FIFTH THIRD BANCORP
Form 8-K
July 22, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D)

OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): July 21, 2015

(Exact Name of Registrant as Specified in Its Charter)

OHIO

(State or Other Jurisdiction of Incorporation)

001-33653	**31-0854434**

(Commission File Number)	**(IRS Employer Identification No.)**

Fifth Third Center

38 Fountain Square Plaza, Cincinnati, Ohio	**45263**
(Address of Principal Executive Offices)	**(Zip Code)**

(800) 972-3030

(Registrant s Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events

On July 21, 2015, Fifth Third Bancorp reported second quarter 2015 net income of $315 million versus net income of $361 million in the first quarter of 2015 and $439 million in the second quarter of 2014. After preferred dividends, net income available to common shareholders was $292 million, or $0.36 per diluted share, in the second quarter of 2015, compared with $346 million, or $0.42 per diluted share, in the first quarter of 2015, and $416 million, or $0.49 per diluted share, in the second quarter of 2014.

Second quarter 2015 included:

Income

$14 million positive valuation adjustment on the Vantiv warrant

($2 million) charge related to the valuation of the Visa total return swap

($97 million) non-cash impairment charge related to previously announced changes in the branch network

First quarter 2015 included:

Income

$70 million positive valuation adjustment on the Vantiv warrant

$37 million gain on the sale of residential mortgage loans classified as troubled debt restructurings

($17 million) charge related to the valuation of the Visa total return swap

($30 million) impairment associated with aircraft leases

Second quarter 2014 included:

Income

$125 million gain on the sale of Vantiv shares

$63 million positive valuation adjustment on the Vantiv warrant

($17 million) negative valuation adjustments for branches and land

($16 million) charge related to the valuation of the Visa total return swap

($12 million) negative impact to the equity method income from the Bancorp s interest in Vantiv related to certain charges recognized by Vantiv as a result of their acquisition of Mercury Payment Systems

Expenses

($61 million) in litigation reserve charges

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Earnings Highlights

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Earnings ($ in millions)							
Net income attributable to Bancorp	$ 315	$ 361	$ 385	$ 340	$ 439	(13%)	(28%)
Net income available to common shareholders	$ 292	$ 346	$ 362	$ 328	$ 416	(16%)	(30%)
Common Share Data							
Earnings per share, basic	0.36	0.42	0.44	0.39	0.49	(14%)	(27%)
Earnings per share, diluted	0.36	0.42	0.43	0.39	0.49	(14%)	(27%)
Cash dividends per common share	0.13	0.13	0.13	0.13	0.13		
Financial Ratios							
Return on average assets	0.90 %	1.06 %	1.13 %	1.02 %	1.34 %	(15%)	(33%)
Return on average common equity	8.1	9.7	10.0	9.2	11.9	(16%)	(32%)
Return on average tangible common equity[(b)]	9.7	11.7	12.1	11.1	14.4	(17%)	(33%)
CET1 capital[(c)]	9.41	9.52	N/A	N/A	N/A	(1%)	N/A
Tier I risk-based capital[(c)]	10.49	10.62	10.83	10.83	10.80	(1%)	(3%)
Tier I common equity[(b)]	N/A	N/A	9.65	9.64	9.61	N/A	N/A
CET1 capital (fully-phased in)[(b)(c)]	9.30	9.41	N/A	N/A	N/A	(1%)	N/A
Net interest margin[(a)]	2.90	2.86	2.96	3.10	3.15	1%	(8%)
Efficiency[(a)]	65.4	62.3	59.6	62.1	58.2	5%	12%
Common shares outstanding (in thousands)	810,054	815,190	824,047	834,262	844,489	(1%)	(4%)
Average common shares outstanding (in thousands):							
Basic	803,965	810,210	819,057	829,392	838,492	(1%)	(4%)
Diluted	812,843	818,672	827,831	838,324	848,245	(1%)	(4%)

(a) Presented on a fully taxable equivalent basis.

(b) These ratios have been included herein to facilitate a greater understanding of the Bancorp s capital structure and financial condition. See the Regulation G Non-GAAP Reconciliation table for a reconciliation of these ratios to U.S. GAAP.

(c) *Under the banking agencies Basel III Final Rule, assets and credit equivalent amounts of off-balance sheet exposures are calculated according to the standardized approach for risk-weighted assets. The resulting values are added together resulting in the Bancorp s total risk-weighted assets used in the calculation of the tier I risk-based capital and common equity tier 1 ratios beginning January 1, 2015. Current period regulatory capital ratios are estimated.*

NA: Not applicable.

Income Statement Highlights

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Condensed Statements of Income ($ in millions)							
Net interest income (taxable equivalent)	$ 892	$ 852	$ 888	$ 908	$ 905	5%	(1%)
Provision for loan and lease losses	79	69	99	71	76	14%	4%
Total noninterest income	556	630	653	520	736	(12%)	(24%)
Total noninterest expense	947	923	918	888	954	3%	(1%)
Income before income taxes (taxable equivalent)	422	490	524	469	611	(14%)	(31%)
Taxable equivalent adjustment	5	5	5	5	5		
Applicable income taxes	108	124	134	124	167	(13%)	(35%)
Net income	309	361	385	340	439	(14%)	(30%)
Less: Net income attributable to noncontrolling interests	(6)					(100%)	(100%)
Net income attributable to Bancorp	315	361	385	340	439	(13%)	(28%)
Dividends on preferred stock	23	15	23	12	23	53%	
Net income available to common shareholders	292	346	362	328	416	(16%)	(30%)
Earnings per share, diluted	$ 0.36	$ 0.42	$ 0.43	$ 0.39	$ 0.49	(14%)	(27%)

Net Interest Income

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Interest Income ($ in millions)							
Total interest income (taxable equivalent)	$ 1,008	$ 975	$ 1,016	$ 1,023	$ 1,013	3%	
Total interest expense	116	123	128	115	108	(6%)	7%
Net interest income (taxable equivalent)	$ 892	$ 852	$ 888	$ 908	$ 905	5%	(1%)
Average Yield							
Yield on interest-earning assets (taxable equivalent)	3.28%	3.28%	3.38%	3.49%	3.53%		(7%)
Rate paid on interest-bearing liabilities	0.56%	0.60%	0.61%	0.56%	0.54%	(7%)	4%
Net interest rate spread (taxable equivalent)	2.72%	2.68%	2.77%	2.93%	2.99%	1%	(9%)
Net interest margin (taxable equivalent)	2.90%	2.86%	2.96%	3.10%	3.15%	1%	(8%)
Average Balances ($ in millions)							
Loans and leases, including held for sale	$ 92,739	$ 91,659	$ 91,581	$ 91,428	$ 91,241	1%	2%
Total securities and other short-term investments	30,563	29,038	27,604	24,927	23,940	5%	28%
Total interest-earning assets	123,302	120,697	119,185	116,355	115,181	2%	7%
Total interest-bearing liabilities	83,512	83,339	82,544	81,157	80,770		3%
Bancorp shareholders equity	15,841	15,820	15,644	15,486	15,157		5%

Net interest income of $892 million on a fully taxable equivalent basis increased $40 million from the first quarter, driven by earning asset growth and lower deposit costs. Additionally, net interest income was positively impacted by $7 million due to an extra day in the quarter. These benefits were partially offset by continued repricing in our loan portfolio and the effect of the TDR sale in the first quarter of 2015.

