

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FIFTH THIRD BANCORP

CIK: **35527** | IRS No.: **310854434** | State of Incorporation: **OH** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-08076** | Film No.: **94541166**
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Business Address
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CINCINNATI OH 45263
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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended June 30, 1994
Commission File Number 0-8076

FIFTH THIRD BANCORP
(Exact name of Registrant as specified in its charter)

Ohio	31-0854434
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Fifth Third Center	
Cincinnati, Ohio	45263
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (513)579-5300

Indicate by check mark whether the Registrant
(1) has filed all reports required to be filed
by Section 13 or 15(d) of the Securities Exchange
Act of 1934 during the preceding 12 months (or for
such shorter period that the Registrant was required
to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

YES /X/ NO / /

The number of shares outstanding of the Registrant's Common Stock,

without par value, as of June 30, 1994 was 61,802,948 shares.

FIFTH THIRD BANCORP

INDEX

Part I. Financial Information

Item 1. Financial Statements

Consolidated Balance Sheets - June 30, 1994 and 1993 and December 31, 1993	3
Consolidated Statements of Income - Three Months Ended June 30, 1994 and 1993	5
Consolidated Statements of Income - Six Months Ended June 30, 1994 and 1993	6
Consolidated Statements of Cash Flows - Six Months Ended June 30, 1994 and 1993	7
Consolidated Statements of Changes in Stockholders' Equity - Six Months Ended June 30, 1994 and 1993	9
Notes to Consolidated Financial Statements	10-11

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	11-13
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Part II. Other Information

Item 6. Exhibits	13
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Fifth Third Bancorp and Subsidiaries Consolidated Balance Sheets (\$000's)	June 30, 1994 (unaudited)	Dec. 31, 1993	June 30, 1993 (unaudited)
ASSETS	-----	-----	-----
Cash and Due from Banks	\$ 557,581	580,936	511,664
Securities Available for Sale (a)	1,040,322	815,986	534,463
Securities Held to Maturity (b)	1,548,023	1,487,322	1,313,672
Other Short-Term Investments	23,503	2,773	2,771
Loans and Leases			

Commercial Loans	2,858,601	2,679,611	2,705,108
Construction Loans	303,397	322,910	303,682
Commercial Mortgage Loans	668,790	634,495	544,346
Residential Mortgage Loans	2,100,656	2,157,969	2,087,041
Consumer Loans	2,186,956	2,000,459	1,825,478
Commercial Lease Financing	423,922	350,306	312,842
Consumer Lease Financing	922,382	819,925	652,733
Unearned Income	(173,688)	(154,636)	(138,064)
Reserve for Credit Losses	(143,574)	(135,097)	(127,651)
	-----	-----	-----
Total Loans and Leases	9,147,442	8,675,942	8,165,515
Bank Premises and Equipment	164,668	156,051	124,997
Accrued Income Receivable	90,107	92,825	77,281
Other Assets	178,596	154,165	188,436
	-----	-----	-----
Total Assets	\$ 12,750,242	11,966,000	10,918,799
	=====	=====	=====
LIABILITIES			
Deposits			
Demand	\$ 1,463,071	1,462,712	1,404,913
Interest Checking	1,322,564	1,365,462	1,207,534
Savings	611,414	609,533	559,410
Money Market	1,583,520	1,460,271	1,400,312
Other Time	3,525,459	3,255,347	2,910,975
Certificates - \$100,000 and Over	245,758	305,530	344,203
Foreign Office	342,355	169,643	327,796
	-----	-----	-----
Total Deposits	9,094,141	8,628,498	8,155,143
Federal Funds Borrowed	500,769	1,031,564	494,109
Short-Term Bank Notes	745,000	--	--
Other Short-Term Borrowings	606,040	570,653	687,906
Accrued Taxes, Interest and Expenses	185,618	172,884	188,432
Other Liabilities	95,803	81,891	107,438
Long-Term Debt	140,355	140,119	111,862
Convertible Subordinated Notes	143,028	142,745	142,456
	-----	-----	-----
Total Liabilities	11,510,754	10,768,354	9,887,346
	-----	-----	-----
STOCKHOLDERS' EQUITY			
Common Stock (c)	137,203	136,313	133,127
Capital Surplus	249,892	243,377	203,860
Retained Earnings	882,134	805,726	734,600
Unrealized Gains/(Losses)	(29,741)	12,230	--
	-----	-----	-----
Total Stockholders' Equity	1,239,488	1,197,646	1,071,587
Total Liabilities and	-----	-----	-----
Stockholders' Equity	\$ 12,750,242	11,966,000	10,958,933
	=====	=====	=====

