# Investor Update

**August 12, 2009**

**Please refer to earnings release dated July 23, 2009 and 10-Q dated August 10, 2009 for further information, including full results reported on a U.S. GAAP basis**

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# 2Q09 in review

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**Continued core business momentum**

- Net income of $882M, diluted EPS of $1.15
- Net interest margin of 3.26%, up 20 bps sequentially
- Noninterest income up 11% from 2Q08 excluding processing JV gain and investment securities gains/losses, on strong mortgage banking and payments processing revenue
- Excluding FDIC special assessment, expenses flat sequentially reflecting continued tight expense control

**Managed credit and improved asset quality**

- NPAs* increased 7% from the previous quarter
- Allowance to loan ratio increased to 4.28%
- Allowance to nonperforming loans ratio of 135%
- Allowance to annualized net charge-off ratio of 1.4 times
- Charge-offs at $626M, in-line with expectations

**Strengthened regulatory capital levels**

- Generated $1.4B in tangible common equity through combination of common equity offering and exchange of cash/common stock for convertible preferred stock
- Completed processing business joint venture, generating $1.1B after-tax gain and $1.3B in tangible common equity
- Tangible common equity ratio of 6.5%
- Tier 1 common ratio of 6.9%; Tier 1 ratio of 12.9%
- In July, sold class B common stock in Visa, Inc. for net after-tax benefit of ~$206M, improving pro forma capital ratios by 19 bps
- Exceeded $1.1B SCAP commitment by 60%

** Excludes loans held-for-sale*


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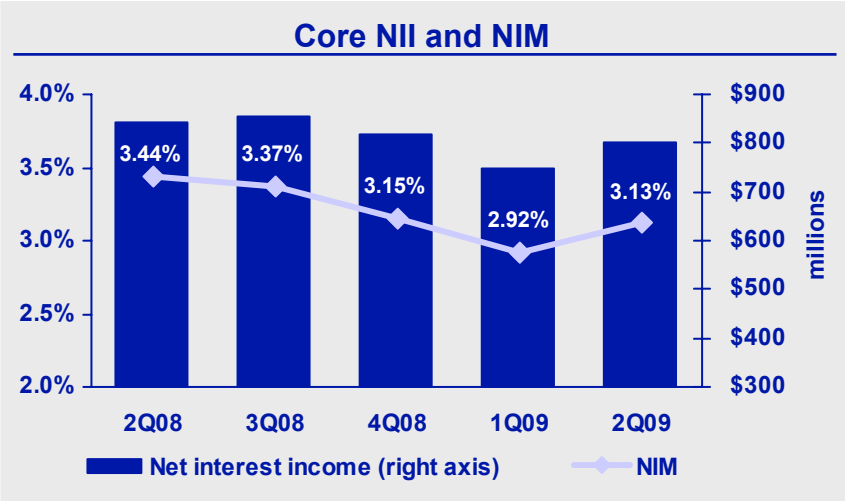
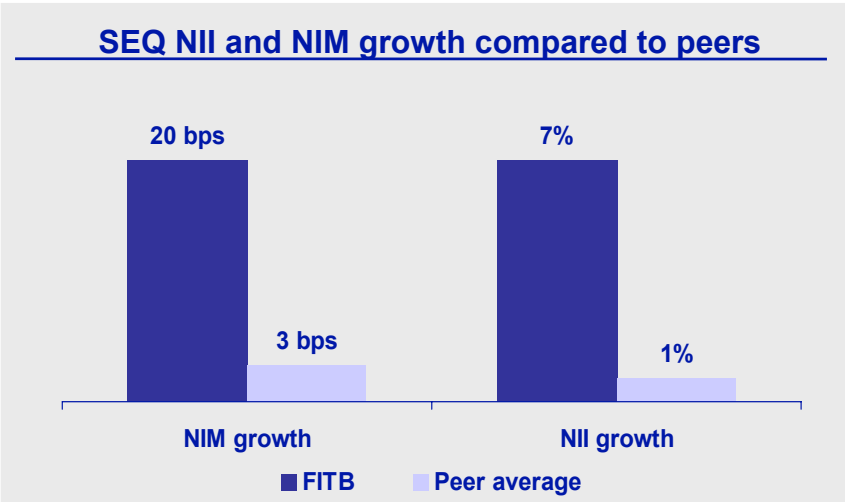
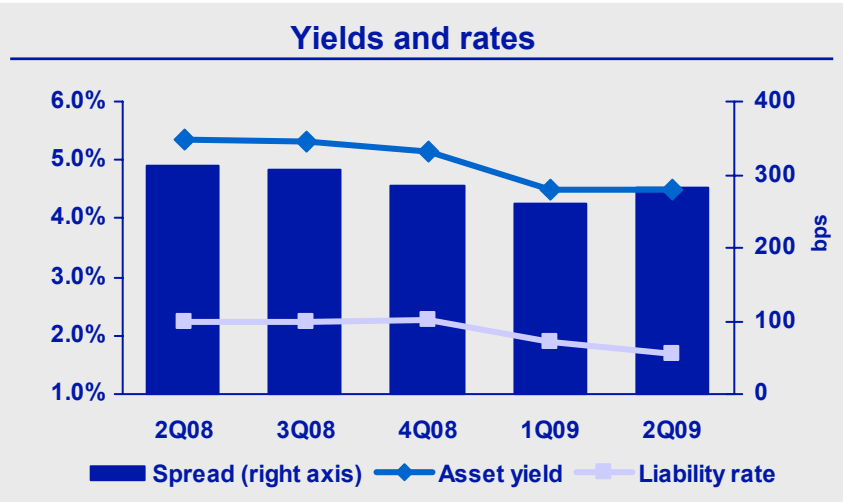
# Net interest income




- Net interest income increased 7% sequentially and net interest margin increased 20 bps, driven by:
  - Wider spreads on loan originations
  - Deposit mix shift to lower cost core deposits as higher priced term deposits issued in 2H08 matured
- Expect further positive momentum in NII and continued expansion in NIM in 2H09




*Peer group: BAC, BBT, CMA, FHN, HBAN, JPM, KEY, MI, MTB, PNC, RF, STI, USB, WFC, ZION*
*Source: SNL and company reports*

*Results above exclude $130M and $6M charge related to leveraged lease litigation in 2Q08 and 1Q09, respectively. Also excluded is $31M, $215M, $81M, $41M, and $35M in loan discount accretion from the First Charter acquisition in 2Q08, 3Q08 , 4Q08, 1Q09, and 2Q09, respectively.*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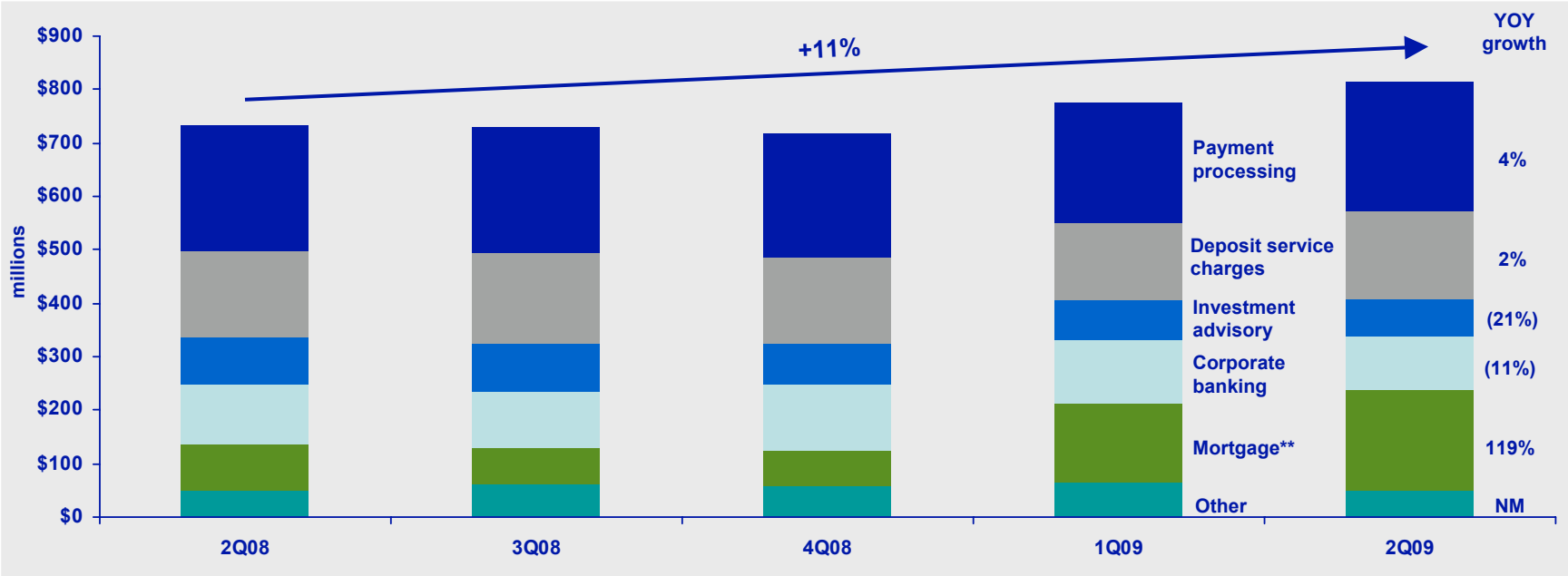
# Fee income – core trends*




**Payment Processing:**

- Strong transaction volumes offset by lower average ticket size
- Merchant up 20% sequentially and 10% year-over-year; Bankcard up 10% sequentially and 3% year-over-year; Financial institutions down 2% sequentially and 3% year-over-year

**Deposit Service Charges:**

- Strong net new account production
- Retail up 20% sequentially, commercial up 2%

**Investment Advisory:**

- Year-over-year decline driven by market value declines

**Corporate Banking:**

- Year-over-year decline due to lower volume of interest rate derivatives sale and FX revenue, offset by growth in institutional sales and business lending fees

**Mortgage Banking:**

- Record $6.9B in originations leading to gains on mortgages sold of $161M

** Reported year-over-year fee income growth of 258%. Results above exclude $1.764B gain on processing JV in 2Q09. Excludes $54M BOLI charge in 1Q09. Excludes $34M BOLI charge in 4Q08. Excludes $76M in litigation revenue from a prior acquisition and $27M BOLI charge in 3Q08. Excludes securities gains/losses in all periods.*

