

**customers  
bancorp**



2023

**Corporate Governance &  
Social Responsibility Report**

NYSE: CUBI  
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## Friends,

Customers Bank is pleased to deliver to investors, clients, stakeholders, team members, and the communities we serve our Corporate Governance & Social Responsibility (CG&SR) report for 2023.

We believe a CG&SR report should provide an accurate and transparent assessment of our business practices that is materially relevant to performance.

To this end, we continue to make voluntary disclosures aligned to the Sustainability Accounting Standards Board and the S&P Global Corporate Sustainability Survey.

We believe that strong corporate governance is the key to delivering on business goals and social promises. Our corporate governance processes and policies are detailed in our proxy and in this CG&SR report.

Superior risk assessment and risk management are the hallmarks of our strategy for success and critical elements of our culture and management approach.

Addressing the needs of the communities in which we operate and “giving back” are also fundamental parts of our corporate culture.

And we succeed because of our people. Our team members are high performing individuals with a passion for customer service and excellent financial results. We think deeply about our human capital.

We believe the Customers Bank CG&SR report not only provides a snapshot of the company's current efforts but also outlines our commitment to responsible business practices in the future.

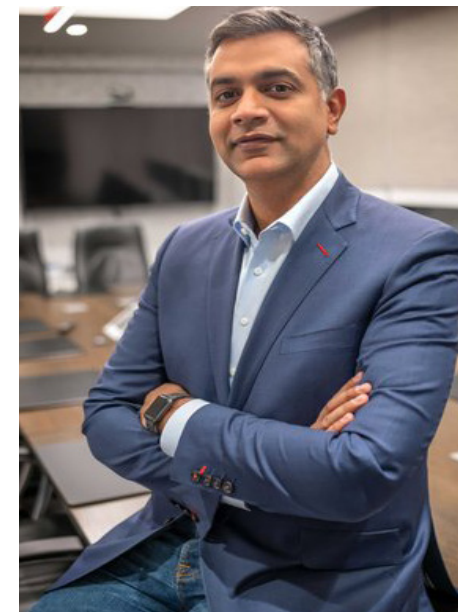
**Sincerely yours,**

**Jay Sidhu**

Chairman & CEO, Customers Bancorp, Inc.

**Sam Sidhu**

President & CEO, Customers Bank





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# Awards & Recognition



# Awards & Recognition





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# Community Engagement





# Commitment to Community Engagement

Customers Bank contributed over \$3.9 million in 2023 through over 330 contributions or expenditures to more than 260 unique organizations. Additionally, 48 team members logged a collective 1,843 hours of community service & volunteering.

**Customers Bank's community engagement priorities target low and moderate income communities and are focused by these priorities:**

- Community & Economic Development
- Kids
- Education
- Healthcare
- Hunger
- Veterans

**Customers Bank supports our communities through:**

- CRA Investments
- Charitable Contributions
- 501(c)(3)s, including community & economic development organizations
- Charitable/Educational Sponsorships
- Tax-Credits / Tax-Exempt Financing
- PA Education Improvement Tax Credit Donations
- PA Neighborhood Assistance Program
- NJ Revitalization Tax Credit



# The Customers Bank Philanthropic Process

The bank provides allocations of philanthropic and community investment funds to its business teams and challenges them to find and work with appropriate beneficiaries through sponsorships, active participation in direct service organizations, and organizational leadership.

## Typically, business teams will make contributions to support or sponsor events and activities such as:

- The annual events of civic/charitable organizations such as United Way, Red Cross, YWCA/YMCA, local hospital, food bank, addiction treatment, or veterans' organization.
- Scholarship programs for private/charter schools, colleges, or universities.
- Community or economic development projects undertaken by a municipal government or instrumentality.
- Educational and professional seminars for businesspersons when conducted by the 501(c)(3) education foundation associated with a trade association or chamber of commerce.

## We advise our business teams to “be smart” with their contributions and maximize the effectiveness with these strategies:

### Offering Challenge Grants

When Customers Bank puts up funds for a match by other companies, our contribution is leveraged, and the yield is greater.

### Introducing Beneficiaries to One Another

Often our charitable beneficiaries are working in similar areas. Introduce them to one another and incent them to collaborate and coordinate.

### Not Letting our Money fight our Money

Don't fund organizations who operate in a silo or see other organizations as competitors. Don't fund non-profit marketing against other non-profits.

### Showing up and participate.

Support doesn't end with the check. Put a team member on the Board or a Committee.





# Community & Economic Development

Banks have a duty to foster sustainable economic growth, promote financial inclusion, and address the needs and disparities within the communities they serve. And it's simply good business. Community and economic development are the heart of Customers Bank's definition and operationalization of "Corporate Social Responsibility."

## The bank's goals include:

- Financial inclusion – expanding access to financial services through literacy and greater opportunities to participate in economic expansion.
- Small business creation and support – especially for minority-, women-, and veteran-owned business.
- Workforce Development – supporting job training, education, and skills development programs to help individuals attain stable employment and improve their economic prospects.
- Affordable Housing – ensuring access to affordable and fighting homelessness.
- Neighborhood Stabilization & Regeneration – investing in and improving distressed communities with safety programs, access to energy and natural resources, open space, and arts & entertainment.