See Notes to Consolidated Financial Statements

Fifth Third Bancorp and Subsidiaries
Consolidated Balance Sheets
(Continued)

- (a) Amortized cost: June 30, 1994 - \$1,086,077,000 and Dec. 31, 1993 - \$797,170,000. Market value at June 30, 1993 - \$560,151,000.
- (b) Securities Held to Maturity market values: June 30, 1994 - \$1,517,442,000, Dec. 31, 1993 - \$1,515,255,000 and June 30, 1993 - \$1,341,976,000.
- (c) Stated value \$2.22 per share; authorized 100,000,000; outstanding June 30, 1994 - 61,802,948, Dec. 31, 1993 - 61,402,257 and June 30, 1993 - 59,967,028.

See Notes to Consolidated Financial Statements.

4

Fifth Third Bancorp and Subsidiaries Consolidated Statements of Income (unaudited) (\$000's)	Three Months Ended June 30,	
	1994	1993
INTEREST INCOME		
Interest and Fees on Loans and Leases	\$166,963	151,420
Interest on Securities		
Taxable	34,315	28,381
Exempt from Income Taxes	3,777	2,780
Total Interest on Securities	38,092	31,161
Interest on Other Short-Term Investments	113	76
Total Interest Income	205,168	182,657
INTEREST EXPENSE		
Interest on Deposits		
Interest Checking	5,771	7,053
Savings	3,088	3,663
Money Market	8,747	9,164
Other Time	39,837	35,104
Certificates - \$100,000 and Over	3,303	3,881
Foreign Office	3,039	1,456
Total Interest on Deposits	63,785	60,321

Interest on Federal Funds Borrowed	9,396	4,525
Interest on Short-Term Bank Notes	4,327	--
Interest on Other Short-Term Borrowings	6,082	5,331
Interest on Long-Term Debt and Notes	3,243	3,197
	-----	-----
Total Interest Expense	86,833	73,374
	-----	-----
NET INTEREST INCOME	118,335	109,283
Provision for Credit Losses	6,067	14,730
NET INTEREST INCOME AFTER	-----	-----
PROVISION FOR CREDIT LOSSES	112,268	94,553
OTHER OPERATING INCOME		
Trust Income	13,886	13,461
Service Charges on Deposits	13,756	13,740
Data Processing Income	15,926	12,641
Other Service Charges and Fees	13,596	14,551
Securities Gains	4	590
	-----	-----
Total Other Operating Income	57,168	54,983
OPERATING EXPENSES		
Salaries and Wages	32,547	28,963
Employee Benefits	7,905	7,797
Equipment Expenses	3,795	3,662
Net Occupancy Expenses	5,885	5,509
Other Operating Expenses	33,138	31,949
	-----	-----
Total Operating Expenses	83,270	77,880
	-----	-----
INCOME BEFORE INCOME TAXES	86,166	71,656
Applicable Income Taxes	28,787	23,749
	-----	-----
NET INCOME	\$57,379	47,907
	=====	=====
NET INCOME PER SHARE	\$.93	.80
AVERAGE SHARES OUTSTANDING (000's)	61,525	59,916
CASH DIVIDENDS DECLARED PER SHARE	\$.31	.24

See Notes to Consolidated Financial Statements.