*** Mortgage banking includes securities gains on non-qualifying hedges on MSRs*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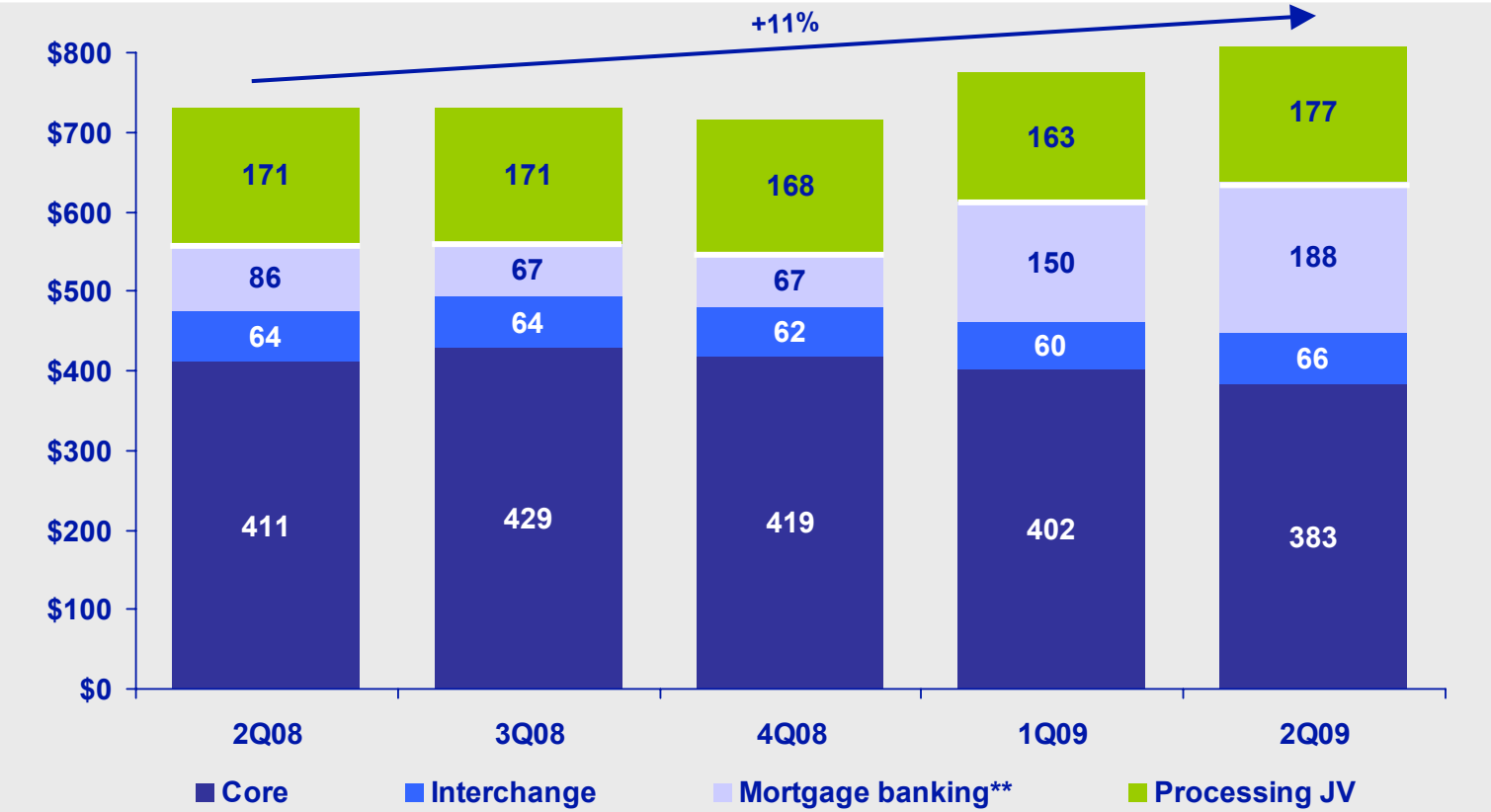
# Fee income recap*

- Historical electronic payment processing revenue includes EFT revenue and Merchant Processing revenue as well as debit card and business credit card interchange
  - EFT Revenue and Merchant Processing Revenue now part of Fifth Third Processing Solutions, LLC
  - Debit and business card interchange activity remains with Fifth Third
- Strong mortgage banking results expected to moderate in 2H09 but to exceed 2008 results




** Reported year-over-year fee income growth of 258%. Results above exclude $1.764B gain on processing JV in 2Q09. Excludes $54M BOLI charge in 1Q09. Excludes $34M BOLI charge in 4Q08. Excludes $76M in litigation revenue from a prior acquisition and $27M BOLI charge in 3Q08. Excludes securities gains/losses in all periods.*

*** Mortgage banking includes securities gains on non-qualifying hedges on MSRs*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# Pre-tax pre-provision earnings: Impact of FTPS

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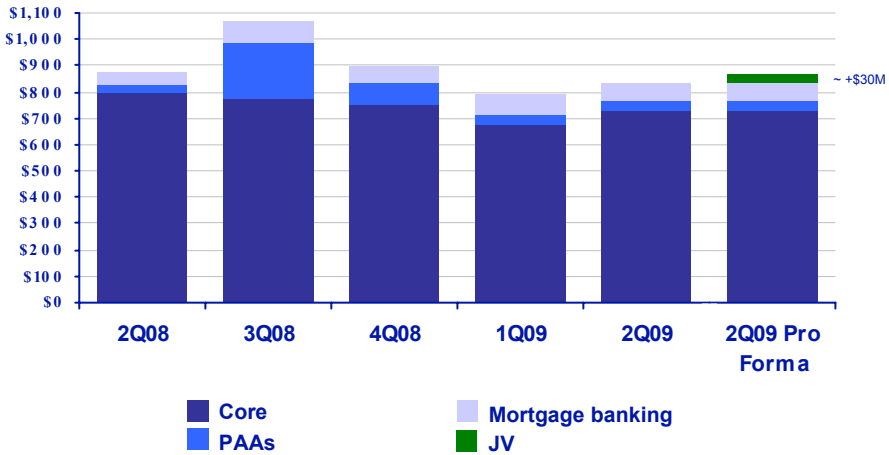
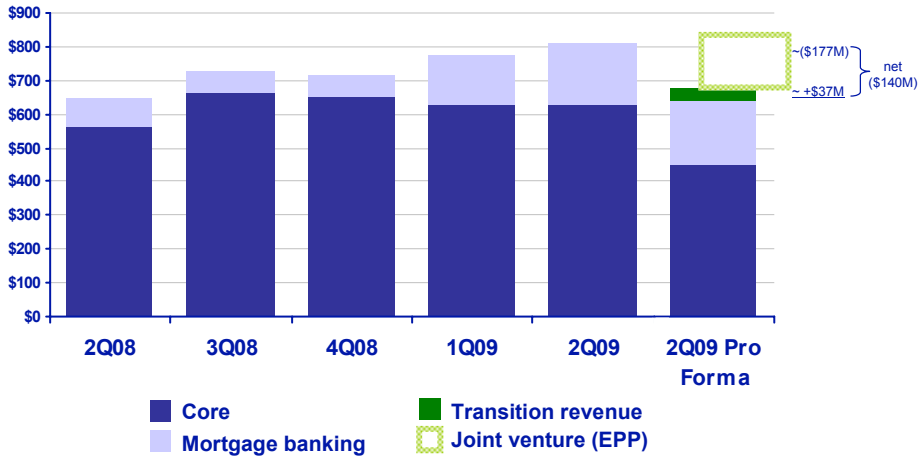
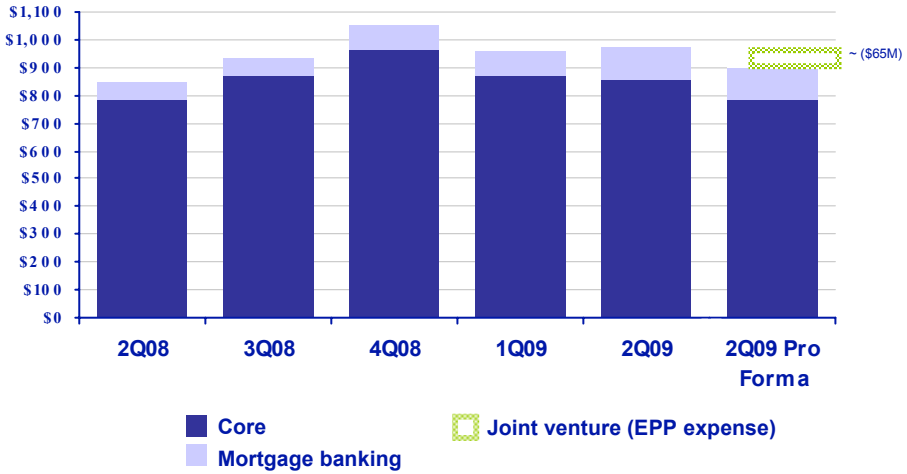
## Net interest income



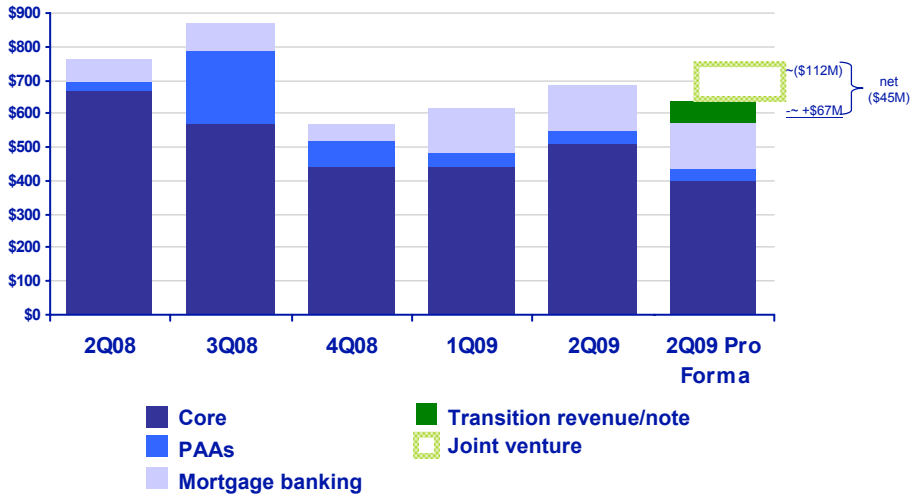

## Fee income




## Operating expenses




## Pre-tax pre-provision earnings




*Excludes $1.764B gain on processing JV in 2Q09. Excludes $130M charge from leveraged lease settlement in 2Q08 and $6M charge in 1Q09. Excludes securities gains/losses and BOLI charges in all periods. Excludes $13M of acquisition related charges in 2Q08, $40M of net benefit from successful resolution of CitFed litigation in 3Q08, goodwill impairment charge of $965M and Visa charge of $6M in 4Q08, $8M of severance expense in 1Q09 and FDIC assessment of $55M in 2Q09. Mortgage revenue and operating expenses from FITB internal segment reporting, also includes mortgage revenue allocation to other segments. Assumes equity method income of zero for purposes of illustration.*



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# Balance sheet: continued shift back toward core funding

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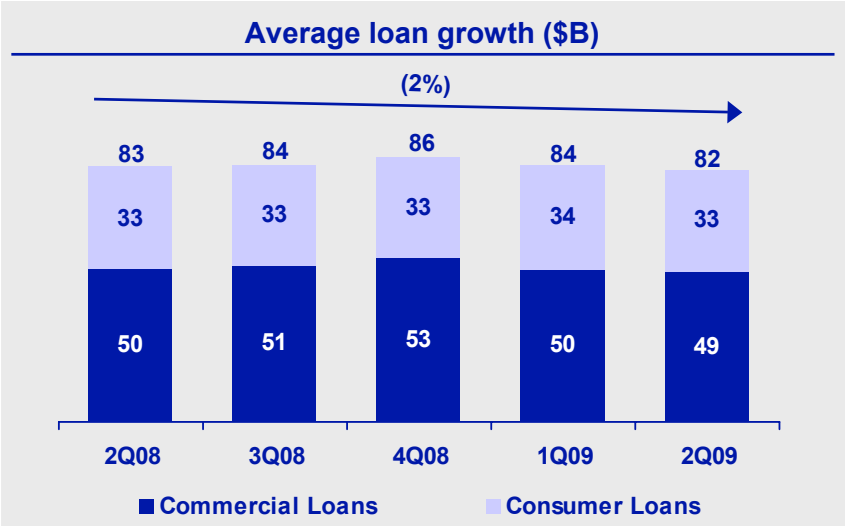