# Financial Literacy

Financial literacy is an indispensable skill that empowers individuals to navigate the complexities of modern economic systems effectively. At its core, financial literacy encompasses the knowledge and understanding of various financial concepts such as budgeting, saving, investing, debt management, and retirement planning. It equips people with the tools to make informed decisions about their money, leading to greater financial stability and security.

Financial literacy is crucial in promoting personal financial well-being. With a strong grasp of financial principles, individuals can manage their resources more efficiently, avoid debt traps, and work towards achieving their financial goals, whether it's purchasing a home, saving for education, or building a retirement nest egg. Financial literacy fosters resilience in the face of economic uncertainties, enabling individuals to weather financial downturns and unexpected expenses more effectively.

Financial literacy also plays a pivotal role in broader socioeconomic development. A financially literate population contributes to a more robust economy by fostering responsible borrowing and spending habits, promoting entrepreneurship, and increasing participation in investment opportunities. It reduces the strain on social welfare systems by empowering individuals to take control of their financial futures and rely less on government assistance.

By equipping individuals with the knowledge and skills to make sound financial decisions, we can promote economic stability, reduce inequality, and pave the way for a brighter financial future for all.

Customers Bank continues to partner with Everfi to provide financial education through a digital platform to students in grades K – 12 in low-to-moderate census tracts. During the 2022-2023 school year the program reached 984 unique students for over 2,040 hours of financial education.

Customers Bank contributed \$37,500 to the GreenPath Financial Wellness Program, a trusted national nonprofit with more than 60-years of helping people build financial health and resiliency. GreenPath Financial's National Foundation for Credit Counseling-certified counselors give clients options to manage credit card debt, student loans and homeownership.

Customers Bank also provided rent-free office space in its 101 Park Avenue, Manhattan suite to Cents Ability, a 501(c)(3) non-profit organization in NY & Chicago that teaches teens the fundamentals of personal finance. Since 2004, Cents Ability has provided thousands of free financial literacy workshops by leveraging a pool of volunteers from some of the top finance institutions including Customers Bank.



# Business Start-Up

## Start Up

Customers Bank is a sustaining contributor to the O’Pake Institute of Alvernia University, which serves as a catalyst for educational and business expansion, including a student-centered business incubator in downtown Reading. With its tiered branches, O’Pake provides a support system that can elevate aspiring and existing entrepreneurs as well as provide experiential learning opportunities for students, clients, and mentors. Services are delivered through an integrated network of partners, mentors, staff, and student expertise. Fields include accounting, business development, communications, digital design, engineering, and marketing. Assistance includes: business planning, branding, website development or redesign, social media marketing, traditional marketing, digital marketing, and technology transfer. Customers Bank’s contributions also support the O’Pake Fellows Program, which provides elite undergraduate and graduate students with hands-on distinctive experiential learning opportunities. Students of high academic standing, from diverse majors and backgrounds, can work directly with regional entrepreneurs, small business owners, faculty researchers and industry leaders.





# Economic Inclusion

Customers Bancorp Chair Jay Sidhu epitomizes the power of economic inclusion. He came to America from India to pursue an MBA on a scholarship after writing in desperation to 40 universities. One school – Wilkes College in Wilkes Barre, Pennsylvania – answered his hopes. With two suitcases and just a few hundred dollars, Jay arrived at the college on Labor Day 1971 only to find it closed. He spent the night in a YMCA men's shelter.

After two-years of intense study shared with odd jobs to fund his living costs, Jay was about to embark on a career with an electronics firm. His plan was to earn \$10,000 and then return to India.

Having already accepted the job, he nonetheless took a meeting with a banker. For the princely sum of a \$500/year higher starting salary, Jay changed career paths. Over 50 years later, he's still in banking. (And the banker who gave him his first job, Dick Ehst, retired in 2021 as President of Customers Bank.)

Jay tells his story in his **Wall Street Journal** best selling book **Never Ever Ever Give-Up** and is using narrative as tool to have an impact on young people around the globe. "If I could do it; so can you! Have a vision with clear goals. Be authentic. Master the external environment. Have a passion for continuous improvement. And never ever, ever give-up!"

Jay has a goal to change the lives of at least 5,000 young people and to reach that goal is seeking to share his life lessons with tens of thousands. Jay and Customers Bank have created Never Ever, Ever Give-Up boot camps in which students spend a full day with CEOs and entrepreneurs learning how they overcame adversity, persevere, and achieve the American Dream.



