



FIFTH THIRD BANCORP

2016 | ANNUAL REPORT

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Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio.

As of December 31, 2016, the Company had:

\$142B IN ASSETS

1,191 FULL-SERVICE BANKING CENTERS

2,495 ATMs

4 BUSINESS UNITS: Commercial Banking, Branch Banking, Consumer Lending And Wealth & Asset Management

17.9% INTEREST IN VANTIV HOLDING, LLC

\$315B IN ASSETS UNDER CARE*

\$31B IN ASSETS UNDER MANAGEMENT*

*Assets under management and assets under care include trust and brokerage assets

Fifth Third Bank was established in 1858.

MEMBER FDIC.  EQUAL HOUSING LENDER. 

*Fifth Third works on things that **make a difference.***

We hire great employees who are committed to supporting our customers and communities.

Greg D. Carmichael

*President and Chief Executive Officer,
Fifth Third Bancorp*



DEAR SHAREHOLDERS:

Having recently completed my first full year at the helm as CEO, I can tell you that I am proud of our employees and what we accomplished in 2016. During the year, we achieved several important objectives. I believe that the steps we took in 2016 have positioned our Bank to deliver stronger and more stable financial results through business cycles.

I'm happy to report that 2016 was a strong year for our Bank. Guided by our Board of Directors and executive team, our employees worked hard to execute on our Vision to be the One Bank people most value and trust.

CEO letter

Our Vision is rooted in a simple concept: **Keeping the customer at the center of everything we do.**

We are committed to acting in the best interests of our customers. It is a commitment that plays out every day in the products and services we offer and in the way we deliver them.

As stewards of your capital, we again were able to return a significant amount of capital back to you through dividends and share repurchases. We also were able to invest in areas of strategic importance for our bank.

We believe Fifth Third is well positioned, with significant scale across our businesses. Our Branch Banking and Consumer Lending footprint has a well-defined geography and is concentrated in the Midwest and the Southeast. Our Commercial business spans the United States and extends into Canada and London for the convenience of our customers.

We believe that in 2016 we laid the foundation necessary to achieve our longer term goals. There were three goals in particular on which we focused:

- 1 Strong financial performance through business cycles;**
- 2 Managing risk and striving for regulatory excellence; and**
- 3 Maintaining our brand value.**

THE NORTHSTAR STRATEGY

In September, Fifth Third launched the NorthStar strategy, a three-year plan designed to achieve our Vision to be the One Bank people most value and trust. It is a set of initiatives that I believe will deliver strong and consistent returns through longer term economic cycles.

We expect our NorthStar strategy to help us achieve specific goals by the end of 2019. These goals include achieving a return on average tangible common equity of 12 to 14 percent, a return on average assets of 1.1 to 1.3 percent and an efficiency ratio below 60 percent.

DRIVING INCREASED STABILITY

We have taken deliberate actions to shift the risk profile of our Bank. We are focused on driving stable performance through the cycle while targeting opportunities that fit our risk-return criteria. We are striving to improve the performance of our Bank without taking undue risks.

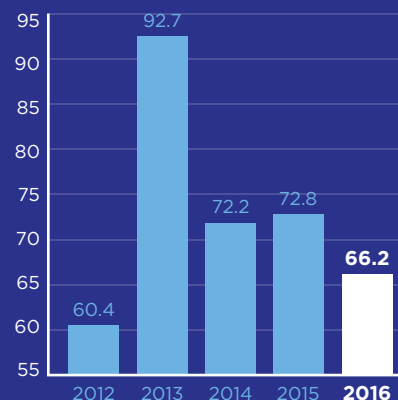
We believe that in 2016 our active risk management enabled us to limit our exposure to macroeconomic events such as lower energy prices and the immediate fallout from Brexit.

Our criticized asset ratio has continued to improve and is now at the lowest point since the third quarter of 2007. Furthermore, our 2016 Comprehensive Capital Analysis and Review (CCAR) results demonstrate that we would have remained well capitalized under a severely adverse economic scenario of similar magnitude to the financial crisis of 2008-2010. Our pre-provision net revenue (PPNR) to average assets ratio remained above the peer-group average even under a stressed scenario. Lastly, our results also indicated “less capital destruction” than the peer-group average in stressed scenarios, which again speaks to our favorable portfolio positioning.

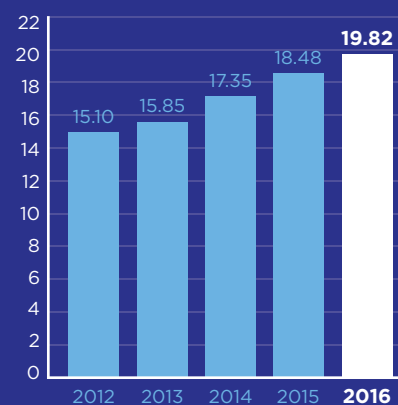
We also have taken other measures to maintain a strong balance sheet and liquidity. In 2016, we completely exercised our remaining position in the Vantiv warrant and reduced our overall ownership stake in Vantiv to 17.9 percent. Cumulatively, we

2016 BY THE NUMBERS

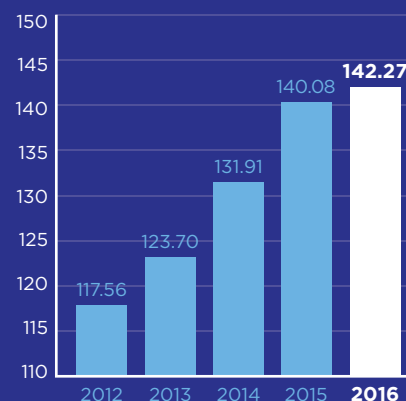
TOTAL PAYOUT RATIO (%)

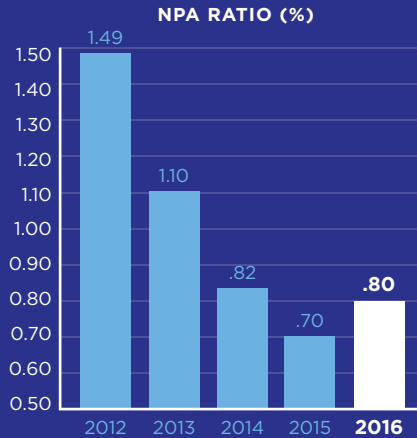


BOOK VALUE PER SHARE (\$)