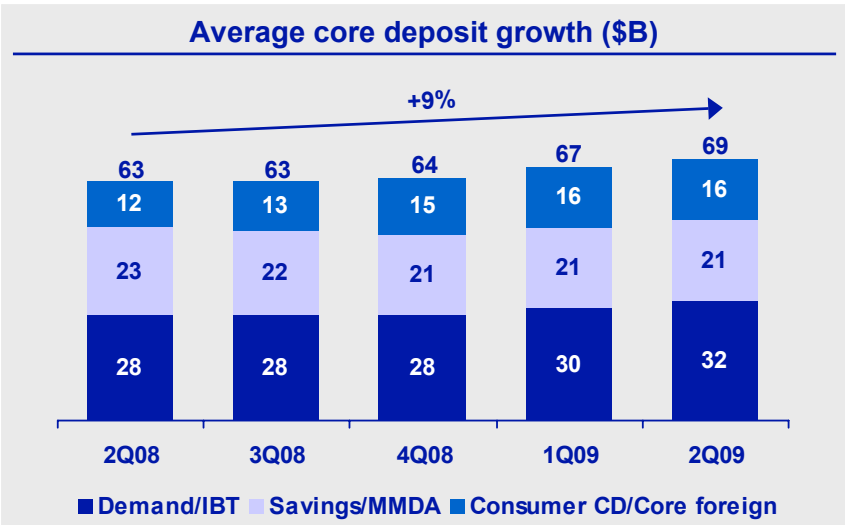

**Extended nearly $39B of new and renewed credit in 1H09**

**Commercial loans**

- Reduced exposure to homebuilder/developer and other non-owner occupied loans; sale or transfer to held-for-sale of $1.3B in 4Q08
- C&I loans down primarily due to lower line usage
- Ceased non-owner occupied and homebuilder/developer originations

**Consumer loans**

- Modest year-over-year growth in home equity, auto and credit card loans
- Strong mortgage originations resulted in $3B in residential mortgage loans held-for-sale warehouse




- Core deposit to loan ratio of 84%, up from 76% in 2Q08
- Everyday Great Rates strategy continues to drive core deposit growth
  - DDAs up 7% sequentially and 19% from the previous year
  - Commercial core deposits up 2% sequentially and 3% from the previous year
  - Retail core deposits up 3% sequentially and 11% from the previous year
  - Reduced wholesale funding by nearly $7B from 1Q09



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# Strong liquidity profile

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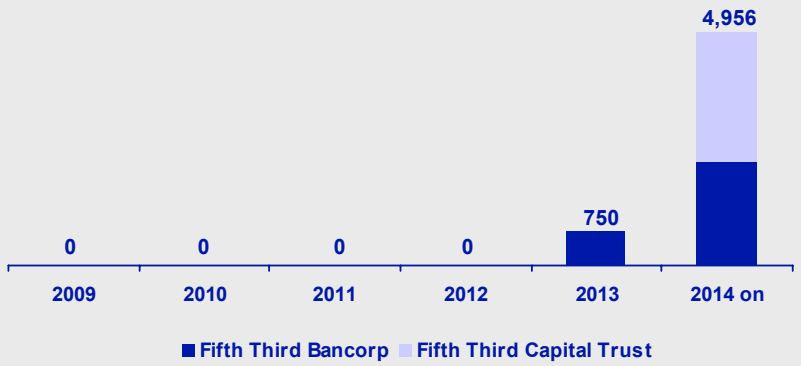
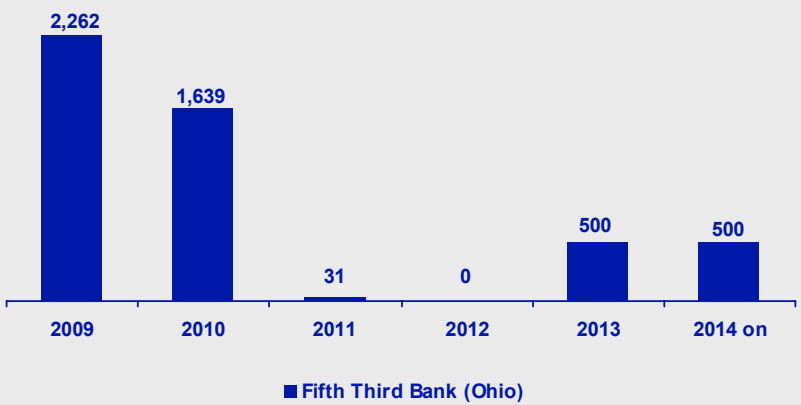
## Holding company unsecured debt maturities ($M)



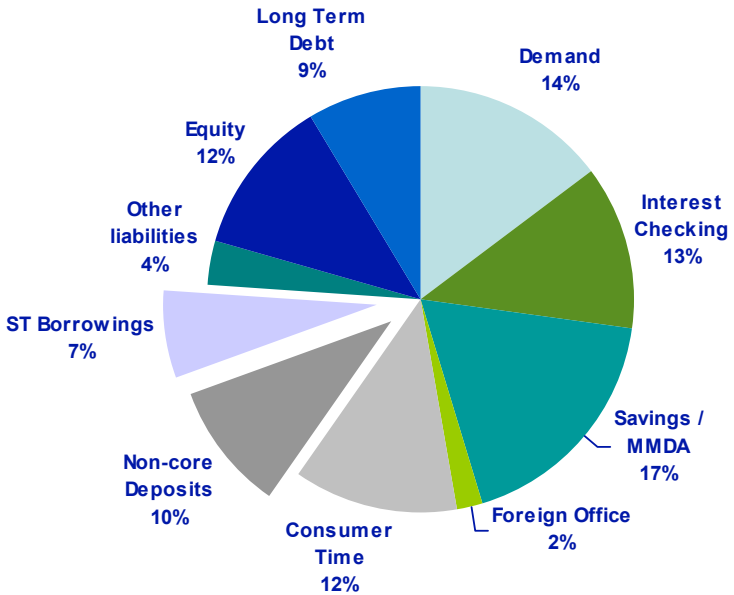

- Holding Company cash at 6/30/09: $3.5B
- Expected cash obligations over the next 12 months
  - $0 debt maturities
  - ~$39M common dividends
  - ~$205M preferred dividends
  - ~$270M interest and other expenses
- Cash currently sufficient to satisfy all fixed obligations over the next twenty-four months (debt maturities, common and preferred dividends, interest and other expenses) without accessing capital markets; relying on dividends from subsidiaries; proceeds from asset sales

## Bank unsecured debt maturities ($M)




- Current unused available borrowing capacity $22B
- FHLB borrowings $3B; core deposits $69B; equity $14B
- All market borrowings by Fifth Third Bank (OH)

## Heavily core funded (Bancorp)



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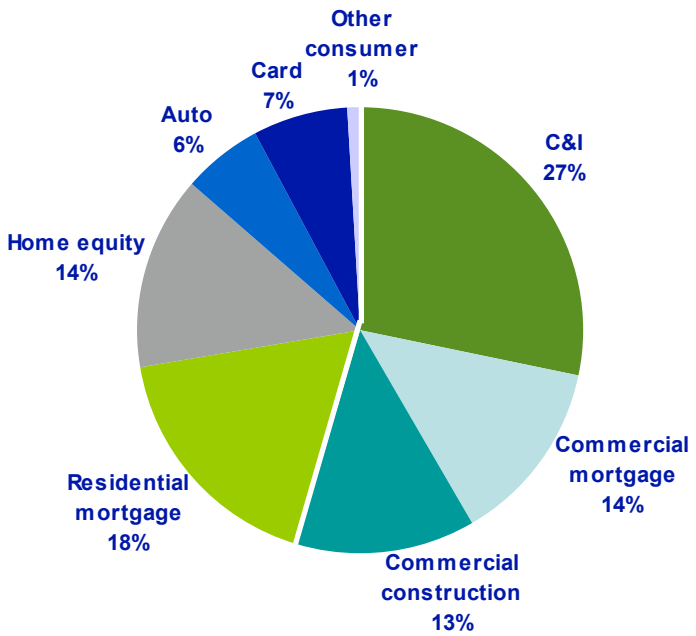
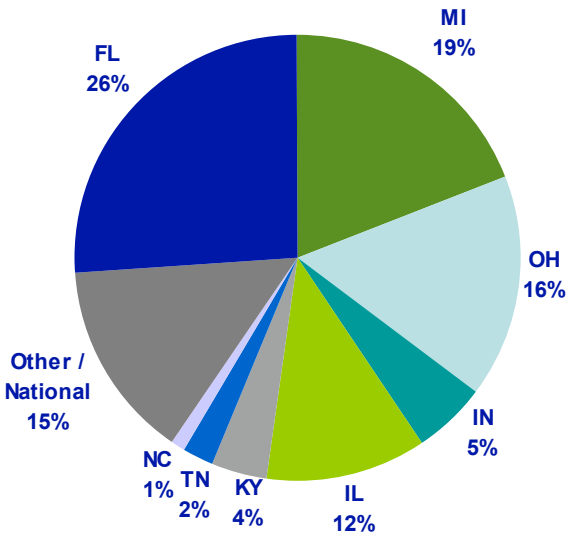
# Credit by portfolio*

| ($ in millions) | C&I | Commercial mortgage | Commercial construction | Commercial lease | Total commercial | Residential mortgage | Home equity | Auto | Credit card | Other consumer | Total consumer | Total loans & leases |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Loan balances | $28,409 | $12,407 | $4,491 | $3,532 | $48,839 | $8,489 | $12,511 | $8,741 | $1,914 | $935 | $32,590 | $81,429 |
| % of total | 35% | 15% | 6% | 4% | 60% | 10% | 16% | 11% | 2% | 1% | 40% | |
| NPAs | $634 | $791 | $735 | $51 | $2,211 | $475 | $73 | $20 | $59 | $1 | $628 | $2,839 |
| NPA ratio | 2.23% | 6.37% | 16.36% | 1.45% | 4.52% | 5.59% | 0.58% | 0.23% | 3.08% | 0.09% | 1.92% | 3.48% |
| Net charge-offs | $177 | $85 | $79 | $1 | $342 | $112 | $88 | $36 | $45 | $3 | $284 | $626 |
| Net charge-off ratio | 2.53% | 2.73% | 6.76% | 0.02% | 2.81% | 5.17% | 2.81% | 1.65% | 9.64% | 1.95% | 3.48% | 3.08% |

## Net charge-offs by loan type




## Net charge-offs by geography




** NPAs exclude loans held-for-sale.*



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# Portfolio performance drivers

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## No participation in

- Subprime
- Option ARMs

## Discontinued or suspended lending

**Discontinued in 2007**

- Brokered home equity ($2.1B)

