

SUNRISE  BANKS®

IMPACT

REPORT

'23

BUILD GROW THRIVE



LETTER FROM DAVID



Since our inception, Sunrise Banks has set out to be more than just a bank; we have aspired to become the world's foremost socially responsible bank. Every day, we are driven by our mission to truly be a force for good—one that offers products, services and financial technology (fintech) partnerships designed to empower financial wellness and inclusivity.

Within the pages of our annual Impact Report, you will discover how passionately we endeavor to level the playing field in the financial industry. We believe that whether individuals are purchasing a home, launching a business, expanding their families or supporting their neighbors, every person deserves the opportunity to build stability and generational wealth.

Among the many impactful strides we took in 2023, none was more significant than our renewed commitment to our core values. By rearticulating and simplifying these guiding principles, our dedicated employees have been empowered to translate these values into meaningful action, bringing their true, authentic selves to their roles and interactions with our valued clients.

In 2024, we see tremendous opportunities to leverage financial technology partnerships to scale positive social and environmental impact. We remain resolute in our mission to support underserved people and communities. We aim to share these stories to demonstrate that our actions align with our words, highlighting our commitment in tangible ways.

I am incredibly grateful to our employees, customers and community partners for their support as we execute our vision and mission to make a profound difference in the lives of people and communities.

With heartfelt appreciation,

David Reiling, CEO, Sunrise Banks



BUILD

HIGHLIGHTS

MISSION

In 2022, we received a grant from the federal government's Emergency Capital Investment Program (ECIP). That allowed us to build our focus in 2023 in five mission-focused program areas: financial inclusion; housing access, stability, and affordability; small business recovery; commercial real estate transformational redevelopment; and financial education.

TrueConnect

TrueConnect is a safe, affordable loan program offered through employee benefits at no cost. TrueConnect has been a long-time fintech partner of Sunrise Banks. In 2023, we successfully acquired the business, officially bringing them into the Sunrise Banks family. This will allow TrueConnect to continue to thrive while providing an alternative to predatory payday lending.

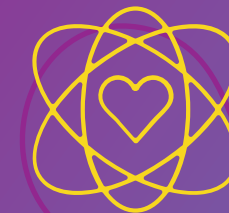
CORE VALUES

As Sunrise Banks grows, we always want to ensure our company culture reflects the people who make it all happen. In 2023, we updated our core values in an inclusive process to reflect five values that are meaningful to our staff:

A Force for Good | Always Learning | Brightens The Room | Never "Not My Job" | Respects All

SOUTH DAKOTA CHARTER

In December 2023, our new charter in South Dakota was approved. While we have maintained our fintech base of operations in Sioux Falls since 2011, moving our charter will enable us to grow our presence beyond the Twin Cities metro area, reaching more underserved and disadvantaged individuals, businesses and organizations.



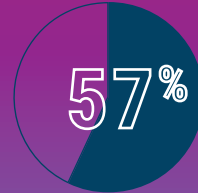
WHO WE ARE

EMPLOYEE DEMOGRAPHICS

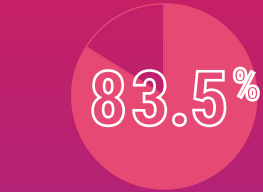
TOTAL EMPLOYEES **331**



PERCENT OF FEMALE EMPLOYEES
INDUSTRY AVERAGE 48%
(SOURCE: GOVERNMENT ACCOUNTABILITY OFFICE)



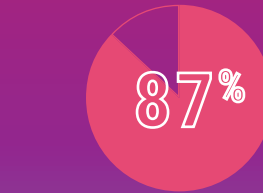
PERCENT OF EMPLOYEES WHO IDENTIFY AS BIPOC
INDUSTRY AVERAGE 23.8%
(SOURCE: EEOC)



YEAR OVER YEAR RETENTION
INDUSTRY AVERAGE 75.4%
(SOURCE: BUREAU OF LABOR STATISTICS)



PERCENT OF FEMALE MANAGERS
INDUSTRY AVG 42%
(SOURCE: GOVERNMENT ACCOUNTABILITY OFFICE)



PERCENT OF EMPLOYEES WORKING REMOTE OR HYBRID
US AVERAGE 46.9%
(SOURCE: NBER)



PERCENT OF EMPLOYEES PAID A LIVING WAGE
US AVERAGE 51%
(SOURCE: JUST CAPITAL)

SUNNY AWARD WINNER



Each year, Sunrise Banks hosts the **Sunny Awards** to recognize an employee who best exhibits the **company's new core values:**

A Force for Good | Always Learning | Brightens The Room | Never "Not My Job" | Respects All

These values were updated and implemented in Fall 2023.