5

Fifth Third Bancorp and Subsidiaries Consolidated Statements of Income (\$000's)	Six Months Ended	
	June 30,	
	1994	1993
	-----	-----
INTEREST INCOME	-----	-----
Interest and Fees on Loans and Leases	\$325,108	297,307
Interest on Securities		
Taxable	65,830	56,350
Exempt from Income Taxes	7,242	5,557
	-----	-----
Total Interest on Securities	73,072	61,907
Interest on Other Short-Term Investments	214	146

Total Interest Income	398,394	359,360
INTEREST EXPENSE		
Interest on Deposits		
Interest Checking	11,368	13,814
Savings	6,095	7,081
Money Market	16,538	18,531
Other Time	77,270	69,813
Certificates - \$100,000 and Over	6,670	7,938
Foreign Office	5,687	3,023
Total Interest on Deposits	123,628	120,200
Interest on Federal Funds Borrowed	18,222	6,915
Interest on Short-Term Bank Notes	4,327	--
Interest on Other Short-Term Borrowings	9,550	10,797
Interest on Long-Term Debt and Notes	6,481	6,406
Total Interest Expense	162,208	144,318
NET INTEREST INCOME	236,186	215,042
Provision for Credit Losses	14,863	27,325
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	221,323	187,717
OTHER OPERATING INCOME		
Trust Income	27,929	26,821
Service Charges on Deposits	27,567	26,787
Data Processing Income	29,781	24,270
Other Service Charges and Fees	31,350	29,815
Securities Gains	303	1,944
Total Other Operating Income	116,930	109,637
OPERATING EXPENSES		
Salaries and Wages	64,753	57,424
Employee Benefits	17,195	17,298
Equipment Expenses	7,574	7,092
Net Occupancy Expenses	11,763	10,914
Other Operating Expenses	68,432	65,672
Total Operating Expenses	169,717	158,400
INCOME BEFORE INCOME TAXES	168,536	138,954
Applicable Income Taxes	56,361	46,410
NET INCOME	\$112,175	92,544
NET INCOME PER SHARE	\$ 1.82	1.55
AVERAGE SHARES OUTSTANDING (000's)	61,505	59,887
CASH DIVIDENDS DECLARED PER SHARE	.58	.48

See Notes to Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)
For the Six Months Ended June 30, (\$000's)

	1994	1993
<hr/>		
Operating Activities		
<hr/>		
Net Income	\$112,175	92,544
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Provision for Credit Losses	14,863	27,325
Depreciation, Amortization and Accretion	15,738	19,486
Provision for Deferred Income Taxes	14,868	4,385
Realized Securities Gains	(555)	(2,016)
Realized Securities Losses	252	72
Proceeds from Sales of Residential Mortgage Loans Held for Sale	362,139	341,986
Net Gains from Sales of Residential Mortgage Loans Held for Sale	(3,336)	(7,518)
Net Increase in Residential Mortgage Loans Held for Sale	(231,482)	(444,591)
Net Decrease (Increase) in Accrued Income Receivable	3,536	(2,055)
Net Increase in Other Assets	(16,491)	(73,459)
Net Increase in Accrued Taxes, Interest and Expenses	19,818	76,976
Net Increase in Other Liabilities	9,014	21,744
<hr/>		
Net Cash Provided by Operating Activities	300,539	54,879
<hr/>		
Investing Activities		
Proceeds from Sales of Securities Available for Sale	122,563	97,583
Proceeds from Calls, Paydowns and Maturities of Securities Available for Sale	202,323	57,345
Purchases of Securities Available for Sale	(547,038)	(2,437)
Proceeds from Sales of Securities Held to Maturity	62,487	--
Proceeds from Calls, Paydowns and Maturities of Securities Held to Maturity	242,954	376,214
Purchases of Securities Held to Maturity	(372,700)	(403,145)
Net Increase in Other Short-Term Investments	(14,196)	(1,981)
Net Increase in Loans and Leases	(598,612)	(767,827)
Purchases of Bank Premises and Equipment	(13,524)	(9,294)
Proceeds from Disposal of Bank Premises and Equipment	551	912
Net Cash Paid in Purchase of Subsidiaries	(10,012)	(5,768)
<hr/>		
Net Cash Used in Investing Activities	(925,204)	(658,398)
<hr/>		

