

2021

SUNRISE  BANKS

IMPACT

REPORT





Message from David

Sunrise Banks has been working to improve the lives of our community members through financial empowerment since we were founded in 1984. In 2021, thanks to your support, we're still at it more than three decades later.

We were busy in 2021: We hosted the Global Alliance for Banking on Values annual meeting in March; supported small businesses through the Paycheck Protection Program; received a \$60 million New Markets Tax Credits allocation that will fund community and economic development; and continued our work to track the carbon footprint of our loan portfolio.



David was named chair of the GABV's board of directors in March 2021.

We were humbled to be named a Best for the World B Corporation by B Lab for the eighth year in a row as well as being a Minneapolis/St. Paul Business Journal Best Places to Work honoree. But the recognition doesn't mean nearly as much as our impact: We helped thousands of customers improve their financial health through a combination of our fintech partnerships, financial literacy outreach and credit-builder products.

In addition, we continued our conversations around justice, equity, diversity and inclusion, hosting a town hall on racial equity as well as a conversation with former Minneapolis Police Chief Medaria Arradondo on how to create more equitable policing solutions going forward.

These accomplishments are thanks to your continued support. We know that we don't succeed unless our community does – thank you for being a partner in 2021. I look forward to what we can achieve in 2022 and beyond.

Sincerely,

David Reiling



David Reiling is the host of a new podcast:

NextGen
Banker

Who We Are

Employee Demographics:

282 total

- 96% More than 96% of our full-time employees are paid a livable salary according to Hennepin County (MN) standards.
- 80% More than 80% of Sunrise employees worked remotely in 2021.
- 53% More than 53% of Sunrise company managers identify as female.
- 30 Sunrise has 30 employees serving on local nonprofit or community boards.
- 19 Sunrise added 19 new positions in 2021.



Female



Workers from underrepresented social groups

Sunrise Employees Speak the Following Languages:

- | | |
|----------------|------------|
| Afrikaans | Maithili |
| Amharic | Malayalam |
| ASL | Mandarin |
| English | Nepali |
| English Creole | Oromo |
| French | Spanish |
| German | Swedish |
| Greek | Tamil |
| Hindi | Vietnamese |
| Hmong | Yoruba |

2021 Highlights

132

We helped 132 families purchase a home in 2021. Of those families, 48% purchased a home through our Open Door Mortgage Program, an alternative lending program that helps clients who would not qualify for a traditional mortgage, including those with Individual Taxpayer Identification Numbers (ITINs), reach their dreams of homeownership.

1,945

Sunrise Banks originated 1,945 PPP loans for \$135,473,640 in 2021, with roughly 76% of loans under \$50,000.

116/199

In 2021, 116 customers signed up for 199 FAIR accounts. Financial Access in Reach (FAIR) is a package of products built in partnership with Prepare + Prosper that provides checking, savings and credit-builder accounts to people in underserved communities.

406/70/65

In March of 2021, Sunrise hosted the Global Alliance for Banking on Values annual meeting. The virtual event hosted 406 attendees from 70 different countries and 65 global financial institutions.

250/3,000

Twin Cities Road Crew offers both in-person and online financial literacy programs specifically for low- to moderate-income, urban and Minneapolis/St. Paul students. In 2021, this partnership reached 250 teachers and 3,000 low- to moderate-income students.

SUNRISE BANKS



Doing Well
By Doing Good

Social Engine
for Good

Next Gen
Banker

CDFI GABV B Corp

Locations

6 Company Locations

- 4 Retail Banking Branches
Two are in low- and moderate-income census tracts
- 1 Headquarters Office in St. Paul
- 1 Fintech Partnerships Division in Sioux Falls