The net interest margin was 2.90 percent, an increase of 4 bps from the previous quarter primarily driven by a 6 basis point benefit due to deployment of cash balances into investment securities, 3 basis points due to better funding rates including the continued rationalization of deposit rates, partially offset by 4 basis points of loan yield compression and a 1 basis point decrease primarily due to day count.

Compared with the second quarter of 2014, net interest income decreased $13 million and the net interest margin decreased 25 bps. The decline in net interest income was driven by the impact of changes to the Bancorp s deposit advance product that were effective January 1, 2015, higher interest expense due to increased long-term debt balances, as well as continued loan repricing, partially offset by the impact of higher investment securities balances. The decline in the net interest margin from the prior year was primarily driven by the impact of the changes to the deposit advance product and loan repricing.

Securities

Average securities and other short-term investments were $30.6 billion in the second quarter of 2015 compared with $29.0 billion in the previous quarter and $23.9 billion in the second quarter of 2014. Other short-term investments average balances of $3.2 billion decreased $2.7 billion sequentially reflecting lower cash balances held at the Federal Reserve. On an end of period basis, securities balances of $28.5 billion increased $1.5 billion driven by purchases of securities that were funded with cash balances at the Federal Reserve held in other short-term investments.

Loans

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Average Portfolio Loans and Leases ($ in millions)							
Commercial:							
Commercial and industrial loans	$ 42,550	$ 41,426	$ 41,277	$ 41,477	$ 41,374	3%	3%
Commercial mortgage loans	7,148	7,241	7,480	7,633	7,885	(1%)	(9%)
Commercial construction loans	2,549	2,197	1,909	1,563	1,362	16%	87%
Commercial leases	3,776	3,715	3,600	3,571	3,555	2%	6%
Subtotal commercial loans and leases	56,023	54,579	54,266	54,244	54,176	3%	3%
Consumer:							
Residential mortgage loans	12,831	12,433	13,046	12,785	12,611	3%	2%
Home equity	8,654	8,802	8,937	9,009	9,101	(2%)	(5%)
Automobile loans	11,902	11,933	12,073	12,105	12,070		(1%)
Credit card	2,296	2,321	2,324	2,295	2,232	(1%)	3%
Other consumer loans and leases	467	440	395	361	359	6%	30%
Subtotal consumer loans and leases	36,150	35,929	36,775	36,555	36,373	1%	(1%)
Total average loans and leases (excluding held for sale)	$ 92,173	$ 90,508	$ 91,041	$ 90,799	$ 90,549	2%	2%
Average loans held for sale	566	1,151	540	629	692	(51%)	(18%)

Average loan and lease balances (excluding loans held-for-sale) increased $1.7 billion, or 2 percent, sequentially and increased $1.6 billion, or 2 percent, from the second quarter of 2014. The sequential and prior year increases in average loans and leases were driven by increased commercial and industrial (C&I), commercial construction, and residential mortgage balances, partially offset by decreased home equity balances. Period end loans and leases (excluding loans held-for-sale) of $92.7 billion increased $1.5 billion, or 2 percent, sequentially and increased $2.2 billion, or 2 percent, from a year ago.

Average commercial portfolio loan and lease balances increased $1.4 billion, or 3 percent, sequentially and increased $1.8 billion, or 3 percent, from the second quarter of 2014. Average C&I loans increased $1.1 billion from the prior quarter and increased $1.2 billion from the second quarter of 2014. Within commercial real estate, average commercial mortgage balances continued to decline and average commercial construction balances increased due to continued focus on that business. Commercial line usage, on an end of period basis, was 33 percent of committed lines in the second quarter of 2015 compared with 32 percent in the first quarter of 2015 and 32 percent in the second quarter of 2014.

Average consumer portfolio loan and lease balances increased $221 million, or 1 percent, sequentially and decreased $223 million, or 1 percent, year-over-year. Average residential mortgage loans increased 3 percent sequentially and 2 percent from a year ago. Average auto loans were flat sequentially and down 1 percent from the previous year. Average home equity loans declined 2 percent sequentially and 5 percent from the second quarter of 2014. Average credit card loans decreased 1 percent sequentially and increased 3 percent from the second quarter of 2014.

Average loans held-for-sale balances of $566 million decreased $585 million sequentially primarily due to the full quarter impact from the sale of certain residential mortgage loans classified as troubled debt restructurings sold in the first quarter and decreased $126 million compared with the second quarter of 2014. Period end loans held-for-sale of $995 million increased $271 million from the previous quarter and $313 million from the second quarter of 2014.

Deposits

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Average Deposits ($ in millions)							
Demand	$ 35,384	$ 33,760	$ 33,301	$ 31,790	$ 31,275	5%	13%
Interest checking	26,894	26,885	25,478	24,926	25,222		7%
Savings	15,156	15,174	15,173	15,759	16,509		(8%)
Money market	18,071	17,492	17,023	15,222	13,942	3%	30%
Foreign office[(a)]	955	861	1,439	1,663	2,200	11%	(57%)
Subtotal Transaction deposits	96,460	94,172	92,414	89,360	89,148	2%	8%
Other time	4,074	4,022	3,936	3,800	3,693	1%	10%
Subtotal Core deposits	100,534	98,194	96,350	93,160	92,841	2%	8%
Certificates $100,000 and over	2,558	2,683	2,998	3,339	3,840	(5%)	(33%)
Total deposits	$ 103,092	$ 100,877	$ 99,348	$ 96,499	$ 96,681	2%	7%

(a) Includes commercial customer Eurodollar sweep balances for which the Bancorp pays rates comparable to other commercial deposit accounts.

Average core deposits increased $2.3 billion, or 2 percent, sequentially and increased $7.7 billion, or 8 percent, from the second quarter of 2014. Average transaction deposits increased $2.3 billion, or 2 percent, from the first quarter of 2015 primarily driven by higher demand deposit and money market account balances. Year-over-year transaction deposits increased $7.3 billion, or 8 percent, driven by higher money market account, demand deposit, and interest checking balances, partially offset by lower savings and foreign office balances. Other time deposits increased 1 percent sequentially and 10 percent compared with the second quarter of 2014.

Average commercial transaction deposits increased 4 percent sequentially and 12 percent from the previous year. Sequential performance was primarily driven by higher demand and money market account balances. Year-over-year growth reflected higher demand deposit, interest checking, and money market balances, partially offset by lower foreign office balances.

