

2024

Annual Report

**STEARNS
BANK**

Empowerment for All - "Your Money Your Power"

A MESSAGE FROM OUR LEADERSHIP

2024 marked a milestone year in our growth as a community partner and innovator. We made strong progress across every priority: shared prosperity, inclusion and equity, digital access, sustainability, and customer experience.

Looking ahead, our focus is on making financial empowerment more personal. "Your Money. Your Power." means putting you in control of your financial future. We're committed to doing even more to create a powerful ecosystem of shared prosperity that helps you build a legacy that reflects your goals.

We're inspired by the people who drive our purpose. Thank you for choosing Stearns Bank as your financial partner.

— Stearns Bank Executive Leadership Team



What We Believe

At Stearns Bank, we believe in shared prosperity and the power of economic empowerment for all.

Our mission is rooted in abundance. We aim to drive inclusive growth by helping people achieve their greatest ambitions.

As a majority women-owned, employee-owned bank, we know firsthand how shared success fuels financial freedom and stronger communities. When our customers grow, our communities thrive, and so do we.



Our Promise

We understand what financial empowerment makes possible. Our promise is to help customers reach their goals and build wealth for future generations.

Whether it’s a startup business, an experienced developer, or a serial entrepreneur managing multiple ventures we’re here with personalized solutions and unmatched service. We promise real people, not bots.

Our promise delivers on our commitment to purpose-driven banking that empowers everyone to succeed and achieve financial freedom.

Impact Snapshot 2024

From expanded lending to deeper community investments, 2024 was a year of bold progress:



Financials 2024

STEARNS FINANCIAL SERVICES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Dollars in thousands)
December 31, 2024 and 2023

	2024	2023
CASH & DUE	\$286,404	\$430,392
SECURITIES	94,071	82,217
LOANS	1,608,899	1,484,609
LEASES & CONDITIONAL SALES CONTRACTS*	1,183,007	1,186,758
RESERVE FOR LOAN LOSS	(80,587)	(80,941)
LOANS & LEASES - NET	2,711,319	2,590,426
BANK PREMISES & EQUIPMENT	22,878	15,536
OTHER REAL ESTATE OWNED	23,944	14,531
OTHER ASSETS	89,782	100,344
TOTAL ASSETS	\$3,228,398	\$3,233,446
DEPOSITS	\$2,551,748	\$2,303,671
OTHER LIABILITIES	161,673	386,053
TOTAL LIABILITIES	\$2,713,421	\$2,689,724
COMMON STOCK & SURPLUS	\$44,825	\$44,146
UNDIVIDED PROFITS	466,948	496,860
UNREALIZED LOSS ON INVESTMENTS	(2,187)	(1,952)
NONCONTROLLING MINORITY INTERESTS	5,391	4,668
TOTAL CAPITAL	514,977	543,722
TOTAL LIABILITIES & CAPITAL	\$3,228,398	\$3,233,446

	2024	2023
LOANS	\$155,832	\$122,165
LEASES & CONDITIONAL SALES CONTRACTS*	113,065	96,217
INVESTMENTS	13,339	22,632
TOTAL INTEREST INCOME	282,236	241,014
INTEREST EXPENSE	101,586	77,136
NET INTEREST INCOME	180,650	163,878
SERVICE CHARGES	288	279
OTHER NON-INTEREST INCOME	19,479	10,515
TOTAL INCOME	\$200,417	\$174,672
EXPENSES:		
SALARIES & BENEFITS	\$71,042	\$60,810
OTHER EXPENSES	34,718	27,361
TOTAL NON-INTEREST EXPENSES	105,760	88,171
INCOME BEFORE PROVISION & TAXES	\$94,657	\$86,501
PROVISION FOR CREDIT LOSSES	24,932	39,873
INCOME TAX EXPENSE	16,421	11,451
NET INCOME ATTRIBUTABLE TO HOLDING COMPANY AND NONCONTROLLING MINORITY INTERESTS	53,304	35,177
LESS NET INCOME ATTRIBUTABLE TO NONCONTROLLING MINORITY INTERESTS	723	318
NET INCOME ATTRIBUTABLE TO HOLDING COMPANY	\$52,581	\$ 34,859

Numbers are consolidated dollars in thousands for years ending December 31 (unaudited) for Stearns Financial Services, Inc.
* Income from Conditional Sales Contracts included in Loan interest for Regulatory Reporting
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Giving Voice to Inclusion Nationwide

Supporting Survivors of Relationship Abuse

In 2024, we fulfilled our \$1M pledge to Anna Marie's Alliance, with 240+ volunteer hours and \$23,950 donated. Our support helps transform shelters into trauma-informed housing. Chief HR Officer Pam Bjerke continues to lead as board member and campaign chair deepening a partnership rooted in equity, trust, and impact.

Growing the Next Generation of Talent

We support future leaders through equity-focused partnerships. In 2024, we hosted two interns from The BrandLab and expanded our partnership with UpTurnships, welcoming seven interns two now full-time employees.

These aren't just internships. They're career pathways shaped by equity, mentorship, and opportunity.



Financing Impact, Fueling Change

Our mission-driven lending supports nonprofits like 180 Degrees and Habitat for Humanity. We've financed youth shelter expansion and offered pro bono services to Habitat for over 20 years.

