

FIFTH THIRD BANCORP
Form DEF 14A
March 10, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES

EXCHANGE ACT OF 1934

(AMENDMENT NO.)

Filed by the Registrant ☒ x

Filed by a Party other than the Registrant ☐ ..

Check the appropriate box:

- .. Preliminary Proxy Statement
.. CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
x Definitive Proxy Statement
.. Definitive Additional Materials
.. Soliciting Material Pursuant to Section 240.14a-12

FIFTH THIRD BANCORP

(NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

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38 FOUNTAIN SQUARE PLAZA

CINCINNATI, OHIO 45263

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

March 10, 2011

To the Shareholders of Fifth Third Bancorp:

You are cordially invited to attend the Annual Meeting of the Shareholders of Fifth Third Bancorp to be held at the Regency Ballroom, located on the third floor of the Hyatt Regency Cincinnati, at 151 West 5th Street, Cincinnati, Ohio on Tuesday, April 19, 2011 at 11:30 a.m. for the purposes of considering and acting upon the following:

- (1) Election of all members of the Board of Directors to serve until the Annual Meeting of Shareholders in 2012.
 - (2) Approval of the appointment of the firm of Deloitte & Touche LLP to serve as the independent registered public accounting firm for the Company for the year 2011.
 - (3) The proposal described in the proxy statement to approve the Fifth Third Bancorp 2011 Incentive Compensation Plan, including the issuance of up to an additional 39,000,000 shares of common stock thereunder. The proposed Fifth Third Bancorp 2011 Incentive Compensation Plan is attached as Annex 1 to the Proxy Statement and is incorporated therein by reference.
 - (4) An advisory vote to approve the compensation of the Company's executives.
 - (5) An advisory vote to determine whether the shareholder vote on the compensation of the Company's executives will occur every 1, 2, or 3 years.
 - (6) Transaction of such other business that may properly come before the Annual Meeting or any adjournment thereof.
- Shareholders of record at the close of business on February 28, 2011 will be entitled to vote at the Annual Meeting.

All shareholders who find it convenient to do so are invited to attend the Annual Meeting in person. In any event, please vote at your earliest convenience by signing and returning the proxy card you receive or by voting over the internet or by telephone.

If you plan to attend the Annual Meeting:

Please note that space limitations make it necessary to limit attendance only to shareholders of the Company and the holders of shareholder proxies. Admission to the Annual Meeting will be on a first-come, first-served basis and will require presentation of a valid driver's license or other federal or state issued photo identification card. Shareholders of record should bring the admission ticket attached to their notice or proxy card in order to be admitted to the meeting. Street name shareholders will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date in order to be admitted to the meeting. Registration and seating will begin at approximately 11:00 a.m. Communication and recording devices will not be permitted at the Annual Meeting. A copy of the regulations for conduct at the Annual Meeting is attached as Annex 2 to the proxy statement.

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If you have any questions or need assistance voting your shares, please call D.F. King & Co., Inc., which is assisting us, toll-free at 1-800-859-8508.

By Order of the Board of Directors

Paul L. Reynolds

Secretary

FIFTH THIRD BANCORP

38 Fountain Square Plaza

Cincinnati, Ohio 45263

PROXY STATEMENT

The Board of Directors of Fifth Third Bancorp (the Company) is soliciting proxies for the Annual Meeting of Shareholders to be held at the Regency Ballroom, located on the third floor of the Hyatt Regency Cincinnati, at 151 West 5th Street, Cincinnati, Ohio on Tuesday, April 19, 2011 at 11:30 a.m. (the Annual Meeting). Each of the approximately 917,786,226 shares of Common Stock, outstanding on February 28, 2011 is entitled to one vote on all matters acted upon at the Annual Meeting. Only common share holders of record on the books of the Company at the close of business on February 28, 2011 will be entitled to vote at the Annual Meeting, either in person or by proxy. The shares represented by all properly executed proxies which are sent to the Company will be voted as designated and each not designated will be voted and counted as described in this proxy statement. Each person giving a proxy may revoke it by giving notice to the Company in writing or in open meeting at any time before it is voted.

The laws of Ohio under which the Company is incorporated provide that if notice in writing is given by any shareholder to the President, a Vice President, or the Secretary of the Company not less than forty-eight (48) hours before the time fixed for holding a meeting of shareholders for the purpose of electing Directors that such shareholder desires that the voting at such election shall be cumulative, and if an announcement of the giving of such notice is made upon the convening of the meeting by the Chairman or Secretary or by or on behalf of the shareholder giving such notice, each shareholder shall have the right to cumulate such voting power as he or she possesses in voting for Directors.

The expense of soliciting proxies will be borne by the Company. Proxies will be solicited principally by mail, but may also be solicited by the Directors, officers, and other regular employees of the Company, who will receive no compensation therefor in addition to their regular compensation. Brokers and others who hold stock on behalf of others will be asked to send proxy material to the beneficial owners of the stock, and the Company will reimburse them for their expenses.

The Company has retained D.F. King & Co., Inc., a proxy solicitation firm, to assist the Company in soliciting proxies. The Company anticipates that the costs of D.F. King's services will be approximately \$11,000.

The Annual Report of the Company for the year 2010, including financial statements, has been delivered or made available to all shareholders. Such report and financial statements are not a part of this proxy statement. This proxy statement and the form of proxy are first being sent or made available to shareholders on or about March 10, 2011.

CERTAIN BENEFICIAL OWNERS

Under Section 13(d) of the Securities Exchange Act of 1934, a beneficial owner of a security is any person who directly or indirectly has or shares voting power or investment power over such security. Such beneficial owner under this definition need not enjoy the economic benefit of such securities. There are no shareholders known to the Company to be deemed to be beneficial owners of 5% or more of the capital stock of the Company as of February 28, 2011.

ELECTION OF DIRECTORS

(Item 1 on Proxy Card)

In accordance with the Company's Code of Regulations, Directors are elected annually to a one (1) year term expiring at the next Annual Meeting of Shareholders. The terms of the Directors listed below expire at the Annual Meeting on April 19, 2011 and constitute the nominees to be elected to serve until the Annual Meeting of Shareholders in 2012. In accordance with the retirement guidelines set forth in the Company's Corporate Governance Guidelines, Dudley S. Taft will retire at the Annual Meeting. Mr. Taft has generously given valuable service to the Company as a Director for many years. The Board of Directors has voted to decrease the size of the Board such that no vacancies will result from Mr. Taft's retirement. Any vacancies that occur after the Directors are elected may be filled by the Board of Directors in accordance with law for the remainder of the full term of the vacant directorship.

Director candidates are nominated by the Company's Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee's Charter directs the Committee to investigate and assess the background and skills of potential candidates and to maintain an active file of suitable candidates for directors. The Nominating and Corporate Governance Committee utilizes its pool of existing subsidiary and affiliate directors as well as the significant network of business contacts of its existing directors and executive management as the primary pipeline from which its Director candidates are identified. The Company also retains Heidrick & Struggles International, Inc. to aid it in identifying potential Director candidates. Upon identifying a candidate for serious consideration, one or more members of the Nominating and Corporate Governance Committee initially interviews such candidate. If the candidate merits further consideration, the candidate subsequently interviews with all other Committee members (individually or as a group), meets the Company's Chief Executive Officer and other Executive Officers and ultimately meets many of the other Directors. The Nominating and Corporate Governance Committee elicits feedback from all persons who meet the candidate and then determines whether or not to nominate the candidate.

The Company's Corporate Governance Guidelines set forth the following criteria for Directors: independence (in order to compose a Board of Directors that has a majority of its members who are independent); highest personal and professional ethics and integrity; willingness to devote sufficient time to fulfilling duties as a Director; impact on the diversity of the Board's overall experience in business, government, education, technology and other areas relevant to the Company's business; impact on the diversity of the Board's composition in terms of age, skills, ethnicity and other factors relevant to the Company's business; and number of other public company boards on which the candidate may serve (generally, should not be more than three public company boards in addition to the Company). The Company's Corporate Governance Guidelines provide that shareholders may propose nominees by submitting the names and qualifications of such persons to the Nominating and Corporate Governance Committee no later than December 31 of each year. Submissions are to be addressed to the Nominating and Corporate Governance Committee at the Company's executive offices, which submissions will then be forwarded to the Committee. The Nominating and Corporate Governance Committee would then evaluate the possible nominee using the criteria outlined above and would consider such person in comparison to all other candidates. The Nominating and Corporate Governance Committee is not obligated to nominate any such individual for election. No such shareholder nominations have been received by the Company for this Annual Meeting. Accordingly, no rejections or refusals of such candidates have been made by the Company.