I came to America from a far away place. I wasn't white and I had an accent," Jay tells students and young people in his programs many of whom have similar attributes. "And I made it. It wasn't always easy. There were disappointments. But you can do it too. "





## Supporting Entrepreneurship & Workforce Development



The Pennsylvania Neighborhood Assistance Program (NAP) is a state initiative administered by the Department of Community and Economic Development (DCED) and designed to encourage businesses to invest in community development projects by offering tax credits in return for their contributions. Within NAP is the Special Program Priorities (SPP) which targets specific problems and projects Pennsylvania has designated as in distressed areas. Customers Bank has made two contributions to the program for two designed to foster financial inclusion:

**Berks Latino Workforce Development Corp.** — a \$20,000 donation that supports capital improvements and fit-out of a formerly vacant schoolhouse in Reading to a post-secondary training center for the Latino community.

**“The Road to Entrepreneurship” Minority, Women and Veteran Owned Initiative (TRE-MWVI)** a \$25,000 contribution made through the Kutztown University Foundation that supports the creation of a program to aid community members in all aspects of starting and securing a business. The program will cover four core areas: finance, human resources, operations, and marketing. The program will be available in both English and Spanish. Working in conjunction with the Latino Business Resources Center (LBRC), each participant will receive a branding packet to use for their business.

Separately, from tax credit programs, Customers Bank encourages business formation with sponsorship of programs that prepare entrepreneurs of all ages for the excitement and rigors of starting and owning a business. Customers Bank is a major contributor to the Emerging Entrepreneurs Academy which provides students who have an interest in someday owning a business, valuable insight and knowledge in recognizing opportunities and understanding the challenges of owning a business. This interactive 6-week summer curriculum delivers a unique combination of educational workshops along with an internship-like experience for greater guidance to career decision making. Customers Bancorp Chair shares his expertise with the students as a featured guest.



## Helping those New to Our Country

Customers Bank is an annual contributor to Accompany Capital, which creates a pathway to prosperity for New York area immigrant, refugee, and underserved entrepreneurs, supporting them as they launch and grow their businesses with access to affordable credit, financial education, and training in technology and best business practices.

Accompany Capital believes in the energy, productivity and impact contributed by entrepreneurs who have come to New York to launch new lives and new businesses. For more than 20 years, the organization has provided strategic financial and capacity-building services developed with a focus on the needs of immigrants and refugees. Accompany Capital understands the challenges involved in starting and running a business, establishing credit, and navigating through rules and regulations, while learning to adapt to a new country and culture. The organization works individually with each client, in their own language whenever possible, providing them with not only the capital they need, but also the caring support and guidance that have become synonymous with who we are.

Many of the team at Accompany Capital were born in foreign countries so they understand the challenges clients face. [The team speaks 14 different languages and dialects](#) which allows them to give their clients the personal, one-on-one counseling and support they deserve, as well as access to the resources they need to succeed and thrive.



Accompany Capital has a strong commitment to supporting women small business owners, for whom accessing capital has remained a persistent challenge. As part of the organization's Women's Entrepreneurship initiatives, they partnered with New York Women in Business to jointly launch the 2023 Business Pitch Tank Competition.

Over 150 people joined Accompany Capital and their 12 finalists for the 2023 PitchTank Business Competition final round and Awards Ceremony held in October 2023.

Nearly 250 entrepreneurs submitted applications to the competition, which was open to both early-stage and established businesses. Each application was rigorously reviewed by 30 experienced business professionals who selected 6 finalists from each category.

The 12 finalists were then invited to present a 3-minute video pitch and participate in a round of final interviews.



## Small Business Development Centers



Customers Bank is a strong support of the SBA Small Business Development Centers (SBDCs) across our footprint. In Pennsylvania, support from Customers Bank funds graduate assistants who staff the

lead office. Additionally, a bank executive chairs the PASBDC state advisory board.

Supporting SBDCs contributes to economic development at the local, regional, and national levels. By helping small businesses start, grow, and succeed, SBDCs create jobs, stimulate innovation, and foster economic resilience in communities.

Overall, supporting SBDCs is a strategic investment in the success and vitality of small businesses, which are the backbone of the economy. By providing expert guidance, resources, and networking opportunities, SBDCs empower entrepreneurs to overcome challenges, seize opportunities, and achieve their full potential.

### SBDCs offer a range of services and benefits:

**Expert Guidance:** SBDCs provide free or low-cost and confidential consulting services to small businesses. These services cover various aspects of business operations, including marketing, finance, management, and operations. By leveraging the expertise of SBDC advisors and consultants, entrepreneurs and small business owners can make more informed decisions. Much of the assistance provided by SBDCs is with the start-up and early stages of a new business. Customers Bank works with SBDCs in particular to foster the creation of minority-owned and women-owned businesses.

**Access to Resources:** SBDCs offer access to a wealth of resources, including workshops, seminars, and training programs tailored to the needs of small businesses. SBDCs help entrepreneurs develop new skills, stay updated on industry trends, and navigate challenges effectively.

**Networking Opportunities:** SBDCs facilitate networking opportunities for small business owners, enabling them to connect with other entrepreneurs, industry experts, and potential partners or customers. Networking can lead to valuable collaborations and business opportunities that contribute to growth and success.

