

*Fifth Third Bancorp*

*Fifth Third Bank*

# Resolution Plan Public Summary

*December 31, 2015*

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## **Introduction**

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Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and the related rule (the “Title I Rule”) require each bank holding company with consolidated assets in excess of \$50 billion to periodically submit to the Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation (the “FDIC”) a plan (“resolution plan”) for that company’s rapid and orderly resolution in the event of material financial distress or failure. Fifth Third Bancorp is a bank holding company registered with the Federal Reserve with consolidated assets in excess of \$50 billion. Therefore, Fifth Third Bancorp is required to submit a resolution plan under the Dodd-Frank Act and the Title I Rule.

In addition, to ensure that depositors receive prompt access to their insured deposits in the event of an insured depository institution’s (an “IDI”) failure and to enable the FDIC to perform its resolution functions most efficiently, the FDIC has adopted a separate rule (the “IDI Rule”) requiring each IDI with \$50 billion or more in total assets to periodically submit a resolution plan to the FDIC. Fifth Third Bank has \$50 billion or more in total assets and is consequently a covered insured depository institution (“CIDI”) under the IDI Rule. Fifth Third Bank is therefore required to submit a resolution plan under the IDI Rule. A bank holding company with less than \$100 billion in nonbank assets and where the IDI subsidiaries comprise at least 85 percent of total consolidated assets may file a “Tailored” resolution plan focused on nonbank operations. Fifth Third Bancorp has applied for and was approved to file a “Tailored Plan” as permitted under Section 165(d). This Public Section is part of both the resolution plan for Fifth Third Bancorp and the resolution plan for Fifth Third Bank, which together are referred to herein as the “Resolution Plan.”

In the unlikely event of material financial distress or failure, the Resolution Plan provides for the resolution, under the Bankruptcy Code and other applicable insolvency regimes, of Fifth Third Bancorp and its material entities, in a rapid and orderly way, without posing systemic risk to the larger financial system and without the need for any government or taxpayer support.

In conformance with the rules and guidance provided by the Federal Reserve and the FDIC, the Resolution Plan assumes an idiosyncratic material financial event that affects Fifth Third Bancorp under economic conditions consistent with the severely adverse scenario provided by the Federal Reserve and published on October 23, 2014.

Unless otherwise indicated, information in this Public Summary is provided as of December 31, 2014. As part of the third year update, Fifth Third has addressed the questions received from regulatory reviews. There were no material changes to the organization year over year.

Additionally, as part of the requirements for the third submission, adverse and baseline scenarios have been assessed. The Bank believes that while DFAST scenarios do not align with the assumptions that would lead to the Bank’s failure, some insight can be gleaned by evaluating the potential impact that the Severely Adverse scenario would have on the Bank, the potential buyer universe, and pricing and/or resolution method.

### **The Company**

Fifth Third Bancorp (collectively with all subsidiaries, “Fifth Third”) is a diversified financial services company headquartered in Cincinnati, Ohio. At December 31, 2014, Fifth Third had \$139 billion in assets, with 1,302 full-service banking centers and 2,638 ATMs in 12 states throughout the Midwestern and Southeastern regions of the United States. Fifth Third reports on four business segments: Commercial Banking, Branch Banking, Consumer Lending and Investment Advisors.

### **Resolution Planning and Resolvability**

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Fifth Third has a simple structure, with over 98 percent of its assets residing in Fifth Third Bank. Additionally, Fifth Third Bank has a very traditional commercial and retail banking operating model. This

operating model and organization structure has the following characteristics that the Company believes are supportive of resolvability:

- The vast majority of the Company's revenues and assets are held in the Bank.
- The Company has four core business lines which primarily engage in traditional banking activities.
- The Bank owns all key facilities utilized by the core business lines and corporate shared services.
- The Company's operations and employees are primarily located in the United States and the vast majority of revenues, profits, assets and liabilities are related to the Company's domestic operations.
- The Company's overall risk management strategy incorporates the use of derivative instruments to reduce certain risks related to interest rate volatility. The company does not enter into unhedged speculative derivative positions.

While the Company believes that its Resolution Plan provides strategies for its rapid and orderly resolution, the Company continues to seek opportunities to enhance current processes and reporting capabilities, as well as to mitigate any impediments. When it is determined that changes are necessary, owners are assigned to review and provide appropriate updates. Responsible parties provide status updates until completed.

The Company continues to evaluate actions that would improve its ability to be resolved under the Bankruptcy Code, the FDIA and other applicable resolution regimes, including the following:

- **Governance Processes and Policies.** The Company has adopted governance processes and policies that have the effect of making the Company more resolvable. The Resolution Plan was updated by dedicated personnel and a project team consisting of representatives from the LOBs and functional areas. This core group regularly met with a Resolution Planning Council throughout the process. The draft versions and updated Resolution Plan were reviewed and approved by the various management governance committees, including the sponsors, Capital Committee, and Enterprise Risk Management Committee. The Risk & Compliance Committee of the Board of Directors and the full Board of Directors were updated on the progress of the Resolution Plan throughout the year, previewed a draft of the Resolution Plan, and approved the final version.
- **Legal entity organizational structure simplification.** Through the legal entity analysis there were opportunities identified that are being assessed to determine impact and execution strategies. The analysis was conducted by a cross-functional group including representatives from Finance, Tax, Legal, LOBs, and functional areas. While there were no changes to legal entities in 2014, the organization continues to evaluate opportunities for efficiency and simplification of the organization.

