FIFTH THIRD BANCORP
Form DEF 14A
March 06, 2008
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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 6, 2008

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 Junior Ballroom, located on the third floor of the Duke Energy Center at 525 Elm Street, Cincinnati, Ohio on Tuesday, April 15, 2008 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 2009.

(2) The proposal described in the proxy statement to amend Article Fourth of the Amended Articles of Incorporation to increase the authorized number of shares of Common Stock, without par value, from 1,300,000,000 shares to 2,000,000,000 shares. The proposed amendment is attached as Annex 1 to the proxy statement and is incorporated by reference therein.

(3) The proposal described in the proxy statement to approve the Fifth Third Bancorp 2008 Incentive Compensation Plan, including the issuance of up to 33,000,000 shares of common stock thereunder. The proposed Fifth Third Bancorp 2008 Incentive Compensation Plan is attached as Annex 2 to the Proxy Statement and is incorporated therein by reference.

(4) The proposal described in the proxy statement to amend Article II, Section 1 of the Code of Regulations, as amended, to amend the provisions for fixing the date of the annual meeting of stockholders. The proposed amendment is attached as Annex 3 to the proxy statement and is incorporated by reference therein.

(5) 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 2008.

(6) To vote on a proposal submitted by a shareholder if properly presented at the Annual Meeting.

(7) 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 29, 2008 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 4 to the proxy statement.

By Order of the Board of Directors

Paul L. Reynolds

Secretary

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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 Junior Ballroom located on the third floor of the Duke Energy Center at 525 Elm Street, Cincinnati, Ohio on Tuesday, April 15, 2008 at 11:30 a.m. (the Annual Meeting). Each of the approximately 532,799,141 shares of Common Stock outstanding on February 29, 2008 is entitled to one vote on all matters acted upon at the Annual Meeting, and only shareholders of record on the books of the Company at the close of business on February 29, 2008 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 $10,000.

The Annual Report of the Company for the year 2007, 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 6, 2008.

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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. The following are the only shareholders known to the Company to be deemed to be beneficial owners of 5% or more of the common stock of the Company as of December 31, 2007:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common Stock	Cincinnati Financial Corporation 6200 South Gilmore Fairfield, Ohio 45014-5141	67,370,560[1]	12.65%

(1) Cincinnati Financial Corporation owns 27,183,604 shares of the common stock of the Company. Cincinnati Insurance Company, Cincinnati Casualty Company, Cincinnati Life Insurance Company, Cincinnati Financial Corporation Retirement Plan Trust and CINFIN Capital, subsidiaries of Cincinnati Financial Corporation, own 37,636,352 shares, 1,419,979 shares, 1,036,125 shares, 90,000 shares and 4,500 shares, respectively.

ELECTION OF DIRECTORS

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 15, 2008 and constitute the nominees to be elected to serve until the Annual Meeting of Shareholders in 2009. One of the Company s Directors, Joan R. Herschede, passed away in 2007. Ms. Herschede had generously given valuable service to the Company as a Director for many years. 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 has also retained 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; 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

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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 fifteen (15) persons: Darryl F. Allen, John F. Barrett, Ulysses L. Bridgeman, Jr., James P. Hackett, Gary R. Heminger, Allen M. Hill, Kevin T. Kabat, Robert L. Koch, II, Mitchel D. Livingston, Ph.D., Hendrik G. Meijer, James E. Rogers, George A. Schaefer, Jr., John J. Schiff, Jr., Dudley S. Taft and Thomas W. Traylor. 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 fifteen (15) 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 fifteen (15) 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. 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 exceptions of Messrs. Kabat, Schaefer and Schiff.

		Shares of Company Common Stock Beneficially Owned on December 31, 2007[1]	
Name, Age and Principal Occupation During the Past Five Years	**Director Since**	**Number[3]**	**Percent of Class**
DARRYL F. ALLEN, 64, 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.	1997	20,610	.0039%
JOHN F. BARRETT, 58, President, CEO and Director of The Western and Southern Life Insurance Co. since 1994 and Chairman of the Board since 2002. Chairman, President and CEO of Western & Southern Mutual Holding Company and Western & Southern Financial Group, Inc. Officer/Director of a number of Western & Southern affiliates. Western & Southern is a financial services company that as its primary business distributes life insurance, annuities and mutual funds to the public. Director of Convergys Corporation and The Andersons, Inc.	1988	77,443	.0145%
ULYSSES L. BRIDGEMAN, 54, owner and president of Manna, Inc. and ERJ Inc., which oversee the administration and operation of 163 Wendy s Old Fashioned Hamburger restaurants in five states and 26 Chili s restaurants in four states. Director of Jackson Hewitt Tax Service Inc.	2007	2,000	.0004%
JAMES P. HACKETT, 52, President, CEO and Director of Steelcase Inc., a manufacturer of office systems. Trustee of The Northwestern Mutual Life Insurance Company.	2001	19,025	.0036%
GARY R. HEMINGER, 54, Executive Vice President of Marathon Oil Company and President of Marathon Petroleum Company LLC since 2005. Previously, Mr. Heminger was President of Marathon Ashland Petroleum Company LLC.	2006	3,692	.0007%
ALLEN M. HILL, 62, Retired CEO and President of DPL Inc., a diversified regional energy company, and its subsidiary The Dayton Power and Light Company.	1998	69,857	.0131%
KEVIN T. KABAT, 51, 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.	2007	613,259	.1150%
ROBERT L. KOCH II, 69, President and CEO of Koch Enterprises, Inc., a privately held company with worldwide subsidiaries in manufacturing, distribution, metals recycling and contracts management. Director of Vectren Corporation.	1999	63,194	.0119%
DR. MITCHEL D. LIVINGSTON, 63, Vice President for Student Affairs and Chief Diversity Officer, University of Cincinnati since July 2007. Formerly, Dr. Livingston was Vice President for Affairs and Services, University of Cincinnati.	1997	20,164	.0038%

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Name, Age and Principal Occupation During the Past Five Years	Director Since	Shares of Company Common Stock Beneficially Owned on December 31, 2007[1] Number[3]	Percent of Class
HENDRIK G. MEIJER, 56, Co-Chairman and CEO of Meijer, Inc., and its affiliates, a food and general merchandise retailer with 181 supercenters located in Michigan, Ohio, Indiana, Illinois and Kentucky.	2001	26,399	.0050%
JAMES E. ROGERS, 60, Chairman, President and CEO of Duke Energy Corporation. Before the merger of Duke Energy Corporation and Cinergy Corporation, Mr. Rogers served as Chairman and CEO of Cinergy Corporation, PSI Energy and Director of CIGNA.	1995	28,070	.0053%
GEORGE A. SCHAEFER, JR., 62, Chairman of Fifth Third Bancorp and Fifth Third Bank. Formerly Mr. Schaefer was President and CEO of Fifth Third Bancorp and Fifth Third Bank. Director of WellPoint, Inc. and Ashland Inc.	1988	3,031,918	.5672%
JOHN J. SCHIFF, JR.[2], 64, Chairman, CEO and Director of Cincinnati Financial Corporation and Chairman, Executive Committee of Cincinnati Insurance Company. Former Chairman of John J. & Thomas R. Schiff & Co., Inc., an insurance agency. Director of Standard Register Co.	1983	465,495	.0874%
DUDLEY S. TAFT, 67, President and Director of Taft Broadcasting Company, investor in entertainment and media properties. Director of Duke Energy Corporation.	1981	89,941	.0169%
THOMAS W. TRAYLOR, 68, President, CEO and Chairman of Traylor Bros., Inc., a general/heavy construction contractor.	1999	273,525	.0513%
All Directors and Executive Officers as a Group (25 persons)		6,207,167	1.16%

(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.

(2) Mr. Schiff is a Director of Cincinnati Financial Corporation, whose holdings of Company shares are more fully set forth above under the caption Certain Beneficial Owners in this proxy statement.

