



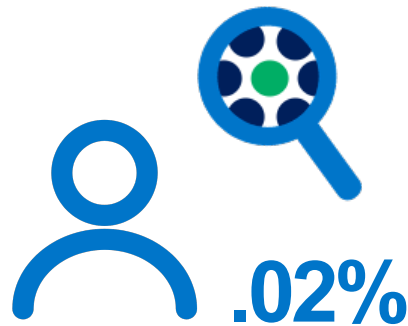
FIFTH THIRD BANK

Fifth Third Bank Rejects CFPB's Amended Complaint in Civil Lawsuit

The allegations in the amended complaint submitted in the latest filing in the Consumer Financial Protection Bureau's civil lawsuit against Fifth Third are unsubstantiated, based on limited, historical, and remediated events. They also reflect misunderstandings of our products, services, and an employee culture that puts customers first and demonstrates a deep commitment to industry leading sales practices. When a federal court examines the evidence, we believe it will agree with Fifth Third that the civil suit is unnecessary and unwarranted.

Fifth Third does not have, and never had, a systemic or widespread problem with unauthorized accounts.

As part of the multi-year CFPB investigation, Fifth Third and the Bureau discussed certain factors that would identify high risk accounts. After the CFPB filed its complaint in March 2020, Fifth Third engaged a globally recognized consulting firm to analyze each of these accounts to determine whether it was opened improperly by a bank employee. That review, which was conducted utilizing methods and quality control procedures endorsed by retired senior officials of the Federal Reserve and the Office of the Comptroller of the Currency, found an extraordinarily small number of potentially unauthorized accounts. Derived from an initial population of more than 10 million accounts, these accounts numbered fewer than 800 opened in branches between 2010 and 2016 and generated a total of less than \$3,000 in unwarranted fees that were promptly remediated. Combined with the unauthorized accounts contemporaneously identified and remediated by Fifth Third, the Bank is now aware of fewer than 2,000 customer accounts that may have been unauthorized out of more than 10 million accounts opened during the same period (or approximately 0.02 percent). The potentially unauthorized accounts were concentrated primarily between 2010 and 2012.



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The large numbers the Bureau recites disregard evidence that demonstrates customer knowledge, authorization, or use of the accounts. The numbers simply reflect accounts identified based on broad-brush assumptions at early stages in the CFPB's investigation and prior to the detailed review conducted by outside experts and then shared with the Bureau.

Over the past decade, Fifth Third has been ahead of the curve when it comes to proactively implementing safeguards and customer-first policies.

2010

- No product-specific goals or sales quotas for employees.
- Identified through existing controls instances of Chicago employees opening accounts without authorization in violation of Bank policies, procedures, and training. Fifth Third investigated the allegations and subsequently remediated affected consumers, disciplined employees engaged in wrongdoing, up to and including termination, appointed new regional management, and updated incentive compensation structure and strengthened safeguards.
- Approximately 90% of a retail employee's compensation is salary.

2011

- Incentive compensation credit "clawed back" within 90 days if checking or savings accounts are opened and not used. These accounts are automatically closed to deter unauthorized activity.

2012

- Consultative Sales Process built into Bank's sales practice model to facilitate conversations with customers to determine their needs and offer appropriate solutions.
- Incentive compensation focused on overall financial center performance and customer feedback; no compensation for bundling or cross-selling.

2014

- Stopped new Early Access Program enrollments.
- Consumer complaint program expanded.

2015

- Transforming Fifth Third initiative for compliance management launched, increasing number of employees in all of Bank's lines of defense and improving its Unfair, Deceptive or Abusive Acts or Practices program and its ability to detect and prevent improper sales practices of all kinds.
- Bank transitioned from an affiliate model to a nationalized model, which centralized operations and management and further reinforced consistent sales practices across all financial centers.

2016

- Began performing monthly testing and review of each financial center's account opening documentation to ensure that new account applications are documented with, among other things, customer signatures and appropriate identification/account ownership.
- Began sending automatic email notifications to customers when a new credit card is opened in their name. Fifth Third also calls customers who have not activated their credit cards.

2017

- Began sending automatic email notifications to customers when a new bank account is opened in their name.
- Stopped accepting credit card phone applications at branches.
- Implemented an electronic consent solution that requires customers to enter a unique PIN sent to their mobile phone before a saving or checking account can be opened.
- Transitioned to a 'book of business' approach, with the majority of incentive compensation derived from the financial center's overall performance and the rest based on customer experience and satisfaction.
- Worked with a leading consulting firm to assess the Bank's sales culture, practices, and controls, and to determine whether improvements could be made in these areas and subsequently implemented and validated such recommendations.

2018

- Created the Conduct Risk Dashboard, which offers a 360-degree overview of key conduct metrics to identify potential trends and patterns that may signal greater risk by line of business and region.
- Eliminated account openings, including online banking, entirely as a factor for incentive compensation.

2019

- Implemented an electronic consent solution for customers who want to open a credit card account by calling into a bank branch.

2020

- Working group of independent Board members established to review and investigate a shareholder complaint related to CFPB allegations of cross-selling dating back to at least 2010. After reviewing more than 1,000 documents and interviewing at least 17 current and former employees, it found that Fifth Third prohibits illegal or abusive sales practices and that the Bank has procedures in place for identifying and remediating employee misconduct that affects customers, including the opening of unauthorized accounts.
- Retained a globally recognized consulting firm to conduct detailed analysis of potentially unauthorized accounts (for more details, see above)