**Assistance with Funding:** SBDC advisors assist small businesses in accessing financing options, such as loans, grants, and venture capital. They help entrepreneurs understand the requirements for securing funding, prepare loan applications, and develop sound financial strategies to support business growth.

**Market Research and Analysis:** SBDCs provide access to market research and analysis tools that help small businesses identify target markets, understand consumer preferences, and assess competitors. This information is invaluable for developing effective marketing strategies, launching new products or services, and expanding into new markets.

**Compliance and Regulations:** SBDC advisors help small businesses navigate complex regulatory requirements and compliance issues, ensuring that they operate legally and ethically. This support reduces the risk of legal problems and penalties, allowing businesses to focus on growth and innovation.



# SBA & Small Business Lending

Customers Bank's SBA/Government Guaranteed Lending team is consistently one of the **top 100 SBA lenders** in the nation. In 2023\* the bank funded **\$103 million in loans** to qualifying small businesses. The national team of lenders, underwriters, and closing specialists worked with small businesses to grow their ventures and expand into new markets. Loans were made to hospitality owners, medical and professional practices, franchisees, light manufacturers, warehouse and distribution firms, retailers and more. In 2023, the team **closed 112 loans** throughout the year with an **average loan size of \$920,000**.

\* Federal data run October 1 through September 30. These data represent internal records for calendar year 2023.



U.S. Small Business  
Administration







# Helping People with Affordable Housing

Affordable housing is deeply intertwined with the American Dream. Owning a home signifies stability, security, upward mobility, and “roots” in the community. A home is more than a shelter; it’s a pathway to a better future.

Customers Bank is committed to supporting affordable housing to build and stabilize communities, and especially urban neighborhoods. Far too often, our essential workers in manual labor and service industries cannot afford to live in the cities in which they work.

The Low-Income Housing Tax Credit (LIHTC) program is one of the most important national resources for creating affordable housing in the United States. Created by the Tax Reform Act of 1986, the LIHTC program issues tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

Customers Bank participates in three LIHTC funds managed by Raymond James and a fourth managed by Cinnaire. Collectively, Customers Bank has contributed \$58 million to these four funds which are invested in affordable housing.



**\$58 million**  
LIHTC investment





## Helping People with Affordable Housing

Customers Bank leverages Pennsylvania and New Jersey tax credit programs to make significant contributions for housing development. The bank **contributed \$500,000** through the New Jersey Revitalization Tax Program to help support three housing projects: the Isles – East Trenton Collaborative, Isles – Downtown Trenton, and Heart of Camden. These projects bring together community leaders, area residents, and experienced developers to create housing and amenities that are safe, affordable, and healthy.

Pennsylvania's Neighborhood Assistance Program (NAP) subprogram the Neighborhood Partnership Program (NPP) rewards "long-term collaborations (five years or more) of business, government and community leaders to produce a comprehensive, asset-based and relationship-driven approach to community development." Customers Bank has entered into two (3) six-year NAP NPP commitments for housing development projects.

### Contributions in 2023 were:

HACE – a Philadelphia nonprofit 501(c)(3) community development organization founded in 1982 to serve the Latino community. **The \$75,000 contribution helps to fund affordable housing.**

Habitat for Humanity Berks County with a **\$75,000 contribution to affordable housing** within the City of Reading.



For several years, Customers Bank has been working with the Federal Home Loan Bank (FHLB) of Pittsburgh, Habitat for Humanity Philadelphia and other partners to complete 21 new units in the Diamond Park neighborhood of North Philadelphia.

The first 16 are completed, sold and occupied. All of the properties were owned by various City agencies but assembled through the Philadelphia Redevelopment Authority. All sat vacant for many (some as long as 48) years – plaguing the neighborhood with illegal dumping and other negative activity the lots attracted.

In 2023, Customers Bank funded 66 low income/affordable housing mortgages totaling \$9.6 million. **The Bank closed 54 Pennsylvania Housing Financing Authority (PHFA) loans totaling \$8,969,952.** PHFA recognized Customers Bank CRA senior loan officer, Elsie Maduro, as the 10th top producing originator of 2023.

In addition to the bank-sponsored projects with FHLB of Pittsburgh, Customers Bank also participates in FHLB's First Front Door (FFD) initiative which resulted in **53 mortgages totaling \$7.88 million** that received \$253,507 in FFD grants.

The bank participated in the Philly First Program and funded **34 mortgages totaling \$5.5 million** with \$312,680 of grant assistance.



## Supporting Latino Culture and Communities

The Three Kings Celebration, or “Dia de los Reyes” in Latin culture, holds significant importance as it commemorates the biblical journey of the Three Wise Men to visit the infant Jesus. Beyond its religious roots, the celebration represents a cherished cultural tradition, fostering family bonds and unity. It symbolizes generosity, as gifts are exchanged among loved ones, echoing the Magi’s offerings. This festivity also honors Latin heritage and identity, passed down through generations, embodying values of faith, community, and the enduring spirit of giving. Overall, the Three Kings Celebration holds a revered place in Latin culture, blending religious reverence with familial joy and cultural heritage.