Robert Walker was 2023's Sunny Award winner. Robert joined Sunrise Banks in February 2017 and currently lives in Onamia, Minnesota. Robert says he works hard to embrace all of Sunrise Banks' core values daily. The one that resonates with him the most is *Respects All*.

"The reason this is so important is that we are all just doing our best in this crazy life," he says. "I feel like if we give each person the respect they deserve, we will all be happier and in a better place."

Learn more about how our employees resonate with our values on our Life@Sunrise page.



ROBERT WALKER
A Bank Secrecy Act (BSA) and
Monitoring Services Manager,
2023 SUNNY AWARD WINNER

AFFILIATIONS

At Sunrise Banks, we don't just talk the talk – we walk the walk, and our social impact affiliations demonstrate that. We don't just say we're the world's most socially responsible bank. We can show it.

CERTIFIED B CORPORATION

Sunrise Banks has been a certified B Corporation since 2009 and is recertified every three years. In 2020, during its most recent recertification, **Sunrise Banks received a B Corp Impact score of 144.2.**

This score is well above average, as companies need a score of 80 to qualify for B Corporation certification. This score is based on the bank's B Lab Impact Assessment, which measures our commitment to impact beyond financial success. B Corporations are graded on their social impact in five categories: governance, workers, community, environment and customers.

Sunrise Banks was the first B Corp in Minnesota and is the only B Corp in South Dakota.



GLOBAL ALLIANCE FOR BANKING ON VALUES

Sunrise Banks has been a member of the Global Alliance for Banking on Values (GABV) since 2013. David Reiling, the bank's CEO, chairs the GABV.

The GABV works to create sustainable economic, social and environmental development. It has launched initiatives like the Climate Change Commitment, which asks member banks to measure the carbon footprint of their financed emissions. The GABV is made up of mission-based banks around the world that, like Sunrise Banks, are intent on transforming the banking and finance system.

Collectively, the GABV serves **more than 60 million customers**, holds up to **\$200 billion of combined assets under management**, and is supported by more than 80,000 co-workers.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

Sunrise Banks was the first Community Development Financial Institution (CDFI) bank in Minnesota and in the Ninth Federal Reserve District. CDFIs are dedicated to community development and provide financial products and services that meet the needs of economically disadvantaged individuals within underserved communities.