(3) 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, 10,000 and 2,500; Mr. Barrett, 10,000 and 2,500; Mr. Bridgeman, 1,750 and 250; Mr. Hackett, 7,000 and 2,500; Mr. Heminger, 500 and 250; Mr. Hill, 10,000 and 2,500; Mr. Kabat, 476,360 and 48,964; Mr. Koch, 11,700 and 2,500; Dr. Livingston, 10,000 and 2,500; Mr. Meijer, 7,000 and 2,500; Mr. Rogers, 10,000 and 2,500; Mr. Schaefer, 1,732,502 and 169,587; Mr. Schiff, 5,000 and 2,500; Mr. Taft, 10,000 and 2,500; and Mr. Traylor, 11,700 and 2,500. 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 1,025,644.

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In February 2008 a shareholder of the Company filed a derivative suit in the Court of Common Pleas for Hamilton County, Ohio, against the members of the Company s Board of Directors and, nominally, the Company, alleging breach of fiduciary duty and waste of corporate assets, among other charges, in relation to the approval of the Company s acquisition of First Charter Corporation. The suit seeks an injunction to halt proceeding with the acquisition of First Charter Corporation, an independent valuation of First Charter Corporation as to its worth, unspecified compensatory damages in favor of the Company from the Directors as well as costs and attorneys fees to the plaintiff. The impact of the final disposition of this lawsuit cannot be assessed at this time.

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BOARD OF DIRECTORS, ITS COMMITTEES, MEETINGS AND FUNCTIONS

The Board of Directors of the Company met nine (9) times during 2007. 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 2007, except for Mr. Bridgeman who joined the Board in the middle of the year and attended 67% of the aggregate meetings of the Board of Directors and all committees on which he served due to scheduling conflicts with two special meetings of the Board of Directors called shortly after his appointment to the Board.

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 2007, 12 out of 15 Directors attended the Annual Meeting.

There are six (6) committees of the Board of Directors: Executive, Audit, Compensation, Nominating and Corporate Governance, Risk and Compliance, and Trust.

The Executive Committee of the Company serves in a dual capacity as the Executive Committee of the Company and Fifth Third Bank, an Ohio banking corporation (the Bank). Under Ohio law, the Executive Committee has the power to act between meetings of the Board on virtually all matters that the Board could act upon. The Board of Directors has adopted an Executive Committee Charter which may be found in the Corporate Governance Section of the Company s website at www.53.com. The Executive Committee met seven (7) times in 2007 and consisted of Messrs. Hackett, Hill, Kabat, Koch, Schaefer, and Taft.

The Audit Committee of the Company serves in a dual capacity as the Audit Committee of the Company and the Bank. Fourteen (14) meetings of this Committee were held during 2007. 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 2007 were Messrs. Allen, Barrett, Hackett, Heminger and Ms. Herschede. 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 Messrs. Allen, Barrett, Hackett and Heminger 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 2007 begins on page 38 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 Messrs. Hill, Hackett, Meijer, and Rogers and met eight (8) times during 2007. The formal report of the Compensation Committee with respect to 2007 compensation begins on page 37 herein.

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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 Messrs. Allen, Koch, Rogers and Taft and met four (4) times during 2007.

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 four (4) times in 2007 and consisted of Messrs. Barrett, Bridgeman, Heminger, Meijer and Traylor.

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 Ms. Herschede, and met four (4) times during 2007.

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.

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.

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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 2007 design and awards
- A summary of material design changes for the 2008 Total Rewards Program

Overview of the Total Rewards Program

The Compensation Committee is responsible for establishing, implementing and monitoring the administration of compensation 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, the types of compensation and benefits paid to the Executive Officers are similar to those provided to other officers of the Company.

Throughout this proxy statement, the individuals who served as the Company s Chief Executive Officer and Chief Financial Officer during fiscal 2007, as well as the other individuals included in the Summary of Compensation Table on page 23, 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 Towers Perrin and Mercer Human Resource Consulting (Mercer), both outside global human resources consulting firms.

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

Completed an RFP process with several reputable external consulting firms, as the Committee periodically does to ensure that the Committee is receiving the best possible advice and counsel; selected Mercer based on the firm s resources, the lead consultant s knowledge of the Company s business and the competitive marketplace, and the consulting team s ability to proactively consult with the Committee regarding how to best achieve the Company s objectives.

Engaged Towers Perrin through the first half of the year and Mercer beginning in September 2007, both respected external compensation consultants 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 Towers Perrin and Mercer, the Company s Human Resources division includes employees with significant compensation experience who provide support, data, and analysis to the Committee.

Conducted an annual review of and revised the Company s Compensation Peer Group, prospectively removing two companies to better reflect the Company s size and business mix in the 2008 Compensation Peer Group, while maintaining a group of high quality peer companies.

Reviewed all compensation components for the Company s Chief Executive Officer, Chief Financial Officer, and other Named Executive Officers, incorporating a tally sheet for each executive into that review.

Expanded the size of the Committee by adding a new independent member to broaden the collective experience of the Committee.

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.

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.

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

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. In addition, 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.

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 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 2007 Total Rewards package (and potential payouts in the severance and change-in-control scenarios) for its Named Executive Officers is 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.

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

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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 market median compensation for median performance relative to the Company s Compensation Peer Group (identified below) and to pay at the 75th percentile for upper quartile 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 from Towers Perrin s and/or Mercer s proprietary compensation databases.

The Company also intends that its Total Rewards Program (including benefits and perquisites) be tied to the competitive market median. 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. In addition, the timing and terms of incentive compensation awards for Executive Officers are consistent with those of other eligible employees at the Company.

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 prepared by the Committee s external compensation consultants, using proprietary compensation databases and publicly available data from proxy statements.

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 18 companies were identified prior to the start of 2007 by the Committee as the 2007 Compensation Peer Group:

BB&T Corporation	The PNC Financial Services Group, Inc.
Capital One Financial Corporation	Regions Financial Corporation
Comerica Incorporated	State Street Corporation
Huntington Bancshares Incorporated	SunTrust Banks, Inc.
KeyCorp	U.S. Bancorp
M&T Bank Corporation	Wachovia Corporation
Marshall & Ilsley Corporation	Washington Mutual, Inc.
National City Corporation	Wells Fargo & Company
The Bank of New York Mellon Corporation	Zions Bancorporation

During its Fall 2007 annual review of the Compensation Peer Group, the Committee removed two of these peers. The Bank of New York Mellon Corporation and State Street Corporation were removed due to their size and business mix. The other 16 peers were retained for 2008. These changes are effective prospectively for 2008 pay and performance comparisons.

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The Company s assets are at approximately the 40th percentile of its 2008 Compensation Peer Group. 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.

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 comparative proxy statement and survey data for similar jobs among the Compensation Peer Group
- The 25th percentile, median 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 Total Cash Compensation (i.e., base salary plus annual cash incentive compensation) for median levels of performance relative to the Compensation Peer Group
- The ability to provide 75th percentile Total Cash Compensation for upper quartile 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 incentive compensation target and retirement benefits. The following items are considered when determining base salary levels:

- Market data provided by the Company s external compensation consultants
- The Executive Officer s experience, scope of responsibilities, performance and potential
- Internal equity in relation to other Executive Officers with similar levels of experience, scope of responsibilities, performance, and potential
- Tax deductibility of base salary

Annual Cash Incentive Compensation. The annual cash incentive compensation program s objective is to reward executives for superior relative performance compared to the Compensation Peer Group. Target award levels are established at the beginning of the year for each Executive Officer based 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 2007 performance that the Executive Officers could earn were:

Up to 300% of target for each Named Executive Officer

Up to 225%-300% of target for the other Executive Officers, depending on competitive upside opportunity (i.e., 75^{th} percentile payout) among the Company s Compensation Peer Group for each job

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

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for each Executive Officer based on market median target awards, and actual awards are made based on individual performance relative to established individual performance objectives.

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 2004.

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.