Since 2020, Customers Bank has been proud to be a lead sponsor of the City of Reading’s annual Three Kings Celebration. With corporations and individuals fund the purchase of toys and gifts through the Reading Recreation Commission, hundreds of children enjoy the festivities and leave with a cherished remembrance.

Additionally, Customers bank supports Congreso de Latinos Unidos, Inc. an organization that enables individuals and families in predominantly Latino neighborhoods of Philadelphia achieve economic self-sufficiency and well-being. In Fiscal Year 2023, Congreso served 11,880 unique clients with great success:

26 obtained High School Degree;  
39 foreclosures prevented;  
231 obtained industry-recognized certification;

271 accessed pre-natal care;  
and 582 avoided homelessness.





## Supporting the Performing Arts



In the 19th Century, a beautiful federalist-style building was constructed in the Callowhill District of Reading, on the site of the city's first post office, to serve as the private Wyomissing Club. In 1919 that building became home to the Women's Club of Reading.

As the building became unused and started to fall into disrepair, several community leaders came together to form a new entity, the WCR Center for the Arts.

The organization was formed for the purpose of preserving this historic 150-year-old building as a unique performance and exhibition venue for the community.

At the center of this stately building is a 265-seat auditorium with an acoustical quality unmatched anywhere in southeastern Pennsylvania. A superb vintage Steinway grand piano, purchased by the Woman's Club, is still showcased in concerts today. The venue also boasts a gallery and reception hall, perfect for exhibits, meetings and various entertainment events.

Customers Bank has donated \$50,000 for the renovations including making the stage and auditorium ADA compliant so that all individuals can perform and participate in the excellent programs.

Among the many shows provided at the WCR are concerts for the Berks Jazz Fest -- a spring tradition for more than 30 years -- for which Customers Bank is an annual donor.

Berks Jazz Fest is one of the most prolific festivals of its kind, drawing nearly 30,000 visitors from all over the world. Musicians from all backgrounds, locales, and genres convene annually for the 10-day festival, which features dozens of concerts at venues including WCR.

Visitors can enjoy a wide variety of genres including Jazz, Blues, R&B, Funk, Soul, Bluegrass, and more with some of the all time greats joined by emerging artists.

Customers Bank understands that arts are an important contributor to community and economic development.



# Focus on Kids

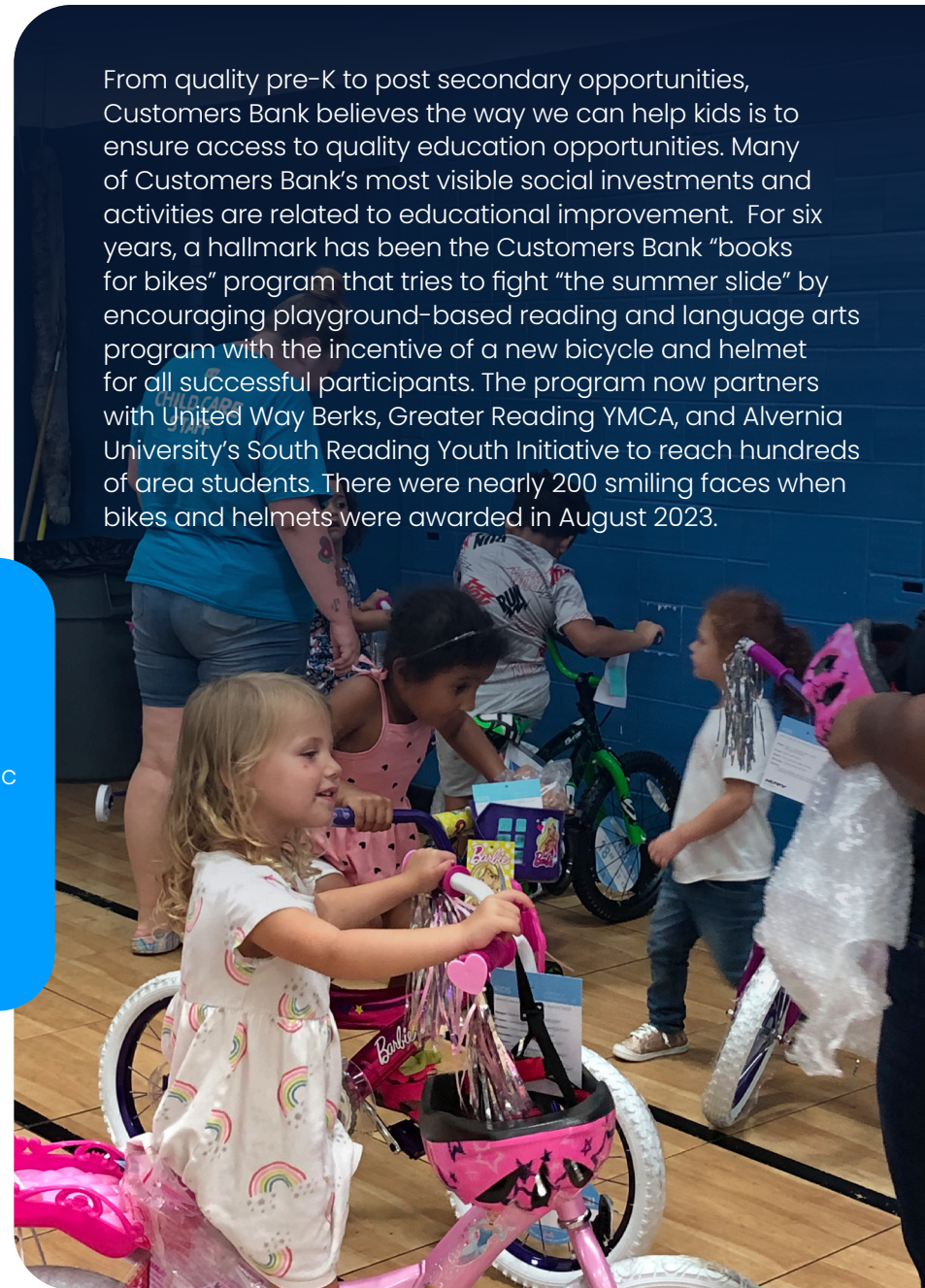
Customers Bank serves many needs of children in our community – fighting poverty with investments in safe houses; tackling hunger with contributions to food pantries and healthy meals programs; and attacking childhood diseases.