Average consumer transaction deposits increased 1 percent sequentially and increased 5 percent from the second quarter of 2014. The sequential performance reflected higher demand deposit balances. Year-over-year growth was driven by increased money market account balances, partially offset by lower savings balances.

Wholesale Funding

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Average Wholesale Funding ($ in millions)							
Certificates $100,000 and over	$ 2,558	$ 2,683	$ 2,998	$ 3,339	$ 3,840	(5%)	(33%)
Federal funds purchased	326	172	161	520	606	90%	(46%)
Other short-term borrowings	1,705	1,602	1,481	1,973	2,234	6%	(24%)
Long-term debt	13,773	14,448	14,855	13,955	12,524	(5%)	10%
Total wholesale funding	$ 18,362	$ 18,905	$ 19,495	$ 19,787	$ 19,204	(3%)	(4%)

Average wholesale funding of $18.4 billion decreased $543 million, or 3 percent, sequentially and decreased $842 million, or 4 percent, compared with the second quarter of 2014. The sequential decrease was driven by a decline in long-term debt due to pay-downs from securitizations and the maturation of $500 million of bank-level subordinated debt in the middle of the first quarter, as well as a decrease in certificates $100,000 and over, partially offset by an increase in short-term borrowings. The year-over-year decrease in average wholesale funding reflected an increase in long-term debt due to issuances during 2014, partially offset by a decrease in certificates $100,000 and over and short-term borrowings.

Noninterest Income

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Noninterest Income ($ in millions)							
Service charges on deposits	$ 139	$ 135	$ 142	$ 145	$ 139	3%	
Corporate banking revenue	113	63	120	100	107	79%	6%
Mortgage banking net revenue	117	86	61	61	78	36%	50%
Investment advisory revenue	105	108	100	103	102	(3%)	3%
Card and processing revenue	77	71	76	75	76	8%	1%
Other noninterest income	1	163	150	33	226	(99%)	(100%)
Securities gains, net	4	4	4	3	8		(50%)
Total noninterest income	$ 556	$ 630	$ 653	$ 520	$ 736	(12%)	(24%)

Noninterest income of $556 million decreased $74 million sequentially and decreased $180 million compared with prior year results. The second quarter of 2015 included a $97 million non-cash impairment charge related to previously announced changes in the branch network, which was slightly higher than the original estimate due to the receipt of updated third party appraisals and the inclusion of five additional branches. These actions are expected to be complete by mid-2016, and the expected annualized reduction in operating expenses associated with these actions is now expected to be $65 million, higher by $5 million as a result of the additions. In addition to the impairment, the sequential and year-over-year comparisons also reflect the impacts described below.

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Noninterest Income excluding certain items

	For the Three Months Ended			% Change	
	June 2015	March 2015	June 2014	Seq	Yr/Yr
Noninterest income (as reported)	$ 556	$ 630	$ 736		
Vantiv warrant valuation	(14)	(70)	(63)		
Valuation of Visa total return swap	2	17	16		
Branch / land valuation adjustments	97		17		
Gain on sale of TDRs		(37)			
Impairment from aircraft leases		30			
Gain on sale of Vantiv shares			(125)		
Other Vantiv-related items			12		
Securities (gains) / losses	(4)	(4)	(8)		
Noninterest income excluding certain items	$ 637	$ 566	$ 585	13%	9%

Excluding the items in the table above, noninterest income of $637 million increased $71 million, or 13 percent, from the previous quarter and increased $52 million, or 9 percent, from the second quarter of 2014. The sequential increase was primarily due to increases in corporate banking revenue and mortgage banking net revenue. The year-over-year increase was primarily due to higher mortgage banking net revenue.

Service charges on deposits of $139 million increased 3 percent from the first quarter and were flat compared with the same quarter last year. The sequential increase was due to a 5 percent increase in retail service charges due to higher overdraft occurrences as well as a 1 percent increase in commercial service charges.

Corporate banking revenue of $113 million increased $50 million from the first quarter of 2015 and increased $6 million from the second quarter of 2014. First quarter of 2015 results included a $30 million impairment associated with aircraft leases and excluding this charge, the sequential increase was primarily due to improvement in institutional sales revenue and higher syndication fees. The year-over-year increase was driven by higher institutional sales revenue and business lending fees, partially offset by lower syndication fees.

Mortgage banking net revenue was $117 million in the second quarter of 2015, up 36 percent from the first quarter of 2015 and up 50 percent from the second quarter of 2014. Second quarter 2015 originations were seasonally strong at $2.5 billion, compared with $1.8 billion in the previous quarter and $2.0 billion in the second quarter of 2014. Second quarter 2015 originations resulted in gains of $43 million on mortgages sold, compared with gains of $44 million during the previous quarter and $42 million during the second quarter of 2014. Mortgage servicing fees were $56 million this quarter, $59 million in the first quarter of 2015, and $62 million in the second quarter of 2014. Mortgage banking net revenue is also affected by net servicing asset valuation adjustments, which include mortgage servicing rights (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 $18 million in the second quarter of 2015 (reflecting MSR amortization of $39 million and MSR valuation adjustments of positive $57 million); negative $17 million in the first quarter of 2015 (MSR amortization of $34 million and MSR valuation adjustments of positive $17 million); and negative $26 million in the second quarter of 2014 (MSR amortization of $32 million and MSR valuation adjustments of positive $6 million). The mortgage servicing asset, net of the valuation reserve, was $854 million at quarter end on a servicing portfolio of $62 billion.

Investment advisory revenue of $105 million decreased 3 percent from the first quarter and increased 3 percent year-over-year. The sequential decrease was attributable to seasonally lower tax-related private client services revenue, partially offset by an increase in securities and brokerage fees due to a continued shift from transaction-based fees to recurring revenue streams. The year-over-year increase reflected an increase in securities and brokerage fees and an increase in personal asset management fees due to market-related growth.

Card and processing revenue of $77 million in the second quarter of 2015 increased 8 percent sequentially and increased 1 percent from the second quarter of 2014. The sequential increase reflected higher transaction volumes compared with seasonally weak first quarter volumes. The year-over-year increase reflects an increase in the number of actively used cards and an increase in customer spend volume.

Other noninterest income totaled $1 million in the second quarter of 2015, compared with $163 million in the previous quarter and $226 million in the second quarter of 2014. As previously described, the results included the adjustments in the table above with the exception of securities gains in all comparable periods and the impairment of aircraft leases in the first quarter of 2015, which is recorded in corporate banking revenue. Excluding these items, other noninterest income of $86 million increased approximately $13 million, or 18 percent, from the first quarter of 2015 and increased approximately $3 million, or 4 percent, from the second quarter of 2014.