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 increase value commensurate with shareholder gains. In the past, the Company relied more heavily on long-term compensation to offset below-median Total Cash Compensation. However, over the past few years the Company has shifted to a pay mix (i.e., proportions of base salary, annual cash incentive and long-term equity-based incentive compensation comprising Total Direct Compensation) that more closely approximates that of its peers to be more consistent with its pay philosophy and to enhance the Company s ability to attract, motivate and retain talented executives.

The Company s compensation structure is intended to be competitive on each element of pay for each role. The figures are expressed as a percentage of Total Direct Compensation and vary based on differences in the market pay mix for each role. The percentages below are based on the full value of the long-term equity-based incentive compensation awards on the grant date. Therefore, they differ from the figures included in the Summary Compensation Table columns Stock Awards, Option Awards, and Total, which are reported in accordance with SEC regulations and may include expense associated with prior years awards. The 2007 target pay mix for the Named Executive Officers is shown below:

Named Executive Officer	Base Salary	Annual Incentive	Long-term Incentive
Kevin T. Kabat	15%	27%	58%
Christopher G. Marshall	23%	23%	54%
Greg D. Carmichael	27%	27%	47%
Robert A. Sullivan	28%	22%	50%
Charles Drucker	28%	22%	50%

The 2008 target pay mix, based on the approved target compensation structure including target changes based on a competitive market analysis of each executive s role, is shown below:

Named Executive Officer	Base Salary	Annual Incentive	Long-term Incentive
Kevin T. Kabat	15%	27%	58%
Christopher G. Marshall	25%	25%	50%
Greg D. Carmichael	23%	26%	51%
Robert A. Sullivan	28%	22%	50%
Charles Drucker	28%	23%	49%

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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), performance-based restricted stock and performance shares.

For 2007, long-term equity-based incentive compensation awards for Executive Officers 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 2007 SAR value of $7.50
Performance Shares	25%	Total award dollar value multiplied by 25% divided by 30-day average beginning share price (i.e., for prior 30 trading days) of $39.89 for 2007
Performance-based Restricted Stock	25%	Total award dollar value multiplied by 25% divided by share price on grant date of $38.27 for 2007

The Company revisited the mix of long-term equity-based incentive compensation awards for its Executive Officers in 2007 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 that the program design is consistent with our compensation philosophy and reflective of external market trends

The Committee approved a change in the historical mix to evenly balance growth and full-value awards for 2007: 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 with strong performance requirements (i.e., performance shares and performance-based restricted stock) are important to drive a clear results orientation with stronger retention value and enhanced ownership creation opportunities and should therefore also be granted in a meaningful amount (i.e., 50%). In addition, the two full-value award types complement each other: The performance shares reward strong relative total shareholder return and the performance-based restricted stock rewards strong return on normalized equity. 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 pays base salary and annual incentive compensation in cash. Most of its long-term equity-based incentive compensation awards (i.e., 87.5% of the target value) are paid in the form of shares of the Company s common stock. Half of an executive s earned performance shares, however, are paid in cash to allow the recipient to pay applicable taxes on the awards. The remaining performance shares, performance-based restricted stock and all of the proceeds from option and SAR exercises are delivered in shares of the Company s common stock to align the executive s interests with those of the shareholders, to increase the executive s ownership in the Company, and to expedite achievement of the Company s executive stock ownership guidelines These guidelines are outlined in more detail in the Executive Ownership and Capital Accumulation section of this proxy statement.

Tally Sheet. For the past four years, the Company has prepared a tally sheet of all compensation and potential payouts for the Committee s use when approving compensation matters. The Committee reviews all

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components of the Company s Chief Executive Officer, Chief Financial Officer and the other Named Executive Officers compensation, including:

Base salary

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.

In February 2007 and February 2008, the Committee reviewed tally sheets containing all the above components and the associated dollar amounts for projected 2007 and 2008 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 2007 and 2008 target Total Direct Compensation and the Company s performance (both stock price performance and financial results). The Committee was satisfied that the 2007 and 2008 compensation structures provide significant differentiation in the payouts for high versus low levels of performance.

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. For example, as described in the 2007 Variable Compensation Plan section below, when the Committee evaluated performance relative to goals to determine the appropriate annual cash incentive award for Executive Officers, it considered the impact on the Executive Officers Total Cash and Total Direct Compensation relative to the Company s Compensation Peer Group.

Total Direct Compensation is intended to target the median 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 or an incentive guarantee for a new hire, or a Total Direct Compensation package that is above market median is appropriate.

In order to attract and retain qualified executives, it is sometimes appropriate to include an additional award and/or an incentive guarantee as a part of the sign-on package, in part to mitigate any compensation the executive would forfeit as a result of leaving his or her current role and/or the risk associated with making a job change at that level. The January 16, 2007 grant of 21,000 SARs to Mr. Marshall was evaluated by the Committee at the time it was extended to Mr. Marshall and was determined by the Committee to be based on reasonable compensation levels for a chief financial officer among the Company s Compensation Peer Group and deemed by the Committee to be appropriate based on the Company s philosophy.

Pay for Performance

As illustrated in the Pay Mix and Total Compensation for Executive Officers section above, the majority of Executive Officers Total Direct Compensation varies 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 return on equity and return on assets

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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 2007 Variable Compensation Plan Performance Goals and are 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 are earned, and derive value, based on shareholder return, return on normalized equity (RONE, calculated as operating earnings as a percent of average common equity, normalized to the median tangible equity ratio of the Compensation Peer Group), 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.

2007 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 2006 and early 2007, 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 modified from the prior year to include the following three measures. The measures were weighted as illustrated below to reflect their relative importance to the Company:

1. Earnings per share (EPS) adjusted for relative performance: 40% weight

2. Return on Equity (ROE) relative to peers: 40% weight

3. Efficiency Ratio relative to peers: 20% weight

Performance Goals. The EPS goals under the VCP were scaled to represent three levels of performance: threshold, target, and maximum. The Committee established the baseline EPS target for 2007 at $2.84, with a feature that indexes the performance levels up *or* down based on industry changes in earnings expectations. Specifically, to ensure the Company delivers median pay for median performance, the percentage difference between the Compensation Peer Group s 1/1/07 consensus earnings estimates and the Compensation Peer Group s actual 2007 earnings, adjusts the EPS performance levels under the VCP. For 2007, the Compensation Peer Group s actual earnings were 24% below 1/1/07 estimates, resulting in an adjustment to the EPS target of -$.68. In addition, the threshold and maximum performance levels are changed by the corresponding percentage adjustment, as illustrated in the chart below. If the industry earnings had exceeded initial expectations, the EPS performance levels under the VCP would have increased. The Committee placed the goals for relative ROE and efficiency ratio at the median of the Compensation Peer Group, reflecting the Company s philosophy to tie target pay to median performance. Linear interpolation is used to calculate funding levels between stated performance levels. 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 and illustrate the Company s upper quartile performance during 2007:

Performance Metric	Threshold Performance	Target Performance	Maximum Performance	Company Performance
EPS	$2.09	$2.16	$2.26	$2.54
ROE	25^{th} percentile	Median (i.e., 50^{th} percentile)	75^{th} percentile	78^{th} percentile
Efficiency Ratio	25^{th} percentile	Median (i.e., 50^{th} percentile)	75^{th} percentile	78^{th} percentile

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Determination of Awards. In establishing actual Company performance, the Committee considered a number of unusual, non-operating events. The Committee included the earnings impact of some of these events, and based on the nature of the events (including past practice and precedent as well as timing issues), excluded two non-cash, non-operating events to determine the final operating results for each performance metric. The two items excluded when determining final operating results were (1) the non-cash charge required of Visa member banks, including the Company, based on Visa s pending litigation, and (2) the unrealized reduction in the cash surrender value of one of the Company s bank-owned life insurance policies. The final operating results, as determined by the Committee, are shown in the chart above.