The Nominating and Corporate Governance Committee of the Board of Directors has nominated for election as Directors the following twelve (12) persons: Darryl F. Allen, Ulysses L. Bridgeman, Jr., Emerson L. Brumback, James P. Hackett, Gary R. Heminger, Jewell D. Hoover, William M. Isaac, Kevin T. Kabat, Mitchel D. Livingston, Ph.D., Hendrik G. Meijer, John J. Schiff, Jr., and Marsha C. Williams. Unless instructed otherwise, it is the intention of the persons named in the Proxy to vote for the election of all nominees named. If any nominee(s) shall be unable to serve, which is not now contemplated, the proxies will be voted for such substitute nominee(s) as the Nominating and Corporate Governance Committee of the Board of Directors recommends. Proxies in the form solicited hereby which are returned to the Company will be voted in favor of the twelve (12) nominees specified above unless otherwise instructed by the shareholder. Shares not voted by brokers and other entities holding shares on behalf of beneficial owners will not be counted and will have no effect on the outcome of the election in accordance with Ohio law and the Company's Articles of Incorporation and Code of Resolutions.

Under Ohio law and the Company's Articles of Incorporation and Code of Resolutions, those persons receiving the twelve (12) highest totals of votes cast in the election will be elected as directors. The Company has, however, adopted provisions of its Corporate Governance Guidelines stating that, as long as cumulative voting is not in effect, in an uncontested election of Directors (i.e., an election where the only nominees are those recommended by the Board of Directors), any nominee for Director who receives a greater number of votes withheld from his or her election than votes for his or her election will promptly tender his or her resignation to the Chairman of the Board following certification of the shareholder vote. The Nominating and Corporate Governance Committee will promptly consider the tendered resignation and will recommend to the Board whether to accept or reject the tendered resignation no later than 60 days following the date of the shareholders' meeting at which the election occurred. In considering whether to accept or reject the tendered resignation, the Nominating and Corporate Governance Committee will consider factors deemed relevant by the Committee members including, without limitation, the Director's length of service, the Director's particular qualifications and contributions to Fifth Third, the reasons underlying the majority withheld vote (if known) and whether these reasons can be cured, and compliance with stock exchange listing standards and the Corporate Governance Guidelines. The Board will act on the Nominating and Corporate Governance Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which the election occurred. In considering the Nominating and Corporate Governance Committee's recommendation, the Board will consider the factors considered by the Committee and such additional information and factors the Board believes to be relevant.

The following tables set forth information with respect to each Director nominee for election at the Annual Meeting including their business experience, share holdings and qualifications as a Director of the Company. The Board of Directors has determined that all Directors have met the independence standards of Rule 4200(a)(15) of the National Association of Securities Dealers listing standards with the exception of Mr. Kabat.

Name, Age and Principal Occupation During the Past Five Years	Director Since	Shares of Company	
		Common Stock Beneficially Owned on December 31, 2010 ⁽¹⁾	Percent of Class
<i>Nominees for Election as Directors:</i>			
DARRYL F. ALLEN , 67, is the retired Chairman, CEO and President of Aeroquip-Vickers, Inc., formerly known as Trinova Corporation, a manufacturer and distributor of engineered components for industry, automotive, aerospace and defense. Manager of Allen Ventures, LLC. Former Director of Milacron Inc. As a certified public accountant, Mr. Allen brings a wealth of financial expertise to the Board. Mr. Allen also possesses practical business experience as the former CFO and then CEO of a Fortune 500 manufacturing company. He has a great knowledge of banking through five years of board service with another bank and intimate knowledge of the Company through his experience as a director of one of the Company's banking affiliates in Northwestern Ohio.	1997	39,804	.0050%
ULYSSES L. BRIDGEMAN, JR. , 57, is the owner and president of B.F. Companies which operates a number of Wendy's Old Fashioned Hamburger restaurants and Chili's restaurants. Mr. Bridgeman is a director of Jackson Hewitt Tax Service Inc. Mr. Bridgeman brings entrepreneurial business knowledge and experience to the Board through his ownership and operation of a restaurant franchisee with 300 locations in 11 states. He also has intimate knowledge of the Company through his experience as a director of one of the Company's banking affiliates in Louisville, Kentucky.	2007	21,569	.0027%
EMERSON L. BRUMBACK , 59, Retired President & COO of M&T Bank. Former director of M&T Bank Corporation. Mr. Brumback possesses a vast amount of knowledge regarding banking through his 30+ years of experience in the financial services industry with several banking organizations including the Buffalo branch of the Federal Reserve Bank of New York. He has gained valuable insight through his experience in executive positions overseeing many aspects of the banking field including retail banking, commercial banking, banking operations and systems. He also brings his experience as a board member with another financial services company.	2009	18,915	.0024%

Name, Age and Principal Occupation During the Past Five Years	Director Since	Shares of Company	
		Common Stock Beneficially Owned on December 31, 2010 ⁽¹⁾	Percent of Class
<p>JAMES P. HACKETT, 55, President, CEO and Director of Steelcase Inc., a manufacturer of office systems. Trustee of The Northwestern Mutual Life Insurance Company.</p> <p>Mr. Hackett's knowledge and experience in leading a large global organization are valuable attributes for his service as a Director. He also possesses skills in building a lean manufacturing environment and has directed the innovation of legacy businesses and practices. Mr. Hackett also brings his knowledge and experience of the financial services industry gained from his position as a Director of a large insurance company and a predecessor banking organization.</p>	2001	43,657	.0055%
<p>GARY R. HEMINGER, 57, Executive Vice President of Marathon Oil Company and President of Marathon Petroleum Company LLC.</p> <p>Mr. Heminger possesses valuable business knowledge gained from his responsibilities in overseeing all operations, performance, reporting and financial metrics for Marathon's refining, marketing transportation and Speedway Super America business and has financial experience through his oversight of all financial data, working capital, and merger and acquisition activity.</p>	2006	23,636	.0030%
<p>JEWELL D. HOOVER, 62, Principal and bank consultant with Hoover and Associates, LLC and author of the Ultimate Director Guide, LLC. Former director of First Charter Corporation.</p> <p>Ms. Hoover's qualifications for service as a Director of the Company include 28 years of service with the Office of the Comptroller of the Currency- including service as the Deputy Comptroller of the agency's Western District. She also has gained valuable banking experience and knowledge as a bank consultant for corporate governance, director training and problem bank resolution matters. Additionally she has first-hand knowledge of the Company through her service as a director of its North Carolina affiliate and a predecessor banking organization.</p>	2009	16,826	.0021%

Name, Age and Principal Occupation During the Past Five Years	Director Since	Shares of Company	
		Common Stock Beneficially Owned on December 31, 2010 ⁽¹⁾	Percent of Class
<p>WILLIAM M. ISAAC, 67, Chairman of Fifth Third Bancorp and former Chairman of LECG Global Financial Services as well as Chairman of Isaac Property Companies. Director of MPS Group, Inc.</p> <p>Mr. Isaac's banking experience spans 40+ years of service in roles such as lawyer, consultant, regulator, and director. Mr. Isaac also served for nearly eight years on the board of the Federal Deposit Insurance Corporation, holding the title of Chairman for nearly five of those years.</p>	2010		
<p>KEVIN T. KABAT, 54, Chief Executive Officer of the Bancorp since April 2007 and President of the Bancorp since June 2006. Previously, Mr. Kabat was Executive Vice President of the Bancorp since December 2003. Prior to that he was President and CEO of Fifth Third Bank (Michigan) since April 2001. Director of Unum Group.</p> <p>Mr. Kabat brings valuable insight and knowledge to the Board due to his service as its President and Chief Executive Officer. Mr. Kabat also has gained valuable banking knowledge from his years of service in the financial services industry, including his leadership of a predecessor banking organization and his service on the board of a large insurance company.</p>	2007	1,454,390	.1824%
<p>DR. MITCHEL D. LIVINGSTON, 66, Vice President for Student Affairs and Chief Diversity Officer, University of Cincinnati since July 2007. Formerly, Dr. Livingston was Vice President for Student Affairs, University of Cincinnati.</p> <p>Dr. Livingston's qualifications for Board service include 40 years of management experience in large, complex organizations with hundreds of employees under his supervision as well as his management of multi-million dollar budgets. He has extensive educational experiences in financial matters and the banking industry in particular and has served on the boards of other corporations and community affairs organizations.</p>	1997	39,300	.0049%

