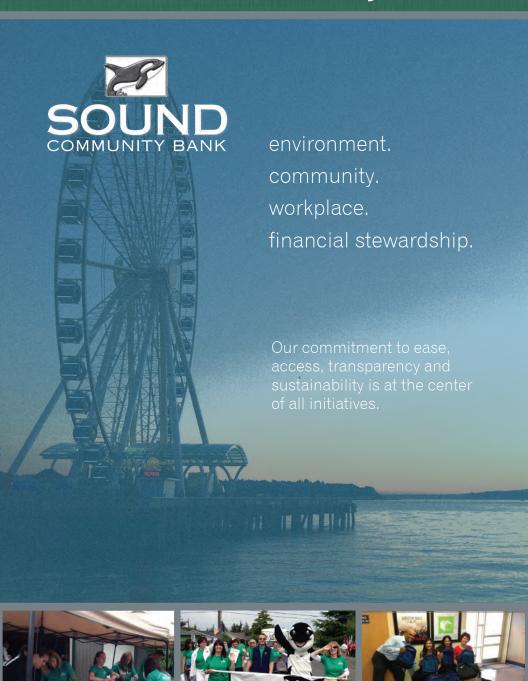
<u>Sustainability</u>



Sustainability

At Sound Community Bank, we made a strategic commitment to providing sustainable, secure financial services and support for individuals. businesses, communities and employees. We focus on initiatives like excellent financial performance, green products and services, benefits that enhance employee relations and expand our productivity. In 2013, the Senior 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 think you will enjoy learning more about our efforts in 2013.

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

Matthew F. Moran

Executive Vice President/Chief Credit Officer Sound Community Bank

Kelli Nielsen

Senior Vice President/Retail Banking Sound Community Bank

Marcus Mann

Marcus Mann is CEO of his company, Sound Predictions, retained by Sound Community Bank as part-time Senior Executive for Human Resources and Organizational Development.



As a 5 Star Built Green spec home builder, I try to buy locally made products that have the least impact on our environment. Imagine discovering that I can obtain construction loans from a bank that values sustainability as much as I do! Sound Community Bank meets Martha Rose Construction's criteria for locally owned, socially responsible and caring about the environment.

-Martha Rose, Martha Rose Construction



When I first became an employee at Sound Community Bank, I was amazed to learn how many employees had been here for many,

many years. After my first year, I understood why employees stay! Sound Community Bank not only values their customers, but employees alike. Through programs like gym reimbursement, tuition reimbursement, yearly bank clothing allowance, and annual parties – plus excellent health benefits – employees feel valued. This is a sustainable business model that keeps employees happy, healthy and here for the long term

– Eleanore Marave, Asst. Branch Manager

Financial Stewardship

Total Equity to Assets ratio of 67.30% demonstrates

communities we serve

Community

96% employee participation in Corporate Giving Campaign

Finalist in "Best of the Peninsula" for Best Place to Bank 2013

317 youth enrolled in Bank-sponsored financial literacy programs

Workplace

Two employees retired after 20+ years at the Bank; two former employees returned to work at the Bank

85% employee participation in the Bank Wellness Program with

Quarterly bonus paid over 100% for three out of four quarters

Front Cover Photos (L to R)

- work to stuff 150 backpacks with school supplies for Mountlake Terrace Elementary School

Back Cover Photos (L to R)

- Employees march in the Brier
 SeaScare Parade
 Sound Community Bank Foundation
 granted funds to overhaul the lights
 and sound system at Sequim High
 School Auditorium

We have been working with Sound Community Bank for over 10 years. In this time, the Bank has shown an interest and honest dedication to improving building practices by reusing and re-purposing building materials - coupled with the practice of sourcing local, sustainably manufactured non-toxic materials.

This is considerably healthier for customers and staff alike! Whenever possible we use natural materials that can be recycled at the end of their lifecycle. When there are material



and components from an existing structure that can't be used by the Bank, we've made them available to the community instead of the landfill. The Bank also implemented additional sustainable practices including use of high-efficiency lighting with occupancy sensors, low-water landscaping incorporating native plant species, alternative energy systems, and stormwater retention!

Aaron Kang-Crosby, Spore Architecture

Environment

Technology initiatives eliminated over 100,000+ printed pages

Electronic services eliminated 2,000,000+ paper transactions

60% of clients chose electronic statement delivery, eliminating 100,000+ paper statements

Sought & maintained partnerships with environmentally conscious clients - preferential rates for eco-friendly vehicles & homes, funding for solar energy businesses, & environmentally sustainable housing projects

Donations & employee volunteer hours given to ecologically conscious organizations such as the Woodland Park Zoo, the Seattle Aguarium, & The Whale Trail

Took advantage of daily bank operations to reduce, re-use, & recycle - energy efficient servers; computers refurbished, donated, or recycled at the end of their life cycle

Employees encouraged to utilize scanning & email resources, & incented to use public transportation

Every office recycles, & facilities are built & retrofitted to reduce energy use & enhance sustainability efforts

54% of clients utilized online banking &77% of clients held a debit card for checkless transactions



used for printing this sustainability piece.

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