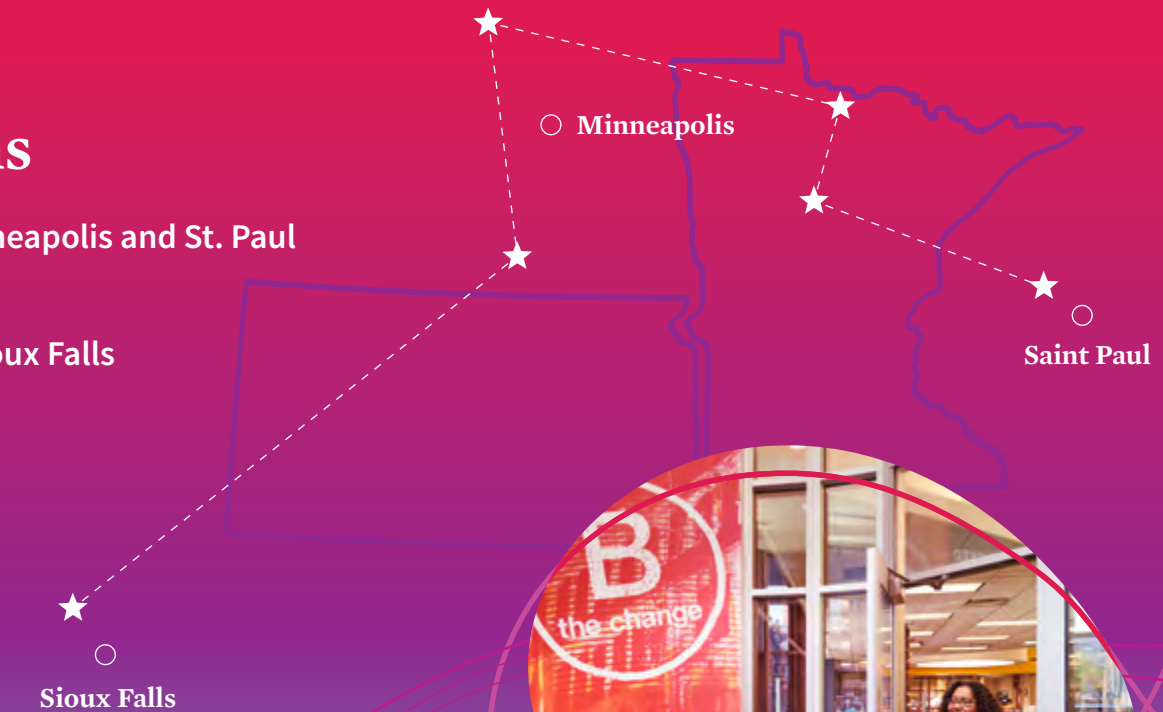
In 2023, more than 60% of new Sunrise Banks loans originated in CDFI-eligible, low- to moderate-income census tracts nationally.



BRANCH LOCATIONS

6 company locations

- 4 retail banking locations in Minneapolis and St. Paul
- 1 corporate office in St. Paul
- 1 fintech operations center in Sioux Falls



PUBLIC TRANSIT ADVOCATES SMALL CHANGES MAKE A BIG IMPACT



All Sunrise Banks branch locations are accessible by public transportation.

ENVIRONMENTAL IMPACT

C-PACE LENDING

Commercial Property Assessed Clean Energy Lending (C-PACE) provides loans to business owners to install energy efficient upgrades to their commercial buildings.

The C-PACE program is run on a state-by-state basis, with more than 30 states, plus Washington, D.C., currently enrolled in PACE lending. Sunrise Banks provides C-PACE loans to Minnesota businesses looking to implement sustainable building renovations and energy efficient upgrades, including solar panels, high-efficiency lighting, electric car charging ports and more.

C-PACE lending is paid back through property taxes and allows business owners to increase their cash flow thanks to energy savings.

In 2023, Sunrise Banks offered more than \$756,000 in C-PACE loans

PASSIVE HOUSE PROJECT

In 2023, Sunrise Banks funded the construction of a Passive House certified multi-family building in Minneapolis.

Passive House is a voluntary set of standards that aims to create energy efficient buildings with significantly reduced ecological footprints. When construction is built according to these high-performing standards, the need for mechanical heating and cooling is radically reduced. Instead, heat is gained through external solar heat energy and internal heat from the building's occupants, including body heat, appliances, televisions, and light bulbs.

Sunrise Banks funded the construction of a Passive House certified multi-family building in 2023, initiated by Footprint Development, LLC. Solstice Northeast, located in northeast Minneapolis, is expected to open in April 2024.

IT FEATURES 23 LOW-CARBON FOOTPRINT APARTMENTS.

Solstice Northeast is Minnesota's first low-carbon construction, Passive House certified multifamily building. It uses around 84% less energy and emits 78% less carbon than the average apartment building in the region. Solstice Northeast also reduced embodied carbon emissions by 60% when compared to today's typical new construction. The project is 100% electrified, with one-third of this power coming from a rooftop solar array. Footprint Development provides residents at Solstice with a bike hub equipped with 1.5 spots per unit and bike washing and repair stations.

How it all adds up: over the next five years, a critical window for emissions reductions, Solstice Northeast will have generated approximately—

ONE-THIRD OF TYPICAL GREENHOUSE GAS EMISSIONS



GROW

PCAF REPORT

In 2023, Sunrise Banks released its second PCAF report.