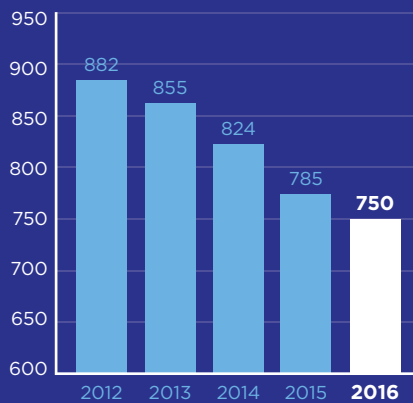


AVERAGE ASSETS (\$B)

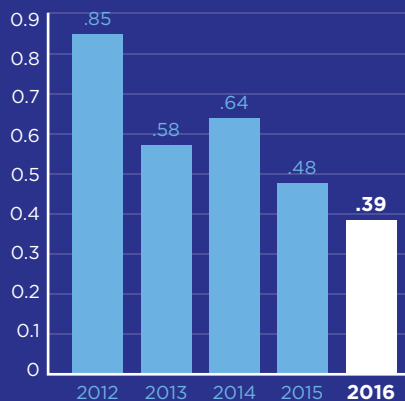




COMMON SHARES OUTSTANDING (MM)



TOTAL NET CHARGE-OFFS (BPS)



generated pre-tax gains of \$812 million from our ownership in the warrant. Exiting the warrant will also reduce volatility in our reported results.

Separately, we took steps to mitigate the risk to expected cash flows under a tax receivable agreement (TRA) with Vantiv. We had expected to receive \$725 million in cash over a 15-plus year period but decided to accelerate the monetization of those cash flows.

Our balance sheet also maintains a strong level of liquidity, with a Liquidity Coverage Ratio of 128 percent at the end of 2016.

Optimizing Our Balance Sheet

We have sharpened our focus on prudent capital allocation and a measured balance of risk and return rather than emphasizing loan growth or increasing our risk appetite. To that end, we deliberately exited over \$3.5 billion dollars in commercial relationships that did not meet our risk and/or return criteria. While these actions created a headwind for loan growth in the near term, they were consistent with our focus on improving the long-term profitability and resiliency of our Bank. In the Consumer Bank, we decided to decrease indirect auto loan originations and redeploy capital to other more attractive businesses.

As we continue to optimize our balance sheet, we have three top priorities. First, we want to continue to make progress in positioning our loan portfolio for higher returns through the cycle. Second, we seek to manage interest rate risk exposure while maintaining an asset-sensitive position. Third, we want to maintain a healthy level of liquidity on our balance sheet.

As noted above, we also have a substantial ownership position in Vantiv. Our ownership stake is a potential source of additional capital and liquidity that currently is not recognized in our balance sheet. At the end of 2016, our ownership interest in Vantiv was recorded at a carrying value of \$414 million. The market valuation for those shares imply an after-tax gain of nearly \$1 billion at current tax rates.

Committed to Expense Management

Although revenue growth is important, expense management creates important stability in a low-rate environment. We always have considered prudent expense control, like revenue growth, to be a part of the ongoing responsibilities of executive management. We have executed several expense initiatives during the course of the year that I expect to result in ongoing improvements to pre-tax income.

OUR PEOPLE

We would not be able to accomplish any of our objectives without the effort and dedication of our employees. These employees embrace our service model, our commitment to community involvement and our focus on improving lives.

They understand that behind every customer account is a person with goals and dreams who is unique and deserving of our utmost attention.

In 2016, our team adapted to changes in leadership, technology and processes while demonstrating our Core Values of Integrity, Teamwork and Collaboration, Accountability and Respect and Inclusion. We invested in new leadership across our organization.

In September, **Jerry Burris** and **Eileen Mallesch** were appointed to our Board of Directors. Mr. Burris's background as CEO of Associated Materials and his 20 years of management experience with General Electric provide deep and broad management experience to the board. Ms. Mallesch is a CPA and served as the senior vice president and CFO for Nationwide Insurance



VOLUNTARY EARLY RETIREMENT PROGRAM

Fifth Third conducted its first-ever voluntary early retirement program, executed in the first quarter of 2016. The offering enabled Fifth Third to further manage expenses and help fund strategic investments, while also creating a financial cushion for long-serving employees who chose to take advantage of the opportunity to retire early.



CONTRACT RENEGOTIATIONS

We extended our servicing and referral agreement with Vantiv, Inc. by 5½ years. This new agreement will generate higher revenues and cost savings, designed to increase over time.

We also actively reviewed our vendor relationships to identify cost saving opportunities and other efficiencies. During 2016, we negotiated partner agreements with multiple IT and operations vendors.

and has more than 25 years of broad finance strategy experience in a variety of industries.

Former North Florida regional president

Brian Lamb was chosen to lead Fifth Third's newly created Corporate Responsibility and Reputation division. This division oversees Corporate Communications, Community and Economic Development, Inclusion and Diversity, and Ethics.

Aravind Immaneni joined as chief operations and technology officer, responsible for all aspects of technology and back-office operations. Mr. Immaneni has extensive experience in transforming businesses by reinventing operations, technology and processes.

Sameer Gokhale joined as head of investor relations and corporate performance measure-

ment. Mr. Gokhale brings a deep understanding of shareholder value creation to Fifth Third.

Melissa Stevens joined Fifth Third in the newly created position of chief digital officer and head of Omni-channel Banking, as we seek to continue to improve the customer experience.

We were proud that our Chief Administrative Officer **Teresa Tanner** was named to *American Banker's* list of Most Powerful Women in Banking. *American Banker* highlighted Ms. Tanner's role in reinventing the Bank's benefits offerings and her work within the community—especially the arts. The recognition also acknowledged her efforts in recruiting and developing talent, including the creation of the Women in Leadership program.