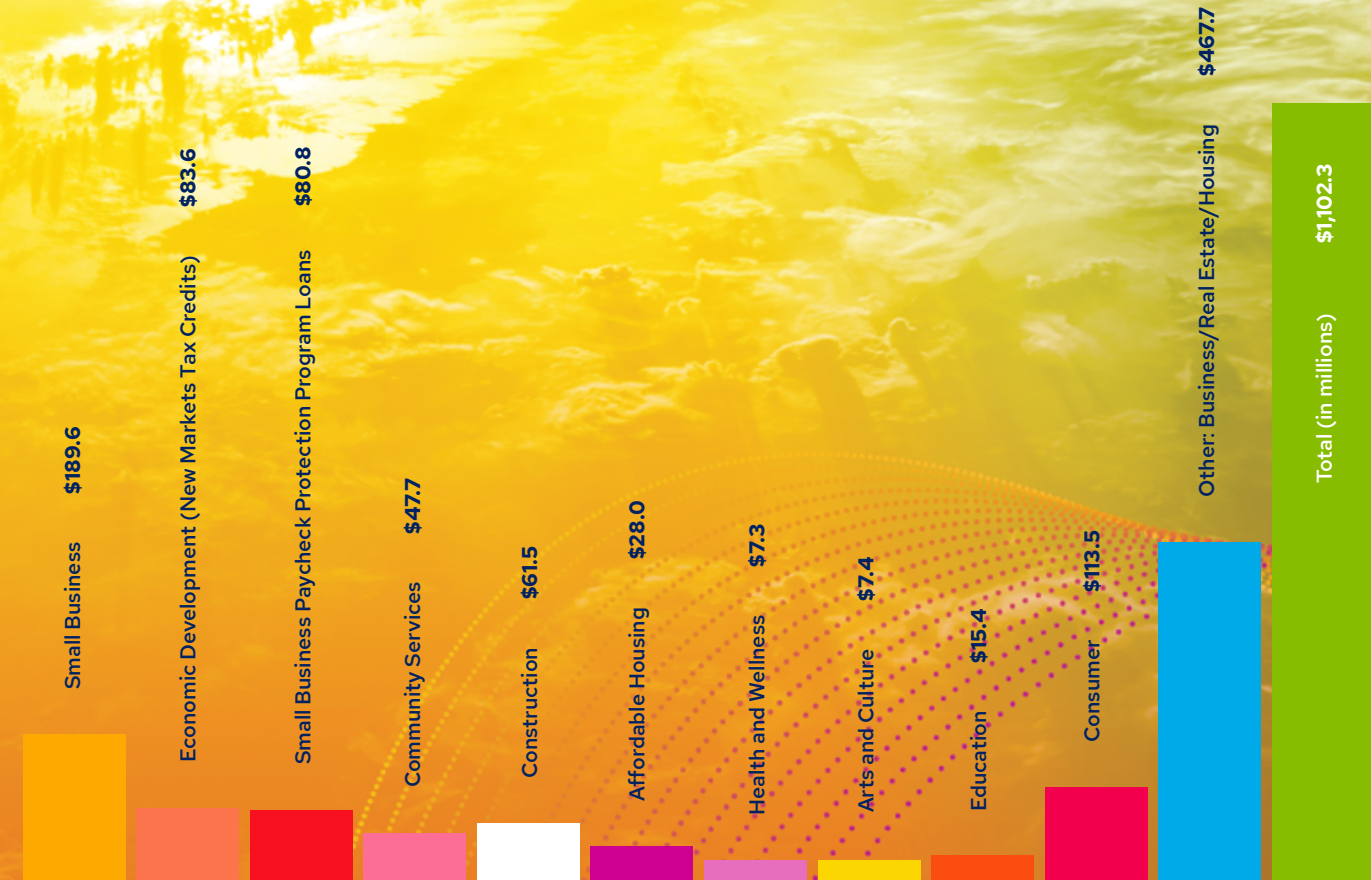


All Sunrise Banks branch locations are accessible by public transportation.



100% of Sunrise Banks-owned locations have LED lights installed throughout their buildings.

Overall Loan Portfolio



Sunrise Banks loan portfolio as of Dec. 31, 2021. Dollar amounts in millions.

Sunny Award Winner

Tristian Cheshier

Each year, Sunrise hosts the Sunny Awards to recognize an employee who best exhibits the Sunrise 10X Values by creating a caring culture of achievement. Tristian Cheshier, who leads the bank's service desk support team, was the 2021 Sunny Award recipient.

Tristian joined Sunrise in 2019 and started as an IT services specialist at the bank. He has been an incredible help to employees as they work remotely, always willing to assist when technical issues arise. Tristian has been an integral part of the bank's success employing a hybrid work environment, with employees working on-site and at home.