Name, Age and Principal Occupation During the Past Five Years	Director Since	Shares of Company Common Stock Beneficially Owned on December 31, 2010 ⁽¹⁾	
		Number ⁽²⁾	Percent of Class
<p>HENDRIK G. MEIJER, 59, Co-Chairman, Director and CEO of Meijer, Inc., and its affiliates, a food and general merchandise retailer with 195 supercenters located in Michigan, Ohio, Indiana, Illinois and Kentucky. Mr. Meijer has vast business knowledge and experience gained through his position as the CEO of a company with over 60,000 employees and 200 retail and wholesale locations that competes successfully with the largest retailers in the United States. Mr. Meijer also has valuable banking knowledge through his service a director of a predecessor banking organization.</p>	2001	66,415	.0083%
<p>JOHN J. SCHIFF, JR., 67, Chairman, former CEO and Director of Cincinnati Financial Corporation. Former Chairman of John J. & Thomas R. Schiff & Co., Inc., an insurance agency. Director of Standard Register Co. and former director of Cinergy Corp. Mr. Schiff brings extensive knowledge of the financial services industry with a specialty in insurance and investment operations as well as valuable knowledge of the Company through his tenure on its Board of Directors.</p>	1983	535,689	.0673%
<p>MARSHA C. WILLIAMS, 59, retired Senior Vice President and Chief Financial Officer of Orbitz Worldwide, Inc. from February 2007 through December 31, 2010. From 2002 to 2007, Ms. Williams served as Executive Vice President and Chief Financial Officer of Equity Office Properties Trust, the nation's largest owner and operator of office buildings. Supervisory Director of Chicago Bridge & Iron Company N.V. and Director of Modine Manufacturing Company and the Davis Funds. Ms. Williams' qualifications for Director include her extensive experience in financial matters including 37 years in finance and her service as the Chief Financial Officer of Orbitz and Equity Office Properties Trust as well as her service on the board of directors of other publicly traded corporations and mutual funds. Ms. Williams also possesses knowledge and experience in the financial services industry through her 15 years of service with other banking organizations.</p>	2008	15,027	.0019%

Name, Age and Principal Occupation During the Past Five Years <i>Non-continuing Directors:</i>	Director Since	Shares of Company Common Stock Beneficially Owned on December 31, 2010 ⁽¹⁾	
		Number ⁽²⁾	Percent of Class
DUDLEY S. TAFT , 70, President and Director of Taft Broadcasting Company, investor in entertainment and media properties. Former director of Duke Energy Corporation and The Tribune Company. Mr. Taft possesses valuable knowledge and business experience from his service on numerous boards of directors as well as his service as the COO and President of a New York Stock Exchange traded company for 10 years and has extensive knowledge of the company through his tenure on its Board of Directors.	1981	109,135	.0137%
All Directors and Executive Officers as a Group (24 persons)		5,109,024	.639%

- (1) As reported to Fifth Third Bancorp by the Directors as of the date stated. Includes shares held in the name of spouses, minor children, certain relatives, trusts, estates and certain affiliated companies as to which beneficial ownership may be disclaimed. None of the Company's current Executive Officers or Directors own any Series G Preferred Stock or any Depositary Shares representing interests therein.
- (2) The amounts shown represent the total shares owned outright by such individuals together with shares which are issuable upon the exercise of currently exercisable (or exercisable within 60 days), but unexercised, stock options and stock appreciation rights. Specifically, the following individuals have the right to acquire the shares indicated after their names, upon the exercise of stock options and stock appreciation rights, respectively: Mr. Allen, 7,000 and 5,000; Mr. Bridgeman, 1,000 and 875; Mr. Hackett, 7,000 and 5,000; Mr. Heminger, 500 and 500; Ms. Hoover, 0 and 125; Mr. Kabat, 260,000 and 858,093; Dr. Livingston, 7,000 and 5,000; Mr. Meijer, 7,000 and 5,000; Mr. Schiff, 5,000 and 5,000; and Mr. Taft, 7,000 and 5,000. The aggregate number of shares issuable upon the exercise of currently exercisable (or exercisable within 60 days), but unexercised, stock options and stock appreciation rights held by the Executive Officers who are not also Directors or nominees is 2,046,591.

BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS

The Board of Directors of the Company met eight (8) times during 2010. The Company's Board of Directors also regularly holds executive sessions of those members of the Board of Directors who meet the then current standards of independence. The chairman at these executive sessions is the Chairman of the Nominating and Corporate Governance Committee, who serves as the Lead Director of the Board. The position duty statement for the Lead Director may be found in the Corporate Governance Section of the Company's website at www.53.com.

No member of the Board of Directors of the Company attended less than 75% of the aggregate meetings of the Board of Directors and all committees on which such Director served during 2010.

Neither the Board nor the Nominating and Corporate Governance Committee has implemented a formal policy regarding Director attendance at the Annual Meeting. Typically, the Board holds its annual organizational meeting directly following the Annual Meeting, which results in most directors being able to attend the Annual Meeting. In 2010, all of the Directors attended the Annual Meeting.

In 2010, there were six (6) committees of the Board of Directors: Audit, Compensation, Finance, Nominating and Corporate Governance, Risk and Compliance and Trust.

The Audit Committee of the Company serves in a dual capacity as the Audit Committee of the Company and Fifth Third Bank. Twelve (12) meetings of this Committee were held during 2010. This Committee's functions include the engagement of the independent registered public accounting firm, reviewing with that firm the plans and results of the audit engagement of the Company, approving the annual audit plan and reviewing the results of the procedures for internal auditing, reviewing the independence of the independent registered public accounting firm, reviewing the Company's financial results and periodic Securities and Exchange Commission filings, reviewing the design and effectiveness of the Company's internal controls and similar functions and approving all auditing and non-auditing services performed by its independent registered public accounting firm. Another function of this Committee is to carry out the statutory requirements of a bank audit committee as prescribed under applicable law. The Board of Directors has adopted a written charter for the Audit Committee, which may be found in the Corporate Governance Section of the Company's website at www.53.com. The Audit Committee members for 2010 were Darryl F. Allen, Emerson L. Brumback, Jewell D. Hoover and Marsha C. Williams. All members of the Audit Committee met the independence standards of Rule 4200(a)(15) and the audit committee qualifications of Rule 4350(d)(2) of the National Association of Securities Dealers listing standards. The Board of Directors has determined that Darryl F. Allen and Marsha C. Williams are audit committee financial experts for the Company and are independent as described in the preceding sentence. The formal report of the Audit Committee with respect to the year 2010 begins on page 52 herein.

The Company has a Compensation Committee comprised entirely of independent Directors. Executive compensation and equity plan allocations are determined by this Committee of the Board of Directors. The Board of Directors has adopted a Compensation Committee Charter which may be found in the Corporate Governance Section of the Company's website at www.53.com. This Committee consisted of Emerson Brumback, Gary R. Heminger, Hendrik G. Meijer, and Mitchel D. Livingston, Ph.D. and met seven (7) times during 2010. The formal report of the Compensation Committee with respect to 2010 compensation begins on page 50 herein.

The Finance Committee of the Company served in a dual capacity as the Finance Committee of the Company and Fifth Third Bank. The Finance Committee met nine (9) times in 2010 and consisted of James P. Hackett, Gary R. Heminger, Kevin T. Kabat, and Dudley S. Taft. The Board of Directors have adopted a Finance Committee Charter which may be found in the Corporate Governance Section of the Company's website at www.53.com.

The Company has a Nominating and Corporate Governance Committee comprised entirely of independent Directors. This Committee: 1) develops and recommends to the Board corporate governance policies and

guidelines for the Company and for the identification and nomination of Director and committee member candidates and 2) nominates Directors for election to the Board and appointment to committee membership. The Board of Directors has adopted a Nominating and Corporate Governance Committee Charter which may be found in the Corporate Governance Section of the Company's website at www.53.com. This Committee consisted of Darryl F. Allen, Ulysses L. Bridgeman, Jr., James P. Hackett, and Marsha C. Williams and met three (3) times during 2010.

The Company's Risk and Compliance Committee serves in a dual capacity as the Risk and Compliance Committee of the Company and the Bank. The Committee oversees management's compliance with all of the Company's regulatory obligations arising under applicable federal and state banking laws, rules and regulations, including any terms and conditions required from time to time by any action, formal or informal, of any federal or state banking regulatory agency or authority and any responses of management to any inquiries from any applicable banking regulator, and oversees management's implementation and enforcement of the Company's risk management policies and procedures. The Board of Directors has adopted a Risk and Compliance Committee Charter which may be found in the Corporate Governance Section of the Company's website at www.53.com. This Committee met twelve (12) times in 2010 and consisted of Ulysses L. Bridgeman, Jr., Jewell D. Hoover, Hendrik G. Meijer, Dudley S. Taft, Thomas W. Traylor, and Marsha C. Williams.

The Company has a Trust Committee which serves in a dual capacity as the Trust Committee of the Company and the Bank. The Committee reviews the fiduciary activities of the Bank and, more generally, oversees the structure for fiduciary activities for each of the Company's subsidiary banks, including the Bank. In this regard, the Committee has responsibility to report risks identified in its review of such fiduciary activities to the Company's Risk and Compliance Committee. The Committee also has overall responsibility for evaluating and approving the fiduciary policies of the Company and its bank subsidiaries. The Board of Directors has adopted a Trust Committee Charter which may be found in the Corporate Governance Section of the Company's website at www.53.com. This Committee consisted of Messrs. Livingston, Kabat and Schiff, and met four (4) times during 2010.

CORPORATE GOVERNANCE

The Board of Directors has adopted the Fifth Third Bancorp Corporate Governance Guidelines which may be found in the Corporate Governance Section of the Company's website at www.53.com. The Board of Directors has also adopted the Fifth Third Bancorp Code of Business Conduct and Ethics which may also be found in the Corporate Governance Section of the Company's website at www.53.com.