Net gains on investment securities were $4 million in the second quarter of 2015, compared with $4 million in the previous quarter and $8 million in the second quarter of 2014.

Noninterest Expense

	For the Three Months Ended					% Change	
	June 2015	March 2015	December 2014	September 2014	June 2014	Seq	Yr/Yr
Noninterest Expense ($ in millions)							
Salaries, wages and incentives	$ 383	$ 369	$ 366	$ 357	$ 368	4%	4%
Employee benefits	78	99	79	75	79	(21%)	(1%)
Net occupancy expense	83	79	77	78	79	5%	5%
Technology and communications	54	55	54	53	52	(2%)	4%
Equipment expense	31	31	30	30	30		3%
Card and processing expense	38	36	36	37	37	6%	3%
Other noninterest expense	280	254	276	258	309	10%	(9%)
Total noninterest expense	$ 947	$ 923	$ 918	$ 888	$ 954	3%	(1%)

Noninterest expense of $947 million increased 3 percent compared with the first quarter of 2015 and decreased 1 percent compared with the second quarter of 2014. The sequential increase was primarily due to higher incentive-based compensation expenses, partially offset by a decrease in FICA and unemployment tax expense recorded in employee benefits. Additionally, the sequential comparison reflected the first quarter benefit from a settlement of a tax liability related to prior years recorded in other noninterest expense. The year-over-year decrease reflected lower charges to litigation reserves, partially offset by higher compensation expense.

Credit Quality

	For the Three Months Ended				
	June 2015	March 2015	December 2014	September 2014	June 2014
Total net losses charged-off ($ in millions)					
Commercial and industrial loans	($ 34)	($ 38)	($ 44)	($ 50)	($ 31)
Commercial mortgage loans	(11)	(1)	(10)	(5)	(9)
Commercial construction loans					(8)
Commercial leases			(1)		
Residential mortgage loans	(5)	(6)	(94)	(9)	(8)
Home equity	(9)	(14)	(11)	(14)	(18)
Automobile loans	(4)	(8)	(7)	(7)	(5)
Credit card	(21)	(21)	(20)	(23)	(21)
Other consumer loans and leases	(2)	(3)	(4)	(7)	(1)
Total net losses charged-off	(86)	(91)	(191)	(115)	(101)
Total losses	(112)	(115)	(215)	(146)	(127)
Total recoveries	26	24	24	31	26
Total net losses charged-off	($ 86)	($ 91)	($ 191)	($ 115)	($ 101)
Ratios (annualized)					
Net losses charged-off as a percent of average loans and leases (excluding held for sale)	0.37%	0.41%	0.83%	0.50%	0.45%
Commercial	0.32%	0.29%	0.40%	0.40%	0.35%
Consumer	0.46%	0.59%	1.47%	0.66%	0.60%

Net charge-offs were $86 million, or 37 bps of average loans on an annualized basis, in the second quarter of 2015 compared with net charge-offs of $91 million, or 41 bps, in the first quarter of 2015 and $101 million, or 45 bps, in the second quarter of 2014.

Commercial net charge-offs were $45 million, or 32 bps, and were up $6 million sequentially. C&I net charge-offs of $34 million decreased $4 million from the previous quarter and commercial real estate net charge-offs increased $10 million from the previous quarter.

Consumer net charge-offs were $41 million, or 46 bps, down $11 million sequentially. Net charge-offs on residential mortgage loans in the portfolio were $5 million, down $1 million from the previous quarter. Home equity net charge-offs were $9 million, down $5 million from the first quarter of 2015, and net charge-offs in the auto portfolio of $4 million were down $4 million compared with the prior quarter. Net charge-offs on consumer credit card loans were $21 million, flat from the first quarter. Net charge-offs on other consumer loans were $2 million, down $1 million compared with the previous quarter.

	For the Three Months Ended				
	June 2015	March 2015	December 2014	September 2014	June 2014
Allowance for Credit Losses ($ in millions)					
Allowance for loan and lease losses, beginning	$ 1,300	$ 1,322	$ 1,414	$ 1,458	$ 1,483
Total net losses charged-off	(86)	(91)	(191)	(115)	(101)
Provision for loan and lease losses	79	69	99	71	76
Allowance for loan and lease losses, ending	1,293	1,300	1,322	1,414	1,458
Reserve for unfunded commitments, beginning	130	135	134	142	153
Provision (benefit) for unfunded commitments	2	(4)	1	(8)	(11)
Charge-offs		(1)			
Reserve for unfunded commitments, ending	132	130	135	134	142
Components of allowance for credit losses:					
Allowance for loan and lease losses	1,293	1,300	1,322	1,414	1,458
Reserve for unfunded commitments	132	130	135	134	142
Total allowance for credit losses	$ 1,425	$ 1,430	$ 1,457	$ 1,548	$ 1,600
Allowance for loan and lease losses ratio					
As a percent of portfolio loans and leases	1.39%	1.42%	1.47%	1.56%	1.61%
As a percent of nonperforming loans and leases[(a)]	272%	247%	228%	228%	228%
As a percent of nonperforming assets[(a)]	206%	188%	178%	178%	175%

(a) Excludes nonaccrual loans and leases in loans held for sale.

Provision for loan and lease losses totaled $79 million in the second quarter of 2015 and increased $10 million from the first quarter of 2015 and increased $3 million from the second quarter of 2014. The allowance for loan and lease losses declined $7 million sequentially reflecting the portfolio s overall risk profile and charges to the allowance. The allowance represented 1.39 percent of total portfolio loans and leases outstanding as of quarter end, compared with 1.42 percent last quarter, and represented 272 percent of nonperforming loans and leases, and 206 percent of nonperforming assets.

			As of		
	June 2015	March 2015	December 2014	September 2014	June 2014
Nonperforming Assets and Delinquent Loans ($ in millions)					
Nonaccrual portfolio loans and leases:					
Commercial and industrial loans	$ 61	$ 61	$ 86	$ 102	$ 103
Commercial mortgage loans	49	57	64	77	86
Commercial construction loans				2	3
Commercial leases	2	2	3	3	2
Residential mortgage loans	35	40	44	52	56
Home equity	70	71	72	69	73
Total nonaccrual portfolio loans and leases (excludes restructured loans)	$ 217	$ 231	$ 269	$ 305	$ 323
Restructured loans commercial (nonaccrual)[c]	175	205	214	201	202
Restructured loans consumer (nonaccrual)	83	90	96	114	115
Total nonaccrual portfolio loans and leases	$ 475	$ 526	$ 579	$ 620	$ 640
Repossessed personal property	16	20	18	19	18
OREO[a]	135	145	147	157	174
Total nonperforming assets[b]	$ 626	$ 691	$ 744	$ 796	$ 832
Nonaccrual loans held for sale	1	2	24	4	5
Restructured loans (nonaccrual) held for sale			15	3	
Total nonperforming assets including loans held for sale	$ 627	$ 693	$ 783	$ 803	$ 837
Restructured Consumer loans and leases (accrual)	$ 970	$ 943	$ 905	$ 1,610	$ 1,623
Restructured Commercial loans and leases (accrual)[c]	$ 769	$ 774	$ 844	$ 885	$ 914
Total loans and leases 90 days past due	$ 70	$ 78	$ 87	$ 87	$ 94
Nonperforming loans and leases as a percent of portfolio loans, leases and other assets, including OREO[b]	0.51%	0.57%	0.64%	0.68%	0.70%
Nonperforming assets as a percent of portfolio loans, leases and other assets, including OREO[b]	0.67%	0.76%	0.82%	0.88%	0.92%

