

2021

Sustainability Report

At Sound Community Bank, we make a strategic commitment to provide sustainable, secure financial services and support to individuals, businesses, communities and our 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 2021, 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 2021.

FINANCIAL STEWARDSHIP

- 5-Star "Superior" safety and soundness rating from Bauer Financial
- Employees earned 18,481 shares in the Employee Stock Ownership Plan, demonstrating commitment to their financial stability
- Loan to Deposit ratio of 86.16%, displaying a commitment to the communities we serve
- Return on Assets ratio of 1.01%, expressing efficient financial management to generate earnings using assets
- Return on Equity ratio of 10.13%, revealing profitability leveraging investments from shareholders
- Efficiency ratio of 68.18%, making evident our commitment to preserving resources

COMMUNITY

- 2,880 hours volunteered within our communities
- 100% employee participation in annual Corporate Giving Campaign
- 25.63% average market share in communities we serve
- Sponsored over 100 community events and activities
- 274 checking accounts offered free to nonprofit organizations
- 325 clients chose a non-profit beneficiary in our communities to receive \$50 from the Bank on their behalf as part of our mortgage giving program

ENVIRONMENT

- 54% of clients choose electronic statements, an eco-friendly option eliminating hundreds of thousands printed pages
- 70% of client households with a checking account use Online Banking for paperless transactions and bill payment
- 62% of clients use a debit card, reducing the need for paper checks
- 8,607 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
- 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
- 66% of clients choose direct deposit, reducing the risk of check fraud and lost or stolen checks, and eliminating the need to visit a branch

WORKPLACE

- Approximately 60% of employees work remotely on a regular basis, helping reduce carbon emissions in Western Washington
- Average employee tenure of 5 years
- Employees completed 1,157 banking-related courses totaling nearly 600 training hours
- Employee Utilization of 14.79%, representing the percentage of an employee needed to service \$1,000,000 in assets