



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Fifth Third Bancorp

Person to be contacted regarding this report:	Paul Reynolds
UST Sequence Number:	40
CPP Funds Received:	3,408,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 31, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	1070345
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	06672
City:	Cincinnati
State:	Ohio

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The CPP program bolstered financial system confidence at a critical time & likely prevented a significant drop in banks' ability to meet loan demand due to capital preservation activities. Fifth Third & most other large banks have more than sufficient capital to meet actual & expected loan demand.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	We received the \$3.4 billion CPP investment at YE 2008. During the course of the first three months in 2009, we purchased \$3 billion of ABS and MBS securities, providing liquidity to these markets & higher loan availability to borrowers. These investments would likely not have been made otherwise.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	The initial funds, to the extent not invested in securities as outlined above, were used to reduce borrowings.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

At the end of the quarter immediately preceding the CPP investment (i.e., the third of 2008), our Tier I and Total Risk Based regulatory capital ratios were well above the minimum levels for "well-capitalized" institutions. This was also the case in the fourth quarter (when we received the CPP investment) and afterwards, and would have been the case on a pro forma basis excluding the CPP investment.

The CPP investment increased our already strong Tier 1 capital ratio but not our tangible common equity or Tier 1 common capital ratios. Market focus, and the SCAP assessment, became oriented in most cases toward common equity capital. As a result of this focus and the importance of common equity in general, we continued to pursue actions developed to increase common equity capital that we had developed prior to the TARP program. Most notably, this involved the sale of a portion of our processing business, which was agreed to in March of 2009 and consummated in June 2009, generating \$1.2 billion in Tier 1 common equity. We also subsequently generated an additional \$2 billion in Tier 1 common equity in June and July of 2009, in response to our commitment to generate \$1.1 billion in Tier 1 common equity under the SCAP assessment. (The CPP investment is Tier 1 capital but not Tier 1 common equity capital.) Our Tier 1 capital ratio, including the benefit of our processing transaction, would have met the SCAP requirements for Tier 1 capital under the more adverse scenario.

Notwithstanding the above discussion, the investment was an important form of support for the industry and our company. The program was announced and instituted during a critical time when financial market conditions were very volatile and confidence was low. After the government's decision to provide support for qualified banks, including ours, depositors, investors and borrowers lowered their level of anxiety on the banks' immediate exposure to market volatility.

It is difficult to evaluate the actions that may have been necessary in the absence of the systemic confidence provided by the TARP and CPP programs; it seems probable that economic activity, lending in the financial system, and our own lending activity would have been reduced significantly without these programs or similar actions, given the extreme financial market disruption that prevailed before these programs and continued for some time following their inception.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The immediate impact on our balance sheet following the CPP investment was the purchase of \$3 billion ABS and MBS securities which was executed to deploy the cash as soon as possible into earning assets to partially offset the impact of the dividend on the CPP securities. At the time of the investment, although we were contemplating increasing the size of our investment portfolio based on weak loan growth, based on the volatility in the financial markets and the need to hold above average liquidity on the balance sheet, this investment would not have been executed otherwise, certainly not at the same size.

In Q3 2009, Fifth Third consolidated its subsidiary banks into one charter. Prior to the consolidation, in 2008 and 2009 Fifth Third Bancorp contributed \$3.0 billion in capital to two predecessor banks, Fifth Third Bank, Michigan and Fifth Third Bank, Tennessee. The CPP investment is part of the capital of our holding company as well as the consolidated company. The CPP funds supplemented the liquidity of our holding company that was utilized to make the investments in our subsidiary banks.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.



According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.