The Olivet Boys & Girls Club of Reading and Berks serves over 3,000 youth with programs that develop good character and citizenship, contribute to academic success, and promote physical fitness, sports, and recreation. In 2023, Customers Bank was a major benefactor of Olivet.



In New York City, Customers Bank has donated generously to support Chinese language education through the Chinatown Manpower Project Inc., helping local youth to maintain their culture while becoming a vibrant part of the city's economy. It's hard to separate the bank's aim of helping kids from its strong focus on education.



From quality pre-K to post secondary opportunities, Customers Bank believes the way we can help kids is to ensure access to quality education opportunities. Many of Customers Bank's most visible social investments and activities are related to educational improvement. For six years, a hallmark has been the Customers Bank "books for bikes" program that tries to fight "the summer slide" by encouraging playground-based reading and language arts program with the incentive of a new bicycle and helmet for all successful participants. The program now partners with United Way Berks, Greater Reading YMCA, and Alvernia University's South Reading Youth Initiative to reach hundreds of area students. There were nearly 200 smiling faces when bikes and helmets were awarded in August 2023.



## Education Improvement Tax Credit

In 2023, Customers Bank again leveraged Pennsylvania's unique Educational Improvement Tax Credit Program (EITC) **donating \$1,100,000 to 58 qualifying institutions and programs.** The program provides tax credits to eligible businesses contributing to a scholarship organization, an educational improvement organization and/or a pre-kindergarten scholarship organization. Some examples:

- Customers Bank **contributed \$150,000 to Alvernia University** to support the Reading Youth Initiative, which is a collaboration between Alvernia faculty, staff, students and the Reading School District. The program provides annual summer camps, after-school mentoring during the academic year and a variety of cultural activities, including museum visits, sporting events and educational field trips, all within the Greater Reading and Philadelphia area.
- Customers Bank **donated \$125,000 to the John Paul II Center** for Special Learning providing scholarships for children and youth, age 3 through 21, with intellectual and developmental disabilities so they can take advantage of the Center's diversified programming.
- Customers Bank **donated \$105,000 to Liguori Academy**, which creates individualized, flexible, technology-driven instructional programs for Philadelphia youth who struggle in traditional secondary education environments. Liguori supports and promotes academic achievement to ensure their futures are bright and boundless. The career and college readiness initiative offers students a pathway to life-long success.
- Customers Bank **contributed \$80,000 to the Camphill School** for scholarships so that children and youth with developmental disabilities can attend this Waldorf school accredited by AWSNA and the Middle States Association of Colleges and Schools Commissions on Elementary and Secondary Schools. The school is part of the worldwide Camphill movement and the only Camphill community in North America for children.
- Customers Bank **contributed \$80,000 to Hope Partnership** for Education, a North Philadelphia independent middle school and education center that provides a high quality, values-based education that supports and challenges students from adolescence to adulthood.





## Supporting Literacy and Early Education

# Read Alliance

New York City-based Read Alliance works to accelerate the educational trajectory of early elementary students through the power of teens who provide one-to-one literacy tutoring in under-resourced communities.

Read Alliance provides elementary school-aged readers with the building blocks to academic success through phonics instruction. The leveled reading program reinforces foundational reading skills and phonemic awareness. While early literacy remains at the core of the Read Alliance mission, their unique model also employs teens to provide high dosage tutoring to their younger peers, tackling a secondary challenge of youth unemployment, particularly among low-income, young people of color.

Several years ago, Customers Bank and READ Alliance “exported” the program from New York City to Reading, PA. Working with the United Way Berks as a fiduciary partner and the Reading School District as an educational partner, the team has been able to work with hundreds of Reading elementary learners and dozens of team tutors.

