

FIFTH THIRD BANCORP
Form 8-K
December 12, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): December 12, 2012

FIFTH THIRD BANCORP

(Exact Name of Registrant as Specified in Its Charter)

OHIO
(State or Other Jurisdiction
of Incorporation)

001-33653
(Commission
File Number)

31-0854434
(IRS Employer
Identification No.)

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Fifth Third Center
38 Fountain Square Plaza, Cincinnati, Ohio
(Address of Principal Executive Offices)
(800) 972-3030

45263
(Zip Code)

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

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

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

Item 8.01 Other Events.

The underwriters of the secondary offering of shares of Class A common stock of Vantiv, Inc. (Vantiv) being sold by affiliates of Fifth Third Bancorp (Fifth Third) have exercised in full their option to purchase an additional 1,245,455 shares as part of the offering (and at the same price per share) to cover over-allotments. The settlement of the secondary offering (including the over-allotment option) occurred on December 12, 2012.

As a result, affiliates of Fifth Third ultimately sold a total of 13,700,000 shares of Vantiv's Class A Common Stock. The sale represents approximately 16.3 percent of Fifth Third's ownership position in Vantiv (excluding the warrant noted below). Fifth Third expects to recognize a pre-tax gain of approximately \$155 million (approximately \$100 million after-tax) during the fourth quarter of 2012. Fifth Third continues to hold approximately 70.2 million Class B units of Vantiv Holding, LLC which may be exchanged for Class A common stock of Vantiv on a one-for-one basis (or, at Vantiv's option, a cash equivalent), as well as a warrant that is exercisable and exchangeable into Vantiv Class A Common Stock. These securities are subject to certain terms and restrictions. Fifth Third has a remaining economic interest of approximately 33.0 percent of Vantiv's future earnings.

Fifth Third's equity method earnings from its ownership in Vantiv were \$25 million pre-tax in the third quarter of 2012. The sale of Vantiv's shares would reduce Fifth Third's equity method earnings from Vantiv by approximately 16.3 percent.

As previously announced, Fifth Third plans to enter into a repurchase agreement with a counterparty to repurchase shares of Fifth Third common stock in the amount of the after-tax gains related to the Vantiv transaction shortly.

Fifth Third has prepaid the \$1 billion of FHLB term debt that was scheduled to mature on January 5, 2016. This action resulted in a prepayment charge of \$134 million pre-tax. Fifth Third expects net interest savings through the maturity date of approximately the same amount. This would represent approximately \$40-45 million in annual net interest income benefit (approximately 4 bps benefit to net interest margin).

Forward-Looking Statements

This report contains statements that we believe are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. These statements relate to our financial condition, results of operations, plans, objectives, future performance or business. They usually can be identified by the use of forward-looking language such as will likely result, may, are expected to, is anticipated, estimate, forecast, projected, intends to, or may include other similar words or phrases such as believes, plans, trend, objective, c remain, or similar expressions, or future or conditional verbs such as will, would, should, could, might, can, or similar verbs. You should place undue reliance on these statements, as they are subject to risks and uncertainties, including but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary

statements we may make. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us.

There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) general economic conditions and weakening in the economy, specifically the real estate market, either nationally or in the states in which Fifth Third, one or more acquired entities and/or the combined company do business, are less favorable than expected; (2) deteriorating credit quality; (3) political developments, wars or other hostilities may disrupt or increase volatility in securities markets or other economic conditions; (4) changes in the interest rate environment reduce interest margins; (5) prepayment speeds, loan origination and sale volumes, charge-offs and loan loss provisions; (6) Fifth Third's ability to maintain required capital levels and adequate sources of funding and liquidity; (7) maintaining capital requirements may limit Fifth Third's operations and potential growth; (8) changes and trends in capital markets; (9) problems encountered by larger or similar financial institutions may adversely affect the banking industry and/or Fifth Third; (10) competitive pressures among depository institutions increase significantly; (11) effects of critical accounting policies and judgments; (12) changes in accounting policies or procedures as may be required by the Financial Accounting Standards Board (FASB) or other regulatory agencies; (13) legislative or regulatory changes or actions, or significant litigation, adversely affect Fifth Third, one or more acquired entities and/or the combined company or the businesses in which Fifth Third, one or more acquired entities and/or the combined company are engaged, including the Dodd-Frank Wall Street Reform and Consumer Protection Act; (14) ability to maintain favorable ratings from rating agencies; (15) fluctuation of Fifth Third's stock price; (16) ability to attract and retain key personnel; (17) ability to receive dividends from its subsidiaries; (18) potentially dilutive effect of future acquisitions on current shareholders' ownership of Fifth Third; (19) effects of accounting or financial results of one or more acquired entities; (20) difficulties from the separation of or the results of operations of Vantiv, LLC from Fifth Third; (21) loss of income from any sale or potential sale of businesses that could have an adverse effect on Fifth Third's earnings and future growth; (22) ability to secure confidential information through the use of computer systems and telecommunications networks; and (23) the impact of reputational risk created by these developments on such matters as business generation and retention, funding and liquidity.

You should refer to our periodic and current reports filed with the Securities and Exchange Commission, or SEC, for further information on other factors, which could cause actual results to be significantly different from those expressed or implied by these forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

December 12, 2012

FIFTH THIRD BANCORP
(Registrant)

/s/ DANIEL T. POSTON

Daniel T. Poston
Executive Vice President and Chief
Financial Officer