**Suspended in 2008**

- Homebuilder/residential development ($2.1B)
- Other non-owner occupied commercial RE excluding homebuilder/developer ($8.4B)

## Mortgage portfolio

**Salability**

- Mortgage company originations targeting 95% salability*

## Performance largely driven by

**Geography**

- Florida and Michigan most stressed, Michigan beginning to stabilize
- Remaining Midwest and Southeast performance reflect economic trends

| 2Q09 NCO Ratios | Coml | Cons | Total |
|---|---|---|---|
| FL/MI | 4.1% | 6.3% | 5.0% |
| Other | 2.3% | 2.4% | 2.3% |
| Total | 2.8% | 3.5% | 3.1% |

**Products**

- Homebuilder/developer charge-offs $76M in 2Q09
  - Total charge-off ratio 3.1% (2.8% ex-HBs)
  - Commercial charge-off ratio 2.8% (2.3% ex-HBs)
- Brokered home equity charge-offs 7.4% in 2Q09
  - Direct home equity portfolio 1.9%

** Residential construction-related consumer mortgages intended to be held in portfolio until permanent financing complete. Jumbo mortgage originations currently being held due to market conditions.*



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# Aggressive loss mitigation

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## Loss mitigation activities

- **Reset policies and guidelines**
  - Eliminated all brokered home equity production
  - Significantly tightened underwriting limits and exception authorities
  - Further restrictions on consumer guidelines for weaker geographies
  - Suspended all new residential development lending and non-owner occupied commercial property lending
  - New concentration limits for commercial and consumer portfolio
- **Loss mitigation and containment**
  - Implemented Watch and Criticized Asset Reduction initiative
  - Major expansion of commercial and consumer workout teams
  - Implemented aggressive home equity line management program
  - Expanded consumer credit outreach program
  - Rigorous review of geographic exposures
  - Continue to evaluate potential sales of problem loans

## 2Q09 commercial HFS portfolio summary ($M)

| Closed HFS | 3/31/2009 HFS balance | Customer payments | FV adjustments | Gain/loss |
|---|---|---|---|---|
| Sold | $22 | ($26) | $0 | $4 |
| Settled or Closed | 6 | (16) | 3 | 7 |
| Transferred to OREO | 13 | (11) | (2) | 0 |
| Total | $40 | ($52) | $1 | $11 |

| Remaining HFS | 3/31/2009 HFS balance | Customer payments | FV adjustments | 6/30/2009 HFS balance |
|---|---|---|---|---|
| Total | $362 | ($3) | ($7) | $352 |



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# 2Q09 credit trends

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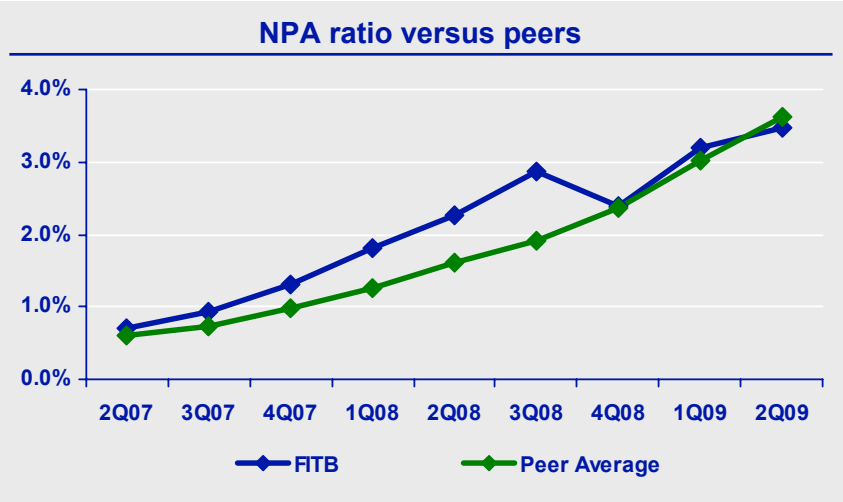


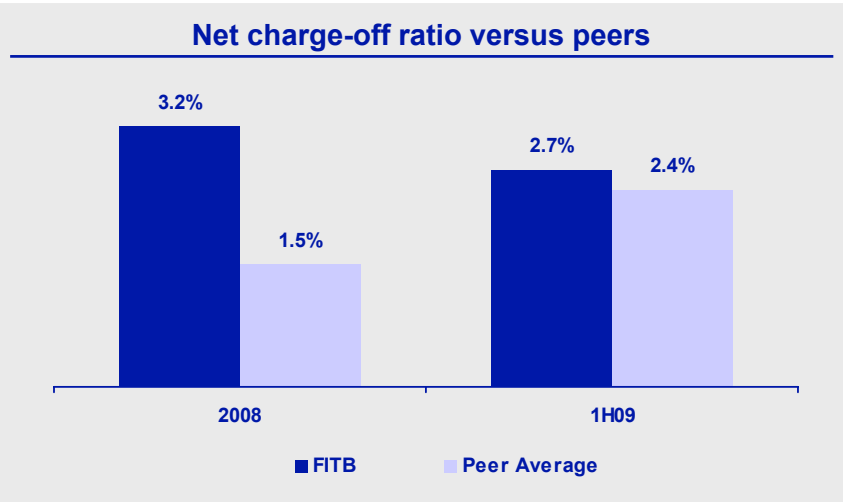


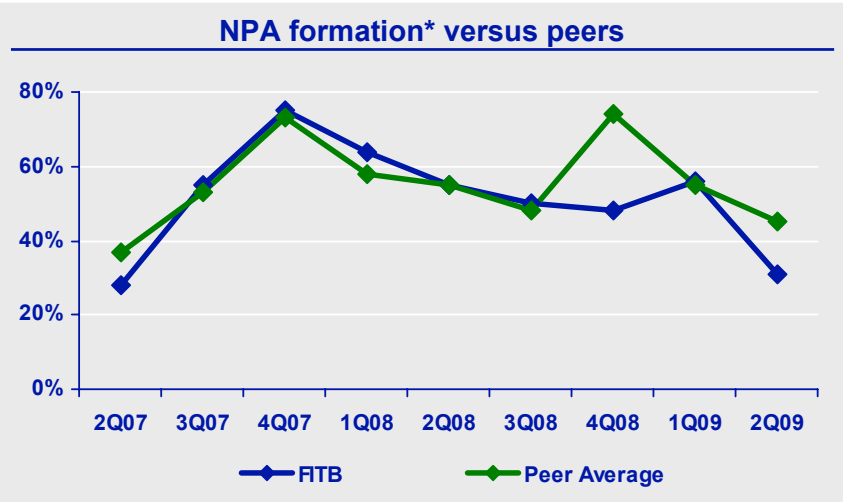


| | NPA formation* | | |
|---|---|---|---|
| | 2Q09 | YOY change | SEQ change |
| 1. MTB | 21% | (41%) | (48%) |
| 2. FITB | 31% | (44%) | (45%) |
| 3. ZION | 37% | (53%) | (45%) |
| 4. PNC | 51% | 37% | (38%) |
| 5. FHN | 17% | (73%) | (34%) |
| 6. BBT | 38% | (22%) | (31%) |
| 7. BAC | 55% | (23%) | (30%) |
| 8. KEY | 53% | 105% | (30%) |
| 9. USB | 45% | (45%) | (25%) |
| 10. MI | 38% | (44%) | (21%) |
| 11. STI | 33% | (25%) | 4% |
| 12. RF | 83% | 60% | 5% |
| 13. WFC | 80% | 61% | 5% |
| 14. HBAN | 32% | (35%) | 8% |
| 15. JPM | 60% | (6%) | 21% |
| 16. CMA | 38% | (30%) | 49% |
| Peer Average | 45% | (9%) | (14%) |

*Source: SNL and company reports. NPAs exclude held-for-sale portion for all banks.*

** NPA formation = (EOP NPAs – BOP NPAs + NCOs) / BOP NPAs.*



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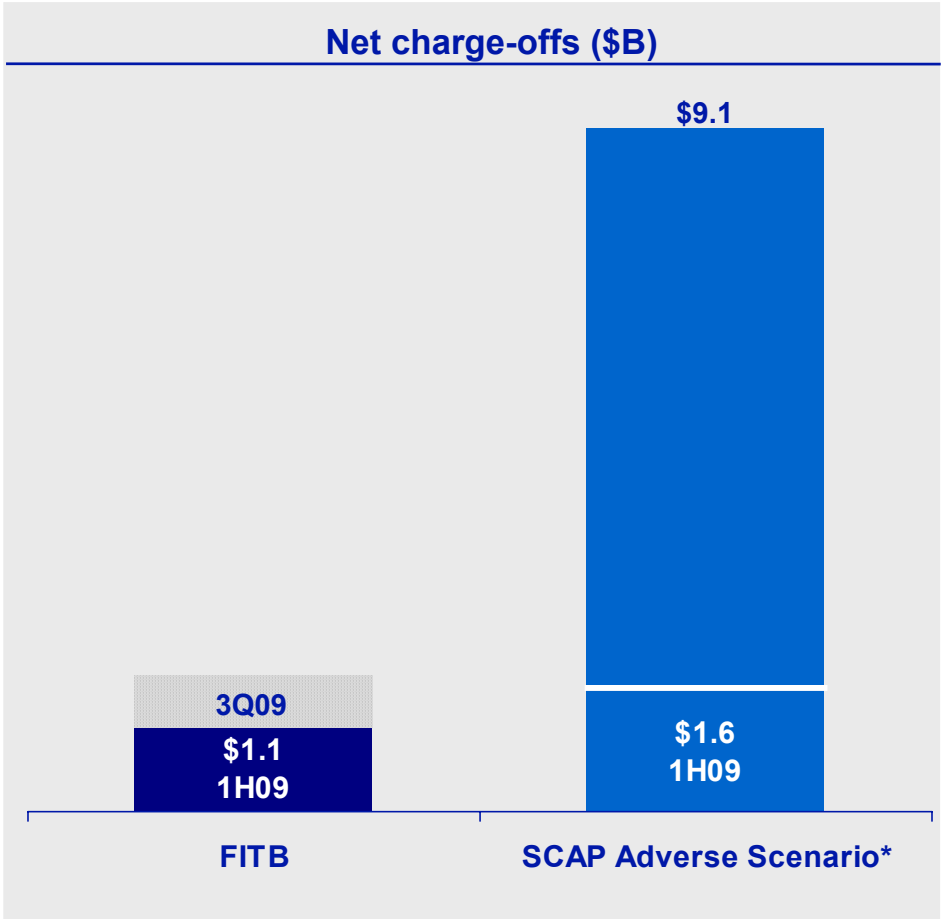
# Net loan losses vs. SCAP adverse scenario




- **Total net charge-offs for 1H09 were $1.1B, much lower than the assumption under the SCAP adverse scenario**
- **Net loan losses in 3Q09 are expected to increase moderately due to higher commercial real estate charge-offs partially offset by lower consumer real estate charge-offs**
- **Loan losses are not expected to approach the losses assumed under the SCAP adverse scenario**
  - **Through three of eight quarters, currently expect to have incurred approximately 20% of total assumed losses under the adverse scenario**