The earned VCP funding was calculated based on these performance results, creating an earned VCP pool. Management recommended, and the Committee approved, a discretionary reduction to the pool for all VCP participants including Executive Officers. This reduction was made to account for performance below goal on certain non-financial objectives, notwithstanding the Company s very positive results for the year including its superior relative performance and capital position.

The individual awards for Named Executive Officers were determined in the following manner:

Although maximum VCP funding was earned based on the Company s superior relative performance, the discretionary reduction to the VCP earned pool established the final VCP funding at 62% of the maximum payout level.

The CEO considered individual performance relative to pre-defined corporate, business unit and individual goals for each of his direct reports and assigned a performance factor, which he applied to the final VCP funding to determine a specific, performance-based VCP award for each executive. The individual goals were established in the categories of business results, employee engagement, and customer engagement.

The Compensation Committee met in executive session to discuss the CEO s performance and to determine an award amount, and approved payment equal to the final VCP funding.

2007 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. 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 2007, the Committee made the actual awards at the target levels.

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 or RONE, depending on the type of award. The Company

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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 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. 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 months in advance.

Performance shares are granted with goals set in terms of three-year total shareholder return relative to the Company s Compensation Peer Group at the date of the award grant. 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
50th percentile (target)	100% of award
90th percentile (maximum)	200% of award

Performance shares would be paid 50% in cash and 50% in the Company s common stock. The cash payout is intended to cover applicable taxes on the awards so the Executive Officer can retain the shares earned. No payouts have yet occurred under these awards. The 3-year performance period for the first grant of performance shares (i.e., those granted in 2004) concluded on March 31, 2007 and the performance targets were not met; therefore, the awards were not earned.

Performance-based restricted stock awards were made for the first time as a portion of the 2007 long-term equity-based compensation award for approximately 40 of the Company s senior executives, including all but one of its Executive Officers (who is not eligible to receive performance-based restricted stock based on the compensation structure for his job). The awards vest based on achievement of target RONE during the year of grant. The target RONE level is established based on the median performance of the Compensation Peer Group, in alignment with the Company s compensation philosophy of anchoring median pay to median performance. The target RONE for 2007 was 15%, which corresponded to the median performance level for the Company s Compensation Peer Group for the immediately preceding period (i.e., 2006). Based on the Committee s approval date for the grant (April 9, 2007), the performance period was established as April 1, 2007 to December 31, 2007. In future years, beginning with the 2008 grant, these awards will be granted during the first quarter in order to establish a full-year performance period. If the performance condition is achieved, the shares vest ratably over three years. Dividends are accrued during the performance restriction period; if the shares are earned, accrued dividends are paid after the performance restriction period and dividends are paid quarterly thereafter during the remainder of the vesting period. The Committee determined that the 2007 performance-based restricted stock award was earned, and will vest in equal installments on the first, second and third anniversaries of the grant date.

In conjunction with his promotion to Chief Executive Officer, the Committee approved a grant of 500,000 SARs for Mr. Kabat. The Committee determined this award was appropriate based on consultation with its external compensation consultant and a detailed analysis of ownership levels and award practices for Chief Executive Officers at the Company s Compensation Peer Group. In addition, the Committee chose to make the award in the form of SARs to ensure that the award would deliver value consistent with that realized by the Company s shareholders.

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Tax and Accounting Impact

Deductibility of Executive Compensation. Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for annual compensation over $1,000,000 paid to the Company s Named Executive Officers. While the Company designed the Incentive Compensation Plan and its Performance Goals to meet the criteria for deductibility under Section 162(m), the Committee also retained discretion to consider unusual items (both positive and negative) that impacted EPS, efficiency ratio, RONE, and ROE of the Company. Therefore, some compensation for 2007 paid to the Named Executive Officers may not be deductible under the Code. The Committee believes that any non-deductible amounts paid to these Named Executive Officers for 2007 will not be material to the Company.

Nonqualified Deferred Compensation. The American Jobs Creation Act of 2004 was signed into law on October 22, 2004, changing the tax rules applicable to nonqualified deferred compensation arrangements. The final regulations became effective January 1, 2008 and the Company believes it is operating in compliance with the regulations. A more detailed description of the Company s nonqualified deferred compensation arrangements is provided on page 22 under the heading Deferred Compensation .

Accounting and Financial Reporting. Effective January 1, 2006, the Company began accounting for long-term equity-based incentive compensation payments including stock options, SARs, performance-based restricted stock, and performance shares in accordance with the requirements of Statement of Financial Accounting Standard No. 123 (Revised 2004), Share-Based Payment .

Executive Ownership and Capital Accumulation

The executive compensation program is designed to provide opportunities for Executive Officers to build ownership in the Company and to align performance with shareholder interests. Accordingly, the Company has established share ownership guidelines for all officers at or above the Vice President level, including the Executive Officers. The amount of shares officers are required to retain varies based upon the officer s position. These officers are expected to use shares net of taxes obtained through awards under the long-term equity-based incentive compensation program to establish a significant level of direct ownership. Stock ownership includes:

- Shares owned individually and by immediate family
- Restricted stock not yet vested
- Shares held in the 401(k) plan
- Shares held in the employee stock purchase plan
- Shares held in the nonqualified deferred compensation plan.

Executive Officers who have not met the ownership guidelines are required to retain 50% of the net after-tax shares following exercise or receipt of the shares. In addition, Executive Officers are required to retain 100% of the net after-tax shares for one year following exercise or receipt of the shares. Specific ownership guidelines for the Named Executive Officers are:

2007 Share Ownership Guidelines

Chief Executive Officer	115,000 shares
Other Named Executive Officers	50,000 shares

The Committee reviews progress toward achieving the ownership goal for the Company s Executive Officers on an annual basis. Based on the 2007 review, three of the six Named Executive Officers had reached their ownership guideline. Of those who had not yet reached the ownership guideline, all increased their ownership over the prior year.

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Although the Company does not prohibit its Executive Officers from hedging shares of the Company s common stock, any hedged shares are excluded from the calculation of Executive Officers ownership levels when analyzing progress toward meeting the stock ownership guidelines. The Company s insider trading policy prohibits trading during designated blackout periods and requires approval by the Legal Department prior to any trade.

The Company has not historically had a formal capital accumulation policy (i.e., guidance for the interplay between long-term equity-based incentive awards and retirement benefits). Instead, the Company has specifically benchmarked its compensation and retirement plans to the external market to ensure a competitive design. The Committee will continue to consider long-term equity-based incentive compensation awards in the context of market-competitive levels and individual and corporate performance.

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 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
Supplemental executive retirement plan(1)	Yes	Yes	No
Defined benefit pension plan(1)	Yes	Yes	Yes
Employee discount on Company products	Yes	Yes	Yes
Financial planning reimbursement(2)	Yes	Yes	No
Country club memberships(3)	Yes	Yes	No
Parking	Yes	Yes	No
Relocation assistance	Yes	Yes	Yes
Commuting expense reimbursement(4)	Yes	No	No

(1) As described below, these plans are frozen for all employees except those who were age 50 with 15 years of service as of December 31, 1998.

(2) The Company believes that effective financial planning optimizes an executive s Total Rewards. Eligible executives receive reimbursement of varying amounts based on executive band level up to $10,000 in the first year and up to $7,500 in subsequent years for financial planning, tax preparation, and legal services. These reimbursements are increased to account for income taxes to the Executive Officer.

(3) Selected executives and managers are reimbursed for country club memberships in situations where the membership would benefit the Company from a business development perspective.

(4) The Company periodically assists remote, transferring or newly hired executives with expenses related to commuting.

Retirement Benefits

The Company s retirement benefits are designed to assist employees in accumulating wealth to provide income during their retirement years. The retirement benefits are designed to attract and retain employees and to

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encourage employees to save money for their retirement while maintaining a competitive cost structure. Based on the Company s research using two national benefits surveys, its retirement benefits are positioned near the market median for similar employers. The Company s primary retirement benefit plan is a defined contribution 401(k) plan with a company match and possible additional discretionary contributions, both of which are subject to vesting requirements. The Company also maintains a defined benefit plan that has been frozen except for approximately 70 employees who had previously met its eligibility requirements and are permitted to continue participating.