Board Leadership

The same person does not serve as the Company's Chief Executive Officer and Chairman. The Company's Chairman is a non-executive director and the Company also uses an independent Lead Director who serves as the Chair of its Nominating and Corporate Governance Committee. The Board believes that the Company's shareholders are best served by a Board that has the flexibility to establish a leadership structure that fits the needs of the Company at any particular point in time. Under the Company's Code of Regulations and Corporate Governance Guidelines, the Board of Directors has the authority to combine or separate the positions of Chairman and Chief Executive Officer as well as determine whether, if the positions are separated, the Chairman is an affiliated Director or an independent Director.

The Board believes this structure is appropriate at the current time in order to allow the Chairman to provide support and guidance to the Chief Executive Officer while also allowing the Board to have a separate Director handle governance matters and coordinate meetings of independent Directors. These decisions were based, in part, on the qualifications of the individuals serving in these roles including the experience of the Chairman as the former Chairman of the Federal Deposit Insurance Corporation and the experience of the Lead Director as the Chief Executive Officer of a global manufacturing organization.

From time to time the Board may consider combining the role of Chairman and Chief Executive Officer or discontinuing its use of its Lead Director. These decisions will be dependent on the make-up of the Board at that time, the availability and willingness of candidates for Chairman and/or Lead Director who meet any expertise and experience criteria and qualifications indentified by the Board, as well as other factors.

Risk Management Oversight

The role of the Board of Directors is to provide oversight to ensure an effective enterprise risk management program is in place, including an appropriate enterprise risk management framework and related governance structure. The Board sets the overall risk appetite for the Company, including the establishment and monitoring of risk tolerances. The formulation of risk appetite considers the Company's risk capacity, which is represented by its available financial resources that sets an absolute limit on risk assumption in the Company's annual and strategic plans. The Company's risk appetite is limited by policy to 95 percent of risk capacity. Tolerances are the maximum amount of risk applicable to each of the eight specific risk categories included in the enterprise risk management framework. Through their oversight role, Directors ensure that the risk management processes designed and implemented under this framework and governance structure are aligned to the Board's corporate strategy and are functioning as directed. The Board also considers the optimal organizational structure at both the Board and management levels. This may include delegating responsibility through Board committees, management committees, the Chief Executive Officer and the Chief Risk Officer.

Risk management oversight and governance is provided primarily by the Risk and Compliance Committee of the Board of Directors and through the Enterprise Risk Management Committee, a management committee, that reports to it. The Enterprise Risk Management Committee is supported by several management committees whose membership includes a broad cross-section of line of business, affiliate and support representatives. The Risk and Compliance Committee of the Board of Directors consists of five outside directors and has responsibility for the oversight of risk management for the Company, as well as ensuring that risks are properly controlled, quantified and within the Company's risk appetite.

The primary purposes of the Risk and Compliance Committee are to oversee management's compliance with all of Fifth Third's regulatory obligations arising under applicable federal and state banking laws, rules and regulations, including any terms and conditions required from time to time by any action, formal or informal, of the Board of Governors of the Federal Reserve, the Federal Reserve Bank of Cleveland, the Office of the Comptroller of the Currency, or any other federal or state banking regulatory agency or authority, and any responses of management to any inquiries from any applicable Banking Regulator; oversee management's development and implementation of an Enterprise Risk Management Risk Appetite Framework, which overlays the Enterprise Risk Management Framework with an enterprise-wide view of risk capacity, risk appetite and risk tolerances; oversee management's implementation of an Enterprise Risk Management Framework, including the development of effective policies, processes and procedures to ensure risks are properly controlled, quantified and within Fifth Third's risk appetite; and oversee management's taking of appropriate measures to apply consistent methodologies for assessing, quantifying, aggregating, monitoring, prioritizing and reporting risk to the Corporation including the categories of credit risk, market risk, liquidity risk, operational risk, regulatory compliance risk, legal risk, reputation risk and strategic risk.

The Risk and Compliance Committee charter outlines more specific responsibilities under all categories of risk. The Chief Risk Officer has a dotted line reporting relationship to the Risk and Compliance Committee and has regular executive sessions with the Risk and Compliance Committee without other members of management present. In addition, the Director of Credit Risk Review reports directly to the Risk and Compliance Committee.

Communication with the Board

The Audit Committee has established Fifth Third's EthicsLine, a toll free hotline through which confidential complaints may be made by employees regarding: illegal or fraudulent activity; questionable accounting, internal

controls or auditing matters; conflicts of interest, dishonest or unethical conduct; disclosures in the Company's SEC reports, bank regulatory filings and other public disclosures that are not full, fair, accurate, timely and understandable; violations of the Company's Code of Business Conduct and Ethics; and/or any other violations of laws, rules or regulations. Complaints submitted through this process are presented to the Audit Committee on a regular, periodic basis.

Shareholders may communicate directly to the Board of Directors in writing by sending a letter to the Board at: Fifth Third Bancorp Board of Directors, 38 Fountain Square Plaza, MD 10AT76, Cincinnati OH, 45263 or by a secure e-mail via the Company's website at www.53.com. All communications directed to the Board of Directors will be received and processed by the Fifth Third Legal Department and will be transmitted to the Chairman of the Nominating and Corporate Governance Committee (who serves as the Lead Director of the Board of Directors) without any editing or screening by the Legal Department.

COMPENSATION DISCUSSION AND ANALYSIS

The Company's Compensation Discussion and Analysis addresses the following items:

Overview of Compensation (Total Rewards) Program

The Company's Compensation Committee

Compensation philosophy and strategy

The elements of the Company's Total Rewards Program

Insight regarding the Committee's decisions relative to 2010 design and awards

A summary of material design changes for the 2011 Total Rewards Program

The impact of our participation in the Troubled Asset Relief Program (TARP) Capital Purchase Program (CPP) on executive compensation

Overview of the Total Rewards Program

The Compensation Committee is responsible for establishing, implementing and monitoring the administration of compensation and benefits programs in accordance with the Company's compensation philosophy and strategy and approving executive compensation and equity plan awards. The Committee seeks to establish Total Rewards for the Company's Executive Officers that are fair, reasonable, and competitive. The Total Rewards Program includes base salary, annual cash incentive compensation, long-term equity-based incentive compensation, benefits and certain perquisites. Generally, and except as impacted by regulations related to TARP and CPP, the types of compensation and benefits paid to the Executive Officers are similar to those provided to other officers of the Company.

In 2009, compensation to all Named Executive Officers as defined below was modified to adhere to the requirements of the TARP Standards for Executive Compensation and Corporate Governance including, among other modifications, the elimination of eligibility in the Variable Compensation Plan (the Company's annual cash incentive compensation plan). These changes were maintained for 2010, due to the Company's continued participation in the TARP CPP. Details of the required changes, as well as the Company's standard compensation structure and philosophy are contained in this Compensation Discussion and Analysis.

As detailed on page 24, although the Company performed well against its goals in 2010, the modifications to the Company's Executive Compensation programs required by TARP limited the ability of the Company to link pay to performance for these affected executives. As the Company repaid its TARP obligations as of February 2, 2011, the Company intends to implement a total rewards program for all Named Executive Officers in 2011 that is reflective of our compensation philosophy as stated in this Compensation Discussion and Analysis and is

consistent with the approach used in 2010 for Executive Officers not covered by TARP.

Throughout this proxy statement, the individuals who served as the Company's Chief Executive Officer and Chief Financial Officer during fiscal 2010, as well as the other individuals included in the Summary of Compensation Table on page 31, are referred to as the Named Executive Officers.

The Compensation Committee

The Committee's Role. The Compensation Committee is composed of independent directors and is responsible for the approval and administration of compensation programs for Executive Officers and other employees of the Company. The Committee focuses on the attraction and retention of key executives and, when making decisions, considers the Company's compensation philosophy, the achievement of business goals set by the Company, relevant peer data, recommendations made by the Chief Executive Officer, and the advice of Compensation Advisory Partners LLC (CAP), an external executive compensation consulting firm with financial services industry expertise.