The Company is committed to resolution planning as a fundamental component of its corporate governance process and recognizes the value of resolution planning to support the financial stability of the U.S. In the unlikely event of material financial distress or failure, the Company believes that it is prepared for resolution. The Company will continue to take appropriate steps to improve resolvability and identify opportunities or impediments that may arise and implement changes as needed.

## **Summary of Resolution Plan**

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### **A. The Names of Material Entities**

For purposes of resolution planning, Fifth Third has identified three “material entities” under the Title I and IDI Rules. A material entity under the Title I Rule is any subsidiary that is significant to the activities of a critical operation or core business line (as defined below) of a covered company. A material entity under the IDI Rule is a company that is significant to the activities of a critical service (“CS”) or core business line (“CBL”) (as defined below) of a CIDI. The Resolution Plan addresses strategies that could be useful in ensuring the orderly resolution of each material entity in the event of material financial distress or failure. The material entities are:

- Fifth Third Bancorp (“Bancorp”) is a bank holding company under the Bank Holding Company Act, as amended. Bancorp is incorporated in Cincinnati, Ohio and publicly traded on the NASDAQ under the ticker symbol FITB. Bancorp does not conduct any business or operational activities, but rather its primary purpose is to hold the stock of Fifth Third Financial Corporation and to supervise and coordinate the activities of its subsidiaries, including assisting in the management of funding by accessing the capital markets to issue debt and equity. It is the “covered company” under the Title I Rule.
- Fifth Third Financial Corporation (“Financial Corp.”) is an intermediate bank holding company 100 percent owned by Bancorp. Financial Corp. is organized and headquartered in Cincinnati, Ohio, but it has no operating lines of business. Financial Corp.’s primary purpose is to hold the stock of various separate legal entities.
- Fifth Third Bank (the “Bank”) is a regulated banking entity and an FDIC IDI that is 100 percent owned by Financial Corp. and headquartered in Cincinnati, Ohio. The Bank provides various banking services to its retail and commercial customers. These services include retail banking, consumer and commercial lending, and deposit gathering. As of December 31, 2014, the Bank had \$139 million in assets and operated 15 affiliates with 1,302 full-service Banking Centers, including 101 Bank Mart® locations, most open seven days a week, inside select grocery stores and 2,638 ATMs in Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Pennsylvania, Missouri, Georgia, and North Carolina. All of the core business lines, which include Commercial Banking, Branch Banking, Consumer Lending, and Investment Advisors, provide and record all material activities within the Bank.

### **Interconnectedness**

Interconnectedness is a key consideration in evaluating the strategies and potential impediments to effective and efficient resolution of the Bank. Financial interconnectedness primarily arises due to funding and liquidity structures, and guarantees. Operational interconnectedness arises primarily between CBLs utilizing common/shared personnel, facilities, systems, intellectual property, and shared services. External interconnectedness exists with third parties who provide key services and functions to the Bank. Key instances of interconnectedness between the Bank and other Fifth Third entities are described below.

Financial interconnectedness at the Bank primarily arises due to guarantees, and contractual arrangements. No critical points of interconnectedness exist with respect to funding and liquidity, as the primary source of funding for the Bank is deposits. Although the Bank provides guarantees on behalf of its subsidiaries, these financial relationships are within the Bank subsidiary structure and do not raise interconnectedness for the purposes of the Resolution Plan. Substantially all CBL activity is recorded in the Bank.

Operational interconnectedness arises primarily due to the CBLs utilizing shared personnel, facilities, systems, intellectual property, and services provided by affiliate entities. The Bank employs virtually all of the key employees identified across the CBLs and CS. The Bank owns all key facilities utilized by the CBLs and corporate shared services. All of the systems utilized by the Bank are owned or licensed by the Bank. Consequently, while operational interconnectedness does exist within the Fifth Third organization, the relationships are all in favor of the Bank, as it does not need to rely on other non-bank entities for support to maintain its operations.

Consistent with the financial and operational interconnections, the external interconnections are also all primarily in favor of the Bank. The Bank contracts with most OSPs on which it depends on services to perform its activities.

## B. Description of Core Business Lines

For purposes of resolution planning, core business lines are those business lines of the covered entities, including associated operations, services, functions and support that upon failure would result in a material loss of revenue, profit or franchise value to the organization. Fifth Third has identified four core business lines under the Title I and IDI Rules, which correspond to the four business segments across which Fifth Third reports its activities as summarized below.