401(k) and Profit-Sharing. The Company maintains a 401(k) plan for all eligible employees. The 401(k) plan provides a match to employee contributions and may also provide an annual discretionary profit-sharing contribution. The Company s match is 100% of the first 4% of eligible compensation an employee contributes to the plan, and is invested in the Company s common stock fund. Participants are able to immediately redirect the matching contribution to any of the plan s existing investment alternatives. The discretionary profit-sharing contribution is based on the Company s performance, and is invested in the participant s existing 401(k) investment allocations. The discretionary contribution for 2007 was 2% of eligible compensation based on the Company s financial results. All Named Executive Officers are eligible for this plan up to the IRS wage or contribution limits.

Pension Plan. The Company maintains a defined benefit pension plan. On November 15, 1998, the benefit plan was frozen except for employees who were age 50 or older and had at least 15 years of service at December 31, 1998. The plan was frozen because the combination of this plan and the defined contribution plan provided benefits that may have exceeded retirement income needed by employees and resulted in the Company having benefit costs higher than its competitors. Employees who met the age and service requirement were grandfathered and continue to accrue benefits under that plan. Mr. Schaefer is the only Named Executive who continues to accrue benefits under this plan. Mr. Kabat also has a frozen benefit for his service while at Old Kent Bank prior to it being acquired by the Company. The Old Kent Bank defined benefit plan was frozen for all participants shortly after the Company acquired Old Kent Bank. The Company also has a supplemental executive retirement plan, The Fifth Third Bancorp Supplemental Retirement Income Plan (SERP), that mirrors the qualified defined benefit plan except that it provides benefits that are lost under the qualified plan due to IRS qualified plan limits. The SERP was also frozen for all participants except for the grandfathered participants in the qualified defined benefit pension plan. The retirement benefit under both the defined benefit pension plan and the SERP is based on years of service and a percent of an employee s highest five consecutive years of earnings over the last ten years of employment. Compensation for retirement benefit calculations is defined as the base salary plus variable compensation.

Health and Welfare Benefits

The Company offers medical, dental, life and disability insurance to its employees. The benefits are designed to attract and retain employees and provide security to employees for their health and welfare needs. Based on the Company s research using two national benefits surveys, its health and welfare benefits are positioned near the market median for similar employers. These benefits are offered to employees and Named Executive Officers on a uniform basis and are subject to insurance policy limitations. The Company provides Company-paid life insurance coverage equal to an employee s base salary, up to $1,000,000. The Company s long-term disability benefit is 60% of an employee s base salary and the benefit is limited to $20,000 per month. The Company also offers a Company-paid short-term disability benefit with similar benefits to the long-term disability program.

Paid Time Off Benefits

The Company offers employees vacation days, sick days and other paid time off benefits. These benefits are offered to all employees with variances based on an employee s years of service and officer status.

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Deferred Compensation

The Company offers some of its employees (at certain Salary Band levels, including its Executive Officers) a nonqualified deferred compensation plan. This plan allows for the deferral of base salary, bonus, and/or performance-based restricted stock. The plan also provides for the Company to make a contribution for loss of qualified plan 401(k) match and/or discretionary contribution due to deferral of pay into this plan or due to wage and/or contribution limitations under the qualified 401(k) plan. These contributions have historically been invested 100% in the Company s common stock; however, beginning January 1, 2007 participants were able to diversify their investments into the existing 401(k) plan investment alternatives, except, as noted below, the amount of performance-based restricted stock that is deferred.

Performance-based restricted stock, and the opportunity to elect deferral of these awards, were introduced in 2007. Participants may elect to defer all or none of the restricted shares related to each year s award, and the shares will be deferred as they vest, subject to being earned by achieving the performance objective. All performance-based restricted stock will be invested in the Company s common stock, once deferred into the nonqualified deferred compensation plan.

The Company also maintains a Stock Option Gain Deferral plan. This plan was closed to new deferrals in 2005. Mr. Schaefer is the only Named Executive Officer who has an account balance in this plan. No future contributions can be made to this plan and payouts will be made post-employment according to elections under the plan that are currently in place.

Severance and Change-in-Control Benefits

In 2007, the Committee determined that its lack of change-in-control agreements had placed the Company at a disadvantage relative to its peers in recruiting and retaining Executive Officers, as all members but two of the Company s Compensation Peer Group had these agreements in place for their Executive Officers at that time. As a result, in February 2007, the Compensation Committee approved the implementation of change-in-control agreements for approximately 40 of its officers (including five of the 2007 Named Executive Officers). The severance benefits conferred in these agreements range from one to 2.99 times the individual s base salary plus target annual cash incentive compensation, and other benefits, and are effective only in the event of both a change in control and termination of employment (including a constructive termination). For this purpose, a change in control would occur in any of the following instances:

Any person is or becomes the beneficial owner of 25% or more of the Company s outstanding common stock

During any consecutive 2-year period, the Directors in office in the beginning of such period (or Directors who were approved by 2/3 of such Directors) cease to constitute a majority of the Board

The sale or disposition of substantially all of the Company s assets or the merger or consolidation of the Company with any other corporation unless the voting securities of the Company outstanding prior to such action continue to represent at least 50% of the voting power of the merged or consolidated entity

The Company s shareholders approve a plan of complete liquidation of the Company

The agreements defer to the 2004 Incentive Compensation Plan for treatment of long-term equity-based incentive compensation, which provides for the accelerated vesting of unvested long-term equity-based incentive compensation awards in the event of a change in control. If a change in control occurs, all stock-based awards would vest immediately without the requirement of a termination of employment. Performance-based awards (including performance shares and performance-based restricted stock) would be immediately paid out at the higher of (1) the extent to which the performance goals had been met through the date of the change in control, or (2) the value at the date of the change in control of the number of target shares awarded at the grant. This change-in-control feature in the 2004 Incentive Compensation Plan uses the same definition of a change in control as the change-in-control agreements and was chosen by the Company in order to meet the prevailing practice of the Company s peers at the time the Company implemented the Plan.

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2008 Executive Compensation Changes

During its annual review of the design of its compensation plans, the Company determined that its plans are largely supportive of its compensation philosophy and strategic business objectives. The Company identified only a couple of opportunities to more closely align its program to its strategic business objectives. An overview of the material changes made for 2008 is shown below.

Base salaries for the Named Executive Officers were not adjusted for 2008.

Target annual cash and/or long-term incentive award levels were increased for certain Executive Officers, consistent with the Executive Officers roles and the Company s Compensation Peer Group median target award levels.

In conjunction with the Committee s desire to drive share ownership among executives, a Management Stock Purchase Plan was introduced to Executive Officers for 2008. Under this plan, 25% of the Executive Officers 2008 VCP (paid in February 2009) will be paid in shares of stock with restrictions on their sale or other disposition that lapse or the sooner to occur of 3 years from the date of grant or the termination of the Executive Officer s employment, and will be matched with 50% of that amount in additional shares of restricted stock. This translates to a target match equal to 1/8th of the participant s target annual incentive opportunity.