(a) *Excludes OREO related to government insured loans. The Bancorp has historically excluded government guaranteed loans classified in OREO from its nonperforming asset disclosures. Upon the prospective adoption on January 1, 2015 of ASU 2014-14 Classification of Certain Government-Guaranteed Mortgage Loans Upon Foreclosure, government guaranteed loans meeting certain criteria will be reclassified to other receivables rather than OREO upon foreclosure.*

(b) *Does not include nonaccrual loans held for sale.*

(c) *Excludes $21 million of restructured nonaccrual loans and $7 million of restructured accruing loans as of June 30, 2015, March 31, 2015, December 31, 2014, September 30, 2014 and June 30, 2014.*

Total nonperforming assets, including loans held-for-sale, were $627 million, a decline of $66 million, or 10 percent, from the previous quarter. Nonperforming loans (NPLs) at quarter-end were $475 million or 0.51 percent of total loans, leases and OREO, and decreased $51 million, or 10 percent, from the previous quarter.

Commercial NPAs were $376 million, or 0.66 percent of commercial loans, leases and OREO, and decreased $45 million, or 11 percent, from the first quarter. Commercial NPLs were $287 million, or 0.51 percent of commercial loans and leases, and decreased $38 million from last quarter. C&I NPAs of $193 million decreased $23 million from the prior quarter. Commercial mortgage NPAs were $166 million, down $20 million from the previous quarter. Commercial construction NPAs were $14 million, down $2 million from the previous quarter. Commercial lease NPAs were $3 million, flat from the previous quarter. Commercial NPAs included $175 million of nonaccrual troubled debt restructurings (TDRs), compared with $205 million last quarter.

Consumer NPAs of $250 million, or 0.69 percent of consumer loans, leases and OREO, decreased $20 million from the first quarter. Consumer NPLs were $188 million, or 0.52 percent of consumer loans and leases and decreased $13 million from last quarter. Residential mortgage NPAs were $101 million, $12 million lower than last quarter. Home equity NPAs of $106 million decreased $5 million sequentially and credit card NPAs of $36 million were down $2 million compared with the previous quarter. Consumer nonaccrual TDRs were $83 million in the second quarter of 2015, compared with $90 million in the first quarter of 2015.

Second quarter OREO balances included in NPA balances were $135 million, down $10 million from the first quarter, and included $78 million in commercial OREO and $57 million in consumer OREO. Repossessed personal property of $16 million decreased $4 million from the prior quarter.

Loans over 90 days past due and still accruing were $70 million, down $8 million from the first quarter of 2015. Commercial balances over 90 days past due were $2 million compared with $3 million in the prior quarter, and consumer balances 90 days past due of $68 million were down $7 million from the previous quarter. Loans 30-89 days past due of $213 million were up $10 million from the previous quarter. Commercial balances 30-89 days past due of $24 million were down $1 million sequentially and consumer balances 30-89 days past due of $189 million increased $11 million from the first quarter. The above delinquencies figures exclude nonaccruals described previously.

Capital Position

	For the Three Months Ended				
	June 2015	March 2015	December 2014	September 2014	June 2014
Capital Position					
Average shareholders equity to average assets	11.32%	11.49%	11.54%	11.71%	11.57%
Tangible equity[(a)]	9.28%	9.37%	9.41%	9.65%	9.77%
Tangible common equity (excluding unrealized gains/losses)[(a)]	8.33%	8.40%	8.43%	8.64%	8.74%
Tangible common equity (including unrealized gains/losses)[(a)]	8.51%	8.77%	8.71%	8.84%	9.00%
Tangible common equity as a percent of risk-weighted assets (excluding unrealized gains/losses)	9.38%[(b)]	9.49%[(b)]	9.70%[(d)]	9.70%[(d)]	9.67%[(d)]
	Basel III Transitional[(c)]		Basel I[(d)]		
Regulatory capital ratios:					
CET1 capital	9.41%[(b)]	9.52%[(b)]	N/A	N/A	N/A
Tier I risk-based capital	10.49%[(b)]	10.62%[(b)]	10.83%	10.83%	10.80%
Total risk-based capital	13.67%[(b)]	14.01%[(b)]	14.33%	14.34%	14.30%
Tier I leverage	9.44%	9.59%	9.66%	9.82%	9.86%
Tier I common equity	N/A	N/A	9.65%[(a)]	9.64%[(a)]	9.61%[(a)]
CET1 capital (fully-phased in)	9.30[(a)(b)]	9.41[(a)(b)]	N/A	N/A	N/A
Book value per share	17.62	17.83	17.35	16.87	16.74
Tangible book value per share[(a)]	14.62	14.85	14.40	13.95	13.86

(a) *These ratios have been included herein to facilitate a greater understanding of the Bancorp s capital structure and financial condition. See the Regulation G Non-GAAP Reconciliation table for a reconciliation of these ratios to U.S. GAAP.*

(b) *Under the banking agencies Basel III Final Rule, assets and credit equivalent amounts of off-balance sheet exposures are calculated based upon the standardized approach for risk-weighted assets. The resulting values are added together resulting in the Bancorp s total risk-weighted assets.*

(c) *Current period regulatory capital ratios are estimated.*

(d) *These capital ratios were calculated under the Supervisory Agencies general risk-based capital rules (Basel I) which was in effect prior to January 1, 2015.*

Capital ratios remained strong during the quarter, reflecting growth in retained earnings, the payment of preferred dividends, and share repurchase activity. The common equity Tier 1 ratio was 9.41 percent, the tangible common equity to tangible assets ratio* was 8.33 percent (excluding unrealized gains/losses), and 8.51 percent (including unrealized gains/losses). The Tier 1 risk-based capital ratio was 10.49 percent, the total risk-based capital ratio was 13.67 percent, and the Leverage ratio was 9.44 percent.

* *Non-GAAP measure; see Reg. G reconciliation.*

Book value per share at June 30, 2015 was $17.62 and tangible book value per share* was $14.62, compared with the March 31, 2015 book value per share of $17.83 and tangible book value per share* of $14.85.

