mortgage Bankers’ Association lawsuit against the DOL still pending
  - Quicken Loan Jury Trial – favorable decision but it is still unclear as to the longer term impact

- **GSE Reform**

- **Mortgage Reform & Anti-Predatory Lending Act**
QUESTIONS