Here's what a fellow employee had to say about Tristian: *"Tristian takes ownership and responsibility on our team. He goes the extra mile for each customer, every day. He's good at listening, understanding, and treating each customer with the respect that they deserve. I'm proud to work with him!"*

Awards and Recognition

- Jan. '21** Recognized as a Top Impact Company for the third year in a row by Real Leaders
- July '21** Named a Best for the World™ B Corporation in recognition of Sunrise Banks' exemplary performance beyond commercial metrics
- Aug. '21** Named a 2021 Best Places to Work honoree by the Minneapolis/St. Paul Business Journal
- Sept. '21** Awarded a \$60 million New Markets Tax Credits (NMTC) allocation from the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund
- Sept. '21** Selected as a recipient of the 2021 Small Business Administration (SBA) Minnesota Lender Award
- Sept. '21** Received \$280,000 from the U.S. Department of the Treasury that will allow the bank to support growth in consumer small-dollar lending
- Nov. '21** Sunrise Banks Chief Brand Officer Becca Hoeft received the Minnesota 500 award, which recognizes business leaders from around the state who have created success for their companies and communities
- Nov. '21** Sunrise Banks Board Member Dr. Joyce Cacho named one of 2021's Most Influential Black Executives by Savoy Magazine
- Jan. '22** Won PR Daily's Content Marketing Awards for Sunrise Banks' 2020 Impact Report

Affiliations

Certified



Corporation®

Sunrise Banks was named a Best for the World™ B Corporation in 2021, ranking the bank in the top five percent of all B Corporations of similar size worldwide. The award, which Sunrise received for the eighth year in a row, honors companies for their sustainable business practices. Sunrise was honored for its work to create a more financially and environmentally sustainable banking sector.

Sunrise Banks has been a Certified B Corporation since 2009 and was recertified in 2020. Sunrise Banks scored a 144.2 during its recertification process; this is two points higher than the bank's 2019 score and considerably higher than the average B Corporation score of 90.9.

B Corporations are businesses that balance profit and purpose and have demonstrated a commitment to corporate governance, transparency and sustainability.

There are more than **4,000** Certified B Corporations located across **70** countries and **150** industries.



Global Alliance for Banking on Values

Sunrise Banks has been a member of the Global Alliance for Banking on Values (GABV) since 2013.

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 coworkers.

The GABV works to create sustainable economic, social and environmental development. It has spearheaded 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 intent on making the financial system more accessible for traditionally underbanked consumers.

Sunrise Banks CEO David Reiling was named chair of the GABV in March of 2021. Sunrise also hosted the GABV's annual meeting in 2021.



Community Development Financial Institution

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

390M

In 2021, more than \$390 million of new loans were originated in CDFI-eligible, low- to moderate-income census tracts nationally.

Banking on Change

The past year showcased the perseverance and adaptability of our local businesses. We saw restaurants pivot to better serve customers through delivery and takeout, up-and-coming business owners remain calm among chaos and long-time entrepreneurs navigate the maze of a pandemic and social unrest after the murder of George Floyd.

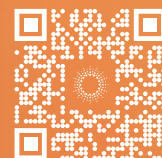
Banking on Change, a Sunrise Banks campaign that took place in 2021, is dedicated to the hard work of these business owners. The series featured local Black, Indigenous and People of Color (BIPOC) entrepreneurs who are providing vital services to customers while also attaching a sense of purpose to their business models.

Each month's feature had its own story to tell – whether challenging systemic racism, economic inequality or raising awareness for important issues like domestic violence – and demonstrated the courage and ingenuity that's so widespread throughout the Twin Cities' business community.

These features are dedicated to their subjects and all those who worked day in and day out so we could continue to experience the luxury of a vibrant business community in Minneapolis, St. Paul and beyond.

So we say, collectively, to the local business community:

Thank you.



Walker|West Music Academy:
Providing Personal Growth
Through Music for More Than
Three Decades



Black Tech Talent: Creating A
More Diverse Workforce Through
Culturally Relevant Offerings

Illustrations by London-based artist Justine Lecouffe

Business Breakfasts: Former Minneapolis Police Chief Medaria Arradondo, Dr. Michael Osterholm and University of Minnesota President Joan Gabel

The past year was replete with unprecedented situations and renewed ideas about what it means to live and work well in the 21st century.