Summary Compensation Table

The table below summarizes the compensation awarded, paid to, or earned by the Company s Named Executive Officers during 2007:

2007 Summary Compensation Table

Name & Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards[1] [2] ($)	Option Awards[1] [2] ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value & Nonqualified Deferred Compensation Earnings [3] ($)	All Other Compensation[4] ($)	Total ($)
Kevin T. Kabat	2007	$ 866,534		$ 704,985	$ 1,486,770	$ 3,013,200	$ 14,000	$ 140,400	$ 6,225,890
President and Chief Executive Officer	2006	$ 601,693	$ 463,600	$ 657,015	$ 1,073,750		$ 13,000	$ 91,195	$ 2,900,253
Christopher G, Marshall	2007	$ 513,257		$ 325,010	$ 101,707	$ 916,677		$ 203,121	$ 2,059,773
Chief Financial Officer and Executive Vice President	2006	$ 307,686	$ 400,000	$ 86,722				$ 172,904	$ 967,312
Greg D. Carmichael	2007	$ 565,062		$ 494,395	$ 710,137	$ 1,059,277		$ 121,142	$ 2,950,013
Executive Vice President and Chief Operating Officer	2006	$ 527,427	$ 440,800	$ 403,600	$ 570,329			$ 94,224	$ 2,036,380
Robert A. Sullivan	2007	$ 564,948		$ 270,775	$ 579,409	$ 859,702		$ 104,726	$ 2,379,560
Executive Vice President	2006	$ 557,459	$ 425,600	$ 732,359	$ 1,576,900			$ 92,216	$ 3,384,534

Charles D. Drucker	2007	$ 419,776		$ 516,661	$ 372,778	$ 658,467		$ 82,966	$ 2,050,648
Executive Vice President	2006	$ 399,318	$ 263,512	$ 326,310	$ 257,013			$ 68,957	$ 1,315,111
George A. Schaefer, Jr.,	2007	$ 990,018		$ 1,244,457	$ 2,580,462	$ 1,104,840	$ 676,700	$ 265,619	$ 6,862,096
Chairman and former Chief Executive Officer	2006	$ 990,018		$ 744,798	$ 4,154,453			$ 215,905	$ 6,105,173

(1) Assumptions used in determining fair value are disclosed in footnote 19 Stock Based Compensation located on page 77 of the Company s Annual Report on Form 10-K for the year ended December 31, 2007.

(2) Messrs. Kabat, Schaefer and Sullivan were retirement-eligible as of December 31, 2007 for some unvested portions of their existing equity grants. The figures reflect the accelerated expense recognition under Statement of Financial Accounting Standards No. 123 (R) for their long-term equity-based incentive compensation awards for which they are retirement-eligible.

(3) The Company has nonqualified deferred compensation plans. The amounts earned are disclosed in the Nonqualified Deferred Compensation table.

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(4) All Other Compensation:

Name	Year	Perquisites and Other Personal Benefits	Registrant Contributions to Defined Contribution Plans	Insurance Premiums	Tax Reimbursements	Other[G]
Kevin T. Kabat	2007	$ 38,682[A]	$ 65,372	$ 842	$ 5,000	$ 30,504
	2006	$ 21,569[A]	$ 42,697	$ 505	$ 1,968	$ 24,456
Christopher G. Marshall	2007	$ 121,094[B]	$ 40,999	$ 482	$ 5,225	$ 35,321
	2006	$ 155,000[B]	$ 7,933	$ 270		$ 9,701
Greg D. Carmichael	2007	$ 37,968[C]	$ 45,086	$ 534	$ 5,000	$ 32,554
	2006	$ 26,617[C]	$ 36,870	$ 447	$ 1,150	$ 29,140
Robert A. Sullivan	2007	$ 28,294[D]	$ 44,548	$ 530	$ 330	$ 31,024
	2006	$ 29,140[D]	$ 38,900	$ 573	$ 763	$ 22,840
Charles D. Drucker	2007	$ 660[E]	$ 32,696	$ 396	$ 1,630	$ 47,584
	2006	$ 12,872[E]	$ 31,290			$ 39,894
George A. Schaefer, Jr.	2007	$ 116,368[F]	$ 61,501	$ 928		$ 86,822
	2006	$ 118,575[F]	$ 69,002	$ 928		$ 27,400

(A) Of the amount shown for Mr. Kabat for 2007. $28,682 represents country club dues paid by the Company on behalf of Mr. Kabat and the remaining amount represents trust and estate planning fees and the amounts shown for 2006 represent trust and estate planning and country club dues.

(B) Of the amounts shown for Mr. Marshall for 2007 and 2006, $107,000 and $155,000, respectively, represent relocation benefits. The relocation benefits are the 2007 and 2006 portions of a cash payment calculated based on anticipated relocation-related expenses scheduled to be paid to Mr. Marshall between 2006 and 2009. The remaining amounts shown for 2007 represent trust and estate planning fees paid by the Company on behalf of Mr. Marshall and country club dues.

(C) Of the amount shown for Mr. Carmichael for 2007, $27,293 represent country club dues paid by the Company on behalf of Mr. Carmichael and the remaining amount represents trust and estate planning fees, and the amounts shown for 2006 represent trust and estate planning fees and country club dues.

(D) The amount shown for Mr. Sullivan represents trust and estate planning fees paid by the Company on behalf of Mr. Sullivan and country club dues.

(E) The amount shown for Mr. Drucker represents trust and estate planning fees paid by the Company on behalf of Mr. Drucker.

(F) Of the amount shown for Mr. Schaefer, $100,000 and $94,546 represents trust and estate planning fees paid by the Company on behalf of Mr. Schaefer for 2007 and 2006, respectively, and the remaining amounts represent country and other club dues.

(G) Amounts in this column represent benefit choice dollars and dividends paid on restricted stock.

Grants of Plan-Based Awards

The following table illustrates the long-term equity-based incentive compensation awards made to Named Executive Officers during 2007. The table reflects the full value of awards made in 2007 unlike the figures in the Summary Compensation Table, which incorporates the vesting period and the Executive Officer s retirement eligibility.

On April 9, 2007, five of the Named Executive Officers received grants of performance shares that will vest three years from the grant date, performance-based restricted stock that will vest in three equal annual installments from the date of grant (contingent on meeting the performance goal), and SARs that will vest in four equal annual installments from the date of grant. Additionally, Mr. Marshall received a grant of stock

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appreciation rights on January 16, 2007 in connection with his appointment as Chief Financial Officer that will vest four years from the date of grant.

Dividends are paid on unvested restricted stock (excluding performance-based restricted stock for which the performance restriction has not been met), which is reported in the All Other Stock Awards: Number of Shares of Stock or Units column below. Exercise prices for stock options and stock appreciation rights are equal to the closing price of the Company s common stock on the date of grant. Performance shares are earned based on relative total shareholder return versus the Company s Compensation Peer Group. Higher relative performance corresponds to a greater number of performance shares earned. Performance-based restricted stock awards are earned based on the Company s RONE, and vest in equal annual installments over three years if the performance condition has been satisfied. Based on the timing of the 2007 performance-based restricted stock award (i.e., April 7, 2007), the performance period was established as April 1, 2007 to December 31, 2007. There were no tandem awards, reload features, or tax-reimbursement provisions in connection with the stock appreciation rights. None of these awards has been repriced or modified. As described in the Compensation Discussion and Analysis section, the provisions of the 2004 Incentive Compensation Plan result in accelerated vesting in the event of a change in control.

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2007 Grants of Plan Based Awards

