



beneficial state foundation

## "Building Better Banks" Case Study Series: Fifth Third Bank

Beneficial State Foundation's mission is to change the banking system for good. These case studies highlight some of the exceptional work banks and credit unions are doing in the areas of Diversity, Equity, & Inclusion, Environmental Stewardship, Good Governance & Leadership, and Alternative Credit Underwriting & Services. We hope that spotlighting mission-driven business and banking practices will inspire bankers to bring similar approaches to their workplaces. Imagination precedes accomplishment, and being a good bank is profitable. [This case study spotlights the exceptional Environmental Stewardship work that Fifth Third Bank prioritizes.](#)

### **Industry Challenge for Environmental Stewardship:**

Financial institutions remain invested in the success of the fossil fuel industry despite wide recognition of how their activities accelerate climate change and diminish our planet's ecological diversity. Many prioritize maximizing shareholder return over the well-being of our communities and the health of our planet. Banks and credit unions have also neglected to proactively seek out and fund those businesses and projects with a sustainability focus. Let's take a look at how Fifth Third is building a better bank.



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## ABOUT FIFTH THIRD BANK

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Founded in 1858, Fifth Third Bank is one of the largest consumer banks in the United States. They are committed to building a racially just, equitable, and inclusive community. Fifth Third is also committed to being an environmental leader in the financial services sector and to leading the transition to a sustainable future. Fifth Third is driven by the understanding that integrating sustainability into all aspects of the company creates long-term business value and strengthens the communities it serves.

## LOCATIONS & FINANCIALS

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Fifth Third Bank is headquartered in Cincinnati, Ohio, and maintains 1,000+ branches across its Ohio, Kentucky, Indiana, Michigan, Illinois, Florida, Tennessee, West Virginia, Georgia, and North Carolina footprint.

- Assets: \$434 B (2020)
- Assets Growth Rate (YTD): N/A
- Net Income: \$1.4 B (2020)
- Return on Equity: 6.4% (2020)
- Return on Assets: 1.18% (Q4 2020)
- Net Interest Margin: 2.78% (2020)
- Loan/Deposit: 66% (Q4 2020)
- Tier 1 Capital Ratio: 11.83% (2020)
- Efficiency Ratio: 61.9% (2020)
- Texas Ratio: N/A

## MIGHTY DEPOSITS

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Mighty Deposits is a comparison tool to help the public better understand where their money goes after it is deposited at their bank or credit union.

For every \$100 a customer deposits at Fifth Third Bank, an estimated \$59 is reinvested in the community. This is 31% higher than the industry average. Overall Community Financing is the most likely place a depositor's money would go at Fifth Third Bank.



## IMPACT HIGHLIGHTS



**16% Reduction in  
Total Energy Use  
Since 2017 (2019).**



**100% Renewable  
Power (2019).**



**'A-' Climate Change  
Score from the Carbon  
Disclosure Project  
(2019).**



**22% Reduction in  
Water Consumption  
Since 2017 (2019).**



**Forbes' Best  
Employers for  
Diversity.**



**Bloomberg Gender  
Equality Index  
Member.**

"Fifth Third is working to reduce the direct environmental impact from our operations by setting bold goals, working to achieve them, and reporting on our progress."

-Excerpt from Fifth Third's 2019 Annual Report



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## ENVIRONMENTAL STEWARDSHIP SPOTLIGHT

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(Courtesy of Fifth Third Bank)

### Reducing Operational Energy Usage: Background and Goals

Financial institutions must acknowledge that reducing their locations' environmental impact is necessary to becoming a responsible business. In 2017, Fifth Third Bank set five bold sustainability goals to achieve by 2022, including reducing their energy use and location-based greenhouse gas emissions by 25%, reducing their water consumption and waste generation by 20%, and purchasing 100% renewable power.

"Fifth Third is committed to being an environmental leader in the financial services sector and to leading the transition to a sustainable future. We are driven by our understanding that integrating sustainability into all aspects of our company creates long-term sustainable value."

-Excerpt from Fifth Third Bank's 2019 Environmental Social Governance Report

Fifth Third Bank has made substantial progress toward these goals. Since 2017, Fifth Third Bank has achieved a 16% reduction in energy use, a 31% reduction in greenhouse gas emissions, a 22% reduction in water use, and 100% renewable power usage. How did Fifth Third accomplish some of these internal environmental sustainability goals? We'll discuss this and how your financial institution can take similar steps towards reducing your operations' environmental impact on the next page.

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## ENVIRONMENTAL STEWARDSHIP SPOTLIGHT

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### Reducing Operational Energy Usage: Action Items

Below are steps Fifth Third Bank took to achieve its environmental sustainability goals. These are great starting points for other financial institutions seeking to lessen their environmental impact:

- Invest in LED lighting, HVAC upgrades, and building controls.
- Introduce dual monitors, reduce the number of printers, and provide centralized waste collection stations. These steps help to reduce printing and make it easier to recycle paper and other materials.
- Select greener materials and products for remodeling designs; including wall insulation, windows, lighting, plumbing fixtures, mechanical equipment fabrics, furnishings, and flooring. These products should meet enhanced standards such as the U.S. EPA's Energy Star® and WaterSense standards, specific efficiency ratings (SEER ratings), or other minimum criteria.
- Buy carbon-neutral flooring products. Fifth Third purchased more than 23,000 square yards of carbon-neutral flooring made from 100% recycled nylon. According to the supplier, Interface, these purchases' combined impact includes reducing 210 metric tons of carbon dioxide.
- Invest in smart irrigation systems to reduce landscaping-related water use.
- Improve space utilization and the sustainability of new construction, renovation, and facility-related operations and maintenance practices.

"Our sustainability accomplishments were made possible through innovation and collaboration across many teams at Fifth Third—it's now our responsibility to share our experience."

-Quote from Fifth Third Bank's 2019 ESG Report





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Thank you for your engagement with this case study on Fifth Third Bank .

This is part of a series of case studies on financial institutions, published by Beneficial State Foundation.

For information about how Beneficial State Foundation can support your bank's corporate social responsibility strategy, **[please click here to contact us.](#)**