Our annual Employee Viewpoints Survey again showed that we have a highly engaged, highly



BRANCH OPTIMIZATION

In our retail business, we completed a 105-branch reduction that included the exits of the Pittsburgh and St. Louis retail markets. These actions are expected to generate over \$60 million dollars in annual savings.

We also planned to close or consolidate an additional 42 branches and buildings as part of our ongoing review of customer preferences and our ability to best serve their needs. Changes in technology and customer behavior will continue to transform our branch network.



ALTERNATIVE WORKSPACE STRATEGY

We are on a journey to create work spaces that inspire employees and encourage collaboration. Our new open-office environments will reduce both our need for physical workspace and our overhead expenses.

The new workspaces will include significantly greater technology that allows employees to be more mobile, accommodates 30 to 35 percent more employees and decreases underutilized space.

connected team at Fifth Third. It's a team that improved our communities in new and innovative ways over the course of the year.

OUR COMMITMENT TO INCLUSION AND DIVERSITY

Fifth Third is deeply committed to inclusion and diversity in every aspect of our business. We believe that increased diversity is good for our Bank and the communities we serve. We continually evaluate diversity across a number of dimensions—from our employee base, to our community outreach efforts to the vendors we use in our supply chain. We are proud to have one of the most diverse Boards in the financial services sector.

We also are committed to supplier diversity. In 2016, Fifth Third increased expense allocations

for certified minority-owned businesses by 70 percent, awarding contracts to more than 350 diverse suppliers. We were honored to be recognized by the Ohio Minority Supplier Development Council as a corporation of the year.

OUR COMMITMENT TO BUILDING COMMUNITIES

We firmly believe that when we build stronger communities, we build a stronger Bank.

I was pleased to announce a landmark \$30 billion Community Commitment on November 18, 2016. It was the largest community development plan initiated by a single regional bank in recent history, and it reflected strong collaboration with the National Community Reinvestment Coalition (NCRC), the leading organization in working with financial institutions to address community needs in banking services.



Jerry W. Burris
Retired President
and CEO, Associated
Materials Group, Inc.

Gary R. Heminger
President, CEO
and Chairman,
Marathon Petroleum
Corporation

**Katherine B.
Blackburn**
Executive Vice
President, Cincinnati
Bengals, Inc.

Nicholas K. Akins
Chairman, President
and CEO,
American Electric
Power Company

**B. Evan
Bayh III**
Partner, McGuire-
Woods LLP

**Jewell D.
Hoover**
Retired Senior
Official, Comptroller
of the Currency

**Marsha C.
Williams**
Retired CFO,
Orbitz
Worldwide, Inc.

The \$30 billion commitment in lending and investments is \$2.5 billion above the plan we announced earlier in the year. It also includes \$158 million in strategic impact initiatives such as financial services, branch openings and cooperative public policy for low- and moderate-income and high-minority communities.

“Banks are our neighborhoods’ best hope,” said John Taylor, president and CEO of the NCRC, at our joint press conference. It was a statement that made the entire Fifth Third team and me proud to be part of this industry.

OUR COMMITMENT TO YOU

As shareholders of Fifth Third Bancorp, you also are shareholders in the legacy we are creating. We are continually working to fundamentally improve lives through financial solutions, financial security and financial empowerment.

As we look ahead to 2017, we are confident that we will build on this legacy while continuing to drive value for you, our shareholders.

I want to thank our Board of Directors, our senior leadership team and all of our employees for the skill, the passion and the commitment they demonstrate every day. Together, we are building a stronger, more sustainable Fifth Third for our customers, our communities, our shareholders and each other. ■

Greg D. Carmichael
*President and Chief Executive Officer,
 Fifth Third Bancorp*



Hendrik G. Meijer
*Co-Chairman,
 CEO and Director,
 Meijer, Inc.*

Emerson L. Brumback
*Retired President and
 COO, M&T Bank*

Jorge L. Benitez
*Retired CEO,
 North America,
 Accenture*

Michael B. McCallister
*Retired Chairman
 and CEO,
 Humana Inc.*

Eileen A. Mallesch
*Retired CFO, Nationwide
 Property & Casualty
 Segment, Nationwide
 Mutual Insurance Company*

Greg D. Carmichael
*President and CEO,
 Fifth Third Bancorp*

THE NORTHSTAR STRATEGY

In September, Fifth Third launched the **NorthStar strategy**, a three-year plan designed to achieve our Vision to be the One Bank people most value and trust and deliver strong, consistent returns through longer term economic cycles.

The strategy is designed to impact every line of business, every employee and, most importantly, every customer.

NorthStar Strategy

WE ARE FOCUSED ON:

Building a differentiated brand and corporate reputation by improving the customer experience, increasing brand equity and delivering on the Bank's \$30 billion Community Commitment.

Delivering a better, more differentiated value proposition by investing in our sales and service channels and expanding on our products, solutions and expertise.

Generating return on average tangible common equity of 12 to 14 percent, return on average assets of 1.1 to 1.3 percent and an efficiency ratio below 60 percent by the end of 2019.

Achieving risk and operational excellence.

Fifth Third has disclosed participation in a number of alliances to achieve these goals, including GreenSky, ApplePie Capital, AvidXchange, Zelle and Transactis. ■

NORTHSTAR FINANCIAL PERFORMANCE TARGETS (TO BE ACHIEVED BY THE END OF 2019)

12-14%

RETURN ON
AVERAGE TANGIBLE
COMMON EQUITY

1.1-1.3%

RETURN ON
AVERAGE
ASSETS

<60%

EFFICIENCY
RATIO*

*Without the benefit of higher interest rates, corporate tax changes or a reduced regulatory environment.

2016 financial review

Full-year 2016 net income available to common shareholders of \$1.5 billion decreased 9 percent from 2015. Earnings per diluted common share of \$1.93 decreased 4 percent from 2015. Results for both years were significantly impacted by Vantiv-related transactions.

In 2016, after-tax Vantiv net gains were approximately \$295 million (approximately \$0.38 per share), compared with after-tax net gains of \$519 million (approximately \$0.64 per share) in 2015. Fifth Third will continue to evaluate further reductions in its ownership stake in Vantiv in a thoughtful and prudent manner.