The Committee has taken the following steps to ensure that it effectively carries out its responsibilities:

Engaged CAP, a respected external compensation consultant with expertise in executive compensation, to provide the Committee with relevant market data and to advise the Committee on alternatives when making compensation decisions for the Named Executive Officers and on the recommendations being made by the Company's Management for Executive Officers other than the Named Executive Officers. In addition to the support provided by CAP, employees who have significant compensation experience in the Company's Human Resources division provide support, data, and analysis to the Committee

Conducted an annual review of the Compensation Committee Charter to ensure that it effectively reflects the Committee's responsibilities

Conducted an annual review of the Company's compensation philosophy to ensure that it remains appropriate given the Company's strategic objectives

Conducted an annual review of the Company's Compensation Peer Group

Reviewed all compensation components for the Company's Chief Executive Officer, Chief Financial Officer, and other Named Executive Officers, incorporating a tally sheet and pay-for-performance sensitivity analysis for each executive into that review

Initiated an annual evaluation of the execution of the Company's pay-for-performance philosophy, to ensure that the actual award decisions resulted in alignment of relative pay and relative performance compared to the Compensation Peer Group

Scheduled an executive session prior to the conclusion of each Committee meeting, without members of Management, for the purpose of discussing decisions related to the CEO's performance, goal-setting, compensation levels and other items deemed important by the Committee

Completed an annual self-evaluation of the Committee's effectiveness

Completed an annual review of the external compensation consultants' performance to ensure the Committee receives the appropriate resources and counsel

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Reviewed the Company's risk assessment of executive and employee incentive plans with the Chief Risk Officer to ensure that the Company's compensation design does not incent unnecessary risk

Reviewed the executive compensation requirements as set forth in the TARP Standards for Executive Compensation and Corporate Governance and approved actions designed to comply with these standards

Role of Executive Officers in Compensation Decisions. The Chief Executive Officer annually reviews the performance of each of the other Named Executive Officers. Based on this review, he makes compensation recommendations to the Committee, including recommendations for salary adjustments, annual cash incentives,

and long-term equity-based incentive awards. While the Company was a participant in the TARP CPP, these recommendations have been limited to cash or stock-based salary adjustments and restricted stock awards. In addition, the CEO and other members of Management also annually assess performance for other Executive Officers and make compensation recommendations to the Committee. Although the Committee considers these recommendations along with data provided by its other advisors, it retains full discretion to set all compensation for the Company's Executive Officers.

Additionally, the Chief Risk Officer discusses, evaluates, and reviews with the Committee all Executive Officer and employee incentive compensation plans. The purpose of the review is to ensure that the Company's incentive compensation plans do not incent or pose unnecessary or excessive risks to the Company.

The Role of the Third Party Compensation Consultant. The Compensation Committee uses the services of an outside executive compensation consultant, Compensation Advisory Partners LLC (CAP). CAP provides guidance and advice to the Committee on all matters covered by its charter. This consultant was selected by the Committee to provide a broad set of services pertaining to the compensation of the Company's executives.

The consultant fulfills the following responsibilities:

Review the Company's compensation philosophy and competitive positioning for reasonableness and appropriateness

Annually review the Committee's charter and recommend changes as appropriate

Review Committee agendas and supporting materials in advance of each meeting

Advise the Committee on management proposals as requested

Review the Company's Compensation Peer Group and survey data for competitive comparisons

Undertake special projects at the request of the Committee

Annually review the Company's executive compensation programs and advise the Committee of plans or practices that might be changed to improve the effectiveness of its plans

Annually review competitive pay practices of the Compensation Peer Group for its Boards of Directors and recommend to the Committee changes required to pay the Company's Board of Directors in a competitive fashion

Review, analyze and summarize survey data on executive pay practices and amounts that come before the Committee

Attend all Committee meetings, including executive sessions with only Committee members as requested

Advise the Committee on potential practices for Board governance of executive compensation as well as areas of concern and risk in the Company's programs

During 2010, Compensation Advisory Partners were specifically engaged on the following projects:

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Advised the Committee with respect to the appropriateness of compensation targets and actual amounts paid to the Company's executive officers given the Company's compensation philosophy, size and Compensation Peer Group

Actively participated in the review and design of all executive compensation programs, including the Fifth Third Bancorp 2011 Incentive Compensation Plan being considered for approval at the Annual Meeting

Advised on the appropriateness of executive performance goals and metrics

Reviewed and advised on the compensation program for the Company's Board of Directors

Advised the Committee regarding the Company's compliance with TARP standards for compensation

Advised on the development of and reviewed the Company's risk assessment of executive and employee incentive plans

Advised the Committee on market and regulatory trends and developments

Reviewed the Compensation Discussion and Analysis and related sections for our proxy statement

Attended all Committee meetings held in 2010

The Company does not engage Compensation Advisory Partners (CAP) for any additional services outside of executive compensation consulting.

The Committee believes that the third party services of Compensation Advisory Partners are objective and unbiased.

The Committee's Considerations. The Committee considers both the aggregate amounts and mix of an Executive Officer's Total Direct Compensation (base salary, annual cash incentive compensation and long-term equity-based incentive compensation) when making decisions. The Committee assesses Total Direct Compensation relative to competitive market data in its November meeting, discusses recommendations for executive compensation in its January meeting and approves final recommendations at its February or March meeting.

Based on its most recent review of the competitive data, the Committee has determined that the compensation structure for Executive Officers is effective and appropriate. The structure reflects the Company's compensation philosophy, in that its targets are tied to the market median, it has appropriate leverage to ensure a strong linkage between compensation and performance, and it drives rewards based on the most relevant performance measures for the Company. Also based on this review, the Committee determined that the Company's aggregate 2009 and 2010 Total Rewards packages (and potential payouts in the severance and change-in-control scenarios where applicable) for its Named Executive Officers are reasonable and not excessive.

The Committee believes that the relative difference between the compensation of the Chief Executive Officer and the compensation of the Company's other Executive Officers is consistent with such differences found in the Company's Compensation Peer Group and external reference labor market. Further, the Committee has reviewed the internal relationships between the compensation for the Chief Executive Officer and for other Executive Officers and has deemed them to be appropriate.

The compensation restrictions required by the TARP standards created a number of considerations for the Committee. The remainder of this report outlines the Company's compensation philosophy, executive compensation structure, and an analysis of compensation decisions made during 2010, with structure and decisions significantly influenced by the TARP requirements. In particular, the requirements prohibit the accrual of any incentive compensation, and specifically limit the use of equity compensation for the Named Executive Officers and the next 20 most highly compensated employees. The Committee had to consider and approve significant compensation structure changes for these executives during 2009 in order to comply with the TARP requirements. Additionally, as is the case with many peer companies, the structural changes adopted significantly limited the Total Direct Compensation that would be possible under the Company's originally adopted executive compensation structure for 2010. Furthermore, comparisons among peer companies may be difficult due to restrictions on certain companies not being applicable to ones that may have repaid the TARP funds.

Executive Compensation Philosophy & Strategy

Compensation Philosophy

The Company's executive compensation program is intended to drive shareholder value by attracting and retaining talented executives, motivating executives to achieve corporate objectives, and encouraging share ownership among the Executive Officers to align their interest with that of the shareholders. It is constructed to allow the Company to provide competitive target compensation for talented executives and to differentiate actual pay based on the level of individual and organizational performance. The executive compensation program consists of three components: base salary, annual cash incentive compensation, and long-term equity-based incentive compensation. The executive compensation program is intended to provide 50th percentile compensation for 50th percentile performance relative to the Company's Compensation Peer Group (identified below) and to pay at the 75th percentile for upper quartile (i.e., 75th percentile or better) performance relative to that Compensation Peer Group. The Committee refers to the Company's Compensation Peer Group in making decisions related to compensation based on performance. In cases where data for the Compensation Peer Group is incomplete, the Company may use data from a broader reference group that includes a wider variety of financial services organizations.

The Company also intends that its Total Rewards Program (including benefits and certain limited perquisites) be tied to the competitive market median or 50th percentile. The Company periodically reviews competitive benefits analyses to ensure that its programs are consistent with those offered by other financial services companies.

Executive Officers' eligibility for compensation and benefits is generally determined in a manner that is consistent with other employees at the Company. The timing and terms of incentive compensation awards for Executive Officers are also consistent with those of other eligible employees at the Company.

Impact of TARP on the Implementation of the Compensation Philosophy for NEOs in 2010 In response to the TARP Standards for Executive Compensation and Corporate Governance, compensation to the Chief Executive Officer and the compensation of the Company's other Executive Officers was modified in 2009 to include a fixed base salary and a limited restricted stock award, the latter of which may be awarded in an amount based on individual performance. Adherence to these standards impacted the Committee's ability to differentiate pay while compensation was governed by the TARP regulations. In addition, the TARP standards impacted the eligibility, timing and terms of compensation and benefits for covered executives, generally limiting eligibility compared to other employees.

Benchmarking Methodology

In making compensation decisions, the Committee compares Company performance and each element of Executive Officers' Total Direct Compensation with compensation information from a peer group of publicly traded banking and financial institutions (collectively the Compensation Peer Group). The Committee refers to this Compensation Peer Group for both compensation- and performance-related benchmarking. Financial performance data is prepared either by the Committee's external compensation consultant or by the Company, using publicly available data from proxy statements and other public filings. Compensation data is generally prepared by the Committee's external compensation consultants, using proprietary compensation databases and publicly available data from proxy statements. The Company's consultant reviews financial and/or compensation data that is prepared by the Company and provided to the Committee.

