

VALUES BASED BANKING

2023

Sustainability Report



SOUND
COMMUNITY BANK
Simply better here.

environment ● community ● workplace ● financial stewardship



Family Law CASA

Deidre McCormack Martin | Executive Director

Family Law CASA is proud to work with Sound Community Bank to manage our checking and savings accounts. We feel well taken care of and the bank's team is very responsive to our needs, offering products and services that help us steward the funds we have raised to advance our mission. We also greatly appreciate Sound Community Bank's sponsorship of our annual fundraising event and the participation of one of their employees on our board of directors. Sound Community Bank is not only committed to relationship-based banking, but is a model for civic engagement, actively supporting many organizations to create a more equitable community for all.

Environment

50% 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

12,410 clients utilize Mobile Banking, eliminating the need to visit a branch

68% 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

61% 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

First place in Corporate Philanthropy in the small business category by the Puget Sound Business Journal.

2,329 hours volunteered within our communities

100% employee participation in Corporate Giving Campaign

25.80% average market share in communities we serve

Sponsored over 100 community events and activities

216 checking accounts offered free to nonprofit organizations

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



Erlwein Insurance Agency

Scott Erlwein &
Shelby Vaughan

I've been a client of Sound Community Bank since the day they moved into town. Their clean, friendly, and professional atmosphere, and staff have always been extremely pleasant and welcoming. They go above and beyond to make sure that everything goes as smoothly as possible. I have recommended Sound Community Bank to family, friends, and several people from my work network because I love their customer service and trust that everything will always be done correctly. I trust their abilities with all my personal and business needs. My family and I have multiple businesses and numerous personal accounts. I currently own Farmers Insurance in Port Angeles and run an excavation business on the side. Shelby owns Fox-Bell Farm & Training where she boards and trains horses of all kinds. Shelby has also run a self-funded horse rescue on the Peninsula for the past 10 years and is looking to transition the rescue efforts to a 501(c)3 later this year. We always know we can count on Sound Community Bank to help and take care of us and all our needs.

Workplace

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

Average employee tenure of 5 years

Employees completed 1,620 banking-related courses totaling nearly 1,223 training hours

Employee Utilization of 13.86%, 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 18,501 shares in the Employee Stock Ownership Plan, giving them a greater stake in our success

Loan to Deposit ratio of 108.42%, displaying a commitment to lending in the communities we serve

Return on Assets ratio of 0.74%, demonstrating financial management to generate earnings

Return on Equity ratio of 7.44%, leveraging equity for earnings

Efficiency ratio of 77.54%, showing our commitment to preserving resources



Gary Boman

VP | Bank Secrecy Act Administrator

When I interviewed at Associated Grocers Employee's Federal Credit Union for a loan officer position back in 1987, little did I realize the course was set for my banking career at Sound Community Bank almost 37 years later! From a consumer loan officer to Vice President/ Bank Secrecy Act Administrator, I navigated through a winding path of opportunity and career growth.

To what do I attribute my tenure? Simple – it's the people. The team members I've had the pleasure of working with, the clients I've helped over the years, and a talented and dedicated Senior Management team committed to performance and helping the communities we serve.

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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 2023, 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 2023.

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