

FIFTH THIRD BANCORP  
Form 8-K  
April 23, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**

**FORM 8-K**  
**CURRENT REPORT PURSUANT**  
**TO SECTION 13 OR 15(D) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): April 23, 2008

**FIFTH THIRD BANCORP**

(Exact Name of Registrant as Specified in Its Charter)

**OHIO**

(State or Other Jurisdiction of Incorporation)

**0-8076**  
(Commission File Number)

**31-0854434**  
(IRS Employer Identification No.)

**Fifth Third Center**  
**38 Fountain Square Plaza, Cincinnati, Ohio**  
(Address of Principal Executive Offices)

**45263**  
(Zip Code)

**(513) 534-5300**

(Registrant's Telephone Number, Including Area Code)

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

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- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 8.01 Other Events**

Fifth Third Bancorp is filing this Current Report on Form 8-K to incorporate into its securities filings: (a) certain financial information from its April 22, 2008 earnings release for the quarter ended March 31, 2008 and (b) certain information regarding litigation.

(a)  
**Earnings Highlights**

**2008 First Quarter Financial Information**

	For the Three Months Ended					% Change	
	March 2008	December 2007	September 2007	June 2007	March 2007	Seq	Yr/Yr
Net income (in millions)	\$ 292	\$ 16	\$ 325	\$ 376	\$ 359	NM	(19%)
<b>Common Share Data</b>							
Earnings per share, basic	0.55	0.03	0.61	0.69	0.65	NM	(15%)
Earnings per share, diluted	0.55	0.03	0.61	0.69	0.65	NM	(15%)
Cash dividends per common share	0.44	0.44	0.42	0.42	0.42		5%
<b>Financial Ratios</b>							
Return on average assets	1.06%	0.06%	1.26%	1.49%	1.47%	NM	(28%)
Return on average equity	12.5	0.7	13.8	15.7	14.6	NM	(14%)
Tangible equity	6.22	6.05	6.83	6.92	7.65	3%	(19%)
Net interest margin (a)	3.41	3.29	3.34	3.37	3.44	4%	(1%)
Efficiency (a)	42.1	72.6	59.2	54.1	55.8	(42%)	(25%)
Common shares outstanding (in thousands)	532,106	532,672	532,627	535,697	550,077		(3%)
Average common shares outstanding (in thousands):							
Basic	528,498	529,120	530,123	540,264	551,501		(4%)
Diluted	530,372	530,939	532,471	543,228	554,175		(4%)

(a) Presented on a fully taxable equivalent basis

NM: not meaningful

On April 22, 2008, Fifth Third Bancorp (Nasdaq: FITB) reported first quarter 2008 earnings of \$292 million, or \$0.55 per diluted share, compared with \$16 million, or \$0.03 per diluted share in the fourth quarter of 2007 and \$359 million, or \$0.65 per diluted share, for the same period in 2007.

Reported results include a gain of \$273 million pre-tax, or \$0.33 per share after-tax, related to the redemption of a portion of our ownership interests in Visa, Inc., as well as the reversal of \$152 million pre-tax in expenses, or \$0.19 per share after-tax, representing a portion of the previously recorded litigation reserves, both related to Visa's initial public offering. Reported results also include a non-cash estimated charge of \$144 million pre-tax, or \$0.21 per share after-tax, to further reduce the current cash surrender value of one of our Bank-Owned Life Insurance ( BOLI ) policies, and expenses related to acquisitions and severance expenses totaling \$16 million pre-tax, or \$0.02 per share after-tax.

As noted above, the BOLI charge is based on quarter-end estimated values and is subject to change. Our financial results, which we expect to file on Form 10-Q in early May, will be based on the most current March 31, 2008 performance information we have received concerning the performance of the underlying investments. Performance information received after the date of this release could result in changes that would affect the reported earnings, earnings per share, and other financial measures reported in the release.