As previously announced, Fifth Third entered into a share repurchase agreement with a counterparty on April 27, 2015, whereby Fifth Third would purchase approximately $155 million of its outstanding common stock. This transaction reduced Fifth Third s second quarter share count by 6.7 million shares on April 30, 2015. Settlement of the forward contract related to this agreement is expected to occur on or before July 28, 2015. In addition, the settlement of the forward contract related to the January 22, 2015 $180 million share repurchase agreement occurred on April 23, 2015. An additional 1.1 million shares were repurchased upon completion of the agreement. In total, the incremental impact to the average diluted share count in the second quarter of 2015 was approximately 7.96 million shares due to share repurchase transactions in the second quarter and first quarter of 2015.

Tax Rate

The effective tax rate was 26.1 percent this quarter compared with 25.6 percent in the first quarter of 2015 and 27.6 percent in the second quarter of 2014.

Other

Fifth Third Bank owns 43 million units representing a 22.8 percent interest in Vantiv Holding, LLC, convertible into shares of Vantiv, Inc., a publicly traded firm (NYSE: VNTV). Based upon Vantiv s closing price of $38.19 on June 30, 2015, our interest in Vantiv was valued at approximately $1.6 billion. Next month in our 10-Q, we will update our disclosure of the carrying value of our interest in Vantiv stock, which was $402 million as of March 31, 2015. The difference between the market value and the book value of Fifth Third s interest in Vantiv s shares is not recognized in Fifth Third s equity or capital. Additionally, Fifth Third has a warrant to purchase additional shares in Vantiv which is carried as a derivative asset at a fair value of $500 million as of June 30, 2015.

Corporate Profile

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. As of June 30, 2015, the Company had $142 billion in assets and operated 15 affiliates with 1,299 full-service Banking Centers, including 101 Bank Mart® locations, most open seven days a week, inside select grocery stores and 2,630 ATMs in Ohio, Kentucky, Indiana,

* *Non-GAAP measure; see Reg. G reconciliation.*

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 22.8% interest in Vantiv Holding, LLC. Fifth Third is among the largest money managers in the Midwest and, as of June 30, 2015, had $304 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.

FORWARD-LOOKING STATEMENTS

This document 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, anticipates, potential, esti forecast, projected, intends to, or may include other similar words or phrases such as believes, plans, trend, continue, remain, or similar expressions, or future or conditional verbs such as will, would, should, could, r 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 as updated from time to time by our Quarterly Reports on Form 10-Q. 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 is a risk that additional information may arise during the company s close process or as a result of subsequent events that would require the company to make adjustments to the financial information contained herein.

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 and adequate sources of funding and liquidity 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, relationship with, and nature of the 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) difficulties in separating the operations of any branches or other assets divested; (23) inability to achieve expected benefits from branch consolidations and planned sales within *desired timeframes, if at all; (24) ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; and (25) the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity.*

You should refer to our periodic and current reports filed with the Securities and Exchange Commission, or SEC, for further information on other factors, which could cause actual results to be significantly different from those expressed or implied by these forward-looking statements.

# # #

Fifth Third Bancorp and Subsidiaries

Consolidated Statements of Income

$ in millions

(unaudited)

	For the Three Months Ended			% Change		Year to Date		% Change
	June 2015	March 2015	June 2014	Seq	Yr/Yr	June 2015	June 2014	Yr/Yr
Interest Income								
Interest and fees on loans and leases	$ 782	$ 778	$ 826	1%	(5%)	$ 1,560	$ 1,649	(5%)
Interest on securities	219	188	181	16%	21%	407	349	17%
Interest on other short-term investments	2	4	1	(50%)	100%	6	3	100%
Total interest income	1,003	970	1,008	3%		1,973	2,001	(1%)
Interest Expense								
Interest on deposits	46	50	49	(8%)	(6%)	96	96	
Interest on other short-term borrowings	1		1			1	1	
Interest on long-term debt	69	73	58	(5%)	19%	142	111	28%
Total interest expense	116	123	108	(6%)	7%	239	208	15%
Net Interest Income	887	847	900	5%	(1%)	1,734	1,793	(3%)
Provision for loan and lease losses	79	69	76	14%	4%	148	146	1%
Net interest income after provision for loan and lease losses	808	778	824	4%	(2%)	1,586	1,647	(4%)
Noninterest Income								
Service charges on deposits	139	135	139	3%		274	272	1%
Corporate banking revenue	113	63	107	79%	6%	176	211	(17%)
Mortgage banking net revenue	117	86	78	36%	50%	203	187	9%
Investment advisory revenue	105	108	102	(3%)	3%	212	204	4%
Card and processing revenue	77	71	76	8%	1%	148	144	3%
Other noninterest income	1	163	226	(99%)	(100%)	165	268	(38%)
Securities gains, net	4	4	8		(50%)	9	14	(36%)
Total noninterest income	556	630	736	(12%)	(24%)	1,187	1,300	(9%)
Noninterest Expense								
Salaries, wages and incentives	383	369	368	4%	4%	752	727	3%
Employee benefits	78	99	79	(21%)	(1%)	176	180	(2%)
Net occupancy expense	83	79	79	5%	5%	162	158	3%

Technology and communications	54	55	52	(2%)	4%	109	105	4%
Equipment expense	31	31	30		3%	61	60	2%
Card and processing expense	38	36	37	6%	3%	74	68	9%
Other noninterest expense	280	254	309	10%	(9%)	537	605	(11%)
Total noninterest expense	947	923	954	3%	(1%)	1,871	1,903	(2%)
Income before income taxes	417	485	606	(14%)	(31%)	902	1,044	(14%)
Applicable income tax expense	108	124	167	(13%)	(35%)	232	287	(19%)
Net income	309	361	439	(14%)	(30%)	670	757	(11%)
Less: Net income attributable to noncontrolling interests	(6)			(100%)	(100%)	(6)	1	NM
Net income attributable to Bancorp	315	361	439	(13%)	(28%)	676	756	(11%)
Dividends on preferred stock	23	15	23	53%		38	32	19%
Net income available to common shareholders	$ 292	$ 346	$ 416	(16%)	(30%)	$ 638	$ 724	(12%)

Fifth Third Bancorp and Subsidiaries

Consolidated Balance Sheets

$ in millions, except per share data

(unaudited)