This is what partnership looks like: personal, practical, and long-term.

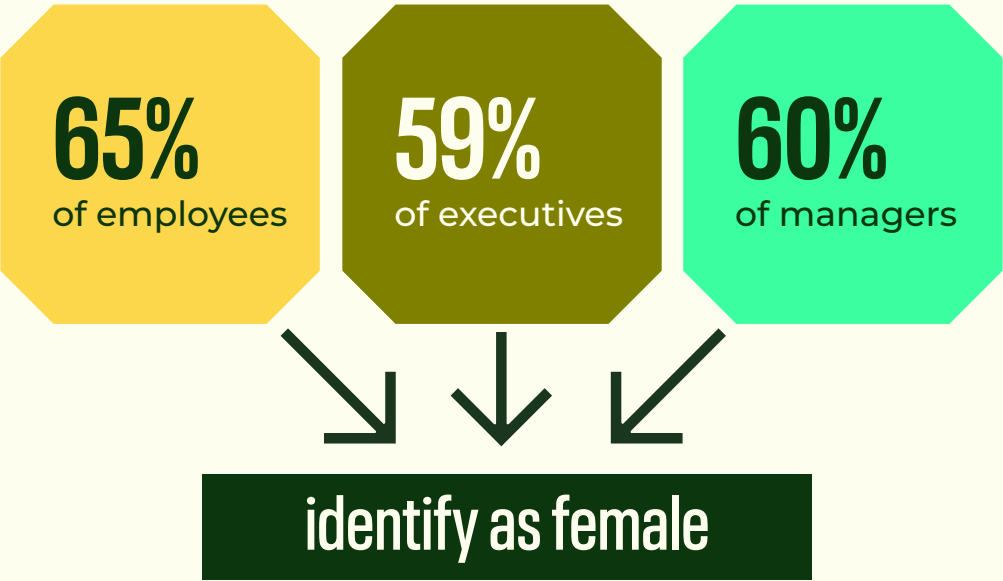
Strengthening Communities, One Partnership at a Time

We launched Stearns Salaam Banking to offer financial options to Muslim customers and all those seeking riba-free ethical financial services. In partnership with the Zawadi Center, we've opened a physical presence, hosted community meetings, and will continue to offer financial mastery workshops in 2025.

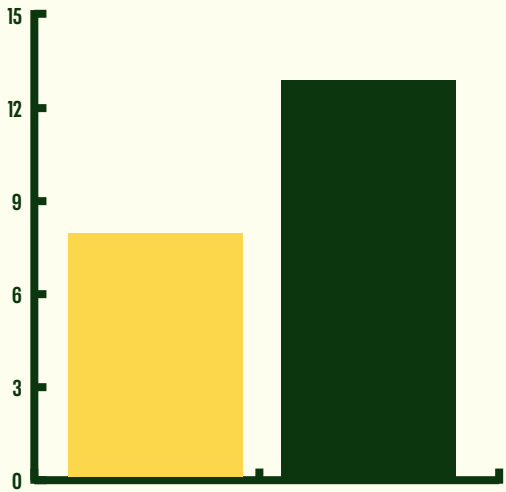
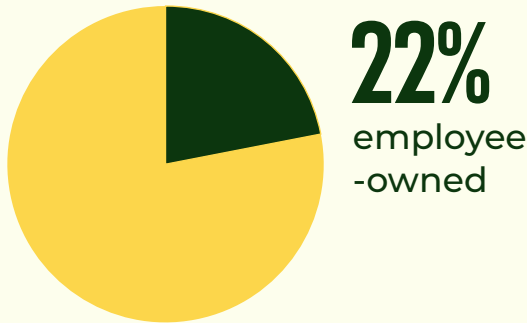
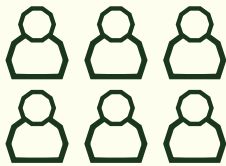


A Workforce That Reflects the Communities We Serve

Committed **\$300M** in partnership with Association of Women’s Business Centers to support business growth, in addition to \$1.5 million in grants for day care operators.



Launched DEI and Salaam Banking advisory boards



Increased BIPOC workforce from 7.9% to 12.9%



Remote by Design, Inclusive by Intent

We embraced remote work not just for flexibility but for high performance and inclusion. We earn high ranking as a top performing bank because we recruit top talent nationwide with 80% of our team working remotely across 36 states.

This model allows us to tap into a wider, more diverse talent pool and expand access to meaningful careers regardless of location or life circumstance.

Remote work isn't just where we are. It's our super-power in fielding the best and brightest team.



Looking Ahead



Our work is anchored by a bold vision to create a powerful ecosystem of shared prosperity by expanding access, driving innovation, and empowering generational wealth. These pillars shape our strategy to achieve empowerment for all across business, technology, and social impact:

1. EMPOWERED INNOVATION

A seamless experience with speed and transparency, cutting the friction and improving access to essential financial tools

2. PURPOSE - DRIVEN COMMITMENT

Embedded social and community impact = Deepening engagement with nonprofits, affordable housing initiatives and community organizations supporting financial inclusion

3. SHARED OWNERSHIP

Expanding employee ownership is a model for shared prosperity and inclusive economic mobility, building generational wealth