**In 2023, Customers Bank invested over \$170,000 in this effort that produces measurable success.**





## Supporting Education VoiceUp Berks

**VOiCEup** Berks creates opportunities for young people to volunteer, learn and lead in their communities. The organization provides volunteers with a high-quality experience that fuels further action. VOiCEup Berks is also an official affiliate of Youth Volunteer Corps (YVC). YVC is a team-based service learning program for youth ages 11-18. Youth engage in meaningful service activities while having fun and learning about their community and themselves. YVC not only provides youth with critical job skills for future employment, but also offer improved life trajectories. Every project is organized and led by trained Team Leaders who are there to motivate and inspire. Customers Bank **provided \$15,000 in support** of VoiceUp Berks.

In the summer of 2020 and with strong support from Customers, VOiCEup Berks and YVC of Reading hosted a six-part youth-centered series of conversations on racial inequality and injustice called Community Conversations for Change. Twenty-seven students from eight different schools in Berks County spent over 10 hours discussing racial injustice, inequality, systemic racism, police relations and what they could do to address the situation with their peers.

The students used the information discussed

in these Community Conversations for Change sessions to brainstorm project ideas that would address the issue of racism in our community. After much discussion and dozens of great ideas from the students, this amazing team of youth with support from YVC/VOiCEup staff created three ongoing student-led projects to raise awareness, promote tolerance and educate others. These projects, including a anti-racism pledge, a youth-created website, and school discussion groups, formed the basis of the Stand Together Against Racism youth movement that has since spread to different communities all around the nation.

The award-winning S.T.A.R. work that began in 2020, continues today with youth leading anti-racism projects in their schools and communities. Learn more about this movement and check out recent projects here: [www.yvc-star.org](http://www.yvc-star.org).

Canstructure is a structure building competition to fight hunger. Teams of Berks County youth compete in a contest to build incredible structures made from cans of food. Each team is responsible for holding its own food drive prior to the event to collect the cans for its structure and all canned food will be donated to the Helping Harvest Food Bank following the competition.







## Supporting Education

# Berks Business Education Coalition

The Berks Business Education Coalition (BBEC) develops and coordinates programs within the business and education communities which improve the competencies of students and ensure that they have the aspirations, skills, and knowledge to plan appropriately for their lives after high school.

The BBEC will develop and launch the programs the Berks community needs to provide employment opportunities for its graduating students and workforce solutions for its employers now and into the future.

As part of this strategy, the BBEC will reshape programs that expose students to regional employers and career choices and opportunities. BBEC will also strengthen student engagements with regional post-secondary education and training institutions. Typically, students in 9th grade or who are undecided upperclassmen are invited to visit a business to learn about the industry and careers, as well as the company itself. In the fall of 2023, 2,790 students from 17 regional school districts visited area employers.

Mark Ricketts, Internship Coordinator from Exeter School District shared his observations from a visit with students:



The value of these visits was twofold. Students were able to hear about and see a business and its workers in action. This allowed our students to find out about many varied jobs and positions needed to allow a business to succeed. More importantly, it was a chance to begin the thought process of what the students are looking for in a future career. The students and I looked at what types of work and activities at this site were appealing and unappealing, what impressions of the business' culture we had, and how people were able to grow their careers and move up through the company. Students learned they didn't necessarily need a college degree to be successful. ”

In 2023, BBEC also succeeded in placing 1,919 area high school seniors into internships giving them “real world” experience and exposure to career opportunities.

Customers Bank **provided \$10,000 of funding** in 2023; and a bank executive is a member of the BBEC Board of Directors.





## Investment in Learning Bears Fruit for the Company

Doing “the right thing” always yields benefits and sometimes more than you expect.

Meet Justin Abreu Castro. Justin was raised in Reading, PA and hoped to be the first member of his family to graduate from college. His grades were good, but he wasn't sure he was ready for college and the price of higher education was daunting.



While a student at Reading High, Justin participated in a college readiness effort that was part of the Reading Collegiate Scholars Program launched in 2014 by Dr. Tom Flynn, then president of Alvernia University. Reading, Pennsylvania faced many challenges and in 2011 had been labeled by the New York Times as the “poorest city in America.”

Dr. Flynn challenged his leaders to develop a program that would increase high school graduation and college attendance rates for students living in the City of Reading. He also challenged the local business and philanthropic communities to fund a scholarship program. Customers Bank answered the call with a pledge of \$250,000 paid over several years.

Justin returned home from school one day to find a letter from Alvernia University offering him a scholarship for full tuition. He couldn't believe it. He was going to be able to attend and graduate from a university and he would be debt free.

Justin enrolled at Alvernia. He worked hard, completed the mandatory transitional program for all incoming freshmen scholars, and worked with his mentors and coaches. He also tutored elementary students as part of the Reading Youth Initiative.