The Compensation Peer Group consists of companies with which the Committee believes the Company competes for talent and for stockholder investment, and which are similar in asset size and business mix. The following 13 companies were identified prior to the start of 2010 by the Committee as the 2010 Compensation Peer Group:

BB&T Corporation
Capital One Financial Corporation
Comerica Incorporated
Huntington Bancshares Incorporated
KeyCorp
M&T Bank Corporation
Marshall & Ilsley Corporation

The PNC Financial Services Group, Inc.
Regions Financial Corporation
SunTrust Banks, Inc.
U.S. Bancorp
Wells Fargo & Company
Zions Bancorporation

The Committee annually reviews its Compensation Peer Group and considers changes to the Compensation Peer Group deemed necessary to ensure that the nature and size of the organizations continue to be appropriate. Based on the Committee's evaluation of the Compensation Peer Group for 2011, it determined that the Compensation Peer Group should remain intact for 2011. Therefore, the Compensation Peer Group for 2011 is unchanged from the 2010 Compensation Peer Group listed above. The Company's assets were at approximately the 46th percentile of its 2010 Compensation Peer Group as of December 31, 2010.

Compensation Strategy

The Company's compensation strategy refers to the structure and programs designed to achieve its compensation philosophy.

Compensation Structure. The compensation structure (i.e., each element of pay described below and the respective targets and ranges of pay for each element) for Executive Officers is reviewed annually. When determining the compensation structure, the following items are considered:

The most recent and prior years' comparative proxy statement and survey data for similar jobs among the Compensation Peer Group

The 25th percentile, median (i.e., 50th percentile) and 75th percentile peer data for each element of compensation (base salary, target annual cash incentive compensation, and target long-term equity-based incentive compensation as well as the resulting Total Direct Compensation)

The ability to provide market median (i.e., 50th percentile) Total Cash Compensation (i.e., base salary plus annual cash incentive compensation) for 50th percentile performance relative to the Compensation Peer Group

The ability to provide 75th percentile Total Cash Compensation for upper quartile (i.e., 75th percentile or better) performance relative to the Compensation Peer Group

Base Salary. The Committee reviews individual base salaries of the Company's Executive Officers annually (and/or at the time of promotion). Salary increases are based on the Company's overall performance and the executive's attainment of individual objectives during the preceding year in the context of competitive market data. The objectives of the Company's base salary program are to provide salaries at a level that allows the Company to attract and retain qualified executives and to recognize and reward individual performance. Base salary levels also drive other elements of Total Rewards, including the annual cash and long term incentive compensation targets and retirement benefits. The following items are considered when determining base salary levels:

Market data provided by the Company's external compensation consultant

The Executive Officer's experience, scope of responsibilities, performance and potential

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Internal equity in relation to other Executive Officers with similar levels of experience, scope of responsibilities, performance, and potential

Other relevant information, which may include federal programs, regulatory requirements, etc.

Impact of TARP on Compensation Structure for NEOs: In 2009 the Committee was required to amend the Company's approved executive compensation structure to comply with the TARP standards for compensation. Under the TARP requirements, the Named Executive Officers were prohibited from earning any form of cash bonus and equity awards were limited to one-third of Total Direct Compensation in the form of restricted stock. The amended compensation structure resulted in the elimination of eligibility in the Variable Compensation Plan and the removal of stock appreciation rights and performance shares from future long-term equity-based incentive compensation awards. Fixed compensation was increased as allowed under the requirements. The increase in base salaries for the Named Executive Officers was made primarily in the form of immediately vested phantom stock units, which are granted each pay period and will be settled solely in cash beginning on the earlier of June 15, 2011 or the executive's death, and ending on June 15, 2013. The actual value paid to each executive on the settlement date will be dependent upon the Company's closing stock price on each grant date and the closing stock price on the settlement date, creating a significant portion of total compensation that is directly aligned to the performance of the Company's stock and the interest of its shareholders. These awards will be settled in cash rather than shares of Company stock in order to avoid potential dilution of our Shareholders.

A much smaller cash increase was made to the base salaries for these executives to achieve the revised target Total Direct Compensation for each. The revised target compensation structure for these executives provided significantly lower target Total Direct Compensation than the original structure, and no potential for awards above the adjusted compensation targets, regardless of Company performance.

Annual Cash Incentive Compensation. The annual cash incentive compensation program's objective is to reward executives for superior performance relative to the Compensation Peer Group. Target award levels are established at the beginning of the year for each Executive Officer based primarily on market median target awards and are expressed as a percentage of base salary. The potential amounts of annual cash incentive compensation awards under the program for 2010 performance that the Executive Officers could earn were:

Up to 225% of target for each Named Executive Officer

Up to 225% of target for the other Executive Officers, depending on competitive upside opportunity (i.e., 75th percentile payout) among the Company's Compensation Peer Group for each job

While this annual cash incentive compensation program was approved by the Committee at the beginning of the performance year, this component of pay was removed from the compensation structure for the Chief Executive Officer, each Named Executive Officer, and all other executives whose pay was restricted under the TARP standards for executive compensation.

Long-Term Equity-Based Incentive Compensation. The objective of the long-term equity-based incentive program is to align executives' interests with shareholders' interests and to link executive wealth accumulation with the long-term performance of the Company. Target award levels are established at the beginning of the year for each Executive Officer based primarily on market median target awards, and actual awards are made based on individual performance relative to established individual performance objectives.

Management Stock Purchase Plan. The objective of the Management Stock Purchase Plan (MSPP) is to accelerate equity ownership. This plan was adopted by the Committee to increase the overall retention value and create enhanced ownership opportunities for the senior leadership team. This is accomplished by automatically redirecting 25% of the earned annual cash incentive award into restricted shares, and then applying a Company match of 50% to the shares purchased by the executive. The purchased shares are immediately vested, but must be held by the executive for at least three years before they can be sold or transferred. The matching restricted stock vests one-third per year on the first through third anniversaries of the grant date.

Summary of Eligibility. The table below illustrates eligibility in 2010 for each element of compensation. Yes indicates that some or all of the employees in the category are eligible; No indicates that employees in this category are not eligible.

Component	Named Executive Officers	Executive Officers	Officers (Vice Presidents and above)	Other Full-time Employees
Base Salary	Yes	Yes	Yes	Yes
Phantom Stock Salary	Yes	Yes ²	No	No
Annual Cash Incentive	No	Yes ²	Yes	Yes
Long-Term Equity Based Incentive ¹	Yes	Yes	Yes	Yes
Management Stock Purchase Plan	No	Yes	No	No

- 1 For executives whose pay was restricted under the TARP standards for executive compensation, long-term equity based incentives were delivered in the form of restricted stock only as described in the 2010 Executive Compensation Awards and Decisions section.
- 2 Executive Officers are eligible for either phantom stock salary or the annual cash incentive, but not both. Executive Officers whose pay was restricted under the TARP standards for executive compensation are eligible for phantom stock salary but are not eligible for the annual cash incentive. Executive Officers whose pay was not restricted under the TARP standards are eligible for the annual cash incentive but are not eligible for phantom stock salary.

Other Plan Provisions. The annual cash and long-term equity-based incentive compensation awards are authorized under the Company's Incentive Compensation Plan (the Plan). This Plan was approved and adopted by the Company's shareholders in 2008.

The Company's Code of Business Conduct and Ethics provides that the Company reserves the right to and, if appropriate, will seek restitution of any bonus, commission or other compensation received as a result of an employee's intentional or knowing fraudulent or illegal conduct or misconduct, including the making of a material misrepresentation contained in the Company's financial statements. In addition, pursuant to the Company's participation in the TARP CPP, Senior Executive Officers (as defined in subsection 111(b)(3) of the Emergency Economic Stabilization Act of 2008, or EESA) executed amendments to their Change-in-Control Agreements that included additional details regarding situations in which the Company could recover any bonus or incentive compensation that was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria.

Each Senior Executive Officer signed an amendment to his or her employment arrangements that complies with the terms of the TARP CPP. These amendments (1) prohibited the Company from paying any Golden Parachute Payment during any CPP covered period beyond the amount allowed under the EESA, (2) subjected any bonus and incentive compensation paid during a CPP covered period to recovery or clawback if the payments were based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria (as noted above), and (3) noted that each compensation, bonus, incentive, change-in-control and other benefit plan was amended to the extent necessary to give effect to provisions (1) and (2).

The Committee has delegated to certain Executive Officers the authority to grant equity awards for recruiting and retention purposes up to specified limits.

Pay Mix and Total Compensation for Executive Officers

Annual vs. Long-Term Compensation. The Company intends to attract and retain talented executives with competitive salaries and annual cash incentive compensation opportunities that deliver market-appropriate awards based on annual performance, balanced by long-term equity-based incentive compensation awards that also provide market-competitive opportunities to deliver value commensurate with shareholder gains. The

Company employs a pay mix (i.e., proportions of base salary, annual cash incentive and long-term equity-based incentive compensation comprising Total Direct Compensation) that approximates that of its peers to be consistent with its pay philosophy and to maximize the Company's ability to attract, motivate and retain talented executives.