**Figure B-1: Core Business Lines**

<b>Core Business Line</b>	<b>Description</b>
<b>Commercial Banking</b>	Commercial Banking offers traditional and syndicated lending, cash management and financial services to large and middle-market businesses as well as to government and other professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance. Commercial Banking builds relationships with business, government and professional customers through customized financial solutions, providing banking, working capital, and financial services to middle-market, mid-corporate, and large organizations.
<b>Branch Banking</b>	Branch Banking provides a full range of deposit and loan and lease products to individuals and small businesses through 1,302 full-service banking centers. Branch Banking offers depository and loan products, such as checking and savings accounts, home equity loans and lines of credit, credit cards and loans for automobiles and other personal financing needs, as well as products designed to meet the specific needs of small businesses, including cash management services. The branch locations also provide customer service for existing accounts, such as deposits and withdrawals, and address customer questions and concerns. Consumers also have access to their accounts through internet banking, ATMs, mobile devices and customer sales and service telephone support.
<b>Consumer Lending</b>	Consumer Lending includes mortgage, home equity, automobile, and other indirect lending activities. Mortgage lending activities include the origination, retention and servicing of mortgage loans, and the sales and securitization of those loans, pools of loans and all associated hedging activities. The mortgage business originates in 45 states through three channels: retail; correspondent; and direct sales. The retail channel, primarily provided through the banking centers, is supported by over 449 mortgage loan officers (“MLO”). The correspondent channel is executed through correspondent bank relationships. The third channel, direct sales, consists of a team of originators that support both the internet channel and direct mail solicitations. Indirect auto lending activity includes the origination, sale and marketing of automobile loans through relationships with dealerships across the U.S.
<b>Investment Advisors</b>	Investment Advisors provides a full range of investment alternatives for individuals, companies and not-for-profit organizations. Investment Advisors

	is made up of four main businesses: Fifth Third Securities (FTS); ClearArc Capital, Inc. (formerly Fifth Third Asset Management, Inc.); Fifth Third Private Bank; and Fifth Third Institutional Services. FTS offers full service retail brokerage services to individual clients and broker dealer services to the institutional marketplace. ClearArc Capital, Inc. provides asset management services and previously advised Bancorp's proprietary family of mutual funds. Fifth Third Private Bank offers holistic strategies to affluent clients in wealth planning, investing, insurance and wealth protection. Fifth Third Institutional Services provides advisory services for institutional clients including states and municipalities.
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**C. Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding**

**Sources**

For detailed financial information with respect to Fifth Third, please refer to the annual, quarterly and current reports filed with the Securities and Exchange Commission (the "SEC") and available on the SEC's website at [www.sec.gov](http://www.sec.gov), including the Annual Report on Form 10-K for the year ended December 31, 2014.

**Figure C-1: Consolidated Balance Sheets for Fifth Third Bancorp (Audited)**

(in Millions)	<b>December 31, 2014</b>	<b>December 31, 2013</b>
<b>Assets</b>		
Cash and due from banks	\$ 3,091	\$ 3,178
Available-for-sale and other securities	22,408	18,597
Held-to-maturity securities	187	208
Trading securities	360	343
Other short-term investments	7,914	5,116
Loans held for sale	1,261	944
Portfolio loans and leases:		
Commercial and industrial loans	40,765	39,316
Commercial mortgage loans	7,399	8,066
Commercial construction loans	2,069	1,039
Commercial leases	3,720	3,625
Residential mortgage loans	12,389	12,680
Home equity	8,886	9,246
Automobile loans	12,037	11,984
Credit card	2,401	2,294
Other consumer loans and leases	418	364
Portfolio loans and leases	90,084	88,614
Allowance for loan and lease losses	(1,322)	(1,582)
Portfolio loans and leases, net	88,762	87,032
Bank premises and equipment	2,465	2,531
Operating lease equipment	728	730
Goodwill	2,416	2,416
Intangible assets	15	19
Servicing rights	858	971
Other assets	8,241	8,358
<b>Total assets</b>	<b>\$ 138,706</b>	<b>\$ 130,443</b>
<b>Liabilities</b>		
Deposits:		
Demand	\$ 34,809	\$ 32,634
Interest Checking	26,800	25,875
Savings	15,051	17,045
Money market	17,083	11,644
Other time	3,960	3,530
Certificates- \$100,000 and over	2,895	6,571
Foreign office and other	1,114	1,976
Total deposits	101,712	99,275
Federal funds purchased	144	284
Other short-term borrowings	1,556	1,380
Accrued taxes, interest and expenses	2,020	1,758
Other liabilities	2,642	3,487
Long-term debt	14,967	9,633
<b>Total liabilities</b>	<b>\$ 123,041</b>	<b>\$ 115,817</b>
Total shareholders' equity	15,626	14,589
Noncontrolling interests	39	37
<b>Total liabilities and equity</b>	<b>\$ 138,706</b>	<b>\$ 130,443</b>



## Capital

Management regularly reviews the capital levels of Fifth Third to help ensure they are appropriately positioned under various operating environments. Fifth Third's Capital Committee is responsible for all capital-related decisions. The Capital Committee makes recommendations to management involving capital actions. These recommendations are reviewed and approved by the Enterprise Risk Management Committee. Capital is generated primarily through the retention of earnings (net of dividends). The objective is to maintain capital at an amount commensurate with Fifth Third's risk profile and risk tolerance objectives and to meet both regulatory and market expectations.