	As of June 2015	As of March 2015	As of June 2014	% Change Seq	% Change Yr/Yr
Assets					
Cash and due from banks	$ 2,785	$ 2,920	$ 3,312	(5%)	(16%)
Available-for-sale and other securities[(a)]	27,987	26,409	22,814	6%	23%
Held-to-maturity securities[(b)]	157	177	194	(11%)	(19%)
Trading securities	370	392	361	(6%)	2%
Other short-term investments	3,451	4,919	2,386	(30%)	45%
Loans held for sale	995	724	682	37%	46%
Portfolio loans and leases:					
Commercial and industrial loans	42,800	42,052	41,299	2%	4%
Commercial mortgage loans	7,150	7,209	7,805	(1%)	(8%)
Commercial construction loans	2,709	2,302	1,424	18%	90%
Commercial leases	3,881	3,786	3,567	3%	9%
Residential mortgage loans	12,933	12,569	12,652	3%	2%
Home equity	8,547	8,714	9,056	(2%)	(6%)
Automobile loans	11,909	11,873	12,050		(1%)
Credit card	2,278	2,291	2,261	(1%)	1%
Other consumer loans and leases	496	448	370	11%	34%
Portfolio loans and leases	92,703	91,244	90,484	2%	2%
Allowance for loan and lease losses	(1,293)	(1,300)	(1,458)	(1%)	(11%)
Portfolio loans and leases, net	91,410	89,944	89,026	2%	3%
Bank premises and equipment	2,298	2,433	2,491	(6%)	(8%)
Operating lease equipment	670	695	667	(4%)	
Goodwill	2,416	2,416	2,416		
Intangible assets	13	14	17	(7%)	(24%)
Servicing rights	854	789	931	8%	(8%)
Other assets	8,252	8,638	7,265	(4%)	14%
Total assets	$ 141,658	$ 140,470	$ 132,562	1%	7%
Liabilities					
Deposits:					
Demand	$ 35,449	$ 35,343	$ 32,140		10%
Interest checking	27,074	27,191	24,744		9%
Savings	14,976	15,355	16,087	(2%)	(7%)
Money market	17,900	18,105	14,216	(1%)	26%

Foreign office	728	811	1,418	(10%)	(49%)
Other time	4,050	4,044	3,724		9%
Certificates $100,000 and over	2,846	2,566	3,623	11%	(21%)
Total deposits	103,023	103,415	95,952		7%
Federal funds purchased	126	200	153	(37%)	(18%)
Other short-term borrowings	4,136	1,413	3,146	NM	31%
Accrued taxes, interest and expenses	1,858	1,979	1,824	(6%)	2%
Other liabilities	3,356	3,504	2,018	(4%)	66%
Long-term debt	13,521	14,055	13,961	(4%)	(3%)
Total liabilities	126,020	124,566	117,054	1%	8%
Equity					
Common stock[(c)]	2,051	2,051	2,051		
Preferred stock	1,331	1,331	1,331		
Capital surplus	2,632	2,659	2,613	(1%)	1%
Retained earnings	11,564	11,380	10,666	2%	8%
Accumulated other comprehensive income	291	588	382	(51%)	(24%)
Treasury stock	(2,264)	(2,145)	(1,574)	6%	44%
Total Bancorp shareholders equity	15,605	15,864	15,469	(2%)	1%
Noncontrolling interests	33	40	39	(18%)	(15%)
Total equity	15,638	15,904	15,508	(2%)	1%
Total liabilities and equity	$ 141,658	$ 140,470	$ 132,562	1%	7%
(a) Amortized cost	*$ 27,483*	*$ 25,475*	*$ 22,184*	*8%*	*24%*
(b) Market values	*157*	*177*	*194*	*(11%)*	*(19%)*
(c) Common shares, stated value $2.22 per share (in thousands):					
Authorized	*2,000,000*	*2,000,000*	*2,000,000*		
Outstanding, excluding treasury	*810,054*	*815,190*	*844,489*	*(1%)*	*(4%)*
Treasury	*113,838*	*108,702*	*79,404*	*5%*	*43%*

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Fifth Third Bancorp and Subsidiaries

Consolidated Statements of Changes in Equity

$ in millions

(unaudited)

	For the Three Months Ended		Year to Date	
	June 2015	June 2014	June 2015	June 2014
Total equity, beginning	$ 15,904	$ 14,864	$ 15,665	$ 14,626
Net income attributable to Bancorp	315	439	676	756
Other comprehensive income, net of tax:				
Change in unrealized gains and (losses):				
Available-for-sale securities	(281)	178	(148)	288
Qualifying cash flow hedges	(18)	7	6	10
Change in accumulated other comprehensive income related to employee benefit plans	2	1	4	2
Comprehensive income	18	625	538	1,056
Cash dividends declared:				
Common stock	(105)	(110)	(211)	(211)
Preferred stock	(23)	(23)	(38)	(32)
Impact of stock transactions under stock compensation plans, net	6	4	26	19
Shares acquired for treasury	(155)	(150)	(335)	(249)
Issuance of preferred stock		297		297
Noncontrolling interest	(7)	1	(6)	1
Other			(1)	1
Total equity, ending	$ 15,638	$ 15,508	$ 15,638	$ 15,508

Fifth Third Bancorp and Subsidiaries

Regulatory Capital[(a)]

$ in millions

(unaudited)

	Basel III Transitional		Basel I[(c)]		
			As of		
	June 2015	March 2015	December 2014	September 2014	June 2014
Tier I capital:					
Common stock and related surplus (net of treasury stock)	$ 2,419	$ 2,565	N/A	N/A	N/A
Retained earnings	11,564	11,380	N/A	N/A	N/A
Common equity tier I capital adjustments and deductions	(2,401)	(2,402)	N/A	N/A	N/A
CET1 capital	11,582	11,543	N/A	N/A	N/A
Additional tier I capital	1,340	1,339	N/A	N/A	N/A
Tier I capital	12,922	12,882	$ 12,764	$ 12,661	$ 12,644
Tier II capital	3,909	4,112	4,131	4,103	4,101
Total risk-based capital	$ 16,831	$ 16,994	$ 16,895	$ 16,764	$ 16,745
Risk-weighted assets	$ 123,134[(b)]	$ 121,310[(b)]	$ 117,878	$ 116,917	$ 117,117
Ratios:					
Average shareholders equity to average assets	11.32%	11.49%	11.54%	11.71%	11.57%
Regulatory capital:					
	Basel III Transitional		**Basel I[(c)]**		
Fifth Third Bancorp					
CET1 capital	9.41%[(b)]	9.52%[(b)]	N/A	N/A	N/A
Tier I risk-based capital	10.49%[(b)]	10.62%[(b)]	10.83%	10.83%	10.80%
Total risk-based capital	13.67%[(b)]	14.01%[(b)]	14.33%	14.34%	14.30%
Tier I leverage	9.44%	9.59%	9.66%	9.82%	9.86%
Tier I common equity	N/A	N/A	9.65%[(d)]	9.64%[(d)]	9.61%[(d)]
CET1 capital (fully phased-in)	9.30%[(b)(d)]	9.41%[(b)(d)]	N/A	N/A	N/A
Fifth Third Bank					
Tier I risk-based capital	11.26%[(b)]	11.36%[(b)]	11.85%	11.87%	11.79%

Total risk-based capital	12.46%(b)	12.58%(b)	13.10%	13.12%	13.04%
Tier I leverage	10.15%	10.30%	10.58%	10.77%	10.77%

(a) Current period regulatory capital data and ratios are estimated.