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)(3)				Estimated Future Payouts Under Equity Incentive Plan Awards(2)(3)							
Name	**Grant Date(1)**	**Date Grant Approved by Compensation Committee**	**Number of Units**	**Threshold ($)**	**Target ($)**	**Maximum ($)**	**Number of Units**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($ / Sh)**	**Grant Date Fair Valu of Stock and Option Awards(($)**
evin T. Kabat				$ 810,000	$ 1,620,000	$ 4,860,000								
	4/9/2007	4/9/2007	10,967.5	$ 137,807	$ 275,613	$ 551,227	10,967.5	5,483.75	10,967.5	21,935	22,864			$ 1,312,4
	4/9/2007	4/9/2007										233,333	$ 38.27	$ 1,447,6
	4/23/2007	4/23/2007										500,000	$ 40.10	$ 3,250,5
ristopher G. Marshall				$ 257,494	$ 514,987	$ 1,544,961								
	1/16/2007	1/16/2007										21,000	$ 40.35	$ 152,7
	4/9/2007	4/9/2007	3,760.5	$ 47,251	$ 94,501	$ 189,003	3,760.50	1880.25	3,760.5	7,521	7,839			$ 450,0
	4/9/2007	4/9/2007										80,000	$ 32.27	$ 496,3
reg D. Carmichael				$ 284,752	$ 569,504	$ 1,708,512								
	4/9/2007	4/9/2007	3,133.5	$ 39,372	$ 78,745	$ 157,490	3,133.5	1,566.75	3,133.5	6,267	6,533			$ 375,0
	4/9/2007	4/9/2007										66,667	$ 38.27	$ 413,6
obert A. Sullivan				$ 226,238	$ 452,475	$ 1,357,426								
	4/9/2007	4/9/2007	3,133.5	$ 39,372	$ 78,745	$ 157,490	3,133.5	1,566.75	3,133.5	6,267	6,533			$ 375,0
	4/9/2007	4/9/2007										66,667	$ 38.27	$ 413,6
arles D. Drucker				$ 168,838	$ 337,675	$ 1,266,282								
	4/9/2007	4/9/2007	2,350	$ 29,528	$ 59,056	$ 118,111	2,350	1,175	2,350	4,700	4,899			$ 343,7
	4/9/2007	4/9/2007										50,000	$ 38.27	$ 310,2
eorge A. Schaefer, Jr.				$ 297,000	$ 594,000	$ 1,782,000								
	4/9/2007	4/9/2007									91,455			$ 3,499,9

(1) All 2007 grants were made under the Fifth Third Bancorp Incentive Compensation Plan as approved by shareholders on March 23, 2004.

(2) Includes incentive awards made under the Annual Incentive Plan. Actual amounts paid under the Annual Incentive Plan in 2007 are included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table in this Proxy Statement.

(3) Threshold, Target and Maximum amounts are calculated using the December 31, 2007 closing price of the Company s common stock of $25.13.

(4) Grant Date Fair Value of Stock Awards granted on April 9, 2007 calculated as [total number of shares] multiplied by [$38.27].
Grant Date Fair Value of Equity Incentive Plan Awards granted on April 9, 2007 calculated as [total number of units] multiplied by [$39.89].

Grant Date Fair Value of Option Awards granted on January 16, 2007 calculated as [total number securities underlying options] multiplied by [$7.2715].

Grant Date Fair Value of Option Awards granted on April 9, 2007 calculated as [total number securities underlying options] multiplied by [$6.2043].

Grant Date Fair Value of Option Awards granted on April 23, 2007 calculated as [total number securities underlying options] multiplied by [$6.5010].

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Outstanding Equity Awards at Year-End

The following table outlines outstanding long-term equity-based incentive compensation awards for the Named Executive Officers as of December 31, 2007. Each outstanding award is shown separately. Option Awards include non-qualified and incentive stock options, and stock appreciation rights. Stock awards include restricted stock and performance share awards. The vesting schedule for each award is described in the footnotes to this table.

Outstanding Equity Awards at December 31, 2007

	Option Awards					Stock Awards(13)			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(12) (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Kevin T. Kabat.	53,967			$ 44.1720	6/15/2008				
	65,268			$ 53.0500	6/21/2009				
	97,125			$ 37.2410	6/19/2010				
	150,000			$ 53.6250	4/2/2011				
	50,000			$ 68.0100	4/22/2012				
	60,000			$ 51.4600	3/28/2013				
		55,000(1)		$ 54.4000	4/19/2014				
	31,189	31,188(2)		$ 42.9000	4/8/2015				
		60,000(3)		$ 37.5800	1/23/2016				
	17,775	53,325(4)		$ 39.3600	4/7/2016				
		233,333(5)		$ 38.2700	4/9/2017				
		500,000(6)		$ 40.1000	4/23/2017				
						15,966(9)	$ 401,226		
						22,864(10)	$ 574,572		
								34,171	$ 858,717
Christopher G. Marshall		21,000(7)		$ 40.3500	1/16/2017				
		80,000(5)		$ 38.2700	4/9/2017				
						7,839(10)	$ 196,994		
						18,868(11)	$ 474,153		
								7,521	$ 189,003
Greg D. Carmichael	20,000			$ 57.4100	3/28/2013				
		45,000(1)		$ 54.4000	4/19/2014				
	31,189	31,188(2)		$ 42.9000	4/8/2015				
		60,000(3)		$ 37.5800	1/23/2016				
	17,775	53,325(4)		$ 39.3600	4/7/2016				
		66,667(5)		$ 38.2700	4/9/2017				
						15,966(9)	$ 401,226		

					6,533(10)	$ 164,174		
							18,503	$ 464,980
Robert A. Sullivan	16,078		$ 31.3480	1/1/2009				
	19,140		$ 42.3197	1/3/2010				
	19,140		$ 54.6708	1/2/2011				
	60,000		$ 68.0100	4/22/2012				
	65,000		$ 51.4600	3/28/2013				
		60,000(1)	$ 54.4000	4/19/2014				
	31,189	31,188(2)	$ 42.9000	4/8/2015				
		60,000(3)	$ 37.5800	1/23/2016				
	17,775	53,325(4)	$ 39.3600	4/7/2016				
		66,667(5)	$ 38.2700	4/9/2017				
					15,966(9)	$ 401,226		
					6,533(10)	$ 164,174		
							18,503	$ 464,980

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	Option Awards					Stock Awards(13)			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(12) (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Charles D. Drucker		20,000(8)		$ 49.8300	10/1/2014				
	14,424	14,422(2)		$ 42.9000	4/8/2015				
		25,000(3)		$ 37.5800	1/23/2016				
	14,813	44,437(4)		$ 39.3600	4/7/2016				
		50,000(5)		$ 38.2700	4/9/2017				
						10,034(12)	$ 252,154		
						5,017(12)	$ 126,077		
						2,914(13)	$ 73,229		
						6,652(9)	$ 167,165		
						4,899(10)	$ 123,112		
								9,746	$ 244,917
George A. Schaefer, Jr.	2,712			$ 36.8611	3/17/2008				
	334,790			$ 36.8611	3/17/2008				
	2,046			$ 48.8750	3/11/2009				
	372,954			$ 48.8750	3/11/2009				
	300,000			$ 40.1667	3/22/2010				
	250,000			$ 50.8125	4/5/2011				
	250,000			$ 68.0100	4/22/2012				
	220,000			$ 51.4600	3/28/2013				
		200,000(1)		$ 54.4000	4/19/2014				
	103,962	103,961(2)		$ 42.9000	4/8/2015				
	65,625	196,875(4)		$ 39.3600	4/7/2016				
						91,455(14)	$ 2,298,264		
								42,958	$ 1,709,535

(1) All unexerciseable shares will vest on April 19, 2008.

(2) One-half of the unexercisable shares will vest on each of April 8, 2008 and 2009.

(3) All unexercisable shares will vest on January 23, 2010.

(4) One-third of the unexercisable shares will vest on each of April 7, 2008, 2009 and 2010.

(5) One-fourth of the unexercisable shares will vest on each of April 9, 2008, 2009, 2010 and 2011.

(6) One-fifth of the unexercisable shares will vest on each of April 23, 2008, 2009, 2010, 2011 and 2012.

(7) One-fourth of the unexercisable shares will vest on each of January 16, 2008, 2009, 2010 and 2011.

(8) All unexerciseable shares will vest on October 1, 2008.

(9) All unvested shares will vest on January 23, 2010.

(10) One-third of the unvested shares will vest on each of April 9, 2008, 2009 and 2010.

(11) All unvested shares will vest on July 3, 2010.

(12) All unvested shares will vest on October 1, 2008.

(13) All unvested shares will vest April 8, 2009.

(14) One-third of the unvested shares will vest on each of January 1, 2008, 2009 and 2010.

(15) All Equity Incentive Plan Awards in this column will vest three years from the date of grant, subject to achievement of stated performance goals. Of the amount shown for Mr. Kabat, 6,181 will vest on April 8, 2008, 6,055 will vest on April 7, 2009 and 21,935 will vest on April 9, 2010.

Of the amount shown for Mr. Marshall, 7,521 will vest on April 9, 2010.