In 2016, Fifth Third maintained a disciplined approach and continued to focus on businesses that met its desired risk-return requirements.

In 2016, average loans and leases increased 1 percent to \$94.3 billion, with growth in residential mortgages, commercial and industrial loans and commercial construction loans. Growth in these areas partially was offset by a decline in automobile loans.

In 2015, Fifth Third made a strategic decision to reduce auto loan originations while focusing on other businesses that generated more attractive returns. Average securities and short-term investments increased \$1.7 billion as Fifth Third continued to take a balanced approach to liquidity and interest rate risk management.

Fifth Third also continued to grow high-value, low-cost transaction deposits in 2016.

Transaction deposits increased by 1 percent, even though the Bank's exits from the St. Louis and Pittsburgh markets had a negative impact on growth. Fifth Third's deposit franchise will remain an important driver of profitable balance sheet growth.

Net interest income increased 2 percent, partially reflecting growth in interest-earning assets. During the year, Fifth Third maintained a disciplined approach to pricing and also benefited from higher market interest rates. This was partially offset by lower securities yields.

In 2016, despite low interest rates for most of the year, Fifth Third's net interest margin was flat compared to 2015. At year-end, Fifth Third's modified liquidity coverage ratio (LCR) was 128 percent, up from 116 percent in 2015.

Noninterest income decreased 10 percent from 2015, primarily reflecting lower Vantiv-related gains. Fifth Third reported a 13 percent increase in corporate banking revenue driven by an increase in syndication fees. Additionally, fee income growth reflected strong card and processing revenue, offset by lower Wealth & Asset Management fees and lower mortgage banking net revenue.

Throughout the year, Fifth Third maintained a focus on controlling expenses while continuing to execute on strategic priorities.

Total noninterest expense increased 3 percent from 2015, primarily reflecting higher compensation expense as the Bank added personnel in Risk Management, Compliance and Information Technology. This was partially offset by lower occupancy expense, as well as reduced card and processing expense due to key vendor contract renegotiations.

Credit trends reflected the benign environment as well as Fifth Third's continued focus on positioning its balance sheet to outperform through business cycles. Full-year net charge-offs decreased 19 percent, as commercial net-charge offs hit a 15-year low and the Bank's criticized assets decreased 21 percent. Fifth Third's reserve coverage ratios remain solid at 1.36 percent of portfolio loans and leases and 190 percent of nonperforming loans and leases.

Fifth Third Bank has positive momentum in many of its core businesses and is executing on its strategic priorities under NorthStar. As we execute on these priorities, we expect to deliver higher returns for shareholders while positioning the Bank for long-term success. ■

branch banking

A strong Retail Bank is critical to the future of Fifth Third. The Bank offers **a complete suite of Retail Banking products and services.** Its localized, high-touch service model is primarily concentrated in the Midwest and Southeast.

In addition to providing services through the traditional branch channel, Fifth Third continues to adapt to evolving customer preferences. While physical infrastructure remains important, Fifth Third seeks to provide customers with a superior, integrated experience across branch and mobile banking channels. Fifth Third has been leveraging technology to help provide superior customer service while reducing its branch count. The Bank lowered its planned branch count by approximately 12 percent over the past eighteen months. Some of the savings generated by these closures will be reinvested in its digital capabilities. Fifth Third will continue to evaluate its branch network on an ongoing basis.

The Bank also is investing in other initiatives. For example, Fifth Third Bank is in the process of streamlining its existing operations by fully digitizing nearly 700 million paper-based transactions annually. Fifth Third also recently announced that it has joined Zelle's person-to-person (P2P) payment network. This will be a critical component to retaining client engagement with Fifth Third's mobile application.

In its Consumer Credit Card business, Fifth Third remains focused on improving customer acquisition and increasing cardholder activation. To that end, it recently launched two products—Truly Simple and TRIO—with a more attractive customer value

proposition. These new card products are expected to improve the Bank's ability to compete for and win customers. Fifth Third also is investing in analytical capabilities to enhance risk-adjusted returns while growing loan balances.

Customer expectations for simple and intuitive access, transparency and speed continue to rise. Accordingly, Fifth Third is prioritizing its investments to align with the demographic and technological changes that are reshaping these markets. The traditional lines across retail delivery channels are no longer well defined, and Fifth Third's investments will continue to integrate seamlessly across every customer touch point into a universal sales, service and marketing strategy. Fifth Third's efforts to more effectively integrate digital technology in this rapidly evolving environment will create significant shareholder value. ■



2016 HIGHLIGHTS

\$2.4B

TOTAL
REVENUE

\$15.4B

AVERAGE
LOANS

\$52.9B

AVERAGE
CORE
DEPOSITS

1.8M

ONLINE
BANKING
CUSTOMERS

1,191

FULL-SERVICE
BANKING
CENTERS

consumer lending

Fifth Third knows that consumers value the security of being able to access a line of credit when needed. The Bank's Consumer Lending division offers **competitive rates and a variety of products** to help customers reach their goals, whether short or long term.

Fifth Third's auto business is an important component of Consumer Lending; however, the Bank has deliberately lowered origination targets to focus on improving risk-adjusted returns throughout the year. Despite the lowered targets, Fifth Third remains one of the largest bank originators of indirect auto loans in the country, and continues to value the relationships with an extensive dealer network across its 44-state indirect auto footprint.



The mortgage business is one of the most cyclical of Fifth Third's businesses, and Fifth Third has managed well through the most recent cycle. Fifth Third has a business model that can be adjusted quickly in response to the changing environment. Fifth Third is primarily an in-footprint retail lender, though it also has a broad-footprint direct channel and purchases loans through a correspondent channel. Mortgage often opens the door to deeper, more profitable relationships that holistically serve the needs of customers.

To fuel additional growth and improve the customer experience, Fifth Third recently announced an agreement with Black Knight Financial Services to consolidate its existing mortgage loan platforms. This is expected to simplify the mortgage origination process for both clients and employees, designed to give Fifth Third a competitive advantage in the marketplace.