Long-term Equity-Based Incentive Compensation. The Company employs various long-term equity-based incentive compensation awards intended to align executives' awards with shareholders' interests. These awards include stock-settled stock appreciation rights (SARs), restricted stock and performance shares. The Company historically awarded incentive and non-qualified stock options. Beginning in 2004, the Company generally discontinued granting incentive and non-qualified stock options. All previously awarded incentive and non-qualified stock options outstanding are fully vested and exercisable.

For 2010, long-term equity-based incentive compensation awards for Named Executive Officers were granted in April in the form of restricted stock, in compliance with the TARP rules for compensation. Executive Officer awards issued to individuals not impacted by the TARP rules were first denominated in dollars, and generally granted in share-denominated amounts in the following manner:

Award Type	Proportion of long-term incentive value	Calculation of Awards
SARs	50%	Total award dollar value multiplied by 50% divided by stated 2010 SAR value of \$6.50 (see page 25 for a description of how the Company determines the compensation value of a SAR)
Performance Shares	25%	Total award dollar value multiplied by 25% divided by 30-day average beginning share price (i.e., for 30 trading days prior to the grant date) of \$13.76 for 2010
Restricted Stock	25%	Total award dollar value multiplied by 25% divided by \$14.80, the Company's closing stock price on April 20, 2010

The Company assigns a compensation value for SARs at the beginning of each calendar year, based on a number of factors including the calculated Black-Scholes value using the full ten-year term. This compensation value is not equal to the Black-Scholes value calculated for accounting purposes, in part due to use of the weighted average life for the accounting calculation.

The Company reviewed the mix of long-term equity-based incentive compensation awards for its Executive Officers in 2010 to ensure that it effectively supported the Company's objectives:

Align management and shareholders' interests

Motivate senior executives to optimize long-term shareholder value

Encourage stock ownership among senior executives

Enhance the Company's ability to retain key executives

Ensure the program design is consistent with our compensation philosophy and reflective of external market trends

With the exception of compensation for its Most Highly Compensated Executives under the TARP CPP regulations, the Committee maintained its historical mix of award types to evenly balance growth and full-value awards for 2010. The Committee believes that a substantial portion of the long-term equity-based incentive compensation opportunity should come from a growth-oriented incentive (i.e., SARs) that aligns executives' interests with those of the Company's shareholders. In addition, the Committee believes that full-value share awards (i.e., performance shares and restricted stock) are important to drive stronger retention value and enhanced ownership creation opportunities and should therefore also be granted in a meaningful amount (i.e., 25% each). Moreover, the Committee believes that awarding performance shares fulfills the objective of creating

a clear results orientation among participants. In addition, the two full-value award types complement each other. The Committee determined that these weightings were appropriate based on the Company's strategic objectives, compensation philosophy and competitive practice.

Cash vs. Non-Cash Compensation. The Company typically pays base salary and annual incentive compensation in cash. All of its long-term equity-based incentive compensation awards are paid in the form of shares of the Company's common stock. These guidelines are outlined in more detail in the Executive Ownership and Capital Accumulation section of this proxy statement.

During 2009, the Committee amended the compensation structure originally adopted in order to comply with the TARP standards for compensation. This structure was continued in 2010. Under this compensation structure, the Named Executive Officers were not eligible for the annual incentive compensation normally paid under the Variable Compensation Plan. The majority of any increases made to the base salaries for these executives were made in the form of phantom stock units payable solely in cash beginning on the earlier of June 15, 2011 or the executive's death and ending on June 15, 2013, creating a significant portion of total compensation directly aligned to the performance of the Company's stock and the interest of its shareholders.

Tally Sheet. The Company annually prepares a tally sheet of all compensation and potential payouts for the Committee's use when approving compensation matters. The Committee reviews all components of the Company's Chief Executive Officer, Chief Financial Officer and the other Named Executive Officers' compensation, including:

Base salary, including phantom stock units, as applicable

Annual cash incentive compensation

Long-term equity-based incentive compensation

Accumulated, realized and unrealized equity award gains

The dollar value to the executive and cost to the Company of all perquisites and other personal benefits

The earnings and accumulated payout obligations under the Company's nonqualified deferred compensation program

The projected payout obligations under the Company's supplemental executive retirement plan

Several potential termination scenarios, including change in control where applicable

In February 2010 and February 2011, the Committee reviewed tally sheets containing all the above components and the associated dollar amounts for projected 2010 and 2011 compensation and found that the figures were appropriate and reasonable. Also at that time, the Committee reviewed a sensitivity analysis of the relationship between each Named Executive Officer's 2010 and 2011 target Total Direct Compensation and the Company's performance (both stock price performance and financial results). The Committee was satisfied that the 2010 and 2011 compensation structures provide significant differentiation in the payouts for high versus low levels of both absolute and relative performance. This determination was made in part because the Chief Executive Officer, Chief Financial Officer and the other Named Executive Officers received no cash bonus in 2010 or 2011 for the 2009 and 2010 performance years, respectively. Additionally, the compensation restructuring under the TARP requirements for executive compensation significantly limited what these executives could earn in total compensation compared to the original targets and compensation structures approved by the Committee.

Final Determinations. The Committee considers several factors and objectives relevant to each specific program when determining compensation. The Committee also contemplates each award's impact on the Total Direct Compensation package.

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Total Direct Compensation is intended to target the median (i.e., 50th percentile) of the relevant market data, and actual compensation (both amount and mix) for executives varies based on their performance, prior

experience and other pertinent factors. In addition, for purposes of attracting and retaining key executives, the Committee may determine that an additional award, an above-median sign-on package and/or an incentive guarantee for a new hire, or a Total Direct Compensation package that is above market median is appropriate.

2010 Executive Compensation Awards & Decisions

TARP Compliance

In September 2009, the Committee approved a number of compensation changes that ensured the Company's compliance with the Department of the Treasury's compensation standards for TARP participants. These actions include the following:

Adoption of an Excessive and Luxury Expenditure Policy

Suspension of all gross-ups for Named Executive Officers and the next 20 most highly compensated executives

Completion of the risk rating of all employee incentive plans and the assessment of the risk mitigating factors of plans with potential significant incentive award opportunities

Modification of existing compensation structures for the Named Executive Officers and the next 20 most highly compensated employees who are not paid on a commission basis

Submission of a say-on-pay vote to our shareholders at the 2010 Annual Meeting

Our shareholders approved a non-binding advisory say-on-pay proposal at our 2010 Annual Meeting with over 92% of the shares voted voting in favor of that proposal.

The TARP standards also required that the risk assessment be completed at least every six months while the Company was a participant in the program. The Company has completed the separate risk assessments in accordance with the TARP requirements. The certification of the Company's compliance with this requirement is contained in the Compensation Committee Report. An outline of the process followed to comply with the TARP requirements and to complete the risk assessment is listed below:

Senior risk officers and members of the Company's compensation department developed the risk assessment process, which included a matrix by which incentive plans were risk rated based on the potential for loss, the variability of incentive compensation compared with non-incented earnings, incentive compensation limits and management's review in incentive decisions.

Senior risk officers reviewed employee incentive plans with potential significant incentive award opportunities that were implemented for the 2010 fiscal year and determined if those plans incented unnecessary and excessive risk taking.

Senior risk officers participated in the design of the 2010 incentive plans and had significant input into the design of these plans for the lines of business for which they have risk oversight responsibilities

Senior risk officers and the Company's compensation department participated in discussions with external consultants and public forums with other companies in the financial services industry to ensure the process followed for the Company's risk assessment was at least as rigorous and comprehensive as its peers

Risk Management officers from credit, market, compliance and operational risk disciplines conducted the assessment of the incentive plans with potential significant incentive award opportunities. Specifically, the assessment determined whether plans incented material/excessive risk taking or short term results over long term value. The assessment also considered the inclusion of risk modifiers, the appropriateness of incentive

metrics and the resulting impact to the Bank's exposure to risk. Risk Management officers developed a number of

recommendations for mitigating risk and further protecting the Company and its shareholders. These recommendations were reviewed by the Compensation Committee and implemented by the business units administering the plans for the 2010 year and beyond.

Pay for Performance

Target annual and long-term incentives before TARP-related compensation changes comprise the majority of Executive Officers' target Total Direct Compensation. The actual amounts awarded to Executive Officers under these incentive plans vary based on the performance of the Company. Their compensation is based on individual, division and Company performance. Company performance is evaluated from a variety of perspectives, including:

Absolute performance and performance relative to peers

Return measures including total shareholder return

Growth in core deposits, loans, fees, total revenue, net income and earnings per share

Efficiency ratio

Stock price growth and price/earnings ratio

Annual cash incentive compensation awards to Executive Officers are approved and funded on the basis of Company performance relative to specific targets set forth below in 2010 Variable Compensation Plan Performance Goals and is allocated to each participant based on individual and divisional performance. Long-term equity-based incentive compensation awards are allocated to each participant based on individual performance. Long-term equity-based incentive compensation awards granted in 2010 are earned, and derive value, based on shareholder return and stock price appreciation. Amounts realizable from prior compensation awards do not impact decisions relative to future awards or benefits because of the Company's belief that prior awards were made on a performance basis.