Fifth Third Bancorp and Subsidiaries
Consolidated Statements of Cash Flows (unaudited)
For the Six Months Ended June 30, (\$000's)
(Continued)

	1994	1993

Financing Activities		
Net Increase in Deposits	91,175	463,284
Purchases of Deposits	294,126	159,913
Net Increase (Decrease) in Federal Funds Borrowed	(530,795)	27,220
Net Increase in Short-Term Bank Notes	745,000	--
Net Increase (Decrease) in Other		
Short-Term Borrowings	34,093	(74,996)
Retirement of Long-Term Debt Assumed in Acquisition	(2,402)	--
Repayment of Long-Term Debt	(30)	(96)
Payment of Cash Dividends	(33,187)	(28,735)
Exercise of Stock Options	3,330	2,645

Net Cash Provided by Financing Activities	601,310	549,235

Decrease in Cash and Due from Banks	(23,355)	(54,284)
Cash and Due from Banks at Beginning of Period	580,936	565,948

Cash and Due from Banks at End of Period	\$557,581	511,664
=====		

See Notes to Consolidated Financial Statements

Fifth Third Bancorp and Subsidiaries
Consolidated Statements of Changes
In Stockholders' Equity (unaudited)
For the Six Months Ended June 30 (\$000's)

	1994	1993

Balance at January 1	\$ 1,197,646	1,005,165
Net Income	112,175	92,544
Cash Dividends Declared (1994 - \$.58 Per Share and 1993 - \$.48 Per Share)	(35,767)	(28,767)
Stock Options Exercised, Including Treasury Shares Issued	3,330	2,645
Stock Issued in Acquisition	4,075	--
Change in Unrealized Gains/Losses on Securities Available for Sale	(41,971)	--

Balance at June 30

	-----	-----
\$	1,239,488	1,071,587
	=====	=====

See Notes to Consolidated Financial Statements

9

FINANCIAL INFORMATION

ITEM 1. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Financial information as of December 31, 1993 has been derived from the audited consolidated financial statements of the Registrant.
2. In the opinion of management, the unaudited consolidated financial statements include all adjustments (which consist of only normal, recurring accruals) necessary to present fairly the consolidated financial position as of June 30, 1994 and 1993, and the results of operations for the three and six months ended June 30, 1994 and 1993 and cash flows for the six months ended June 30, 1994 and 1993.
3. The results of operations and cash flows for the six months ended June 30, 1994 and 1993 are not necessarily indicative of the results to be expected for the full year.
4. SFAS No. 114, "Accounting by Creditors for Impairment of a Loan" requires that impaired loans be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the underlying collateral. SFAS No. 114 is effective for fiscal years beginning after December 15, 1994 and, although not yet quantified, the effect on the Consolidated Financial Statements of the Registrant is not expected to be material.
5. To manage interest rate risk during the first quarter of 1994, the Registrant sold \$62,280,000 of GNMA Adjustable Rate Mortgage-backed (ARM) securities, which were classified as held to maturity at December 31, 1993, at an immaterial gain. As a result of this sale, the Registrant no longer holds any amount of this sector of securities, nor are future purchases expected.
6. Residential mortgage loans held for sale, which are valued at the lower of aggregate cost or market value, were \$19,816,000, \$174,314,000 and \$122,546,000 at June 30, 1994, December 31, 1993

and June 30, 1993, respectively.

