



SOUND
COMMUNITY BANK
Simply better here.

2019 Sustainability Report



environment • community • workplace • financial stewardship



Bayside Housing & Services

Leslie Shipley
Director of Development

Bayside Housing & Services is dedicated to eliminating homelessness on the Olympic Peninsula. Sound Community Bank is a great resource and ally. We appreciate the personalized service, excellent rates, and their community commitment. Their environmental consciousness and community support connects us in an important way. As a nonprofit serving this region, it's essentially important to us that Sound Community Bank is local and has values in alignment with ours.

Financial Stewardship

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

Employees earned 11,340 shares in the Employee Stock Ownership Plan, demonstrating commitment to their financial stability

Loan to Deposit ratio of 100.69%, displaying a commitment to the communities we serve.

Return on Assets ratio of .95%, expressing efficient financial management to generate earnings using assets

Return on Equity ratio of 8.90%, revealing profitability leveraging investments from shareholders

Efficiency ratio of 73.52%, making evident our commitment to preserving resources

Environment

51% of clients choose electronic paper statement, eliminating approximately 405,000 printed pages

71% of client households with a checking account use Online Banking for paperless transactions and bill payment

62% of clients use a debit card, eliminating the need for paper checks

6,713 clients utilize Mobile Banking, eliminating the need to visit a branch

41% 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

3,557 hours volunteered within our communities

96.82% average client satisfaction score

90% employee participation in Corporate Giving Campaign

16.61% average market share in communities we serve

146 charitable events and activities

230 checking accounts offered free to nonprofit organizations

Workplace

80% employee participation in the Bank Wellness Program

Average employee tenure of 5 years

800 total hours of employee training

Employee Utilization of 16.4%, representing the percentage of an employee needed to service \$1,000,000 in assets



Fiesta Jalisco

Jaime Bautista & Family
Owner

We've been doing business with Sound Community Bank since they opened the Port Angeles branch in 2009. We live in a tight community and from experience, I prefer the community banks over the big banks. Sound Community Bank is always helpful and caring. They helped us with a commercial loan, and also helped expand our business, purchase our home, and refinance our rentals. To this day we have the same feeling as the first time we walked into the branch years ago - confidence, assurance, and peace of mind.



Bill Mair Heating and Air, Inc.

Bill and Anna Mair
Owners

Sound Community Bank is the perfect partner for our growing business. They were there from the beginning providing us with financing, online banking, checking, and money market accounts, and everything in between. We appreciate a bank that not only understands our financial needs, but is friendly, dependable, and helpful every step of the way.

**El Shaddai Christian Ministries
aka The Empowerment Center**

Dr. Jimmie W. Lee
Lawanna Lee

We began our banking relationship with Sound Community Bank in October 2019 after an exhausting quest for a lender to refinance a rental property. The loan officer was supportive and patient, helping us navigate the online process (which was challenging to us as baby boomers in our seventies). Consequently, our experience from beginning to end was so positive and professional that we moved all our investment banking to Sound Community Bank, and just recently closed on a second refinance on another investment property. We feel blessed by the welcoming and supportive services we receive from the staff and look forward to continuing our relationship with the Bank.



David A. Raney

Executive Vice President
Chief Banking Officer

As a born-and-raised Washingtonian, I am proud to work for a company committed to making a positive impact in our local communities. I started with Sound Community Bank thirteen years ago, managing a lending team. Currently, I am the Chief Banking Officer. Community is a vital part of our DNA at Sound Community Bank. We always seek to leave our communities better than we found them – be that through innovative products on the loan and deposit side, financial literacy, banking underserved communities, or through the volunteerism of our employees. I am very proud to work for an organization that thinks and acts locally.

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 2019, 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 2019.

About the Cover:

For nearly 140 years, the West Point Lighthouse has guarded the entrance to Seattle's Elliott Bay and the Southern Puget Sound region in Washington State. Erected in 1881, the lighthouse is part of Seattle's beloved Discovery Park. Intended to safely guide seafarers into the historic Seattle and Tacoma ports, avoiding the rocky outcrop which begins to form Elliott Bay, it is one of the many hallmarks of the region's long oceanic history. From air, land, or sea, the West Point Lighthouse is a symbol of the region's pioneering sustainability efforts and exemplifies our holistic commitment to sustainability in four categories: financial stewardship, excellence in the workplace, a commitment to the communities we serve and environment.

Laura Lee Stewart

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

Daphne Kelley

Executive Vice President
Chief Financial Officer
Sound Financial Bancorp, Inc.
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Erin Nicolaus

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Wesley Ochs

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Chief Strategy Officer
Sound Community Bank

Elliott Pierce

Executive Vice President
Chief Credit 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