The report outlined the bank's financed and operational emissions using the PCAF global standard, which provides its members with the industry-standard methodology to measure the Greenhouse Gas (GHG) emissions related to their lending activities.

3C INITIATIVE

PCAF consists of more than 460 financial institutions with nearly \$86 trillion in total assets from all over the world. Sunrise committed to tracking its carbon emissions in 2019 as part of the Global Alliance for Banking on Value's **3C Initiative**, also known as the **"Climate Change Commitment."** Scan QR Code to read the report:



ENVIRONMENT & SUSTAINABILITY COMMITTEE

Sunrise Banks launched an employee-led committee focused on environmental and sustainability practices in 2023.

The Environment & Sustainability committee's goal is to lead company initiatives focused on lowering emissions and working towards a greener, more sustainable future.

IN 2023:

- The committee championed the creation of the Net Zero Deposit Fund (NZDF), allowing customers to direct their deposits towards net zero projects that reduce, remove, or avoid carbon emissions, such as energy reduction and efficiency, green buildings, renewable energy and clean transportation.
- Two employees earned their Sustainability and Climate Risk (SCR) certification. This certification is administered by the Global Association for Risk Professionals.
- The committee led a project to install a USAGAIN clothing donation and recycling bin at Sunrise Banks' corporate offices in St. Paul.



LOAN PORTFOLIO

We tracked our loan portfolio this year in four mission-focused lending priorities: financial inclusion; housing access, stability, and affordability; small business recovery and commercial real estate transformational redevelopment.



TOTAL ORIGINATIONS IN MISSION-FOCUSED LENDING PRIORITIES: \$627,292,046

FINANCIAL INCLUSION

Loans to Individuals for household, family, and other expenditures (i.e. consumer loans)	\$343,655,519
Loans to Underserved Communities	\$370,521,168
Loans to Urban Low-Income Communities	\$306,472,356
Loans to Minority Communities	\$248,984,393

HOUSING ACCESS, STABILITY, AND AFFORDABILITY

Loans Secured by 1-4 Residential Properties	\$58,720,422
Loans Secured by Multi-family (5 or more) residential properties	\$22,280,221
Loans Secured by Non-Farm Non-Residential Properties	\$79,074,553
Lease Financing Receivables:	\$617,055

SMALL BUSINESS RECOVERY

Commercial and Industrial loans (i.e. business loans)	\$88,584,279
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COMMERCIAL REAL ESTATE TRANSFORMATIONAL REDEVELOPMENT

Loans Secured by Construction Land Development	\$34,359,997
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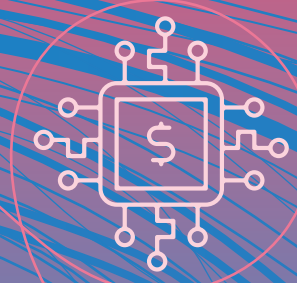
FINTECH

Sunrise Banks partners with financial technology companies – or fintechs – to democratize access to financial services by combining the trust, equity and money movement from the bank with the reach of technology. The stability of our fintech partnerships allows Sunrise Banks the security needed to provide nontraditional and strategic lending services to underbanked communities.



In 2023, Sunrise Banks helped InComm Payments issue a reward redemption product for the world's largest retailer, enabling customers with more flexibility to redeem their rewards in-store or by accessing cash through an external banking partner.

- Since September 2023, **6,894 in-store rewards redemptions were completed totaling \$511,995.**
- **1,413 redemptions** were accessed through funds distribution to an external banking product totaling **\$54,851**, allowing customers the freedom to spend their rewards outside of the distributing retailer.



TruCash launched Mobility Wallet (MW) in May 2023 – a prepaid card subsidy for public and private transportation to low-income households – which incentivizes use of the Los Angeles Metro transit system.

- The MW is a prepaid card issued by Sunrise Banks that is loaded with **\$150 per month for 12 months** that allows one person, or several members of the same household, to pay for public or private transportation.
- Since September 2023, **1,865 cards have been distributed.**
- These cards have been loaded 5054 times totaling **\$649,829** to help low-income individuals and households access transportation .

COMMUNITY STORIES

PRG, INC.