Regardless of whether credit customers come to the Bank through auto, mortgage or other Consumer Lending areas, Fifth Third continues to work to simplify the process of obtaining a loan. Fifth Third works proactively with borrowers to explore options that make sense within their current financial situation. Fifth Third maintains a commitment to demonstrating better listening and better problem solving. This helps the Bank earn the trust that creates value—value that lasts well beyond the life of the loan. ■

2016 HIGHLIGHTS

\$551M

TOTAL
REVENUE

\$21.1B

AVERAGE
LOANS

\$69B

MORTGAGE
SERVICING
PORTFOLIO

6,817

DEALER
INDIRECT AUTO
LENDING
NETWORK

commercial banking

Fifth Third's Commercial Bank is focused on **creating strategic partnerships with business, government and professional customers** through customized financial solutions.

With its focused segmentation strategy and broad client solution capabilities, the Commercial Bank targets clients from \$20 million in annual revenue to some of the world's largest companies.

The comprehensive and competitive offerings of Fifth Third's Commercial Bank span from traditional lending and depository products to global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, leveraged lending, real estate finance, public finance, commercial leasing and lending and syndicated finance.

This wide range of services and experience allows the Commercial Bank to address client needs and provide capital and financing solutions to be a strategic resource in our customers' financial success. Fifth Third is benefiting from these strong and enduring relationships. The Bank's disciplined client selection aims to improve the risk-adjusted returns in the business.

Fifth Third's commitment to business lending remains strong. In 2016, the Commercial Bank produced 43 percent of Bancorp revenue and accounted for more than half of loan balances. This track record of success and ability to develop new capabilities sets Fifth Third apart from the competition.

The Bank has built specialized verticals and significantly strengthened its credit underwriting by adding experienced talent in these areas. Fifth Third is committed to helping businesses adapt to the new economy, drive innovation and growth and access the working capital needed to meet their goals. ■



2016 HIGHLIGHTS

\$2.7B

TOTAL
REVENUE

\$54.6B

AVERAGE
LOANS

\$36.5B

AVERAGE
CORE
DEPOSITS

~14,000

CLIENTS

wealth & asset management

Wealth & Asset Management is comprised of **four distinct businesses tailored to the unique needs of its customers**. Fifth Third puts more than 100 years of experience to work to help individuals, families, businesses and institutional clients protect, grow and manage their wealth.

Fifth Third Private Bank serves the complex financial needs of the Bank's clients with teams of professionals dedicated to helping clients achieve their unique financial goals.

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.

ClearArc Capital, Inc. provides asset management services to institutional clients.

Fifth Third Institutional Services provides consulting, investment and recordkeeping 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.

Fifth Third's Wealth & Asset Management business has grown through successful partnerships with clients that assist them in achieving their financial objectives. Fifth Third works to understand where clients stand today and where they want to go. Next, the Bank focuses on collaborating with clients and their outside advisors to build a custom plan for each client. Finally, the Bank works with its clients to achieve those goals. The exclusive Life360 platform reflects Fifth Third's continued investment in a comprehensive digital strategy. The platform provides a holistic view, convenience and control for clients as they work toward their financial goals with confidence.

By providing holistic advice, guidance and service, and focusing on the needs of clients, Wealth & Asset Management is poised to continue to deliver growth to Fifth Third shareholders. ■



2016 HIGHLIGHTS

\$567M

TOTAL
REVENUE

\$3.1B

AVERAGE
CORE
LOANS

\$8.6B

AVERAGE
CORE
DEPOSITS

\$31B

ASSETS UNDER
MANAGEMENT*

\$315B

ASSETS UNDER
CARE*

* Assets under management and assets under care include trust and brokerage assets.

community commitment

Fifth Third will lend or invest \$30 billion to low- and moderate-income (LMI) borrowers and in LMI communities over a five-year period from 2016 to 2020.

This agreement between Fifth Third and the National Community Reinvestment Coalition (NCRC) was signed by 145 NCRC member community organizations and announced publicly on November 18, 2016.

MORTGAGE LENDING

Community Commitment:

\$11 billion over five years

Fifth Third is committing \$11 billion to LMI borrowers and LMI neighborhoods. The commitment includes a specific target for home purchase loans.

SMALL BUSINESS LENDING

Community Commitment:

\$10 billion over five years

Fifth Third has a lending goal of \$10 billion for small businesses.

COMMUNITY DEVELOPMENT LENDING AND INVESTMENTS (CDLI)

Community Commitment:

\$9 billion over five years

Fifth Third committed to \$9 billion in CDLI over five years. The Bank is evaluating expanding CDLI activities to include affordable housing, pre-development loans, non-tax-credit-related projects to assist with access to affordable housing, and support for economic development projects that promote job creation and retention for LMI individuals and neighborhoods.

FIFTH THIRD IMPACT PROGRAMMING

Community Commitment:

\$154.8 million over five years

Philanthropy

Fifth Third will strengthen communities through philanthropic donations and impactful community sponsorships. Charitable giving will include supporting organizations with resources for capacity building, workforce training and assistance for older adults.

Housing-related Investments

Fifth Third will help address the gap for consumers who need down payment assistance, support housing counseling and financial literacy programs, and fund housing loan pools for home repairs and gap financing to support neighborhood revitalization.

Small Business-related Investments

Fifth Third will help fund technical assistance programs for small business development and growth and support the ecosystem for small business lending.

Branch and Staff Commitments

Fifth Third will seek to increase access to banking services in LMI and/or high minority communities by opening additional branches in those neighborhoods. The Bank will support this activity and improve delivery of these services by expanding CRA staffing in mortgage lending and small business lending.

Inclusion and Diversity

Fifth Third's plan supports the Bank's commitment to ensure that its human capital is inclusive and diverse. The Bank will increase its efforts to support diverse suppliers: minority-owned, women-owned and veteran-owned businesses.

Fifth Third L.I.F.E. Financial Education

Fifth Third will deliver its Fifth Third L.I.F.E. (Lives Improved through Financial Empowerment) programs, which strive to reach consumers at every age and stage of life through foundational financial education. Fifth Third's L.I.F.E. programs include its Financial Empowerment Mobiles, or eBuses, which deliver financial education, job training, tax preparation assistance and other help directly to low- and moderate-income communities in partnership with local community organizations.