The Board of Governors of the Federal Reserve System issued capital adequacy guidelines pursuant to which it assesses the adequacy of capital in examining and supervising a bank holding company and in analyzing applications to it under the Bank Holding Company Act of 1956, as amended. These guidelines include quantitative measures that assign risk weightings to assets and off-balance sheet items, as well as define and set minimum regulatory capital requirements. All bank holding companies currently are required to maintain Tier I capital (core capital) of at least four percent of risk-weighted assets (Tier I capital ratio), total capital (Tier I plus Tier II capital) of at least eight percent of risk-weighted assets (Total risk-based capital ratio), and Tier I capital of at least three percent of adjusted quarterly average assets (Tier I leverage ratio). Failure to meet the minimum capital requirements can initiate certain actions by regulators that could have a direct material effect on the Consolidated Financial Statements of Fifth Third.

Fifth Third's Capital Committee contemplates a wide range of risks that Fifth Third is exposed to and takes into consideration potential performance under a variety of stressed economic conditions, as well as regulatory expectations and guidance, rating agency viewpoints and the view of capital markets participants.

The following table provides information regarding the consolidated capital ratios for Bancorp and the Bank:

**Figure C-2: Capital Ratios**

<b>Capital Ratios- Basel I</b>	<b>Year ended December 31, 2014</b>	
	<b>Fifth Third Bancorp</b>	<b>Fifth Third Bank</b>
Tier 1 risk-based capital	10.83%	11.85%
Total risk-based capital	14.33%	13.10%
Tier 1 leverage	9.66%	10.58%

The following tables provide information regarding Fifth Third Bancorp's Tier 1 common equity calculations under Basel I and as estimated under Basel III, respectively.

**Figure C-3: Tier 1 Common Equity under Basel I**

	<b>December 31, 2014</b> <b>(in millions)</b>	<b>December 31, 2013</b> <b>(in millions)</b>
Total Bancorp shareholders' equity (U.S. GAAP)	\$ 15,626	\$ 14,589
Less: Goodwill and certain other intangibles	(2,476)	(2,492)
Accumulated other comprehensive income	(429)	(82)
Add: Qualifying TruPs	60	60
Other	(17)	19
Tier I risk-based capital	12,764	12,094
Less: Preferred stock	(1,331)	(1,034)
Qualifying TruPs	(60)	(60)
Qualified noncontrolling interests in consolidated subsidiaries	(1)	(37)
Tier I common equity	<u>\$ 11,372</u>	<u>\$ 10,963</u>
Risk-weighted assets	\$ 117,878	\$ 115,969
Tier I common equity	9.65%	9.45%

**Figure C-4: Tier 1 Common Equity under Basel III (Estimated)**

	<b>December 31, 2014</b> <b>(in millions)</b>
Tier I common equity (Basel I)	\$ 11,372
Add: Adjustment related to capital components	84
Estimated Tier I common equity under final Basel III rules without AOCI (opt out) (1)	\$ 11,456
Add: Adjustment related to AOCI	429
Estimated Tier I common equity under final Basel III rules with AOCI (non opt out) (2)	\$ 11,885
Estimated risk-weighted assets under final Basel III rules (3)	122,018
Estimated Tier I common equity ratio under final Basel III rules (opt out) (1)/(3)	9.39%
Estimated Tier I common equity ratio under final Basel III rules (non opt out) (2)/(3)	9.74%
	<b>December 31, 2013</b> <b>(in millions)</b>
Tier I common equity (Basel I)	\$ 10,963
Add: Adjustment related to capital components	82
Estimated Tier I common equity under final Basel III rules without AOCI (opt out) (1)	\$ 11,045
Add: Adjustment related to AOCI	82
Estimated Tier I common equity under final Basel III rules with AOCI (non opt out) (2)	\$ 11,127
Estimated risk-weighted assets under final Basel III rules (3)	122,851
Estimated Tier I common equity ratio under final Basel III rules (opt out) (1)/(3)	8.99%
Estimated Tier I common equity ratio under final Basel III rules (non opt out) (2)/(3)	9.06%

### **Capital Planning and Stress Testing**

Under the FRB's capital plan rule, large BHCs are required to submit capital plans annually for review to determine if the FRB has any objections before making any capital distributions. The FRB assesses the overall financial condition, risk profile, and capital adequacy of BHCs while considering both quantitative and qualitative factors when evaluating capital plans.

On March 11, 2015, the FRB notified Fifth Third that it did not object to the capital plan included in the 2015 Comprehensive Capital Analysis and Review submission.

## **Funding**

The objective of effective liquidity management is to ensure that Fifth Third can meet customer loan requests, customer deposit maturities, withdrawals and other cash commitments efficiently under both normal operating conditions and under unpredictable circumstances of industry or market stress. To achieve this objective, Fifth Third's Executive Asset Liability Management Committee establishes and monitors liquidity guidelines that require sufficient asset-based liquidity to cover potential funding requirements and to avoid over-dependence on volatile, less reliable funding markets. Fifth Third sets these guidelines for both the consolidated balance sheet and for Bancorp on a stand-alone basis to ensure that it can serve as a source of strength for the Bank.

