



SOUND

COMMUNITY BANK
Simply better here.

2022 Sustainability Report

Sandy Frankfurth



When I walk into the Sequim Village Branch of Sound Community Bank it feels like home because of the many ways they CARE! I am so grateful for the MANY ways Sound Community Bank keeps this 76-year-old grandma "balanced, between my personal and business-account banking needs!" Also, you are always true to your word! Because of this, I look forward to referring friends and family to Sound Community Bank. It feels very welcoming to walk through the doors and hear a "Hi, Sandy!" And, on more than one occasion, it's followed up with, "We just picked up the newspapers!" It's a special break in my day for "frugal" me to be out of my home office and sit amongst so much GOODNESS and sip a cup of coffee and read the paper! Shelli has also offered me, on more than one occasion, excellent SOUND advice on personal matters! It's the little things that make a HUGE difference. The bank is a blessing to me and to our entire community who benefits from all the ways you CARE and give back to the community!

Myriah Conyers

AVP | Mortgage Production Engineer



When I applied for my first car loan at Sound Community Bank, I never anticipated it would lead to my career of 18 plus years in banking. I started as a part-time teller in the downtown location and transitioned into a career in mortgage banking. Sound Community has been a wonderful place to grow in my banking career. Currently, I'm the Mortgage Production Engineer. Not only have I had the opportunity to grow my career, but I was also able to finance my first and second homes. Sound Community Bank has been instrumental in making my dreams come true and blossoming me into a proud career in banking by providing opportunities to learn and develop.

At Sound Community Bank, we make a strategic commitment to provide sustainable, secure financial services and support to individuals, businesses, communities and employees. We focus on initiatives like excellent financial performance, green products and services, superior client service and employee benefits that enhance employee relations and expand our productivity. In 2022, the management team continued to lead a focused effort to more fully integrate sustainability and corporate social responsibility into our day-to-day operations. We believe these principles, which are embedded throughout the Bank, create satisfied clients, engaged employees and sustainable financial performance for years to come. We hope you enjoyed learning about our efforts in 2022.

Laura Lee (Laurie) Stewart

President & Chief Executive Officer
Sound Financial Bancorp, Inc.
and Sound Community Bank

Erin Nicolaus

Executive Vice President
Chief People and Inclusion Officer
Sound Community Bank

Wesley Ochs

Executive Vice President
Chief Strategy Officer
Sound Community Bank

David A. Raney

Executive Vice President
Chief Banking Officer
Sound Community Bank

Heidi J. Sexton

Executive Vice President
Chief Operating Officer
Sound Community Bank

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ROBERT LEONARD



Robert Leonard Salon + Spa

Becca Stordahl and Morgan Powers

At Robert Leonard Salon, our culture is what sets us apart. As a salon established in Downtown Seattle for 46 years, it is critical for us to define what exactly culture means to us — within our staff as well as our clientele. That culture is ever evolving throughout the years, but our focus and mission statement remains the same: "It is our mission to attract and retain the client that seeks a higher standard of skill, consistency, efficiency, and service. We strive to be leaders in the beauty industry by simply putting the client's needs above our own. Our focus on quality touches every part of the client experience from the products we choose to the services we provide. We always deliver sophisticated and exceptional service."

Workplace

Approximately 60% of employees work remotely on a regular basis, helping reduce carbon emissions in Western Washington

Average employee tenure of 5 years

Employees completed 1,449 banking-related courses totaling nearly 908 training hours

Employee Utilization of 14.13%, representing the percentage of an employee needed to service \$1,000,000 in assets

Financial Stewardship

5-Star "Superior" safety and soundness rating from Bauer Financial

Employees earned 19,438 shares in the Employee Stock Ownership Plan, giving them a greater stake in our success

Loan to Deposit ratio of 107.27%, displaying a commitment to the communities we serve

Return on Assets ratio of 0.92%, expressing efficient financial management to generate earnings using assets

Return on Equity ratio of 9.24%, revealing profitability leveraging investments from shareholders

Efficiency ratio of 69.65%, making evident our commitment to preserving resources



Gratton Grocers LLC DBA Grocery Outlet

John and Melanie Gratton and "Bear"

We're proud and appreciative of our partnership with John and Melanie Gratton, owners of the Port Angeles Grocery Outlet. Their dedication to community aligns with our company values – Community is our heart, we serve the needs of our communities. The Grattons fill the Habitat for Humanity homes with food when the homes are complete and families move in. "Bear" is a good paw-friend of our Port Angeles Branch and likes to join us for our team meetings sometimes!

Laurie Szczepczynski

SVP | Relationship Manager

Port Angeles Branch

Environment

51% of clients choose electronic paper statements, an eco-friendly option eliminating hundreds of thousands of printed pages

72% of client households with a checking account use Online Banking for paperless transactions and bill payment

71% of clients use a debit card, reducing the need for paper checks

9,754 clients utilize Mobile Banking, eliminating the need to visit a branch

66% of clients with a loan choose auto-pay instead of using a paper check or visiting a branch monthly

100% of loan files digitized, eliminating the need for storing 3,500,000+ pieces of paper in filing cabinets, in turn saving space and reducing expenses

66% of clients choose direct deposit, reducing the risk of check fraud and lost or stolen checks, and eliminating the need to visit a branch

Community

2,329 hours volunteered within our communities

100% employee participation in Corporate Giving Campaign

24.68% average market share in communities we serve

Sponsored over 100 community events and activities

241 checking accounts offered free to nonprofit organizations

131 clients chose a non-profit beneficiary in our communities to receive \$50 from the Bank on their behalf as part of our mortgage giving program