Fifth Third Bank will form a national community advisory forum that will review and monitor the progress of the agreement, as well as statewide advisory forums that will provide input to Fifth Third for addressing community needs. Additionally, in partnership with NCRC, Fifth Third will conduct annual local community engagement meetings in all its major markets. ■

corporate social responsibility

For a dozen years now, Fifth Third Bank has been working—often quietly and behind the scenes—to provide **free financial education**.

The Bank has educated more than 1.25 million people, from fifth-graders to high school students to adults, from low-income and underserved individuals to groups of clients' employees and retirees.

Along the way, Fifth Third employees have seen firsthand the transformative power of financial education. The Bank has letters from parents and their teenagers talking about the impact of their financial education courses. Younger kids get excited about saving and budgeting, others fortify their financial confidence through eBus visits in neighborhoods; and the Bank's business clients have been provided with class after class to help them and their employees learn about home ownership, saving for college, protecting their identity and planning for retirement.

Fifth Third employees, including President and CEO Greg Carmichael, taught classes about budgeting and saving, identity protection and home ownership preparation.

A survey commissioned by Fifth Third demonstrated that the need for this type of education is real, is deep and is pressing.

FINANCIAL EMPOWERMENT

One of the most obvious and long-lasting ways Fifth Third improves lives is through its commitment to



financial empowerment. The Bank's L.I.F.E. (Lives Improved through Financial Empowerment) programs are the way it delivers financial education to people at all ages and stages of life.

In 2016, Fifth Third educated 14,000 fifth-grade students through the Fifth Third Bank Young Bankers Club®. The Young Bankers Club, a program developed by Fifth Third, teaches money management basics to elementary school students. The goal of Young Bankers Club is to enable students to connect the importance of education to their future and to understand what money is and the difference between needs and wants.

Fifth Third celebrated a major milestone in 2016 with the education of high school students. Its sponsorship of a top-notch financial education program in high schools over the past six years has enabled the education of approximately 1 million students.

The Fifth Third Financial Empowerment Mobiles, or eBuses, also hit the road again in 2016, visiting low- and moderate-income communities. There were



17,600 visitors to eBus tour stops, where Fifth Third professionals offered credit checks, tax preparation, job search and training as well as access to financial services.

2016 marked the first concentrated effort to take Fifth Third Bank Empower U® into the communities. This intensive outreach aims to teach individuals throughout the Bank's 10-state footprint. Fifth Third taught over 150 classes—all of them free. They were brought to life thanks to 70 community nonprofit organizations working in close collaboration with Fifth Third.

COMMUNITY DEVELOPMENT

The Fifth Third Community Development Corporation (CDC) invested \$175.5 million in affordable housing, revitalization, historic preservation and small business projects throughout the Bank's footprint.

Fifth Third, its regions and the Fifth Third Foundation made \$19.3 million in grants for community support in 2016. The Bank's support focused on the areas of

community development and affordable housing, small business technical assistance, and other health and human services and arts support.

Fifth Third welcomed incoming classes to its Project SEARCH program in the fall of 2016. Project SEARCH is a school-to-work transition program for people with physical or developmental disabilities. For 12 years, Fifth Third has operated three programs, two in Cincinnati, Ohio, and one in Grand Rapids, Michigan. Over that time, it has trained 236 individuals, 30 of whom still are employees of the Bank.

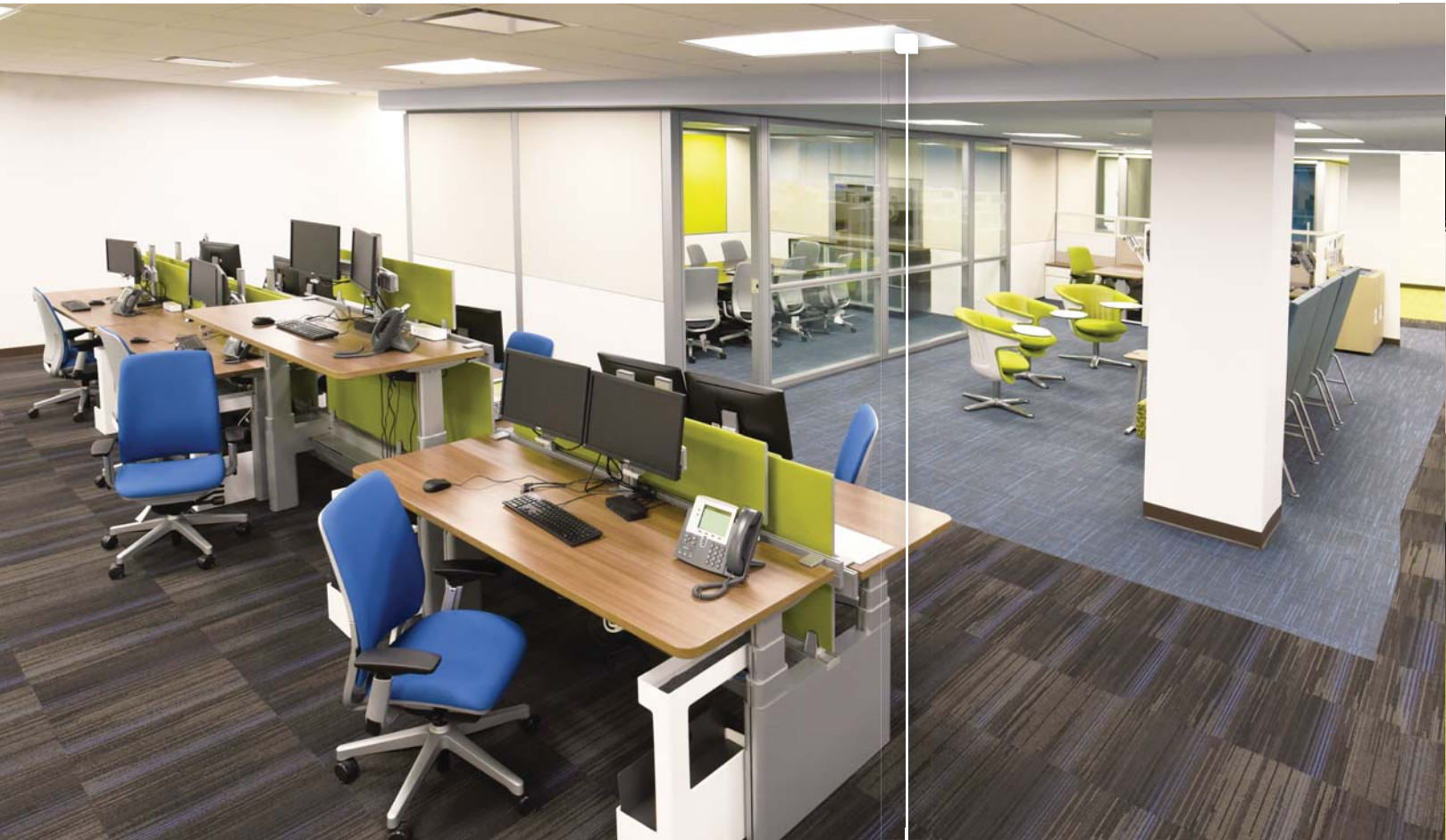
In 2016, Fifth Third and its employees donated \$7 million to United Way. The Bank also provided more than 630,000 meals to the hungry during its annual drive in May.

