

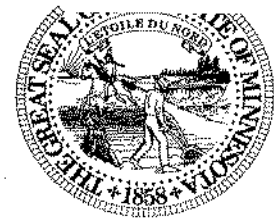
5D-899



Office of the Minnesota Secretary of State

Minnesota Public Benefit Corporation / Annual Benefit Report

Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required)

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information); Note: Use additional sheets if needed. (Required)

I, the undersigned, certify that the Board of Directors of this public benefit corporation has: (i) chosen the third-party standard B Impact Assessment (ii) determined that the organization that promulgated the third-party standard is independent; and (iii) approved this report as well as the report attached hereto and incorporated by reference herein. See attached.

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

Signature of Public Benefit Corporation's Chief Executive Officer

Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Contact Name

Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?

Yes No

University Financial Corp, GBC

2020 BENEFIT REPORT

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Lab

Benefit Report Narrative

Overview

University Financial Corp, GBC, which is the holding company of Sunrise Banks, N.A., became a Public Benefit Corporation on January 2, 2015, the first day it was legally possible in the state of Minnesota.

University Financial Corp, GBC and its Board of Directors have selected the B Impact Assessment (BIA) as the third-party standard to prepare this benefit report because it is the most widely used impact measurement and management tool in the world. It is used by more than 50,000 businesses to measure, compare, and improve their overall social and environmental performance, as well as by an increasing number of investors, business associations, and government entities serious about understanding and benchmarking the impact of the companies in which they invest and with which they do business. The BIA is governed by the nonprofit B Lab and meets the statutory requirement that a third-party standard must be comprehensive, credible, transparent, and independent. More information about the BIA and B Lab is available at bimpactassessment.net.

Benefit corporation statutes require a benefit report to include narrative responses to a specific set of questions. Below are our responses to those statutory questions.

Describe the ways in which the benefit corporation pursued general public benefit during the year and the extent to which general public benefit was created.

University Financial Corp, GBC and its bank subsidiary, Sunrise Banks, N.A. (collectively referred to as "Sunrise") has a mission to be the most innovative bank empowering financial wellness. Sunrise has elected to use the BIA tool to evaluate the organization's pursuit of general public benefit. B Lab certification occurs on a 3-year cycle. Sunrise was re-certified in 2020.

B Lab has certified thousands of companies and since 2007, has been continuously reviewing and updating their comprehensive social and environmental standards. Their assessment, the BIA, scores companies on social and environmental performance on a 200-point scale; to be certified, a company must score 80 points. Sunrise has been certified as a B Corporation since 2009.

Sunrise had an overall score as of December 31, 2020 of 144. This increased from our last certified score of 142 in February 2017. Sunrise is well above the median score for ordinary businesses of 55 points. In addition, in 2019, Sunrise once again scored in the top 10% of all Certified B Corps for overall social and environmental impact and was named to the Best for the World honoree list for the 7th time. The Best for the World program was paused by the B Lab in 2020.

The B Impact Assessment provides a comparison of the organization's score to the average scores of other Certified B Corps in five categories: Governance, Workers, Community, Customers, and Environment. This enables the organization to quantify how it fulfilled the purpose of promoting general public benefit. Below are highlights of how Sunrise achieved public benefit in 2020:

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Community:

Sunrise Banks has a long history of philanthropy and giving back, but also strives to make a positive impact in the communities it serves through more than just financial giving and lending. Individual employees and leaders provide multi-faceted support to customers and nonprofit organizations and are encouraged to give back to the community through corporate-sponsored volunteer activities and participation in local volunteer programs.

Employees of Sunrise are encouraged to volunteer and are offered up to 40 hours of paid time off to volunteer in the community.

Other giving highlights include:

- Sunrise Banks donated nearly \$100,000 through corporate donations and local sponsorships.
- Each employee was each given \$25 to give back to a charitable organization or non-profit in the community.
- During the bank's annual Charitable Giving Week, employees gave over \$15,000 to support nonprofit organizations.
- In February, Sunrise Banks employees sent over 230 internal random acts of kindness candy gram messages, which generated a \$1,000 donation to St Paul Urban Tennis.
- In June, Sunrise sponsored an employee Wellness Challenge and Spirit Week to highlight wellness during the pandemic.
- In August, 24 Sunrise Banks volunteers participated at the Habitat for Humanity Entrepreneurs House build in St. Paul. The volunteers spent 3 days on the site, volunteering over 200 hours.
- In November, Sunrise participated in Banking on Values Day 2020, an international day coordinated by the Global Alliance for Banking on Values – network of banking leaders committed to advancing positive change
- In November, Sunrise held an employee volunteer challenge and over 300 volunteer hours were recorded during the quarter. Sunrise donated \$50 to the non-profit organization on behalf of the top 3 volunteers.
- In December, Sunrise hosted Twin Cities Town Hall: A Discussion about Racial Equity in partnership with Augsburg University's Forum on Workplace Inclusion.
- In December, Sunrise held a "Giving Tree Event" with sponsors St Francis House in Sioux Falls, and Neighborhood House in St Paul to donate gifts to children during the holiday season.
- North4Good is a volunteer program aimed at helping individuals and other businesses make connections with nonprofits from around the Twin Cities. We are people using volunteerism as a force for change. In 2020 North4Good hosted an American Red Cross Blood Drive event at our local Minneapolis branch.
- Sunrise Banks partners with Banzai to offer online financial literacy courses for teachers and their classrooms in the Twin Cities urban core, free of charge. In total, we sponsor local 24 schools and have educated over 1700 students. In 2020, this program brought real-world financial literacy to 280 students.
- Sunrise Banks, in partnership with Twin Cities Road Crew, offered interactive, energetic programming on spending and saving smart in urban schools. In 2020, these programs reached 5 schools, 60 teachers, and 3000 students. All schools sponsored have 60-95% of students on free or reduced lunch plans.
- In December, Sunrise partnered with Augsburg University to host Twin Cities Town Hall: A Discussion about Racial Equity. The virtual town hall featured local diversity and inclusion experts and thoughtful conversations on equality.

Sunrise also demonstrates its commitment to the local community by hiring a diverse staff that is representative of the communities it serves. As such, Sunrise staff are 58% female, 27% workers from underrepresented social groups, and 26% of staff lives in low-and moderate-income communities. In addition, four of our six retail branches are located in low- and moderate-income communities.

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- At each home closing, our lenders provide a basket of essentials ranging from assorted cleaning supplies to their first welcome mat at their new home. Products in the basket are purchased from other B Corp companies including Seventh Generation and Etsy.

Sunrise received its most recent "Outstanding" Community Reinvestment Act (CRA) rating in 2020. Major factors supporting this rating, the highest given, include:

- Sunrise Banks, National Association (Sunrise or "the bank") demonstrated excellent dispersion of loans throughout geographies of different income levels and reasonable distribution of loans to businesses of different sizes.
- The bank's Community Development (CD) performance shows excellent responsiveness to assessment area (AA) needs through CD loans, qualified investments, and CD services to businesses of different sizes.
- A substantial majority of loan originations were within the bank's designated AA.
- The bank's loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, business strategy, product offerings, and credit needs of the AA.
- The bank received no CRA related complaints during the evaluation period.

Environment:

Sunrise is committed to reducing its environmental footprint and promoting environmental stewardship at all levels of the organization. Sunrise strives to manage its operations in a sustainable manner, while continuing to search for ways to improve our performance.

In 2020, Sunrise continued monitoring the usage of energy and water resources at each of the organization's locations. In addition, all facilities have new printers that help minimize printing and also allow for ink to be removed (and paper reused when printed by mistake or no longer needed). The printers also have a recyclable toner program.

Sunrise has also continued to use practices such as recycling at all locations, using recycled paper for office printing, and incorporating energy efficient technologies such as occupancy sensors. One of our six bank branch locations is LEED Certified.

Sunrise installed a 39kW solar panel system with 123 panels on the roof of our St Paul, MN Headquarters building to generate onsite power. In 2020 we generated approximately 5% of our headquarters electricity through renewable solar.

In December, Sunrise donated \$15,000 to One Tree Planted, to sponsor forest restoration efforts in the Chippewa National Forest in Minnesota. Restoration of these pine stands is critical to wildlife that depend on them, recreationists that enjoy them, and a timber industry that creates hundreds of local jobs. The Ojibwa community living on the Leech Lake Reservation also has a bond to these forests.

Describe any circumstances that have hindered the creation by the benefit corporation of general public benefit or specific public benefit this period.

Sunrise had many successes in 2020 and have not been hindered in our delivery of public benefit.

Describe the process and rationale for selecting the third-party standard used to prepare the benefit report

Sunrise selected the BIA for quantifying performance because it is the leading tool for this purpose, and it satisfies the performance requirements under the Minnesota Public Benefit Corporation law. B Lab's BIA is a third-party, independent and credible resource. The BIA also provides comparability across industries. The role of B Lab is to provide this assessment and to promote companies pursuing a triple bottom line through local and national events and publications. University Financial Corp, GBC and Sunrise Banks N.A. are not affiliated nor compensated by B Lab.

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Steve Simon

Steve Simon
Secretary of State