Fifth Third's primary sources of funds relate to cash flows from loan and lease repayments, payments from securities related to sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of public and private debt offerings.

Asset-driven liquidity is provided by Fifth Third's ability to sell or securitize loan and lease assets. In order to reduce the exposure to interest rate fluctuations and to manage liquidity, Fifth Third has developed securitization and sale procedures for several types of interest-sensitive assets. A majority of the long-term, fixed-rate single-family residential mortgage loans underwritten according to Federal Home Loan Mortgage Corporation or Federal National Mortgage Association guidelines are sold for cash upon origination. Additional assets such as residential mortgages, certain commercial loans, home equity loans, automobile loans and other consumer loans are also capable of being securitized or sold.

Core deposits have historically provided Fifth Third with a sizeable source of relatively stable and low cost funds. Fifth Third's average core deposits and shareholders' equity funded 82 percent of its average total assets during both 2014 and 2013. In addition to core deposit funding, Fifth Third also accesses a variety of other short-term and long-term funding sources, which include the use of the Federal Home Loan Bank system. Certificates of deposit carrying a balance of \$100,000 or more and deposits in Fifth Third's foreign branch located in the Cayman Islands are wholesale funding tools utilized to fund asset growth. Management does not rely on any one source of liquidity and manages availability in response to changing balance sheet needs.

As of December 31, 2014, \$3.0 billion of debt or other securities were available for issuance under the current Bancorp's Board of Directors' authorizations and the Bancorp is authorized to file any necessary registration statements with the SEC to permit ready access to the public securities markets; however, access to these markets may depend on market conditions. Additionally, the Bancorp has approximately \$41.7 billion of borrowing capacity available through secured borrowing sources including the Federal Home Loan Bank and the Federal Reserve Bank ("the Federal Reserve"). In 2013, the Bancorp's banking subsidiary updated and amended its existing global bank note program to increase the capacity from \$20 billion to \$25 billion. On April 25, 2014, the Bank issued and sold \$1.5 billion in aggregate principal amount of unsecured senior bank notes. On September 5, 2014, the Bank issued and sold \$850 million of unsecured senior fixed-rate bank notes. The Bancorp has \$19.1 billion of funding available for issuance under the global bank note program as of December 31, 2014.

## **D. Description of Derivative and Hedging Activities**

Fifth Third maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate, prepayment and foreign currency volatility. Additionally, Fifth Third holds derivative instruments for the benefit of its commercial customers and for other business purposes. Fifth Third does not enter into unhedged speculative derivative positions.

Fifth Third's interest rate risk management strategy involves modifying the repricing characteristics of certain financial instruments so that changes in interest rates do not adversely affect Fifth Third's net interest margin

and cash flows. Derivative instruments that Fifth Third may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, options and swaptions. Interest rate swap contracts are exchanges of interest payments, such as fixed-rate payments for floating-rate payments, based on a stated notional amount and maturity date. Interest rate floors protect against declining rates, while interest rate caps protect against rising interest rates. Forward contracts are contracts in which the buyer agrees to purchase, and the seller agrees to make delivery of, a specific financial instrument at a predetermined price or yield. Options provide the purchaser with the right, but not the obligation, to purchase or sell a contracted item during a specified period at an agreed upon price. Swaptions are financial instruments granting the owner the right, but not the obligation, to enter into or cancel a swap.

Fifth Third also enters into derivative contracts (including foreign exchange contracts, commodity contracts and interest rate contracts) for the benefit of commercial customers and other business purposes. Fifth Third may economically hedge significant exposures related to these free-standing derivatives by entering into offsetting third-party contracts with approved, reputable counterparties with substantially matching terms and currencies. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. Fifth Third's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. Credit risk is minimized through credit approvals, limits, counterparty collateral and monitoring procedures.

Fifth Third holds certain derivative instruments that qualify for hedge accounting treatment and are designated as either fair value hedges or cash flow hedges. Derivative instruments that do not qualify for hedge accounting treatment, or for which hedge accounting is not established, are held as free-standing derivatives. All customer accommodation derivatives are held as free-standing derivatives.

The following table presents the total notional or contractual amounts and fair values for Fifth Third's derivatives. Derivative transactions can be measured in terms of the notional amount, but this amount is not, when viewed in isolation, a meaningful measure of the risk profile of the instruments. The notional amount is generally not exchanged, but is used only as the basis on which interest and other payments are determined. Derivatives designated as qualifying hedge contracts and free-standing derivatives are recorded on the balance sheet at fair value in other assets or other liabilities. Customer accommodation, trading and other free-standing derivatives are recorded on the balance sheet at fair value in trading assets, other assets or other liabilities.