7. In the first six months of 1994, the Registrant paid \$149,567,000 in interest and \$43,400,000 in Federal income taxes. In the first six months of 1993, the Registrant paid \$134,703,000 in interest and \$38,900,000 in Federal income taxes. In the first six months of 1994 and 1993, the Registrant had noncash investing activities consisting of the securitization of \$27,177,000 and \$45,625,000 of residential mortgage loans, respectively.

10

ITEM 1. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. In January 1994, the Registrant entered into a merger agreement with The Cumberland Federal Bancorporation, Inc., a savings and loan holding company with approximately \$1 billion in assets. This transaction is expected to be completed during the third quarter of 1994. In May 1994, the Registrant reached a definitive agreement to acquire Mutual Federal Savings Bank of Miamisburg, a Stock Savings Bank, with approximately \$85 million in assets. This merger is expected to be completed in the first quarter of 1995, pending regulatory and shareholder approvals.
9. Certain prior year's data has been reclassified to conform to current presentation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of certain significant factors which have affected the Registrant's financial condition and results of operations during the periods included in the consolidated financial statements which are a part of this filing.

RESULTS OF OPERATIONS

The Registrant's net income was \$57,379,000 for the second quarter of 1994, compared to \$47,907,000 for the same period in 1993. Second quarter earnings per share were \$.93, a 16.3% increase over last year's \$.80.

Total assets were \$12.8 billion at quarter end, compared to 1993's second quarter-end assets of \$11.0 billion. For the second quarter of 1994, return on average equity was 18.4% and return on average assets was 1.81%.

The Registrant's net interest income on a fully taxable equivalent basis for the second quarter of 1994 was \$124.0 million, an 8.6% increase over the \$114.2 million realized in the same period of 1993. This increase

resulted from an 18.8% increase in average interest earning assets and a decrease of 39 basis points in the net interest margin.

The provision for credit losses was \$6.1 million in the second quarter of 1994 and \$14.7 million in the second quarter of 1993. The reserve for credit losses as a percentage of loans and leases outstanding was 1.55% at June 30, 1994 and 1.54% at June 30, 1993. Under-performing assets (including loans and leases ninety days past due) as a percent of total loans, leases and other real estate owned were .35% at June 30, 1994 and .47% at June 30, 1993.

11

RESULTS OF OPERATIONS (CONTINUED)

Total other operating income, excluding securities gains, increased to \$57.2 million during the second quarter of 1994, a 5.1% increase over the second quarter of 1993. This growth was led by a 26.0% increase in data processing income compared to the same period in 1993. Mortgage banking income, included in other service charges and fees, was \$2.1 million for the second quarter of 1994, down from \$5.1 million in second quarter 1993, when we benefitted from gains of \$2.7 million on sales of \$136 million in fixed-rate mortgages.

Total operating expenses increased 6.9% during the second quarter over the similar period of 1993. Salaries, wages and employee benefits increased 10% over 1993. The number of full-time equivalent employees increased 10.6% (or 494) to 5,155 at June 30, 1994. Equipment and net occupancy expenses increased 5.6% over 1993, and other operating expenses increased 3.7% over 1993. The overhead ratio (operating expenses divided by the sum of taxable equivalent net interest income and other operating income) was 46.0% for the second quarter 1994 and 1993.

MATERIAL CHANGES IN FINANCIAL CONDITION

The material changes that have occurred in the Registrant's financial condition during 1994 are as follows (\$000's):

	Jun. 30, 1994	Dec. 31, 1993	\$ +/-	% +/-

Securities Available for Sale	\$ 1,040,322	815,986	224,336	27.5
Loans and Leases	9,291,016	8,811,039	479,977	5.4
Deposits	9,094,141	8,628,498	465,643	5.4
Federal Funds Borrowed	500,769	1,031,564	(530,795)	51.5
Short-Term Bank Notes	745,000	--	745,000	nm

The growth in securities available for sale and loans and leases has been funded primarily through growth in total deposits, of which

approximately \$374.6 million resulted from acquisitions. During the second quarter, a \$1 billion short-term bank note facility was established. The notes are offered with maturity dates of less than one year and are uninsured obligations of two of the Registrant's subsidiary banks. Proceeds from bank notes were used primarily to repay federal funds borrowed.