But arguably two of the most pervasive issues we faced in 2020 and 2021 were living with a global pandemic and our reckoning with racial injustice. George Floyd's murder and trial that followed in Minneapolis – and subsequent police-involved killings, including that of Daunte Wright – forced us to acknowledge the glaring inequities within our institutions and scrutinize our preconceived notions of equity and privilege.

Sunrise Banks' mission is to empower financial wellness – but we've also been strong advocates of equity and inclusion from the beginning.

After George Floyd's murder, we organized a town hall on racial equity and, in 2021, the bank welcomed former Minneapolis Police Chief Medaria Arradondo to speak on the state of policing and race relations in Minnesota's largest city.

We also had world-renowned epidemiologist Dr. Michael Osterholm speak to the bank about the future of the pandemic and vaccine research just before the omicron variant was discovered in South Africa. In February of 2021, University of Minnesota President Joan Gabel spoke to how the state's biggest university was dealing with the pandemic and ensuring campus safety while continuing to provide a quality college experience for students.

All three presentations offered constructive dialogue among employees and reassurance that we can do difficult things when we work together.

PPP CUSTOMERS:

Paycheck Protection Program

The Paycheck Protection Program (PPP) was an unprecedented federal stimulus program that offered forgivable loans to small businesses affected by the COVID-19 pandemic. While the deadline to apply for a PPP loan was May 31, 2021, the program's forgiveness process is still in full swing.

Sunrise Banks originated 1,945 PPP loans for \$135,473,640 in 2021, with roughly 76% of loans under \$50,000. In 2020, the bank processed nearly 2,000 PPP loans with roughly 65% of these loans being under \$50,000; in addition, approximately 45% of these loans were originated in CDFI-certified, low- and moderate-income census tracts.

PPP was responsible for keeping thousands of businesses alive during the pandemic.

“Thank you SO much!! I am crying tears of relief at receiving this message!! This means my team and I can keep our jobs and health insurance!”

“I want to thank you soooo much for your tireless efforts in helping to save my business!!”

“Thank you so much for your work on the PPP loan. I cannot begin to tell you how big of a difference this will make in our business and in the lives of our employees.”

Mortgage

Homeownership helps build wealth and overall financial wellness. It also improves general quality of life. Sunrise Banks offers a diverse array of home mortgage products to promote equity in homeownership and to help everyone – no matter race, background or ethnicity – pursue their dreams of owning a home.

In 2021, Sunrise Banks closed 248 mortgage loans, including refinances and new purchases.

We helped 132 families purchase a home in 2021. Of those families, 48% purchased a home through our Open Door Mortgage Program, an alternative lending program that helps clients who would not qualify for a traditional mortgage, including those with Individual Taxpayer Identification Numbers (ITINs), reach their dreams of homeownership.

132 63

FAIR

Financial Access in Reach (FAIR) is a package of products built in partnership with Prepare + Prosper that provides checking, savings and credit-builder accounts to people in underserved communities. The FAIR products are built with customers' specific needs in mind, no matter income size or banking history. These products offer consumers the tools and support necessary to take control of their financial wellness.

Since its launch, FAIR has enrolled more than 424 consumers into 664 accounts.

In 2021, 116 customers signed up for 199 FAIR accounts. At the time of enrollment, 84% of FAIR customers are either unbanked or underbanked.

424

Fintech Partnerships

Sunrise Banks' fintech partnerships division helps provide consumers access to affordable and convenient financial products and services. Fintech – short for financial technology – has the ability to streamline processes for customers and bridge gaps in access.

TrueConnect

TrueConnect provides a responsibly structured loan alternative to payday loans.

The APR on a payday loan can be as high as 400% – an exorbitant interest rate that's not feasible for low-income consumers. Instead, payday loans can create a vicious cycle of poverty.

400%

In 2021, Sunrise helped originate 6,575 TrueConnect loans for a total of \$14.7 million. The average loan size was \$2,235.

6,575

Self.

Self offers small Credit Builder accounts for people with poor credit who want to rebuild their payment history. Self is also a helpful tool for those who have no credit history but would rather not open a credit card account.

In 2021, Sunrise helped originate 262,995 Self Credit Builder loans for a total of \$189.9 million.

The average loan size was \$722.

262,995

gusto

Gusto's Cashout product allows employees to access their payroll in advance of payday and offers up to two payday advances a month direct from their paycheck, upon qualification.