**Figure D-1: Derivative Assets and Liabilities**

	December 31, 2014			December 31, 2013		
	Fair Value			Fair Value		
	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities
<b>(\$ in millions)</b>						
<b>Qualifying hedging instruments</b>						
Fair value hedges:						
Interest rate swaps related to long-term debt	\$ 2,205	399	-	\$ 3,205	292	13
Total fair value hedges		399	-		292	13
Cash flow hedges:						
Interest rate swaps related to C&I loans	3,150	36	-	2,200	40	21
Total cash flow hedges		36	-		40	21
Total derivatives designated as qualifying hedging instruments		435	-		332	34
<b>Derivatives not designated as qualifying hedging instruments</b>						
Free Standing derivatives- risk management and other business purposes:						
Interest rate contracts related to MSRs	4,487	181	-	4,092	141	14
Forward contracts related to held for sale mortgage loans	999	-	6	1,448	13	1
Stock warrants associated with Vantiv Holding, LLC	691	415	-	664	384	-
Swap associated with the sale of Visa, Inc. Class B shares	1,092	-	49	947	-	48
Total free standing derivatives- risk management and other business purposes		596	55		538	63
Free standing derivatives- customer accommodation:						
Interest rate contracts for customers	29,558	272	278	28,112	329	339
Interest rate lock commitments	613	12	-	924	12	1
Commodity contracts	3,558	348	338	3,300	66	65
Foreign exchange contracts	16,745	417	372	19,688	276	252
Total free-standing derivatives- customer accommodation		1,049	988		683	657
Total derivatives not designated as qualifying hedging instruments		1,645	1,043		1,221	720
<b>Total</b>		<b>2,080</b>	<b>1,043</b>		<b>1,553</b>	<b>754</b>

  

	December 31, 2013			December 31, 2012		
	Fair Value			Fair Value		
	Notional Amount	Derivative Assets	Derivative Liabilities	Notional Amount	Derivative Assets	Derivative Liabilities
<b>(\$ in millions)</b>						
<b>Qualifying hedging instruments</b>						
Fair value hedges:						
Interest rate swaps related to long-term debt	\$ 3,205	292	13	2,800	558	-
Total fair value hedges		292	13		558	-
Cash flow hedges:						
Interest rate floors related to C&I loans		-	-	1,500	22	-
Interest rate swaps related to C&I loans	2,200	40	21	1,000	60	-
Interest rate caps related to long-term debt		-	-	500	-	-
Interest rate swaps related to long-term debt		-	-	250	-	1
Total cash flow hedges		40	21		82	1
Total derivatives designated as qualifying hedging instruments		332	34		640	1
<b>Derivatives not designated as qualifying hedging instruments</b>						
Free Standing derivatives- risk management and other business purposes:						
Interest rate contracts related to MSRs	4,092	141	14	10,177	219	-
Forward contracts related to held for sale mortgage loans	1,448	13	1	5,322	2	14
Stock warrants associated with Vantiv Holding, LLC	664	384	-	416	177	-
Swap associated with the sale of Visa, Inc. Class B shares	947	-	48	644	-	33
Total free standing derivatives- risk management and other business purposes		538	63		398	47
Free standing derivatives- customer accommodation:						
Interest rate contracts for customers	28,112	329	339	27,354	586	602
Interest rate lock commitments	924	12	1	4,894	60	-
Commodity contracts	3,300	66	65	3,084	87	82
Foreign exchange contracts	19,688	276	252	17,297	201	183
Derivative instruments related to equity linked CDs		-	-	5	-	-
Total free-standing derivatives- customer accommodation		683	657		934	867
Total derivatives not designated as qualifying hedging instruments		1,221	720		1,332	914
<b>Total</b>		<b>1,553</b>	<b>754</b>		<b>1,972</b>	<b>915</b>

## E. Memberships in Material Payment, Clearing, and Settlement Systems

During 2014, Fifth Third engaged in cash and securities transactions across six different payment, clearing and settlement systems. Examples of these networks, including all material networks, are described in the following table.

**Figure E-1: Material Networks**

Network	Description
Fedwire Funds Service	Fedwire is a Real Time Gross Settlement System (RTGS) operated by the United States Federal Reserve Banks that enables financial institutions to electronically transfer funds between its participants. Payments are continuously settled on an individual, order-by-order basis without netting.
Clearing House Interbank Payment Systems (CHIPS)	CHIPS is a US payments system operated by the Clearing House Payments Company. CHIPS is a US-dollar transfer system that clears and settles cross-border and domestic US-dollar payments for its participating banks.
The Small Value Payments Company. LLC (SVPCO)	SVPCO is a Check Image Exchange business operated by the Clearing House Payments Company (The Clearing House) providing financial institutions with check images. SVPCO is an industry utility that connects financial institutions providing the ability for the institutions to exchange check images through SVPCO's Image Payments Network.
Society for Worldwide Interbank Financial Telecommunications (SWIFT)	SWIFT provides a network that enables financial institutions worldwide to send and receive information between financial institutions and corporations about financial transactions in a secure, standardized and reliable environment. SWIFT is a member-owned cooperative through which the financial world exchanges millions of standardized financial messages every day.
Depository Trust Co. (DTC)	DTC is a central depository for security handling and income payments; provides clearing and settlement efficiencies by immobilizing securities and making "book-entry" changes to ownership of the securities. DTC provides securities movements for National Securities Clearing Corporation's ("NSCC") net settlements, and settlement for institutional trades (which typically involve money and securities transfers between custodian banks and broker/dealers), as well as money market instruments.
Automated Clearing House (ACH)	The ACH system is the primary electronic funds transfer (EFT) system used by agencies to make payments, and is managed by the Financial Management Service, a Bureau of the United States Department of the Treasury. The ACH system exchanges batched debit and credit payments among business, consumer and government accounts. The system processes pre-authorized recurring payments and non-recurring payments.