** 1H09 represents Fifth Third's assumption for losses under the SCAP economic assumptions provided for more adverse scenario. (Supervisory estimates of more adverse scenario losses were not allocated by period.)*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# Strong reserve position

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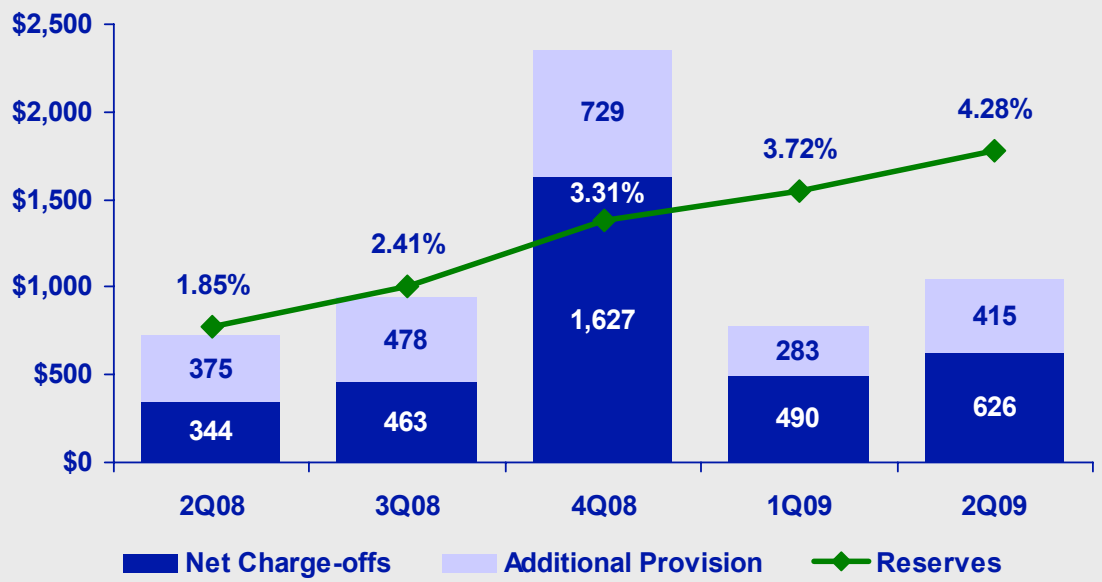
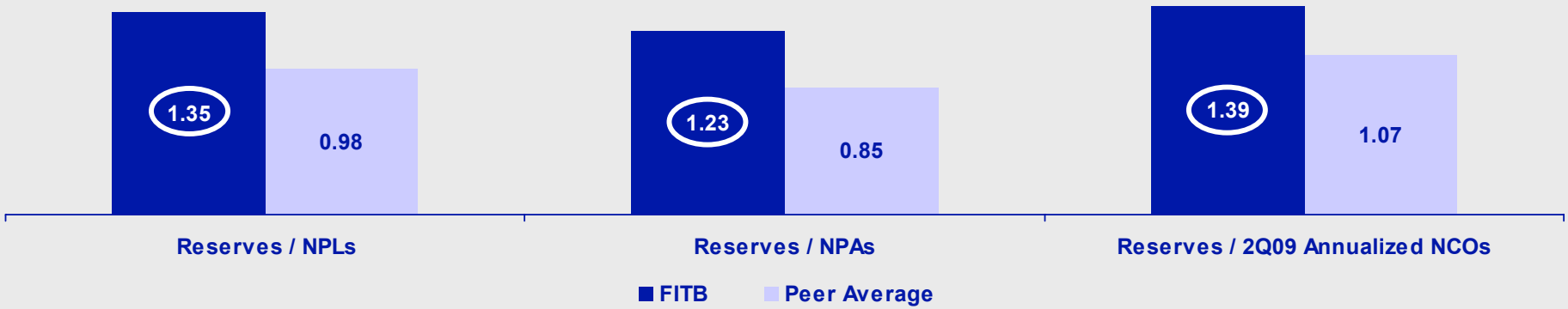
## Industry leading reserve level




| | Reserves / Loans | |
|---|---|---|
| 1 | FHN | 4.91% |
| 2 | FITB | 4.28% |
| 3 | JPM | 4.27% |
| 4. | BAC | 3.59% |
| 5. | KEY | 3.53% |
| 6. | ZION | 3.01% |
| 7. | MI | 2.86% |
| 8. | WFC | 2.80% |
| 9. | PNC | 2.77% |
| 10. | USB | 2.40% |
| 11. | HBAN | 2.38% |
| 12. | RF | 2.37% |
| 13. | STI | 2.36% |
| 14. | BBT | 2.19% |
| 15. | CMA | 1.89% |
| 16. | MTB | 1.65% |
| Peer Average | | 2.87% |

## Coverage ratios are strong relative to peers (%)




*Source: SNL and company reports. NPAs/NPLs exclude held-for-sale portion for all banks.*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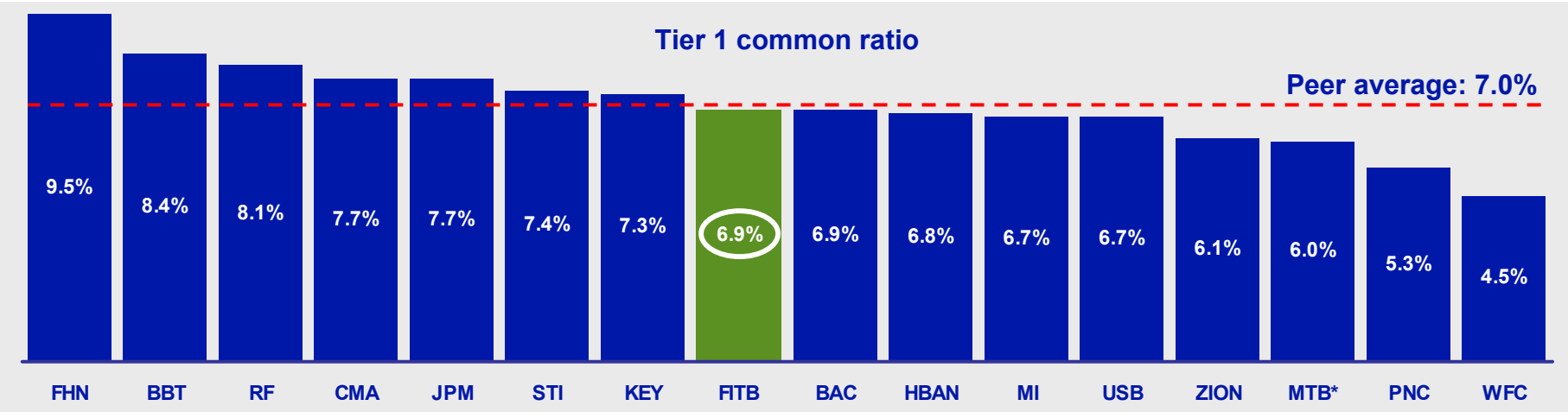
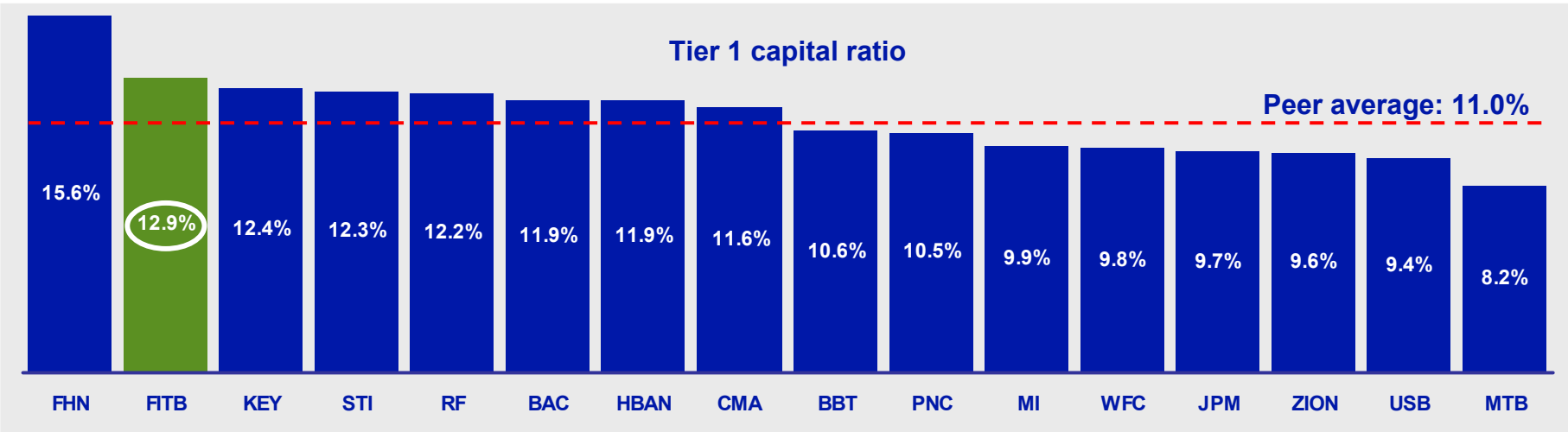
# Strong capital position




**In July, sold class B common stock in Visa, Inc. for an after-tax benefit of ~$206M, improving pro forma capital ratios by 19 bps (not included)**