Each 2010 decision is described in detail below. To summarize, the Company awarded no base salary increases and no annual cash incentive awards to its Named Executive Officers during its annual review cycle in the first quarter. Base salary adjustments were made to selective Executive Officers in January, 2010 pursuant to promotions that occurred during 2009.

Long-term equity-based compensation awards were made and will only derive value in direct proportion to the Company's performance. These awards were provided only in the form of restricted stock for the Most Highly Compensated Executives, in accordance with the TARP Interim Rules for Executive Compensation and Corporate Governance.

2010 Base Salary

Based upon the CEO's recommendation and the approval of the Compensation Committee, Named Executive Officers did not receive annual base salary increases in 2010.

2010 Variable Compensation Plan

Plan Design. The Company refers to its annual cash incentive compensation program as the Variable Compensation Plan or the VCP. During meetings held in late 2009 and early 2010, the Committee engaged in numerous discussions about the VCP's objectives and the metrics and design that would best achieve those objectives.

The design of the VCP was comprised of the following three primary funding measures. The measures were weighted as illustrated below to reflect their relative importance to the Company:

1. Pre-tax, pre-provision core earnings vs. plan: 50% weight

2. Tier I Common Equity to Risk-Weighted Assets vs. plan: 25% weight

3. Efficiency Ratio relative to peers: 25% weight

In addition, the Committee agreed upon four additional measures relative to the overall financial stability of the Company that would be considered on a discretionary basis when determining the final funding of the VCP. These measures were available liquidity, net charge-offs (NCOs), non-performing assets (NPAs), and earnings per share. The financial plan approved by the Board of Directors included specific target levels for each of these measures which are shown below. Actual performance against these targets was considered, in addition to the three primary funding metrics listed above, to determine the available funding for all participants of the VCP.

Performance Goals. The pre-tax, pre-provision core earnings and Tangible Common Equity goals under the VCP were scaled to represent three levels of performance: threshold, target, and maximum. The Committee established the baseline pre-tax, pre-provision core earnings target for 2010 at \$2.61, and a Tier I Common Equity to Risk-Weighted Assets target of 6.3%. Linear interpolation is used to calculate funding levels between stated performance levels and actual performance between threshold and maximum performance levels for both measures. The Committee placed the target goal for relative efficiency ratio at the median of the Compensation Peer Group, reflecting the Company's philosophy to tie target pay to median (i.e., 50th percentile) performance. The threshold, target, and maximum performance levels and the Company's performance level (as calculated per the discussion set forth below in *Determination of Awards*) are outlined below.

Primary Performance Metric	Threshold Performance	Target Performance	Maximum Performance	Company Performance
Pre-tax, pre-provision core earnings	\$2.34	\$2.61	\$2.86	\$2.64
Tier I Common Equity to Risk-Weighted Assets	5.7%	6.3%	6.9%	7.50%
Efficiency Ratio	25 th percentile	Median	75 th percentile	60 th percentile
(i.e., 50 th percentile)				

As mentioned in the above Plan Design section, ranges for the four additional measures established in the financial plan approved by the Board of Directors are outlined below:

Performance Metric	Target Performance	Company Performance
Available Liquidity	\$10-20 billion	\$31.9 billion
Net Charge-Offs	2.75%	3.02%
Non-Performing Assets	4.1%	2.79%
Earnings Per Share	\$(0.23)	\$0.63

Determination of Awards. The funding calculation based on the primary performance metrics outlined in the table above produced a VCP pool equal to 141% of target. This funding level was achieved based on the Company's strong performance in the areas of pre-tax, pre-provision core earnings, Tier I Common Equity to Risk-Weighted Assets and Efficiency Ratio against the approved target levels. However, the Compensation Committee approved the CEO's recommendation that the pool be funded at a level lower than the calculated amount. The Committee approved funding at 130% of target in acknowledgment that the Company's performance on Net Charge-Offs exceeded the established target level.

Awards under this plan were made to eligible Section 16 Officers, affiliate leaders, line of business executives and other executives and managers who support specific business units or staff groups. **However, for 2010, no VCP awards were made to Named Executive Officers as a result of the Company's participation in the TARP CPP. Additionally, no VCP awards were made to certain Section 16 Officers and other senior**

executives who were the next twenty most highly compensated employees (following the Named Executive Officers), as determined by their 2009 total direct compensation and limited under the TARP rules for compensation.

2010 Long-term Equity-based Compensation Awards

Long-term equity-based incentive compensation awards for the Executive Officers are made to align the focus and rewards with the interests of the Company's shareholders and to facilitate share ownership among Executive Officers. Target awards are established based on market median compensation for each job, and the values awarded represent the reward opportunity that may be realized only with commensurate performance. Award levels are determined based on target pay levels, Company performance, and the individual performance of each Executive Officer, such as:

The Company's revenue and expense results

Division's revenue and expenses vs. budget

Internal and external customer service levels

Performance relative to the Company's strategic initiatives

Results related to specific individual responsibilities

The Chief Executive Officer recommends the award levels for the other Executive Officers and the Committee makes the final award determination for all Executive Officers. The award considerations are not based on a formula. Rather the Committee may choose to make the actual award higher or lower than the target award based on the factors described above. For 2010, the Committee made the actual awards at or below the target levels for these executives.

These grants provide incentive for the creation of shareholder value since the full benefit of the grant to each Executive Officer can only be realized with an appreciation in the price of the Company's common shares or through reasonable relative total shareholder return, depending on the type of award. The Company does not grant discounted stock options or SARs, re-price previously granted stock options or SARs, or grant reload stock options.

SARs for Executive Officers have been and will continue to be granted at the closing price of the Company's common stock on the date of grant, with a 10-year term and generally a 4-year graded vesting schedule. These award terms are consistent with the annual grant for all eligible employees at the Company. The Company assigns a compensation value for SARs at the beginning of each calendar year, based on a number of factors including the calculated Black-Scholes value using the full ten-year term. This compensation value is not equal to the Black-Scholes value calculated for accounting purposes, in part due to use of the weighted average life for the accounting calculation. The grant date is the date of the Compensation Committee's approval of the awards, which will typically be at a March or April Compensation Committee meeting or at the annual shareholder meeting in April. The grant dates for 2010 awards are detailed in the 2010 Grants of Plan-Based Awards table. The Company does not adjust the timing of its annual grant based on SEC filings or press releases. Rather, the annual grant date is established and communicated well in advance.

Performance shares are granted with goals set at the date of the award grant in terms of three-year total shareholder return relative to the Company's Compensation Peer Group. Total shareholder return was selected as the measure when the plan was introduced in 2004, and subsequently retained, because of its strong alignment with shareholder interests. The grants established varying payouts for increasing levels of relative total shareholder return, and aligned with the Company's philosophy of tying median pay to median performance with appropriate upside and downside leverage:

Performance Level	Payout
40th percentile (threshold)	50% of award

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50th percentile (target)	100% of award
90th percentile (maximum)	200% of award

Performance shares would be settled 50% in cash and 50% in the Company's common stock for grants made prior to 2010. Beginning in 2010, performance shares would be settled 100% in the Company's common stock to provide even greater alignment with shareholder value. The cash payout was intended to cover applicable taxes on the awards so the Executive Officer can retain the shares earned, however beginning with 2010 executives may satisfy applicable taxes through netting shares. The 3-year performance period for the fourth grant of performance shares (i.e., those granted in 2007) concluded on March 31, 2010 and the performance threshold was met; therefore, the awards were earned. The total shareholder return for subsequent awards made under this program (i.e., 2008, 2009 and 2010) is currently above the threshold level. Therefore, the 2008 award will be earned in April of 2011 if the total shareholder return for that grant remains at or above the threshold.

Restricted stock awards vest ratably on the first, second and third anniversaries of the grant date. These awards are full-value shares of stock that are eligible for dividend payments and receive voting rights during the restriction period. Restricted stock awards granted to Executive Officers subject to the TARP Standards for Executive Compensation were granted with a more limited vesting schedule, where shares vest 100% on the third anniversary of the grant date.

Executive Benefits & Perquisites

Summary of Eligibility for Benefits and Perquisites

The table below illustrates eligibility for benefits and perquisites. Yes indicates that some or all of the employees in the category receive the benefit; No indicates that employees in this category are generally not eligible to participate in the program. Additional details are provided about the programs in either the footnotes to this table or the sections that follow.

Benefits and Perquisites	Executive Officers	Officers (Vice Presidents and above)	Full-time Employees
Medical and dental insurance	Yes	Yes	Yes
Life and disability insurance	Yes	Yes	Yes
401(k) plan	Yes	Yes	Yes
Employee stock purchase plan	No	Yes	Yes
Deferred compensation plan	Yes	Yes	No