



**SOUND**  
COMMUNITY BANK  
Simply better here.

# 2015 Sustainability Report

environment

community

workplace

financial stewardship

Our commitment to ease, access, transparency and sustainability is at the center of all initiatives.

# Community

1,396 hours volunteered within our communities

94.91% average client satisfaction score

87% employee participation in Corporate Giving Campaign

15.05% average market share in communities we serve

81 charitable events and activities

66 checking accounts offered free to nonprofit organizations

# Environment

62% of clients choose electronic paper statement, eliminating approximately 175,000 printed pages

63% of clients with a checking account use Online Banking for paperless transactions and bill payment

74% of clients use a debit card, eliminating the need for paper checks

3,711 clients utilize Mobile Banking, eliminating the need to visit a branch

36% 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 2,878,000 pieces of paper in filing cabinets, in turn saving space and reducing expenses



Sound Community Bank is fantastic to work with. Most recently on our commercial loan, we were given a simple list of required documents for a Small Business Association Loan (SBA). The entire process was seamless. In the middle of the process, our loan officer received a promotion and transferred to Seattle, but he kept our file to work on himself...all the way to closing! He made sure there was continuity with the transaction and with us. When closing arrived, because the closing company was in Los Angeles, there were issues. Sound Community Bank stepped up again. The branch manager notarized our documents, got our down payment transferred and sent out all the documents. We are raving fans of Sound Community Bank!

Liz & Richard Parks  
RE/MAX Prime  
Sequim, WA





Tracy Hill  
Regional Development  
Manager  
Arthritis Foundation

Sound Community Bank employees truly care about helping others in the community and they prove it with their actions. Sound Community Bank joins the Arthritis Foundation annually at both the Bone Bash Gala and the Seattle Jingle Bell Run/Walk through sponsorship and participation. They encourage the staff team and their customers to join in on the fun, inviting everyone to take part in the events. They are always enthusiastic and bring great energy to the events while promoting the important work being done for those with Arthritis. Sound Community Bank is generous not only with financial gifts but also by taking the time to encourage others to support the organization. Through donations and fundraising Sound Community Bank has raised tens of thousands of dollars to support the important work of the Arthritis Foundation.

We are proud to call Sound Community Bank our partner in the quest to find a cure for Arthritis, the nation's leading cause of disability. The continued support from Sound Community Bank provides funds for critical arthritis research, local community programs, essential health education and government advocacy initiatives.

# Financial Stewardship

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

Employees awarded 5.35% of salary in shares to Employee Stock Ownership Plan, demonstrating commitment to financial stability

Loan to Deposit ratio of 103.37%, displaying a commitment to the communities we serve

Return on Assets ratio of 0.95%, demonstrating efficient financial management to generate earnings using assets

Return on Equity ratio of 8.93%, revealing profitable leverage of investments from shareholders

Efficiency ratio of 68.27%, making evident our commitment to preserving resources

20.11% stock appreciation, exhibiting commitment to shareholders and our financial success

# Workplace

87.4% employee participation in the Bank Wellness Program

Average employee tenure of 4.84 years

1,927 total hours of employee training

Employee Utilization ratio of 19.1%, representing the percentage of an employee needed to service \$1,000,000



Naza Liulamaga  
AVP | Loan Servicing Manager

I've been an employee at Sound Community Bank for 25 years! I'm truly humbled and grateful for the various opportunities the Bank has offered me. I started at Sound Community Bank when I was a single mom trying to raise my young children. Sound Community Bank helped me finance my first home after I remarried. Over the years, I continue to see and believe in Sound Community Bank's compelling efforts to improve sustainability throughout the Bank and throughout the numerous communities it serves. Sound Community Bank continues to help by giving time, funds and support to nonprofits in our local communities.



Odd Otter Brewing Company, located in downtown Tacoma, is deeply grateful to Sound Community Bank for helping us bring a dream to life. We opened in late 2014 due in large part to the support, exhortation and capital equipment loan provided to us by Sound Community Bank. The Tacoma branch manager embraced our vision and encouraged us in our fledgling desire to build a brewery that would serve as a communal gathering point, would allow our Head Brewer and Founder Owen McGrane an environment in which we could showcase his innate and innovative brewing style, and finally that would allow us to find innovative ways to engage our beloved Tacoma area. Since opening, we've hosted and participated in numerous charitable endeavors including benefits for otter conservation (of course!) at Northwest Trek, a campaign to preserve Washington's beautiful natural waterways with Washington Wild!, a fundraiser for the victims of the Nepal earthquake, multiple medically-related fundraisers and many more.

We believe strongly that our success will increase the impact and reach of our charitable endeavors. We are eternally grateful to Sound Community Bank for funding the loan that allowed us to purchase our brewing equipment, and for working with us to renegotiate that loan so we could buy additional brewing capacity. As we grow, and as our small business blossoms, we will continue to look to Sound Community Bank as a partner, as a supporter and as a friend. We are grateful to be part of the Sound Community Bank family at our inception, at the present, and as we look into the future. Thanks for being a part of our experience!

John H. Hotchkiss IV, M.D.  
Founder, Odd Otter Brewing Company  
Tacoma, WA

At Sound Community Bank, we make a strategic commitment to provide sustainable, secure financial services and support for 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 2015, the management team led a focused effort to more fully integrate sustainability and corporate social responsibility into our day-to-day operations. We believe these efforts are the right thing to do and that they result in satisfied clients, engaged employees, and sustainable financial performance for years to come. We hope you enjoyed learning about our efforts in 2015.

**Laura Lee Stewart**

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

**Matthew P. Deines**

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

**Kelli Nielsen**

Senior Vice President/Retail Banking  
Sound Community Bank

**Christina Gehrke**

Senior Vice President  
Chief Administrative Officer  
Sound Community Bank

**Elliott Pierce**

Executive Vice President  
Chief Credit Officer  
Sound Community Bank



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