** Estimated*

*Source: SNL and company reports*



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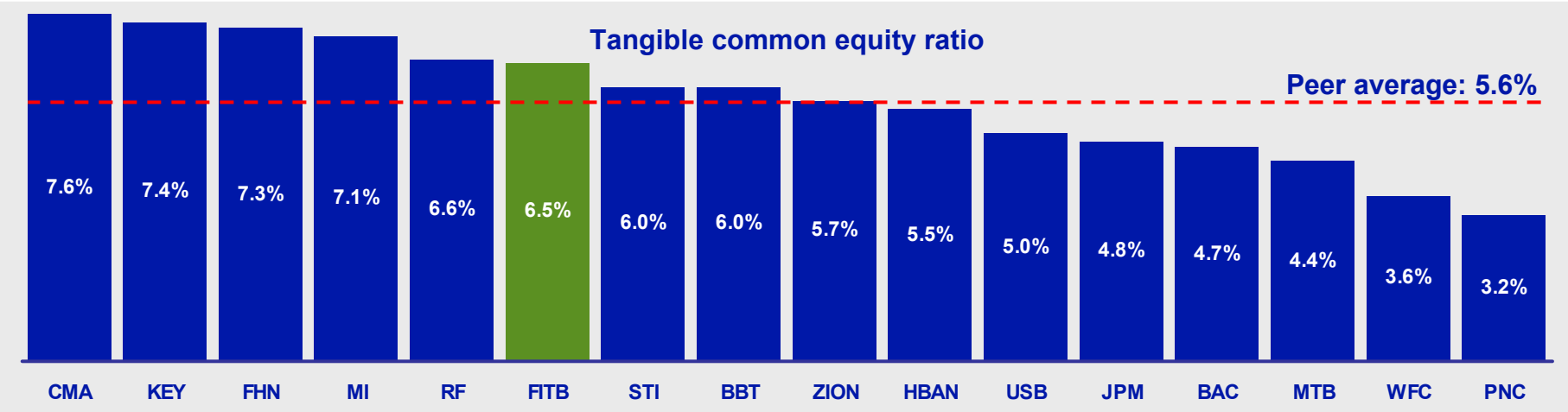
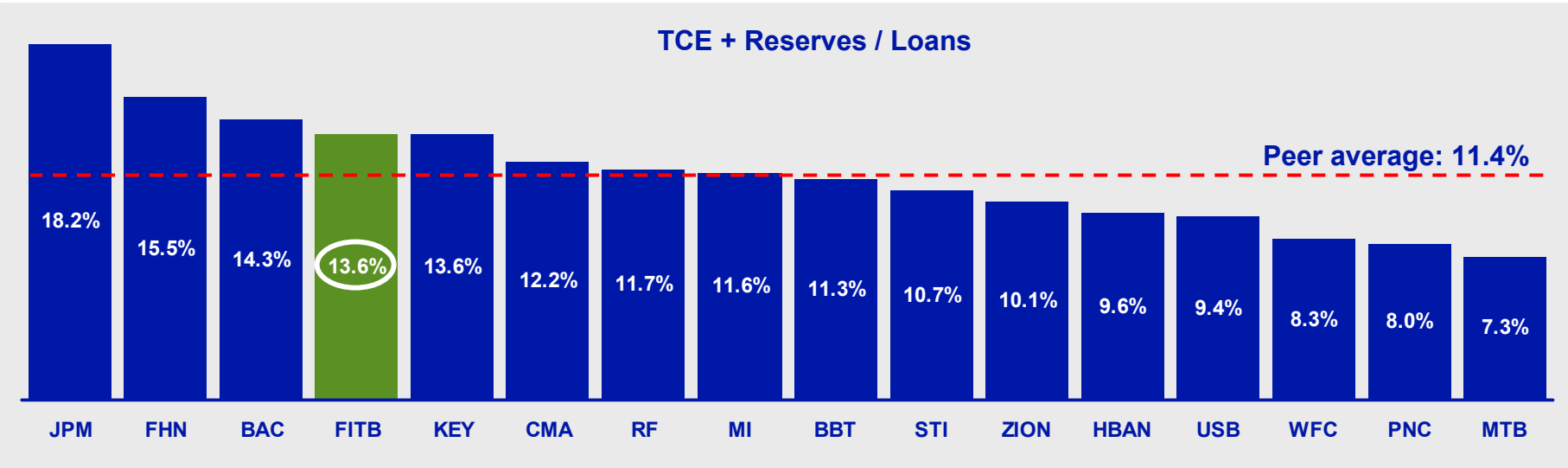
# Strong capital position continued




**In July, sold class B common stock in Visa, Inc. for an after-tax benefit of ~$206M, improving pro forma capital ratios by 19 bps (not included)**

*Source: SNL and company reports.*



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# Summary

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### Core franchise is sound

- Everyday Great Rates strategy driving core deposit growth
- Consistent fee income production from lines of business
- Ongoing expense control
- Positive momentum in NII and continued expansion in NIM
- Continued shift back toward core funding

### Aggressive management of credit issues

- Strong reserve coverage of problem loans
- Aggressive management has mitigated areas of highest risk
- 1H09 losses much lower than SCAP assumptions
- Problems expected to continue but deterioration expected to be below 2008/early 2009 pace

### Capital further strengthened

- Strong liquidity profile
- Advent sale completed capital plan announced in June 2008
- $1B common equity issuance over-subscribed 3-4x
- Generated $441M common equity through preferred exchange
- Exceeded Tier 1 common equity commitment by 60%

**Fifth Third continues to execute on its strategic initiatives and is focused on being well-positioned for the turn of the cycle.**



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# Appendix

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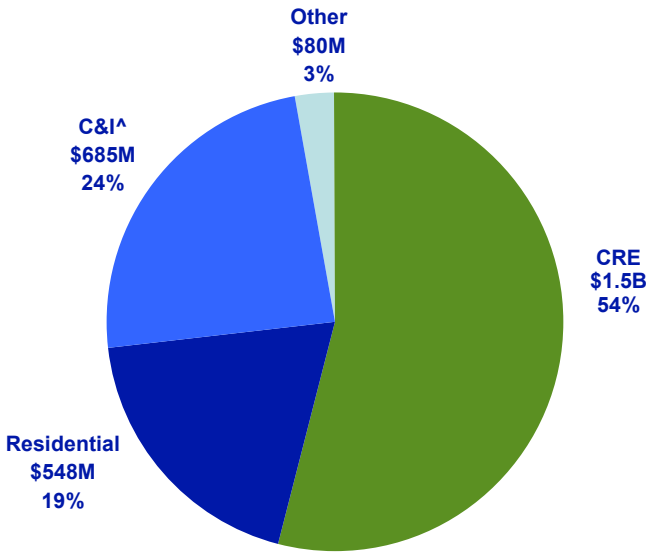
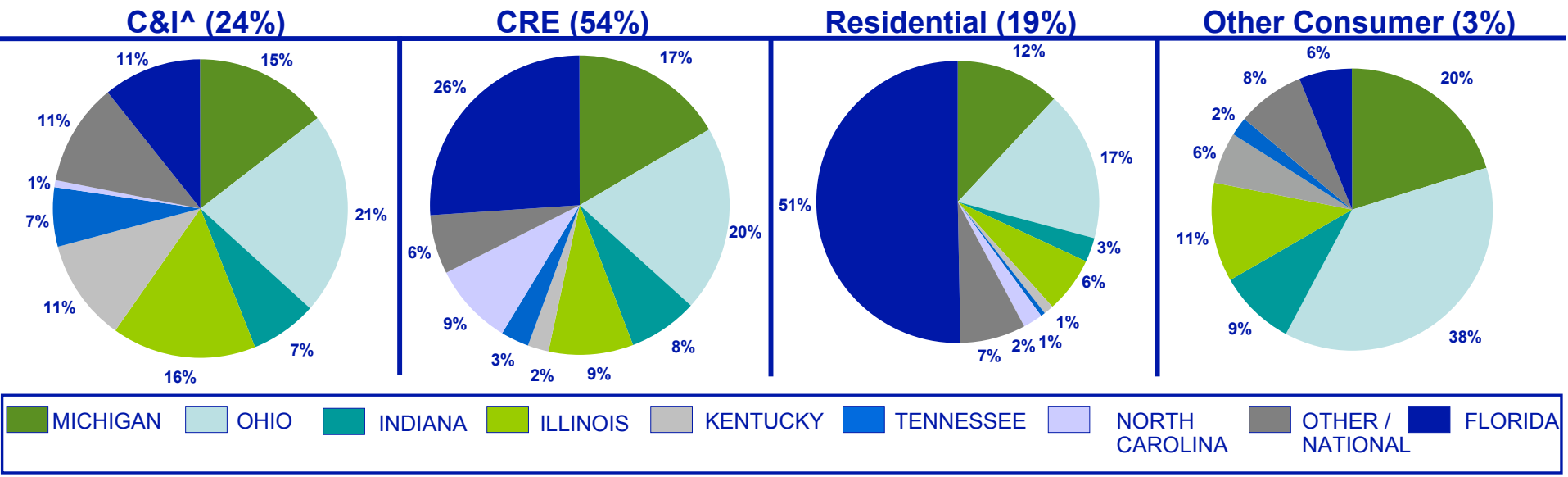
# Nonperforming assets*




- Total NPAs of $2.8B
- Homebuilder/developer NPAs of $613M; represent 22% of total NPAs
- Commercial NPAs of $2.2B; growth driven by CRE, particularly in MI and FL
- Consumer NPAs of $628M; flat compared to previous quarter




** NPAs exclude loans held-for-sale.* *^ C&I includes commercial lease*



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# Commercial & industrial*

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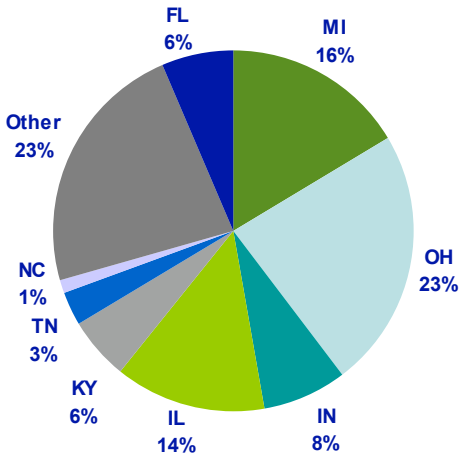
## Credit trends

| ($ in millions) | C&I 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|
| Balance | $28,958 | $29,424 | $29,197 | $28,617 | $28,409 |
| 90+ days delinquent | $52 | $108 | $76 | $131 | $142 |
| as % of loans | 0.18% | 0.37% | 0.26% | 0.46% | 0.50% |
| NPAs | $414 | $557 | $548 | $675 | $634 |
| as % of loans | 1.43% | 1.89% | 1.88% | 2.36% | 2.23% |
| Net charge-offs | $107 | $85 | $382 | $103 | $177 |
| as % of loans | 1.52% | 1.19% | 5.03% | 1.45% | 2.53% |

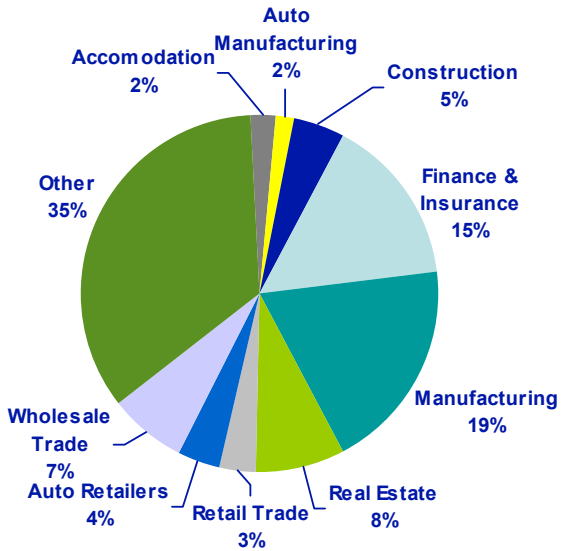
## Loans by geography




## Comments

- **37% of 2Q09 losses on loans to auto dealers and companies in real estate related industries**
  - **Loans to auto dealers of $1.5B, of which $1.1B are C&I loans; YTD NCO ratio on C&I portion: 8.2%**
  - **Loans to real estate related industries of $3.6B; YTD NCO ratio of 3.5%**
- **Low exposure to FL (6% of loans, 13% of losses in 2Q09)**

## Loans by industry




** NPAs exclude loans held-for-sale. Net charge-offs exclude losses on loans sold or transferred to held-for-sale in 4Q08.*