**Income Statement Highlights**

	March 2008	For the Three Months Ended			March 2007	% Change	
		December 2007	September 2007	June 2007		Seq	Yr/Yr
<b>Condensed Statements of Income (\$ in millions)</b>							
Net interest income (taxable equivalent)	\$ 826	\$ 785	\$ 760	\$ 745	\$ 742	5%	11%
Provision for loan and lease losses	544	284	139	121	84	91%	550%
Total noninterest income	872	509	681	669	608	71%	43%
Total noninterest expense	715	940	853	765	753	(24%)	(5%)
Income before income taxes (taxable equivalent)	439	70	449	528	513	527%	(15%)
Taxable equivalent adjustment	6	6	6	6	6		
Applicable income taxes	141	48	118	146	148	194%	(5%)
Net income available to common shareholders (a)	292	16	325	375	359	NM	(19%)
Earnings per share, diluted	\$ 0.55	\$ 0.03	\$ 0.61	\$ 0.69	\$ 0.65	NM	(15%)

(a) Dividends on preferred stock are \$.185 million for all quarters presented

NM: not meaningful

**Net Interest Income**

	March 2008	For the Three Months Ended			March 2007	% Change	
		December 2007	September 2007	June 2007		Seq	Yr/Yr
<b>Interest Income (\$ in millions)</b>							
Total interest income (taxable equivalent)	\$ 1,453	\$ 1,556	\$ 1,535	\$ 1,495	\$ 1,466	(7%)	(1%)
Total interest expense	627	771	775	750	724	(19%)	(13%)
Net interest income (taxable equivalent)	\$ 826	\$ 785	\$ 760	\$ 745	\$ 742	5%	11%
<b>Average Yield</b>							
Yield on interest-earning assets	5.99%	6.52%	6.73%	6.75%	6.79%	(8%)	(12%)
Yield on interest-bearing liabilities	2.99%	3.78%	4.04%	4.08%	4.07%	(21%)	(27%)
Net interest rate spread (taxable equivalent)	3.00%	2.74%	2.69%	2.67%	2.72%	9%	10%
Net interest margin (taxable equivalent)	3.41%	3.29%	3.34%	3.37%	3.44%	4%	(1%)
<b>Average Balances (\$ in millions)</b>							
Loans and leases, including held for sale	\$ 84,912	\$ 82,172	\$ 78,243	\$ 77,048	\$ 75,860	3%	12%
Total securities and other short-term investments	12,597	12,506	12,169	11,741	11,710	1%	8%
Total interest-bearing liabilities	84,353	80,977	76,070	73,735	72,148	4%	17%
Shareholders' equity	9,379	9,446	9,324	9,599	9,970	(1%)	(6%)

Net interest income of \$826 million on a taxable equivalent basis grew \$41 million, or 5 percent, from the fourth quarter of 2007. Net interest income benefited from lower funding costs on core deposits and wholesale borrowings as well as strong growth in earning assets, which more

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than offset the effect of lower asset yields, the effect of loan securitizations, tightening spreads between LIBOR and Fed Funds rates and growth in non-earning assets. The net interest margin was 3.41 percent, up 12 bps from the fourth quarter of 2007, primarily driven by 26 bps widening of the net interest rate spread resulting from effective rate management as market rates have declined.

Compared with the first quarter of 2007, net interest income increased \$84 million, or 11 percent, and net interest margin compressed 3 bps from 3.44 percent. The increase in net interest income reflected earning assets growth and 28 bps widening in the net interest rate spread. The growth in assets and lower free funding offset the benefits of wider spreads in the net interest margin.

## Average Loans

	For the Three Months Ended				March 2007	% Change	
	March 2008	December 2007	September 2007	June 2007		Seq	Yr/Yr
<b>Average Portfolio Loans and Leases (\$ in millions)</b>							
Commercial:							
Commercial loans	\$ 25,367	\$ 23,650	\$ 22,183	\$ 21,584	\$ 20,908	7%	21%
Commercial mortgage	12,016	11,497	11,041	11,008	10,566	5%	14%
Commercial construction	5,577	5,544	5,499	5,595	6,014	1%	(7%)
Commercial leases	3,723	3,692	3,698	3,673	3,658	1%	2%
Subtotal - commercial loans and leases	46,683	44,383	42,421	41,860	41,146	5%	13%
Consumer:							
Residential mortgage loans	10,395	9,943	8,765	8,490	8,830		