SUSTAINABILITY

Fifth Third is committed to continually seeking ways to reduce its carbon footprint and take care of the natural environment. In 2016, it invested \$4 million with HP Energy for a major LED lighting retrofit in some of its facilities. The project, which was completed in December 2016, was expected to reduce lighting-related energy use by 50 percent at 136 bank facilities in Ohio, Kentucky, Indiana and North Carolina. The corresponding energy savings were 6.3 million kilowatt hours per year, enough to provide 578 homes with electricity for one year. The investment with HP Energy was made after a successful pilot program in Florida in January 2016. ■



community spotlight



Sustainability is very important to Fifth Third because it's good for the environment and it's a good business practice.

Fifth Third undertook two large-scale projects this year to decrease its footprint, energy consumption and costs: converting to LED lighting and transforming office space to be more collaborative.

LED LIGHTING

Fifth Third's LED lighting installation project, one of the biggest in the financial industry, will reduce lighting-related energy consumption by 50 percent while cutting energy costs by \$650,000 a year.

Fifth Third upgraded the lighting at its branches in Ohio, Kentucky, Indiana and North Carolina from fluorescent bulbs to LED lighting. It also transformed the lighting in five of its Cincinnati office buildings.

"This is a great way to save money, create a better work environment for our employees and become more sustainable," said Scott Hassell, Fifth Third's director of Environmental Affairs. Fifth Third took advantage of incentives from its energy provider to make the conversion and will consider taking the LED lighting initiative to other locations.



OFFICE RENOVATIONS

At the same time, Fifth Third began a large office renovation to move to an open office concept to decrease its footprint and create a collaborative and more creative space for its employees.

The cost of open office renovations is approximately 16 percent higher than traditional renovations, but one benefit is the new spaces include more robust technology that allows employees to be more mobile, accommodates 30 to 35 percent more employees, and decreases underutilized space. It also will result in lower costs and faster organization changes since the Bank will move people and not walls.

“This is part of the new Fifth Third,” said Fifth Third Bank President and CEO Greg Carmichael. “We want to encourage more innovation and

collaboration. We want to create the best work environment for our teams to provide the best solutions for our customers.” ■

*We're trying to create an environment that **inspires** people. We can get more efficiency out of our real estate this way, while still contributing to **innovation**.*

Donna Burnell

Managing director, Fifth Third Enterprise Workplace Services

consumer spotlight

One of the Consumer Bank's main areas of focus is helping the underserved in our communities.

DOWN PAYMENT ASSISTANCE PROGRAM

As part of its response to the CFPB's call to serve the underserved, Fifth Third Bank wanted to help low-income families purchase homes. One of the biggest obstacles for first-time homebuyers is the down payment.

"We want to help build strong communities," said Chad Borton, head of the Consumer Bank for Fifth Third Bancorp. "We know that making homes affordable is one of the best ways we can help improve our neighborhoods."

So Fifth Third created the Down Payment Assistance Program, offering 3 percent of the purchase price in down payment assistance, up to \$3,600, for low-income borrowers or those purchasing in a designated low-income area and financing their loan through Fifth Third. Fifth Third's program also can be combined with state and local programs to help consumers take advantage of free money for their down payments.

We want to help our customers become financially empowered.

Building strong consumers helps build strong communities.

Chad Borton
Head of Consumer Bank for Fifth Third


"I didn't think I could afford a house," said Gustavo Benedetti, a high school Spanish teacher in Cincinnati. He recently used one of the Bank's assistance programs to buy his three-bedroom home. "Fifth Third made sure my monthly payments are affordable. They didn't just get me a mortgage; they made sure I got in the right home."

EXPRESS BANKING

When the Consumer Financial Protection Bureau (CFPB) urged the nation's top banks to do more for the underserved, Fifth Third Bank already was ahead of the pack. The Bank had recently introduced Express Banking, a service created for the unbanked and underbanked—people who typically don't have bank accounts, relying instead on non-bank alternatives such as check cashing centers.

Unlike some traditional bank accounts, Express Banking provides a way for people to manage their money with no monthly service charges, balance requirements or overdraft fees. Meeting a need in the marketplace, Express Banking quickly attracted customers. More than half of new Express Banking customers also were new to Fifth Third Bank. ■

Fifth Third
express
BANKINGSM

A man with dark hair, wearing a blue and white plaid shirt and tan pants, is sitting in a yellow plastic chair outdoors. He is smiling and looking towards the camera. The background is a lush green lawn with trees. A quote is overlaid on the left side of the image.

I didn't think I could afford a house. Fifth Third made sure my monthly payments are affordable. They didn't just get me a mortgage; they made sure I got in the right home.