Of the amount shown for Mr. Carmichael, 6,181 will vest on April 8, 2008, 6,055 will vest on April 7, 2009 and 6,267 will vest on April 9, 2010.

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Of the amount shown for Mr. Sullivan, 6,181 will vest on April 8, 2008, 6,055 will vest on April 7, 2009 and 6,267 will vest on April 9, 2010.

Of the amount shown for Mr. Drucker, 5,046 will vest on April 7, 2009 and 4,700 will vest on April 9, 2010.

Of the amount shown for Mr. Schaefer, 20,602 will vest on April 8, 2008 and 22,356 will vest on April 7, 2009.

(16) Values are based on December 31, 2007 closing price of the Company s common stock of $25.13.

Option Exercises and Stock Vested

The following table outlines stock options exercised and restricted stock vested during 2007. The Named Executive Officers did not exercise any SARs in 2007. The dollar figures in the table below reflect the value on the exercise date for Option Awards and the vesting date for Stock Awards.

2007 Option Exercises & Stock Vested

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Kevin T. Kabat	26,983	$ 225,396		
Christopher G. Marshall				
Greg D. Carmichael			2,500	$ 106,650
Robert A. Sullivan				
Charles D. Drucker				
George A. Schaefer, Jr.	337,502	$ 6,109,422	15,000	$ 614,700

Pension Benefits

The following table illustrates the payments in connection with retirement, shown for each retirement plan. The table shows the present value of accumulated benefits payable to each of the Named Executive Officers, including the number of years of service credited to each such Named Executive Officer under each of The Fifth Third Bancorp Master Retirement Plan (the Master Retirement Plan) and The Fifth Third Bancorp Supplemental Retirement Income Plan (SERP) determined using interest rates and mortality rate assumptions consistent with those used in the Company s Financial Statements (disclosed in footnote 22 Retirement and Benefit Plans located on page 82 of the Company s Annual Report on Form 10-K for the year ended December 31, 2007). The purpose of the SERP is to provide benefits that would have been provided by the Master Retirement Plan if the Internal Revenue Code did not place annual limits on compensation and benefits.

The Master Retirement Plan and SERP were frozen as of November 15, 1998 except for employees who were at least age 50 and had 15 years of credited service as of December 31, 1998. For the purpose of computing a benefit under these Plans on December, 31, 2007, Mr. Schaefer had

36 years of credited service. Mr. Schaefer continues to accrue benefits under these Plans. Mr. Kabat has a frozen benefit related to his service with Old Kent Financial Corporation. His annual benefit at age 65 would be approximately $65,400. Messrs. Carmichael, Marshall, Sullivan and Drucker joined the Company after these plans were frozen and therefore are not eligible to participate.

The figures in the table below were calculated as of December 31, 2007 using the earliest age (or current age, if older) at which the Named Executive Officer may retire under the plan without a reduction of benefits due to age.

The benefits under the Master Retirement Plan and the SERP for Mr. Schaefer are calculated using the highest five out of the last 10 years of eligible wages, which generally include base salary and annual cash incentive compensation. The monthly pension would equal the difference between 30.5 percent of his final average pay and 11.1 percent of that part of his final average pay that does not exceed his Social Security covered

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compensation. This monthly pension benefit was converted to a present value in the table below. Mr. Schaefer is eligible for an early, unreduced benefit.

The benefits under the Master Retirement Plan for Mr. Kabat are calculated using the highest five out of the last 10 years of eligible wages, which generally includes W-2 pay including pre-tax deferrals. The normal benefit is equal to 1.68% of average monthly compensation plus 0.625% of average monthly earnings in excess of his Social Security covered compensation. This monthly benefit was converted to a present value in the table below. Mr. Kabat will not be eligible for early retirement until age 55.

2007 Pension Benefits

Name	Plan Name	Number of Years Credited Service (#)	Present Value of Accumulated Benefit ($)	Payments During 2007 ($)
Kevin T. Kabat	Master Retirement Plan	19.75	$ 343,700	
Christopher G. Marshall				
Greg D. Carmichael				
Robert A. Sullivan				
Charles D. Drucker				
George A. Schaefer, Jr.	Master Retirement Plan	36.00	$ 909,500	
	SERP	36.00	$ 8,246,700	

Mr. Kabat s credited service is as of the date the Old Kent Retirement Income Plan was frozen on March 10, 2002. His actual service with the Company is over 25 years.

If Mr. Schaefer or Mr. Kabat elected to retire as of December 31, 2007 and take a lump sum payment, his actual benefit would be greater than disclosed in the Pension Benefits table because the discount rate and other assumptions used for the pension plan to compute the lump sum are different than the assumptions used for the Pension Benefits table. The following table reconciles the difference between the figures in the Pension Benefits table (using the assumptions outlined in Financial Accounting Standards No. 87, Employers Accounting for Pensions) and the actual value provided based on the Company s retirement plan (using the assumptions specified in the Company s plan).

	Mr. Schaefer	Mr. Kabat
Total present value in Pension Benefits table	$ 9,156,200	$ 343,700
Additional value due to difference between Statement of Financial Accounting Standards No. 87, Employers Accounting for Pensions assumptions and actual lump sum basis	$ 112,400	$ 31,400
Additional value due to unreduced early retirement benefits		
Total potential post-employment pension benefits	$ 9,268,600	$ 375,100
Additional pension benefit value	$ 112,400	$ 31,400

Nonqualified Deferred Compensation

The Company maintains a Nonqualified Deferred Compensation Plan that allows participant and Company contributions.

Participants are able to defer all but $50,000 of their base salary, 100% of their annual cash incentive compensation award, and either none or all of their performance-based restricted stock awards. Participant contributions are not matched. Beginning January 1, 2007, participants were able to diversify their investments into the same investment alternatives as are available in the Company s 401(k) plan.

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In addition, the Company makes contributions for loss of qualified 401(k) plan and/or discretionary contributions due to base salary or annual cash incentive compensation deferrals or due to wage and/or contribution limitations under the qualified 401(k) plan. The Company s contribution to this plan is determined by taking the participant s eligible wages above the qualified 401(k) plan compensation limits ($225,000 for 2007) and applying the Company s 401(k) match (4%) and discretionary contribution (2% for 2007) percent. If other qualified plan 401(k) limitations applied, the participants would also have contributions made to the plan for those limitations.

Distributions may be made in a lump sum or in up to ten annual installments. The Named Executive Officers may elect when the payments commence. The earliest distribution is August of the calendar year following the year of retirement. The entire distribution may be made no later than the tenth calendar year following the year of retirement. This plan is intended to comply with the requirements of Section 409(A) of the Internal Revenue Code.

The Company also maintains a Stock Option Gain Deferral Plan (SOGD) under which participants could have deferred receipt of shares of common stock from option exercises. Dividends on these shares are reinvested in shares of common stock under the plan. The SOGD was frozen to all future contributions during 2005 and any remaining balances in the SOGD will be paid in shares of common stock after termination of employment according to elections made by the employees.

The following table illustrates the nonqualified deferred compensation benefits by plan. It includes each Named Executive Officer s and the Company s contributions under the nonqualified plan as well as the earnings during 2007, but it does not reflect matching 401(k) or discretionary contributions made under the qualified plan.

2007 Nonqualified Deferred Compensation

Name	Plan[1]	Executive Contributions in 2007 ($)	Registrant Contributions in 2007 ($)	Aggregate Earnings in 2007 ($)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at December 31, 2007 ($)
Kevin T. Kabat	NQDC		$ 49,772	$ (131,943)		$ 286,105
Christopher G. Marshall	NQDC		$ 25,399	$ (2,860)		$ 30,467
Greg D. Carmichael	NQDC	$ 56,506	$ 29,486	$ (21,363)		$ 126,974
Robert A. Sullivan	NQDC		$ 28,948	$ (113,671)		$ 232,620
Charles D. Drucker	NQDC	$ 107,856	$ 17,096	$ (16,680		