Reliable and affordable housing is a key part of the American Dream and a catalyst for generational wealth—something we all strive to build for our families. Unfortunately, many achievements of this significance are not equally accessible to everyone.

Narrowing Racial Homeownership Disparities Through Education and Counseling

In 1976, South Minneapolis faced development and zoning issues that impacted access to safe, stable, and affordable housing for low- to moderate-income residents. In response to these challenges, neighbors and activists joined to create the Powderhorn Residents Group (PRG). Today, PRG, Inc. proudly serves the seven-county Twin Cities metro area.

While opportunities, needs, and threats to housing have changed over the years, the consistent thread to PRG's work has been a focus on resident-controlled housing.

"In the early days, that looked like cooperatives," says Kathy Wetzel-Mastel, executive director of PRG. "Later, it was fulfilling an unmet housing need that was identified by residents, and today it is largely helping residents own their own homes."

For the last 15 years, the organization has aimed its attention at addressing the substantial racial homeownership disparities prevalent in the area. These efforts include providing pre-purchase homebuyer education and advising, foreclosure prevention advising, and affordable housing development—as well as influencing public policy at the state and local levels.

When asked how PRG has changed people's lives over the years, Wetzel-Mastel says, *"That would probably be better answered by the young family who have affordable, stable housing for themselves and their young children in one of PRG's cooperatives. Or by the Black grandmother who was able to remain in the home she had owned for years after running into financial hardship. Or by the aging LGBTQ folks who feared returning to the closet and now live at Spirit on Lake. Or by the hundreds of families of color who now own their own home, many of whom are first-generation homeowners."*

Learn more about PRG:



THRIVE

MINNESOTA PEACEBUILDING LEADERSHIP INSTITUTE

The effects the early days of COVID-19 had on the Twin Cities, the country, and the world continue to be realized more than four years later. Small businesses and nonprofit organizations bore the brunt of the economic impact, with countless doors closed forever.

Many of the groups that remained in operation through the pandemic struggled to survive and relied on varying assistance from governments and other organizations.

The federal government's Paycheck Protection Program (PPP) was front-and-center in the pursuit to help small businesses and nonprofits survive. Sunrise Banks participated as a PPP lender through multiple rounds of funding, **processing nearly 4,000 loans in 2020 and 2021.**

MINNESOTA PEACEBUILDING LEADERSHIP INSTITUTE

Minnesota Peacebuilding Leadership Institute (Peacebuilding) was founded in 2010 as a 501(c)(3) to administer the Strategies for Trauma Awareness and Resilience® (STAR) training. The training was originally



developed at the Center for Justice and Peacebuilding in Virginia following the 9/11 tragedy. STAR is well-known nationally and internationally as a successful training for community leaders and care providers to become "trauma-informed, resilience-oriented, and restorative-focused within their spheres of influence."

Since its inception, Peacebuilding – with its focus on turning psychological trauma into nonviolent power – has grown to be one of Minnesota's premier professional development and community education resources.

Peacebuilding provides its learning opportunities on a pay-what-you-can basis. Programming covers a wide range of essential topics, including trauma awareness, restorative justice, self-care for resilience, and racial healing.

Learn more about Peacebuilding:



GIVING BACK

At Sunrise Banks, we pride ourselves on community engagement and giving back. We strive to support the communities we serve through volunteer efforts, local partnerships and charitable donations.

IMPACT DEPOSIT FUND

\$296M CONTRIBUTED

Our Impact Deposit Fund (IDF) provides funds to support affordable housing, community development and small business in the Twin Cities.

The IDF is a designation that allows anyone with a depository account at Sunrise Banks to be part of a pool of funds used for community development in Minneapolis and St. Paul. Customers still have the same access to their funds as they usually would – the only difference is that these deposits are used to support the local community.

In 2023, the IDF contributed more than \$296 million towards economic development.

VOLUNTEERING



2,287 HOURS OF VOLUNTEERING

Sunrise Banks offers full-time employees 40 hours of paid time off per year to volunteer in the community. Part-time employees receive 20 hours of paid volunteer time per year.

Sunrise employees used 2,287 hours of volunteer paid time off in 2023 to support 118 organizations, including Second Harvest Heartland and Feed My Starving Children.

38% of our employees logged volunteer hours in 2023.