(b) Under the banking agencies Basel III Final Rule, assets and credit equivalent amounts of off-balance sheet exposures are calculated according to the standardized approach for risk-weighted assets. The resulting weighted values are added together resulting in the total risk-weighted assets.

(c) These capital amounts and ratios were calculated under the Supervisory Agencies general risk-based capital rules (Basel I) which were in effect prior to January 1, 2015.

(d) This ratio has been included herein to facilitate a greater understanding of the Bancorp s capital structure and financial condition. Non-GAAP measure; see Reg. G reconciliation.

Fifth Third Bancorp and Subsidiaries

Regulation G Non-GAAP Reconciliation

$ and shares in millions

(unaudited)

	For the Three Months Ended				
	June 2015	March 2015	December 2014	September 2014	June 2014
Income before income taxes (U.S. GAAP)	$ 417	$ 485	$ 519	$ 464	$ 606
Add: Provision expense (U.S. GAAP)	79	69	99	71	76
Pre-provision net revenue	496	554	618	535	682
Net income available to common shareholders (U.S. GAAP)	292	346	362	328	416
Add: Intangible amortization, net of tax			1	1	1
Tangible net income available to common shareholders	292	346	363	329	417
Tangible net income available to common shareholders (annualized) (a)	1,171	1,403	1,440	1,305	1,673
Average Bancorp shareholders equity (U.S. GAAP)	15,841	15,820	15,644	15,486	15,157
Less: Average preferred stock	(1,331)	(1,331)	(1,331)	(1,331)	(1,119)
Average goodwill	(2,416)	(2,416)	(2,416)	(2,416)	(2,416)
Average intangible assets and other servicing rights	(15)	(15)	(17)	(16)	(17)
Average tangible common equity (b)	12,079	12,058	11,880	11,723	11,605
Total Bancorp shareholders equity (U.S. GAAP)	15,605	15,864	15,626	15,404	15,469
Less: Preferred stock	(1,331)	(1,331)	(1,331)	(1,331)	(1,331)
Goodwill	(2,416)	(2,416)	(2,416)	(2,416)	(2,416)
Intangible assets and other servicing rights	(14)	(15)	(16)	(16)	(17)
Tangible common equity, including unrealized gains / losses (c)	11,844	12,102	11,863	11,641	11,705
Less: Accumulated other comprehensive income	(291)	(588)	(429)	(301)	(382)
Tangible common equity, excluding unrealized gains / losses (d)	11,553	11,514	11,434	11,340	11,323
Add: Preferred stock	1,331	1,331	1,331	1,331	1,331

Tangible equity (e)	12,884	12,845	12,765	12,671	12,654
Total assets (U.S. GAAP)	141,658	140,470	138,706	134,188	132,562
Less: Goodwill	(2,416)	(2,416)	(2,416)	(2,416)	(2,416)
Intangible assets and other servicing rights	(14)	(15)	(16)	(16)	(17)
Tangible assets, including unrealized gains / losses (f)	139,228	138,039	136,274	131,756	130,129
Less: Accumulated other comprehensive income / loss, before tax	(448)	(905)	(660)	(463)	(588)
Tangible assets, excluding unrealized gains / losses (g)	$ 138,780	$ 137,134	135,614	131,293	129,541
Total Bancorp shareholders equity (U.S. GAAP)	N/A	N/A	15,626	15,404	15,469
Less: Goodwill and certain other intangibles	N/A	N/A	(2,476)	(2,484)	(2,484)
Unrealized gains	N/A	N/A	(429)	(301)	(382)
Qualifying trust preferred securities	N/A	N/A	60	60	60
Other	N/A	N/A	(17)	(18)	(19)
Tier I capital	N/A	N/A	12,764	12,661	12,644
Less: Preferred stock	N/A	N/A	(1,331)	(1,331)	(1,331)
Qualifying trust preferred securities	N/A	N/A	(60)	(60)	(60)
Qualifying noncontrolling interests in consolidated subsidiaries	N/A	N/A	(1)	(1)	(1)
Tier I common equity (h)	N/A[(2)]	N/A[(2)]	$ 11,372	$ 11,269	$ 11,252
Common shares outstanding (i)	810	815	824	834	844
	Basel III Transitional			**Basel I**	
Risk-weighted assets (actual) (j) [(1)]	123,134	121,310	117,878	116,917	117,117
Ratios:					
Return on average tangible common equity (a) / (b)	9.7%	11.7%	12.1%	11.1%	14.4%
Tangible equity (e) / (g)	9.28%	9.37%	9.41%	9.65%	9.77%
Tangible common equity (excluding unrealized gains/losses) (d) / (g)	8.33%	8.40%	8.43%	8.64%	8.74%
Tangible common equity (including unrealized gains/losses) (c) / (f)	8.51%	8.77%	8.71%	8.84%	9.00%
Tangible common equity as a percent of risk-weighted assets					
(excluding unrealized gains/losses) (d) / (j)	9.38%	9.49%	9.70%	9.70%	9.67%
Tangible book value per share (c) / (i)	$ 14.62	$ 14.85	$ 14.40	$ 13.95	$ 13.86
Tier I common equity (h) / (j)	N/A[(2)]	N/A[(2)]	9.65%	9.64%	9.61%
Basel III Final Rule Transition to fully phased-in					

	June 2015	March 2015	December 2014	September 2014	June 2014
CET1 capital (transitional)	$ 11,582	$ 11,543	N/A	N/A	N/A
Less: Adjustments to CET1 capital from transitional to fully phased-in (3)	(12)	(13)	N/A	N/A	N/A
CET1 capital (fully phased-in) (k)	11,570	11,530	N/A	N/A	N/A
Risk-weighted assets (transitional)	123,134	121,310	N/A	N/A	N/A
Add: Adjustments to risk-weighted assets from transitional to fully phased-in (4)	1,280	1,182	N/A	N/A	N/A
Risk-weighted assets (fully phased-in) (l)	$ 124,414	$ 122,492	N/A	N/A	N/A
Estimated CET1 capital ratio under Basel III Final Rule (fully phased-in) (k)/(l)	9.30%	9.41%	N/A	N/A	N/A

(1) 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.

(2) The Bancorp became subject to the Basel III Final Rule on January 1, 2015. This codified in the federal banking regulations the risk-based capital ratios the Bancorp is now subject to, as such these ratios are no longer considered Non-GAAP measures.

(3) Primarily relates to disallowed intangible assets (other than goodwill and MSRs, net of associated deferred tax liabilities).

(4) Primarily relates to higher risk-weighting for MSRs.

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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 hereunto duly authorized.

FIFTH THIRD BANCORP

(Registrant)

July 22, 2015	/s/ Tayfun Tuzun Tayfun Tuzun Executive Vice President and Chief Financial Officer