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# Commercial mortgage*

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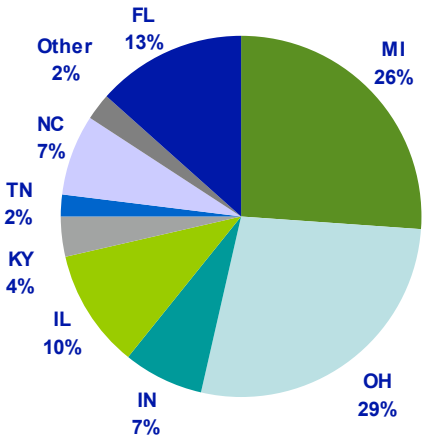
## Credit trends

| ($ in millions) | Commercial mortgage 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|
| Balance | $13,394 | $13,355 | $12,502 | $12,560 | $12,407 |
| 90+ days delinquent | $150 | $157 | $136 | $124 | $131 |
| as % of loans | 1.12% | 1.17% | 1.09% | 0.99% | 1.06% |
| NPAs | $540 | $749 | $502 | $718 | $791 |
| as % of loans | 4.03% | 5.61% | 4.02% | 5.72% | 6.37% |
| Net charge-offs | $21 | $94 | $94 | $77 | $85 |
| as % of loans | 0.66% | 2.82% | 2.84% | 2.50% | 2.73% |

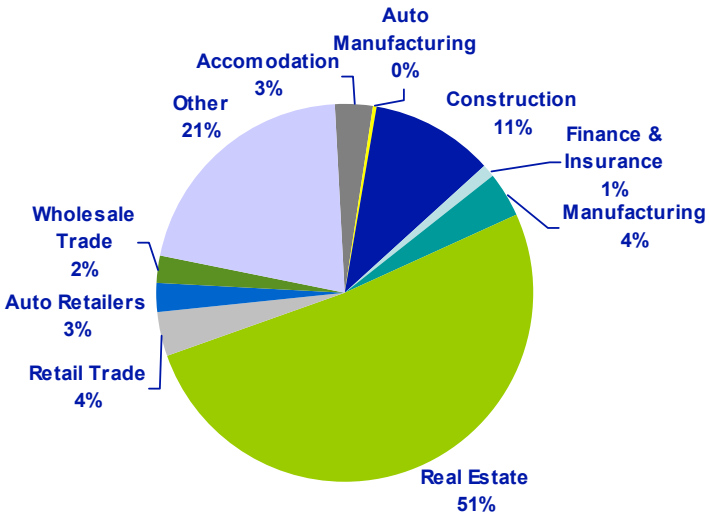
## Loans by geography




## Comments

- **Owner occupied YTD NCO ratio of 1.6%, other non-owner occupied YTD NCO ratio of 3.5%**
- **In 4Q08 reduced concentrations in most stressed markets (FL and MI)**
- **Loans from FL/MI represented 45% of total losses in 2Q09, 39% of total loans**

## Loans by industry




** NPAs exclude loans held-for-sale. Net charge-offs exclude losses on loans sold or transferred to held-for-sale in 4Q08.*



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# Commercial construction*

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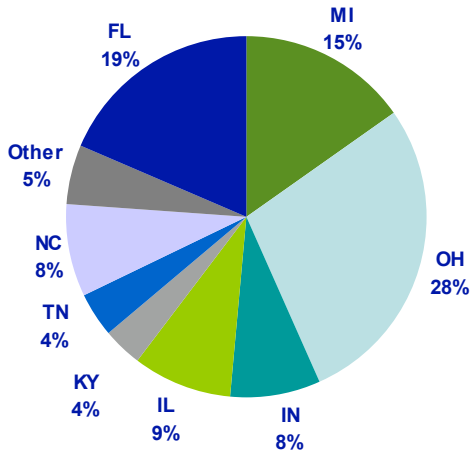
## Credit trends

| ($ in millions) | Commercial construction 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|
| Balance | $6,007 | $6,002 | $5,114 | $4,745 | $4,491 |
| 90+ days delinquent | $53 | $84 | $73 | $49 | $60 |
| as % of loans | 0.88% | 1.40% | 1.44% | 1.02% | 1.34% |
| NPAs | $552 | $659 | $400 | $597 | $735 |
| as % of loans | 9.19% | 10.98% | 7.82% | 12.59% | 16.36% |
| Net charge-offs | $49 | $88 | $151 | $76 | $79 |
| as % of loans | 3.46% | 5.71% | 10.00% | 6.21% | 6.76% |

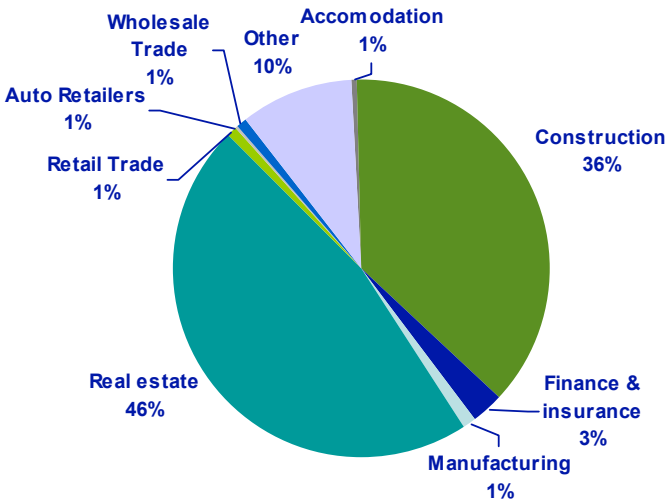
## Loans by geography




## Comments

- **Declining valuations in residential and land developments**
- **In 4Q08 reduced concentrations in most stressed markets (Florida and Michigan)**
- **Continued stress expected through 2009**

## Loans by industry




** NPAs exclude loans held-for-sale. Net charge-offs exclude losses on loans sold or transferred to held-for-sale in 4Q08.*



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# Homebuilders/developers*

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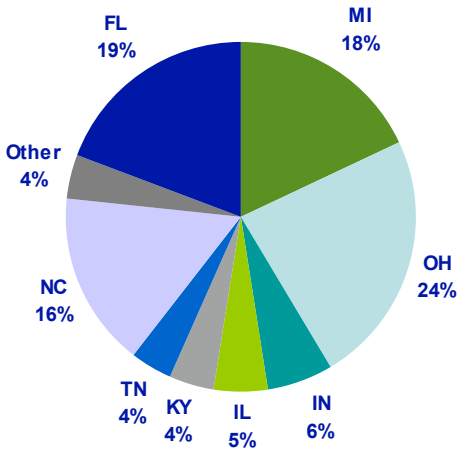
## Credit trends

| ($ in millions) | Homebuilders/developers 2Q08* | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|
| Balance | $3,295 | $3,065 | $2,481 | $2,322 | $2,102 |
| 90+ days delinquent | $123 | $105 | $74 | $37 | $53 |
| as % of loans | 3.73% | 3.41% | 2.98% | 1.59% | 2.51% |
| NPAs | $547 | $702 | $366 | $554 | $613 |
| as % of loans | 16.62% | 22.89% | 14.74% | 23.87% | 29.14% |
| Net charge-offs | $34 | $163 | $128 | $64 | $76 |
| as % of loans | 4.63% | 19.75% | 19.71% | 10.73% | 14.06% |

** Increase in 2Q08 balance due to the First Charter acquisition*

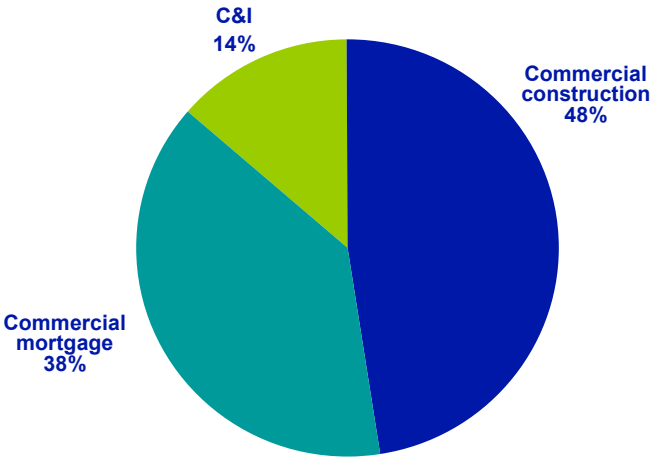
## Loans by geography




## Comments

- **Making no new loans to builder/developer sector**
- **Residential & land valuations under continued stress**
- **4% of commercial loans; < 3% of total gross loans**
- **Balance by product approximately 48% Construction, 38% Mortgage, 14% C&I**

## Loans by industry




** NPAs exclude loans held-for-sale. Net charge-offs exclude losses on loans sold or transferred to held-for-sale in 4Q08.*



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# Residential mortgage

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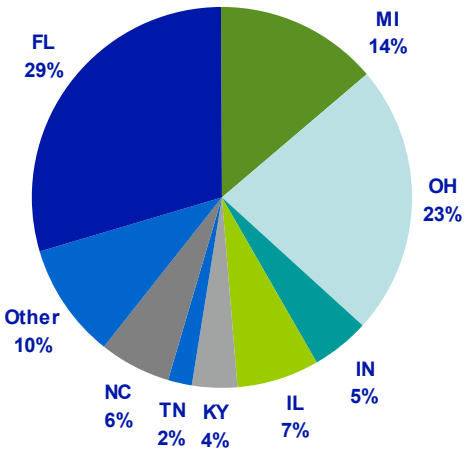
## Credit trends

| ($ in millions) | Residential mortgage 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
|---|---|---|---|---|---|
| Balance | $9,866 | $9,351 | $9,385 | $8,875 | $8,489 |
| 90+ days delinquent | $229 | $185 | $198 | $231 | $242 |
| as % of loans | 2.32% | 1.98% | 2.11% | 2.60% | 2.85% |
| NPAs | $285 | $339 | $397 | $475 | $475 |
| as % of loans | 2.89% | 3.62% | 4.23% | 5.35% | 5.59% |
| Net charge-offs | $63 | $77 | $68 | $75 | $112 |
| as % of loans | 2.57% | 3.16% | 2.90% | 3.27% | 5.17% |

## Loans by geography




## Comments

- **29% FL concentration driving 65% total loss**
- **FL lots ($327M) 28% annualized loss rate (YTD)**
- **Mortgage company originations targeting 95% salability**

## Portfolio details

- **1st liens: 100% ; weighted average LTV: 77%**
- **Weighted average origination FICO: 727**
- **Origination FICO distribution: <659 10%; 660-689 8%; 690-719 12%; 720-749 13%; 750+ 30%; Other^ 27%**

  **(note: loans <659 includes CRA loans and FHA/VA loans)**
- **Origination LTV distribution: <70 26%; 70.1-80 41%; 80.1-90 11%; 90.1-95 5%; >95% 17%**
- **Vintage distribution: 2009 2%; 2008 14%; 2007 17%; 2006 16%; 2005 26%; 2004 and prior 25%**
- **% through broker: 13%; performance similar to direct**

*During 1Q09 the Bancorp modified its nonaccrual policy to exclude TDR loans less than 90 days past due because they were performing in accordance with restructured terms. For comparability purposes, prior periods were adjusted to reflect this reclassification.*