Gustavo Benedetti

High school Spanish teacher and Fifth Third Down Payment Assistance Program customer

commercial spotlight

After several generations of family ownership, Flash Foods turned to Fifth Third's Capital Markets team when it considered selling its successful chain of convenience stores.

*We are delivering on our commitment to **bring unique and differentiated capital markets capabilities to our middle-market clients and prospects**—and our customers are rewarding us by giving us not only **their business, but also their trust.***

Bob Marcus
Co-head of Fifth Third Capital Markets

It wasn't simply valuation the Jones family, who had owned Flash Foods since 1952, were seeking. It also was finding the right cultural fit for the company's employees and its legacy to thrive under new ownership.

Fifth Third understood the Jones family's needs, and sought the right buyer that would utilize Flash Food's geographic dominance to help grow its expanded business.

Fifth Third found that CST Brands Inc., a Texas-based convenience store chain, was the right fit. The sale offered advancement for Flash Foods' employees and increased distribution capabilities for CST Brands. Fifth Third served as the exclusive financial advisor to Flash Foods on their \$425 million sale to CST Brands.

"The Flash Foods transaction is representative of the consultative and strategic approach we take with our clients," explained Bob Marcus, co-head of Fifth Third Capital Markets. "Our bankers go beyond the transaction at hand to help our clients evaluate all strategic alternatives, determining the right path based on market conditions and stakeholder objectives."

While the Fifth Third Capital Markets team is filled with veterans of large firms and boutique investment banks, the offering from Fifth Third brings a new capability to Bank customers and prospects. The transaction was not just a strong success for our client, but has established Fifth Third as a serious merger-and-acquisition player with middle-market companies looking to sell or acquire. The Flash Foods transaction illustrated clearly that Fifth Third could deliver strong value to our clients with a customized and client-focused process.

In the words of Jimmy Jones, the outgoing CEO of Flash Foods, "Fifth Third was our guide and friend throughout the unfamiliar, complex and emotional process of selling my family's life's work. They understood the things that were uniquely important to my family and were just as comfortable walking away from an offer, even a very lucrative one, that didn't meet those important criteria." ■



Jimmy Jones
CEO of Flash Foods

Fifth Third was our guide and friend throughout the complex, unfamiliar and emotional process of selling my family's life's work.

They understood the things that were uniquely important to my family.

wealth & asset management spotlight



Fifth Third Private Bank launched the **Life360 digital platform** to help simplify financial complexity for clients, creating one place for clients and their advisors to see updated assets and liabilities, accounts and net worth daily.

Too often, advisors—from inside and outside of the Bank—don't see our clients' full financial picture. They all need to work together to reach the financial goals that are most important to clients, but each may hold only one piece of the financial picture. So Fifth Third created the Life360 digital program.

The Life360 platform is based on a 360-degree view of each client. This includes a picture of the client's financial past, present and future, along with personal, financial and professional goals.

The program allows clients to access all accounts on one screen, combining statements from all providers, updates on investments and the ability to track progress against plans. The tool allows customers to share access to their Life360 vault with multiple financial advisors such as financial planners, accountants and lawyers to ensure they're getting informed, collaborative guidance on their financial goals. Family members and beneficiaries can be given permission to ensure important information is accessible in the event of a health emergency or death.

In the first few months, hundreds of clients signed on to the new digital experience, representing some \$7 billion of client assets, and clients cite Life360 as a deciding factor when choosing the Bank. One popular aspect of Life360 is a portal is called "The Vault," akin to a virtual safety deposit box. Clients put information there and share it with family and their advisory teams. This can include wills and photos of items to pass down to their children or grandchildren. ■



*Life360 allows us to help clients meet their needs, collaborating with them to **identify their dreams and goals**—such as saving for college and retirement while factoring in projected investment returns—and working together to **build a plan to reach and exceed their goals.***

Phil McHugh

Head of Wealth & Asset Management



2016 financial highlights



For the years ended Dec. 31

\$ in millions, except per share data

	2016	2015	2014
Earnings and Dividends			
Net income attributable to Bancorp	\$ 1,564	\$ 1,712	\$ 1,481
Common dividends declared	405	417	427
Preferred dividends declared	75	75	67
Per Common Share			
Earnings	\$ 1.95	\$ 2.03	\$ 1.68
Diluted earnings	1.93	2.01	1.66
Cash dividends	0.53	0.52	0.51
Book value per share	19.82	18.48	17.35
At Year-End			
Total Assets	\$ 142,177	\$ 141,048 ⁺	\$ 138,670 ⁺
Total Loans and Leases (incl. held-for-sale)	92,849	93,485	91,345
Deposits	103,821	103,205	101,712
Bancorp Shareholders' Equity	16,205	15,839	15,626
Key Ratios			
Net Interest Margin (FTE)	2.88%	2.88%	3.10%
Efficiency Ratio (FTE)	61.6%	57.6%	61.1%
CET1 Ratio (Basel III Transitional)*	10.39%	9.82%	N/A
Tier 1 Risk-Based Capital Ratio	11.50%	10.93%	10.83%
Total Risk-Based Capital Ratio	15.02%	14.13%	14.33%
Actuals			
Common Shares Outstanding (000's)	750,479	785,080	824,047
Banking Centers	1,191	1,254	1,302
ATMs	2,495	2,593	2,638
Full-Time Equivalent Employees	17,844	18,261	18,351

* 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.

⁺ Upon adoption of ASU 2015-03 on January 1, 2016, Consolidated Balance Sheets for the years ended 2015 and 2014 were adjusted to reflect the reclassification of \$34 and \$36, respectively, of debt issuance costs from other assets to long-term debt.

Stock Performance	2016			2015		
	High	Low	Dividends Declared Per Share	High	Low	Dividends Declared Per Share
Fourth Quarter	\$ 27.88	\$ 19.57	\$ 0.14	\$21.14	\$18.15	\$0.13
Third Quarter	21.11	16.26	0.13	21.93	18.21	0.13
Second Quarter	19.34	16.02	0.13	21.90	18.63	0.13
First Quarter	19.73	13.84	0.13	20.53	17.14	0.13

Fifth Third's common stock is traded on the NASDAQ® Global Select Market under the symbol "FITB."

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