In 2021, Sunrise helped originate 240,783 Gusto advance-earned-wage loans for a total of \$78.1 million.

The average loan size was \$324.

240,783

Remitly

The financial system is complicated. It can be especially daunting for immigrants, who might encounter linguistic and cultural barriers.

Some immigrants also come from countries where banks are corrupt and find it hard to trust financial institutions.

Sunrise partners with Remitly, a financial technology company, to give immigrants better access to financial services. In 2020, Sunrise and Remitly launched Passbook, a digital bank account built to help immigrants enter the U.S. banking system. Passbook is an everyday spending account that offers cash back on international transfers, no foreign transaction fees, and a Visa® debit card.

In 2021, Sunrise opened more than **32,000 Passbook accounts holding \$1.3 million in balances.** In total, Sunrise has **87,511 active Passbook accounts with \$3.6 million in balances.**

32,000

Environment



Addressing climate change continues to be a priority for Sunrise Banks.

In 2019, the bank committed to measuring the carbon footprint of its loan portfolio through the Partnership for Carbon Accounting Financials (PCAF). The commitment was made with other banks from the Global Alliance for Banking on Values, an international alliance of financial institutions looking to create more socially responsible outcomes in the banking sector.

PCAF's system measures and discloses the greenhouse gas emissions of six different asset classes: Listed equity and corporate bonds; business loans and unlisted equity; project finance; commercial real estate; mortgages; and motor vehicle loans. The idea is that by tracking, and in some instances cutting, the emissions of their clients and investments, financial institutions can act as better stewards of the environment.

2021 Sponsorships and Donations

Accord
Aeon
Aeon - Alan Arthur Legacy
Alliance Housing
Ann Bancroft Foundation
Autism Society
Banyan Community
Big Brothers Big Sisters - Sioux Falls
Black Tech Talent
Bolder Options
Coalition of Asian American Leadership (CAAL)
Como Park Zoo & Conservatory
Constellation Fund
Crescent Cove
Dress for Success Twin Cities
East Side Area Business Association
Family Values for Life
Fresh Energy
Global Minnesota
Haven Housing
Heilicher School
Hiawatha Academies
Hillcrest Community Engagement
Interact Center for Visual and Performing Arts
Interfaith Action of Greater Saint Paul
Junior Achievement - North
Lake Street Council
Latino Economic Development Center
Local Initiatives Support Corporation (LISC)
Lutheran Social Service
Metropolitan Consortium of Community Developers
Metropolitan Economic Development Association (MEDA)
Midway YMCA
Minneapolis Regional Chamber of Commerce
Minnesota Coalition for the Homeless
Minnesota Humanities Center
Minnesota Tool Library
Neighborhood Development Center (NDC)
North Loop Neighborhood Association
Northside Economic Opportunity Network (NEON)
One Tree Planted
Paadio, Inc.
Page Education Foundation
Park Bugle Newspaper
Pathways
Project for Pride in Living (PPL)
Rebuilding Together Twin Cities
Sisters of St. Joseph Carondelet
St. Anthony Park Area Seniors
St. Anthony Park Community Foundation
St. Paul Ballet
St. Paul Parks Conservancy
St. Paul Urban Tennis
Sunrise Banks - Pay it Forward Fund
Team Rubicon
The Link
The Sanneh Foundation
Twin Cities Habitat for Humanity
Twin Cities RISE
University of Minnesota - Carlson 4 Community (C4C)
University of St Thomas - Racial Justice Initiative
Women Venture
YWCA

New Markets Tax Credits

Seward Co-op

Sean Doyle has been Seward Co-op's general manager since 2004. But his experience with the store dates back more than three decades.

Doyle was introduced to the cooperative when his then partner and now wife got a job there in 1989, when the couple moved to Minneapolis from Wisconsin. But it wasn't just the idea of fresh produce and locally sourced meat that intrigued Doyle.

"It was very much aligned with my personal values," said Doyle. "I didn't want to have my life energy going into the pockets of the haves."

Seward is the oldest co-op in the Twin Cities and has a store on Franklin Avenue in addition to its Friendship Store, located on East 38th Street. Under the cooperative model, Seward's members – those who shop at the store – own the business and have a say in its operations.

