



SOUND

COMMUNITY BANK

Simply better here.

2016 Sustainability Report

environment

community

workplace

financial stewardship



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



Doc Robinson
Executive Director
Serenity House of Clallam County

When our previous bank came under new direction, they seemed to lose interest in working with our nonprofit, Serenity House of Clallam County. On the advice of a few of Sound Community Bank's happy customers, we moved our many accounts to Sound and ever since have been very happy ourselves.

Serenity House provides 90% of all housing and housing assistance to the very low income people of Clallam County. For the chronic homeless, we provide shelter, housing and case management to meet their needs. For the newly homeless or the "about to be," we are a lifeline working to qualify our less well-off neighbors for the programs their income, circumstances and history allow. Then, working primarily with short-term rent payments made directly to private landlords, we help people find permanent homes and via classes in money management and more, step up into a better life.

As you might imagine, handling different kinds of federal funds, multiple types of state funds, assorted county funds and our own funds, each with its own set of rules and procedures is a monumental task. Sound Community Bank is there with us each step of the way. When we need to repair or rebuild property, Sound is also there to guide and help. In our change of banks, we are as fortunate as our clients. Sound Community Bank has been a step up!

When I first started with Sound Community Bank in 2012, I was attracted to the Bank's culture which focused on treating each client personally and making decisions based on the total picture. That culture, which emanates throughout the Bank and its employees, creates opportunities to help clients and develop relationships that continue to generate repeat business. The Bank's commitment to providing excellent benefits, encouraging community involvement and implementing health incentive programs, among the many other countless untold merits of working here, reflects the dedication Sound Community Bank has to helping its employees flourish personally and professionally. I'm proud to work for a company that values its employees for what they contribute at work, at home and in their communities.

Joshua Buckingham
AVP | Senior Residential Loan Officer
Sound Community Bank



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 2016, 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, creates satisfied clients, engaged employees, and sustainable financial performance for years to come. We hope you enjoyed learning about our efforts in 2016.

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

Christina Gehrke

Executive Vice President
Chief Administrative Officer
Sound Community Bank

Elliott Pierce

Executive Vice President
Chief Credit Officer
Sound Community Bank



For the past six years, the employees of Sound Community Bank have rallied together each summer to participate in Food Frenzy, a fun and creative fundraising competition between businesses, benefitting Food Lifeline. The Sound Community Bank team participation has raised over \$50,000 – enough to provide more than 250,000 meals for the people Food Lifeline serves throughout Western Washington. Their spunk, creativity and deep support of our mission to end hunger are just a few of the reasons we love working with them.

Sound Community Bank stepped up to be the Presenting Sponsor of Food Frenzy this coming summer. Their support means we can expand Food Frenzy to include additional companies, doing more to help kids in need, and to end summer hunger.

Food Lifeline will proudly continue to partner with Sound Community Bank and their employees. We know their involvement means more meals on more plates for families in our region!

Linda Nageotte, President & CEO
Food Lifeline

Financial Stewardship

5-Star “Superior” safety and soundness rating from Bauer Financial

Employees earned 21,443 shares in the Employee Stock Ownership Plan, demonstrating commitment to their financial stability

Loan to Deposit ratio of 105.87%, displaying a commitment to the communities we serve

Return on Assets ratio of 0.97%, demonstrating efficient financial management to generate earnings using assets

Return on Equity ratio of 9.37%, revealing profitable leverage of investments from shareholders

Efficiency ratio of 68.71%, making evident our commitment to preserving resources

Environment

61% of clients choose electronic paper statement, eliminating approximately 175,000 printed pages

69% of clients with a checking account use Online Banking for paperless transactions and bill payment

70% of clients use a debit card, limiting the use of paper checks

4,666 clients utilize Mobile Banking, eliminating the need to visit a branch

40% 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 3,000,000 pieces of paper in filing cabinets, in turn saving space and reducing expenses

Community

1,472 hours volunteered within our communities

95.38% average client satisfaction score

95.49% employee participation in
Corporate Giving Campaign

15.15% average market share in communities we serve

88 charitable events and activities

213 checking accounts offered free to
nonprofit organizations

Workplace

87.7% employee participation in the
Bank Wellness Program

Average employee tenure of 4.90 years

3,096 total hours of employee training

Employee Utilization ratio of 18.3%, representing
the percentage of an employee needed
to serve \$1,000,000 in assets



Sound Community Bank is an amazing local bank. We trust them and enjoy working with our business banker, Louis Olay. He truly cares about our business and it shows. If you've ever said, "I'm leaving the big bank because I'm just a number," or, "it seems like they search for a way to say no," then my advice is to leave. It took me seven years and wish I did it sooner. Sound Community Bank looks at the whole picture and makes sound banking decisions in a timely fashion. We took our credit request to three different mega-banks and were offered loan amounts of less than what we needed despite our outstanding credit and track record of success plus rapid growth. Sound Community Bank was able to provide us with the funds we needed to continue our successful progression. We look forward to a long partnership with Sound Community Bank!

Greg and Christina Dale
Artful Ashes Team



Claudia Wicks
Port Ludlow Artists' League
2017 President

When Sound Community Bank opened their doors in Port Ludlow over two years ago, they soon became a trusted and valued partner of our Port Ludlow Artists' League. As a small not-for-profit co-op art group, our banking needs are not complicated yet they provided us the same excellent banking services they give larger businesses. Sound Community Bank gives us visible support beyond bank services by allowing our artists to exhibit their work in revolving shows in the Bank's lobby. They also provide our gallery space free of charge (we're located in a small annex of their building)! The Port Ludlow staff is knowledgeable, friendly and enthusiastic of our endeavors to bring art into our community. The Port Ludlow Artists' League is richer because of its association with Sound Community Bank.