EMPLOYEE GIVING

Adopt-a-Family

5 FAMILIES HELPED

Sunrise donated gifts and wrapping supplies directly to five families during the holiday season in 2023 as part of Adopt a Family for the Holidays - Minnesota.

Approximately 50 employees purchased toys, clothing, gift cards and holiday meals for the families, totaling a donation of just over \$1,700.

Toys for Tots

607 TOYS COLLECTED

Sunrise Banks collected more than 600 new toys and gifts for Toys for Tots, along with more than \$1,400 in cash donations. All these donations helped give children and families in need throughout the Twin Cities a holiday season filled with love and support.

Charitable Giving Week

\$9,488 RAISED

Each year, Sunrise Banks dedicates a week to activities centered around donating to local nonprofits and charitable organizations.

Sunrise Banks raised \$9,488 during Charitable Giving Week in 2023. Donations went to several organizations, including Can Do Canines, Every Meal, Joseph's Coat and Children's Home Society of Sioux Falls.

COFFEE SHOPS

\$4,372 DONATED

Our community also took advantage of giving opportunities throughout the year. Our two coffee shops, in our North Loop and Como locations, raised a total of \$4,372 for 15 local nonprofit organizations.



SPONSORSHIPS & DONATIONS

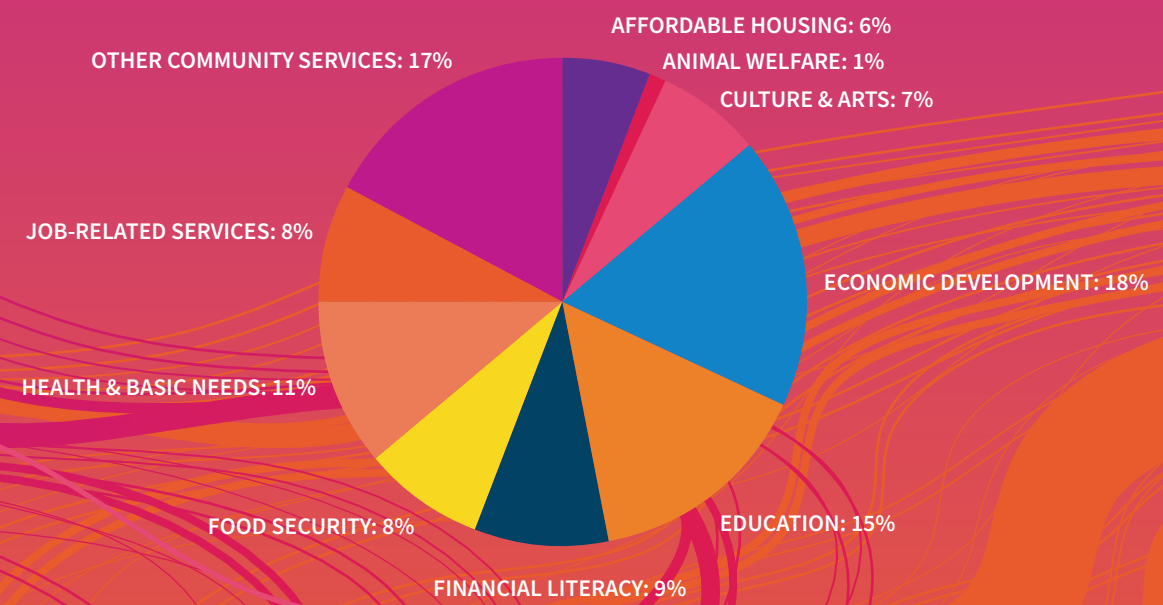
Sunrise Banks is a proud member of the Minnesota Keystone Program. This program honors companies that donate at least **2 percent of their pre-tax earnings to charitable organizations**. Giving back to our community in a meaningful way is an essential part of the Sunrise Banks mission.

>2%

See the full list of organizations we donated to in 2023:



IMPACT AREAS



CORE VALUES

A FORCE for good

ALWAYS learning

BRIGHTENS the room

NEVER “not my job”

RESPECTS all



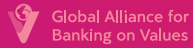
ILLUSTRATION »

CORE VALUES





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