On May 20, 1994, the Bancorp purchased \$294.1 million in deposits as well as the facilities of seven Equitable Savings Bank branches in southern and central Ohio. On June 3, 1994, the Bancorp acquired The National Bancorp of Kentucky, Inc., a \$90 million, two-bank holding company headquartered in Louisville, Kentucky, in a transaction accounted for as a pooling of interests. The Consolidated Financial Statements have not been restated for this acquisition due to immateriality.

12

LIQUIDITY AND CAPITAL RESOURCES

The maintenance of an adequate level of liquidity is necessary to ensure that sufficient funds are available to meet customers' loan demand and deposit withdrawals. The banking subsidiaries' liquidity sources consist of short-term marketable securities, maturing loans and federal funds loaned and selected securitizable loan assets. Liquidity has also been obtained through liabilities such as customer-related core deposits, funds borrowed, certificates of deposit and public funds deposits.

At June 30, 1994, stockholders' equity was \$1.2 billion, compared to \$1.1 billion at June 30, 1993, an increase of \$167.9 million, or 15.7%. Stockholders' equity as a percentage of total assets as of June 30, 1994 was 9.7%. At June 30, 1994, the Registrant had a Tier 1 risk-based capital ratio of 11.4%, a total risk-based capital ratio of 13.5% and a leverage ratio of 9.5%. At June 30, 1993, the Registrant had a Tier 1 risk-based capital ratio of 10.9%, total risk-based capital ratio of 13.4% and a leverage ratio of 9.5%.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS

1. Exhibit No. 11 - Computation of Consolidated Net Income Per Share for the Three and Six Months Ended June 30, 1994 and 1993.

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 thereunto duly authorized.

FIFTH THIRD BANCORP
Registrant

Date: August 2, 1994

/s/P. Michael Brumm
P. Michael Brumm,
Senior Vice President and CFO

13

<TABLE>

EXHIBIT 11
FIFTH THIRD BANCORP
COMPUTATION OF CONSOLIDATED NET INCOME PER SHARE
(\$000's except per share data)

<CAPTION>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	1994	1993	1994	1993
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Net Income	\$ 57,379	47,907	\$ 112,175	92,544
	=====	=====	=====	=====
Net income per common share - assuming no dilution:				
Weighted average number of shares outstanding	61,525	59,916	61,505	59,887
	=====	=====	=====	=====
Per share (net income divided by the weighted average number of shares outstanding)	\$ 0.93	0.80	\$ 1.82	1.55
	=====	=====	=====	=====
Net income per common and common equivalent share:				
Net income	\$ 57,379	47,907	\$ 112,175	92,544
Add - Interest on 4 1/4% convertible subordinated notes due 1998, net of applicable income taxes	1,084	1,107	2,167	2,216
	-----	-----	-----	-----
Adjusted net income	\$ 58,463	49,014	\$ 114,342	94,760
	=====	=====	=====	=====
Adjusted weighted average number of shares outstanding - after giving effect to the conversion of stock options and convertible subordinated notes	64,005	62,550	63,982	62,509
	=====	=====	=====	=====
Per share (adjusted net income divided by the adjusted weighted average number of shares outstanding)	\$ 0.92	0.79	\$ 1.79	1.52
	=====	=====	=====	=====
Net income per common share - assuming full dilution:				
Adjusted net income	\$ 58,463	49,014	\$ 114,342	94,760
	=====	=====	=====	=====
Adjusted weighted average number of shares outstanding - after giving effect to the conversion of stock options and convertible subordinated notes	64,005	62,550	63,982	62,509
	=====	=====	=====	=====
Per share (adjusted net income divided by the adjusted weighted average number of shares outstanding)	\$ 0.92	0.79	\$ 1.79	1.52
	=====	=====	=====	=====

</TABLE>