Cooperatives became popular in the early 1970s and represented an alternative to corporate America's grocery store chains. The movement was a radical one, and at times tensions between cooperatives became high during the so-called "co-op wars."

Seward, for example, was forcibly taken over in 1976 by the Co-op Organization (CO), a group of activists who believed in using the store for social reform instead of just selling natural foods. The CO was also suspected of throwing a Molotov cocktail into one cooperative and firebombing a delivery truck.

The Seward Co-op is one of the only food cooperatives in the Twin Cities that survived those turbulent times.

Today, while much has changed, the founding ethos of the cooperative model and consumer ownership remains.

"My hope and desire and dream is that this is a way forward to operate in a market economy that isn't driven by capitalism, but by community wealth and community ownership," said Doyle.

Driving Economic Development

Seward completed work on its Friendship Store in 2015, in large part with funding from the New Markets Tax Credits (NMTC) program, an economic development initiative managed by the U.S. Treasury.

The NMTC program allows Community Development Entities (CDEs) to apply for tax credit allocations through the Community Development Financial Institutions (CDFI) Fund. If a CDE receives an allocation, it can then sell those tax credits to investors and put sale proceeds towards economic development in low-income areas.

Sunrise Banks has been involved in the NMTC program as a CDE since 2013 and has been awarded \$303 million in federal allocations to date.

The NMTC program is intended to bolster economic development in low-income communities. It looks to drive

positive community impacts such as job creation, commercial goods and services, community services, food desert elimination and environmentally sustainable outcomes.

According to the U.S. Treasury, the NMTC program has created or retained more than 830,000 jobs; in addition, almost 75% of investments have been made in highly distressed areas.

The Friendship Store is located in what the U.S. Department of Agriculture deems a food desert. Building the store, which offers locally sourced and healthy foods, provided more food security in the neighborhood.

Seward's Friendship Store is a 20,020 square foot building located at 317 East 38th St. in Minneapolis. The building was funded by NMTC financing from Sunrise Banks and the Midwest Minnesota Community Development Corporation. The NMTC transaction successfully unwound in 2021.

"We are proud and grateful to have been able to put this allocation to good use for Seward Co-op and their surrounding community. The project created accessible, quality jobs and has ensured access to healthy food for a distressed neighborhood," said Sunrise Banks VP of New Markets Tax Credits Mary Stoick. "Impacts like these are at the heart of the mission of both the NMTC Program and Sunrise Banks."

Community Impact:



Rehabilitated a 20,020 square foot commercial space



100% of full-time employees earn a living wage (per Minneapolis standards)



Hire staff who reflect the neighborhoods in which they operate

- Reside within walking or biking distance
- Diversity of staff
- Multilingual employees



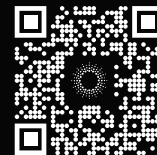
Sustainable business practices

- 80% of waste is recycled or composted
- 35% of the co-op building's energy usage outperforms building code standards

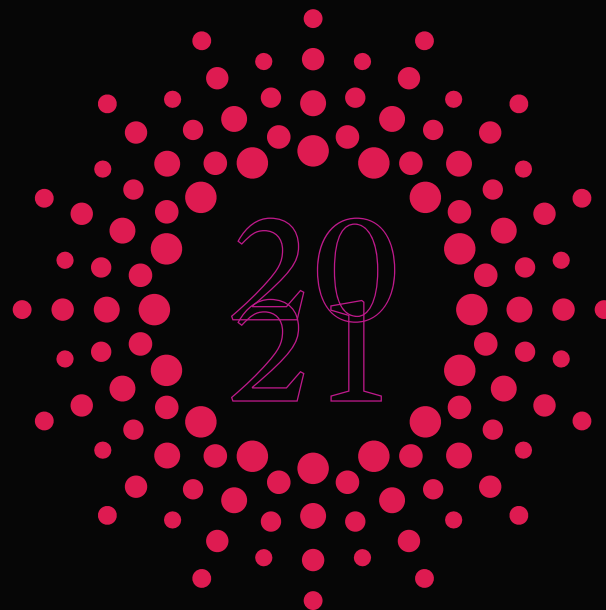


Dedicated giving back programming through donations and volunteerism

- Customers can round up transactions to donate back to the community
- 275 hours of paid volunteer time for employee community service



Read the full report online.



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