*^ Includes acquired loans where FICO at origination is not available*



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# Home equity

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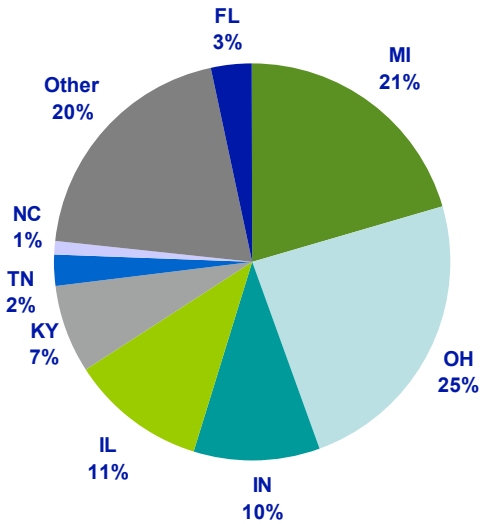
## Credit trends

| Home equity - direct | | | | | |
|---|---|---|---|---|---|
| ($ in millions) | 2Q08* | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
| Balance | $9,988 | $10,232 | $10,439 | $10,486 | $10,386 |
| 90+ days delinquent | $42 | $41 | $58 | $61 | $63 |
| as % of loans | 0.42% | 0.40% | 0.55% | 0.59% | 0.61% |
| Net charge-offs | $27 | $26 | $27 | $42 | $49 |
| as % of loans | 1.07% | 1.00% | 1.04% | 1.62% | 1.91% |

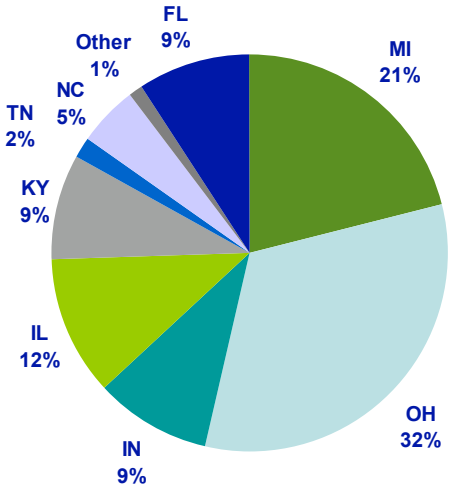
| Home equity - brokered | | | | | |
|---|---|---|---|---|---|
| ($ in millions) | 2Q08 | 3Q08 | 4Q08 | 1Q09 | 2Q09 |
| Balance | $2,433 | $2,368 | $2,313 | $2,225 | $2,125 |
| 90+ days delinquent | $34 | $31 | $37 | $42 | $34 |
| as % of loans | 1.40% | 1.33% | 1.58% | 1.91% | 1.58% |
| Net charge-offs | $28 | $30 | $26 | $30 | $39 |
| as % of loans | 4.64% | 5.05% | 4.52% | 5.46% | 7.41% |

** Increase in 2Q08 balance due to the First Charter acquisition*

## Brokered loans by geography




## Direct loans by geography




## Comments

- **Approximately 17% of portfolio concentration in broker product driving approximately 44% total loss**
- **Portfolio experiencing high loss severity (losses on 2nd liens approximately 100%)**
- **Aggressive home equity line management strategies in place**

## Portfolio details

- **1st liens: 25%; 2nd liens: 75%**
- **Weighted average origination FICO: 756**
- **Origination FICO distribution: <659 4%; 660-689 8%; 690-719 13%; 720-749 17%; 750+ 48%; Other 10%**
- **Weighted average CLTV: 76% (1st liens 61%; 2nd liens 82%) Origination CLTV distribution: <70 37%; 70.1-80 21%; 80.1-90 18%; 90.1-95 8%; >95 16%**
- **Vintage distribution: 2009 3%; 2008 12%; 2007 12%; 2006 17%; 2005 16%; 2004 and prior 40%**
- **% through broker channels: 17% WA FICO: 740 brokered, 760 direct; WA CLTV: 90% brokered; 73% direct**

*Note: Brokered and direct home equity net charge-off ratios are calculated based on end of period loan balances*

*^ Includes acquired loans where FICO at origination is not available*



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# Florida market*

Deterioration in real estate values having effect on credit trends as evidenced by increasing NPA/NCOs in real estate related products

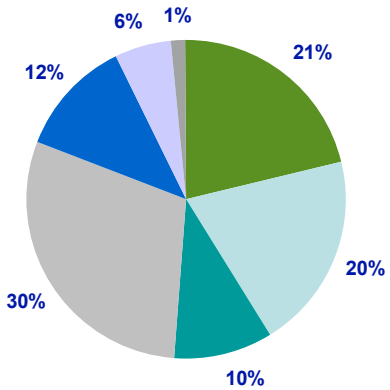
| ($ in millions) | Loans (bn) | % of FITB | NPAs (mm) | % of FITB | NCOs (mm) | % of FITB |
|---|---|---|---|---|---|---|
| Commercial loans | 1.8 | 6% | 74 | 12% | 23 | 13% |
| Commercial mortgage | 1.7 | 13% | 195 | 25% | 13 | 15% |
| Commercial construction | 0.8 | 19% | 204 | 28% | 28 | 35% |
| Commercial lease | 0.0 | 0% | - | 0% | - | 0% |
| Commercial | 4.3 | 9% | 473 | 21% | 64 | 19% |
| Mortgage | 2.5 | 29% | 267 | 56% | 73 | 65% |
| Home equity | 1.0 | 8% | 8 | 12% | 16 | 18% |
| Auto | 0.5 | 6% | 2 | 8% | 5 | 15% |
| Credit card | 0.1 | 6% | 3 | 5% | 5 | 10% |
| Other consumer | 0.0 | 2% | 0 | 21% | 0 | 8% |
| Consumer | 4.1 | 13% | 280 | 45% | 99 | 34% |
| Total | 8.4 | 10% | 753 | 27% | 163 | 26% |

Homebuilders, developers tied to weakening real estate market

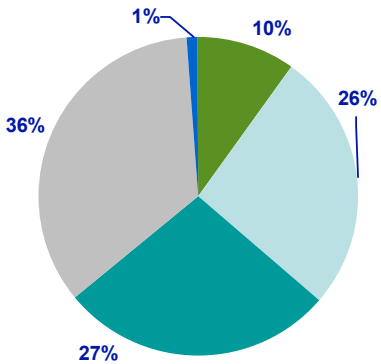
Increasing severity of loss due to significant declines in valuations

Valuations; relatively small home equity portfolio

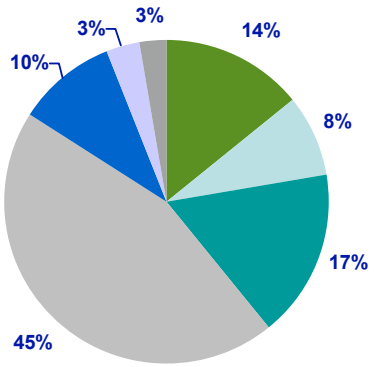
**Total Loans**




**NPAs**




**NCOs**




C&I | COML MORTGAGE | COML CONST | COML LEASE | RESI MORTGAGE | HOME EQUITY | AUTO | CREDIT CARD | OTHER CONS

** NPAs exclude loans held-for-sale.*



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# Michigan market*

Deterioration in home price values coupled with weak economy impacting credit trends due to frequency of defaults and severity

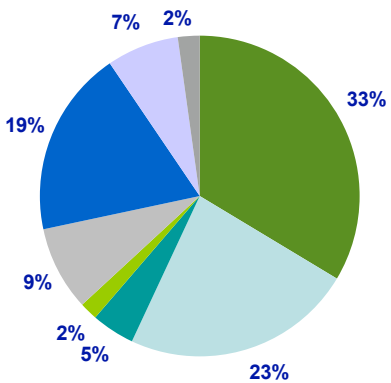
| ($ in millions) | Loans (bn) | % of FITB | NPAs (mm) | % of FITB | NCOs (mm) | % of FITB |
|---|---|---|---|---|---|---|
| Commercial loans | 4.7 | 16% | 97 | 15% | 30 | 17% |
| Commercial mortgage | 3.2 | 26% | 168 | 21% | 25 | 30% |
| Commercial construction | 0.7 | 15% | 87 | 12% | 15 | 19% |
| Commercial lease | 0.2 | 6% | 5 | 9% | 0 | 0% |
| Commercial | 8.8 | 18% | 357 | 16% | 70 | 21% |
| Mortgage | 1.2 | 14% | 46 | 10% | 12 | 10% |
| Home equity | 2.6 | 21% | 19 | 26% | 24 | 27% |
| Auto | 1.0 | 11% | 3 | 14% | 5 | 13% |
| Credit card | 0.3 | 17% | 13 | 23% | 8 | 19% |
| Other consumer | 0.1 | 7% | 0 | 8% | 1 | 10% |
| Consumer | 5.2 | 16% | 81 | 13% | 50 | 17% |
| Total | 14.0 | 17% | 438 | 15% | 120 | 19% |

Economic weakness impacts commercial real estate market

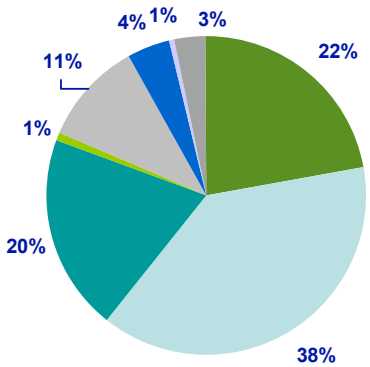
Homebuilders, developers tied to weak real estate market

Negative impact from housing valuations, economy, unemployment

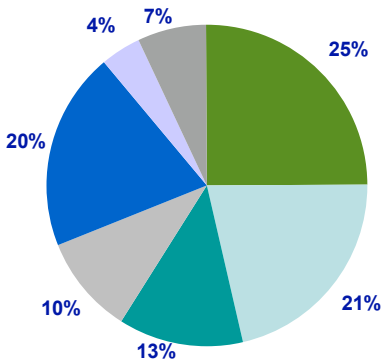
**Total Loans**




**NPAs**




**NCOs**




C&I | COML MORTGAGE | COML CONST | COML LEASE | RESI MORTGAGE | HOME EQUITY | AUTO | CREDIT CARD | OTHER CONS

** NPAs exclude loans held-for-sale.*



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# Cautionary statement

FIFTH THIRD BANK

*This report may contain statements that we believe are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as "will likely result," "may," "are expected to," "is anticipated," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar verbs. You should not place undue reliance on these statements, as they are subject to risks and uncertainties, including but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K and our most recent quarterly report 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 are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy, specifically the real estate market, either nationally or in the states in which Fifth Third, one or more acquired entities and/or the combined company do business, are less favorable than expected; (2) deteriorating credit quality; (3) political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment reduce interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions; (6) Fifth Third's ability to maintain required capital levels and adequate sources of funding and liquidity; (7) maintaining capital requirements may limit Fifth Third's operations and potential growth; (8) changes and trends in capital markets; (9) problems encountered by larger or similar financial institutions may adversely affect the banking industry and/or Fifth Third (10) competitive pressures among depository institutions increase significantly; (11) effects of critical accounting policies and judgments; (12) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board (FASB) or other regulatory agencies; (13) legislative or regulatory changes or actions, or significant litigation, adversely affect Fifth Third, one or more acquired entities and/or the combined company or the businesses in which Fifth Third, one or more acquired entities and/or the combined company are engaged; (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) lower than expected gains related to any sale or potential sale of businesses; (21) difficulties in separating Fifth Third Processing Solutions from Fifth Third; (22) 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;(23) ability to secure confidential information through the use of computer systems and telecommunications networks; and (24) 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.*


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