## F. Description of Foreign Operations

While Fifth Third does maintain foreign operations, Fifth Third's operations and employees primarily are located in the United States. As a result, the vast majority of revenues, profits, assets, and liabilities are related to Fifth Third's domestic operations. Entities outside of the United States include Hong Kong (Fifth Third

Trade Services Limited), Turks and Caicos Islands (Fountain Square Life Reinsurance Company, Ltd. and Fifth Third Reinsurance Company, Ltd.), and Mauritius (Fifth Third Mauritius Holdings Limited).

The Bank also has foreign branches in Canada and the Cayman Islands. The Canada branch is located in Toronto, Ontario, in order to serve Canadian subsidiaries of the Bank's U.S. commercial customers. The branch offers comprehensive corporate banking products and services to Canadian, U.S. and international clients with operations in both Canada and the United States. The Cayman Islands branch is used to facilitate Euro dollar trading. Activity in the foreign branches is immaterial. Less than 1 percent of Fifth Third's employees are located outside of the United States.

## **G. Material Supervisory Authorities**

Bancorp and/or the Bank are subject to regulation and supervision primarily by the Federal Reserve, the Consumer Financial Protection Bureau (the "CFPB") and the Ohio Division of Financial Institutions ("ODFI") and additionally by certain other functional regulators and self-regulatory organizations. Fifth Third is also subject to regulation by the SEC by virtue of its status as a public company and due to the nature of some of its businesses. The Bank is subject to regulation by the FDIC, which insures the bank's deposits as permitted by law.

The federal and state laws and regulations that are applicable to banks and to some extent bank holding companies regulate, among other matters, the scope of their business, their activities, their investments, their reserves against deposits, the timing of the availability of deposited funds, the amount of loans to individual and related borrowers and the nature, amount of and collateral for certain loans, and the amount of interest that may be charged on loans. Various federal and state consumer laws and regulations also affect the services provided to consumers.

Bancorp and/or its subsidiaries are required to file various reports with, and are subject to examination by regulators, including the Federal Reserve. The Federal Reserve, ODFI, and the CFPB have the authority to issue orders to bank holding companies and/or banks to cease and desist from certain banking practices and violations of conditions imposed by, or violations of agreements with, the Federal Reserve, ODFI and the CFPB. Certain of Bancorp's and/or the Bank's regulators are also empowered to assess civil money penalties against companies or individuals in certain situations, such as when there is a violation of a law or regulation. Applicable state and federal law also grant certain regulators the authority to impose additional requirements and restrictions on the activities of Bancorp and or the Bank and, in some situations, the imposition of such additional requirements and restrictions will not be publicly available information.

## **H. Principal Officers**

Below is a list of the principal officers for Bancorp, Financial Corp, and the Bank as appointed by the respective Boards of Directors, effective November 2015:

<b>Principal Officers</b>	<b>Positions and Offices</b>
Greg D. Carmichael	President and Chief Executive Officer
Lars C. Anderson	Executive Vice President, Chief Operating Officer
Frank R. Forrest	Executive Vice President, Chief Risk Officer
Tayfun Tuzun	Executive Vice President, Chief Financial Officer
Timothy Spence	Executive Vice President, Chief Strategy Officer
Robert A. Sullivan	Executive Vice President

Chad M. Borton	Executive Vice President, Head of Consumer Bank
Gregory L. Kosch	Executive Vice President, Commercial Banking
Phillip R. McHugh	Executive Vice President, Head of Investment Advisors
Robert Shaffer	Executive Vice President, Chief Auditor
Joseph R. Robinson	Executive Vice President, Chief Operations and Technology Officer
Teresa J. Tanner	Executive Vice President, Chief Administrative Officer
Heather Russell Koenig	Executive Vice President, Chief Legal Officer and Board Secretary
Mark D. Hazel	Senior Vice President, Controller
James C. Leonard	Executive Vice President, Treasurer

## **I. Resolution Planning Corporate Governance Structure and Processes**

Fifth Third has developed a strong governance framework with respect to its resolution planning obligations under the Title I and IDI Rules. This framework has been informed by its resolution planning experience since the adoption of the Dodd-Frank Act. A resolution planning policy, adopted by the Board of Directors of the Bank, memorializes this governance framework.

Key participants in the resolution governance structure and processes include the Board of Directors of each of Bancorp, Financial Corp, and the Bank, committees of the Boards of Directors of Bancorp and the Bank, Fifth Third's senior leadership and all relevant support groups, risk groups, and lines of business. Each of these groups has been appropriately engaged in the preparation of the Fifth Third's Resolution Plan.

Fifth Third has dedicated significant resources and effort to its resolution planning responsibilities. This effort commenced shortly after the adoption of the Dodd-Frank Act, and Fifth Third has dedicated resources involved in resolution planning. These dedicated resources have oversight from senior leaders from Business Planning and Analysis, Treasury, Information Technology, Enterprise Risk Management, Corporate Development, and Legal. Fifth Third's Internal Audit has been engaged throughout the process to provide ongoing monitoring. Quarterly updates were provided to Fifth Third's Enterprise Committee, Capital Committee, and the Enterprise Risk Management Committee.

Management of the annual resolution review and update resides with the Chief Financial Officer. The Chief Financial Officer manages Fifth Third's resolution planning efforts and is the central point of control with respect to the resolution planning governance structure.

Fifth Third's resolution plans have been approved by the Boards of Directors of Bancorp, Financial Corp., and the Bank.

## **J. Description of Material Management Information Systems**

Fifth Third invests in and maintains a robust organization of management information systems that enables business operations, risk management, accounting, and aid the generation and analysis of financial, regulatory, and management reports. These applications reside on a variety of platforms (mainframe & various distributed computing systems) and consist of user-interfaces that allow for viewing and editing of information along with data repositories and processing systems that store and perform procedures as necessary.



Fifth Third recognizes that the overall computing infrastructure and certain applications are essential to the daily operations of the bank, its financial stability, risk monitoring and reporting, enterprise management, and regulatory compliance. As part of the resolution planning process, Fifth Third has identified and documented the relationship between the key management information systems, core business lines, and critical operations.

Policies and procedures that govern the management information systems environment have been well established and are updated based on regulatory requirements, business needs, and changes to the environment. This governance framework drives the many protections such as change management, incident management, information security, business continuity and disaster recovery that enable a controlled computing environment.

#### *Risk Management*

All financial institutions must manage and control a variety of business risks that can significantly affect their financial performance. Fifth Third has an enterprise-wide risk management framework, including strategies, policies, processes and systems used to identify, assess, measure and manage risks. Among the key risks managed by the Company are credit risks, asset / liability interest rate and market risks, and operations risks. Applications are critical to providing the necessary data, reports and oversight mechanisms for the prudent management and control of these risks by the Company. Key applications in place for these purposes include systems that provide aggregate counterparty exposures, information regarding credit concentrations and performance, value at risk calculations for market risk, simulations to examine interest rate risk, and other analytics.

#### *Accounting and Financial and Regulatory Reporting*

Financial applications are used by accounting teams within the Finance Division to record transactions, reconcile general ledger balances, ensure the adequacy of financial controls, and to generate information necessary for the preparation of financial statements and SEC and regulatory reports.

#### *Business Continuity Planning*

Fifth Third maintains a thorough business continuity planning methodology and process in order to maintain the continuity of operations and services during times of business disruption. As part of this effort, business continuity and disaster recovery staff members advise and guide all departments in the development, maintenance, and testing of departmental business continuity plans. Each plan includes detailed steps needed to maintain business processes as well as communication, personnel, and technology requirements. In addition to business continuity plans, Fifth Third performs a comprehensive annual technology-focused disaster recovery exercise to provide a full understanding of the effectiveness of technology-related continuity plans. Business continuity and disaster recovery plans and processes are subject to review by regulatory authorities.

### **K. High-level Description of Resolution Strategy**

Fifth Third has developed resolution strategies in accordance with the requirements set forth by the regulatory authorities. The Resolution Plan assumes that an idiosyncratic event of failure has occurred at Fifth Third. Fifth Third has planned for the rapid and orderly resolution of the designated material entities and core business lines, without government intervention or taxpayer support, by formulating appropriate resolution strategy options that would be available to the relevant resolution authority. These resolution strategies are described at a high-level below.

#### **Bancorp**

Bancorp would be resolved under Chapter 11 of the Bankruptcy Code (“Chapter 11”). Bancorp would likely elect to wind down under Chapter 11 and would likely pursue a liquidation process, involving the sale of marketable assets and the wind-down of any remaining assets.

**Financial Corp.**

Financial Corp. would be resolved under Chapter 11. Financial Corp. would likely elect to wind down under Chapter 11 and would likely pursue a liquidation process, involving the sale of marketable assets and the wind-down of any remaining assets.

**The Bank**

The Bank would be subject to the FDIC receivership process under the FDIA. Fifth Third has developed the resolution strategy for the Bank by considering a range of sale and disposition options for the FDIC to consider. The options identified are intended to achieve maximum value for the receivership, incur the least cost to the FDIC's deposit insurance fund, ensure access to the Bank's insured deposits within one business day, and limit contagion and loss of franchise value that might be caused by a lengthy resolution process. The options for sale and disposition of the Bank developed by Fifth Third are:

- FDIC sale of Fifth Third Bank as a whole;
- FDIC sale to multiple acquirers, utilizing a bridge bank;
- FDIC liquidation of Fifth Third Bank.

**Conclusion**

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The Resolution Plan provides for rapid and orderly resolution of Fifth Third in the event of material financial distress or failure without posing systemic risk to the larger financial system and without the need for any government support. The resolution options proposed are designed to ensure that key components of Fifth Third's business would be able to continue their operations during the period immediately following failure, minimizing disruption in the United States. Fifth Third believes that it has developed an effective and feasible plan for resolution.