In 2021, Justin graduated cum laude with a BA in accounting. Shortly thereafter he started his new job -- as an internal auditor at Customers Bank. In his three years with the bank, Justin has participated in over 15 major audits and has been promoted to Senior Auditor. He is a leader on the team.

And when the University celebrated the 10th Anniversary of Reading Collegiate Scholars, Justin was one of the keynote speakers.

Through 2023 the program has amassed a tremendous success rate:

142 graduate & current scholars	3.4 GPA of graduates
43 graduates	85% retention rate
80% graduation rate	3.5 GPA among current scholars

*When you do the “right thing” everybody wins.*





## Disaster Response

The Customers Bancorp offices were literally rocked on their foundation in March 2023 by a tragic explosion at the RM Palmer candy company located about one-half mile from our West Reading Corporate HQ and branch. News of the blast reverberated around the world. Seven people lost their lives in the explosion and others were injured. Several families have been displaced from their neighboring homes and apartments.



Customers Bank responded that weekend with one of the first large corporate donations to the West Reading Disaster Fund established by the Berks County Community Foundation and the United Way of Berks County. More corporate money followed as well as donations for individuals and neighbors. The bank matched the personal contributions of generous team members.

### The Disaster Fund provided:

- Grants to organizations providing support to the families of individuals killed in the explosion for immediate financial losses.
- Grants to organizations providing support to individuals displaced from their homes as a result of the explosion.
- Grants to organizations providing support to individuals displaced from employment as a result of the explosion.



A warehouse fire grew to a four-alarm blaze and swept to neighboring small businesses and homes displacing an estimated 90 people in Oxford, Chester County, PA – southwest of our Malvern Bank HQ. The fire took place in September 2023, less than five months after the RM Palmer explosion. Five businesses were also destroyed. Fortunately, there were no deaths or serious injuries. Customers Bank contributed to the Oxford Fire Fund established by United Way of Southern Chester County to aid families and small businesses impacted. Again, the bank matched personal contributions of team members.



## Team Building for a Good Cause

When Rick Merhai wanted to do a team building exercise for the bank's Third Party Risk Management and Project Management Office personnel, he sought a way to benefit others. Our team members led by Rick, Kathy Gallagher, and Jun Sa joined United Way of Berks County to build 6 adult size bikes, which will be donated to local non-profits to benefit their clients.

These bikes provide a set of wheels to students who are unable to get to classes, or individuals who would otherwise not be able to accept a job offer because they had no reliable transportation. Four bikes will be going to Connections Work (formerly known as Berks Connections/ Pretrial Services), Family Promise (1), Berks Latino Workforce (1) and Mary's Shelter (1).



“

At Connections Work, individuals who were not able to accept a job offer because they didn't have transportation, will now be able to work. “We have had several individuals who would otherwise not be able to accept a job offer if not for the availability of a bicycle. Several manufacturers are a distance from bus stops along Business 422. The amount of time it would take to walk that distance would make the individuals late for their shift. The put the bike in the public transit bike rack and then can peddle the remaining distance from the bus stop. For those individuals it is the difference between having a job and not having one! Thank you!”

– **Peggy Kershner, Co-Executive Director, Connections Work**

“

A student at Family Promise will be using the bike to get to classes at RACC. “On behalf of myself and Family Promise I would like to start by saying ‘thank you’ for putting this bike together for one of our youths . They have been walking to college and their job, so this bike will make it much easier for them to get to point A & B. Thank you again for making this client's life a little easier , because without this bike, they would have had continued to walk and look for rides. Thank you again!”

– **Alicia Hoffmaster, Administrative Assistant, Family Promise**



# Healthcare

The Children’s Hospital Colorado (CHC) believes every child’s life should be filled with limitless possibilities and Customers Bank couldn’t agree more. In 2023, the bank again **donated \$200,000 to CHC** to fund groundbreaking researched aimed at eliminating inherited metabolic diseases that can devastate young lives. CHC is recognized by US News & World Report as one of the top children’s hospitals in the nation. Customers Bank is proud to support this important work.



Customers Bank is also a strong supporter of the Caron Treatment Centers, one of America’s preeminent addiction treatment and research organizations. Founded in Berks County in 1957, today Caron’s centers and work span the country. Caron’s patients have a 92.4% rate of recovery at 90-days post treatment. Customers Bank is proud to **contribute \$50,000 annually** to this important work.



# Veterans

For nine years, Customers Bank has led a community-wide effort to raise funds for veterans' programs in Berks County. The annual Veterans Luncheon celebrates and honors all of our veterans that call Berks County their home and recognizes and thanks them for their commitment, sacrifices and continued service throughout our region and in the community. Customers Bank has been the presenting sponsor for the Veterans Luncheon for eight years. This annual event and the contributions of attendees provide continued support to our veterans throughout Berks County.

Since 2015, the group has worked with businesses and organizations in the community to identify and support the needs of veterans throughout the county. The Veterans Luncheon has raised more than \$1 million in gross proceeds to meet the needs of our veterans and make an impact in their lives. Through this event, proceeds provide financial support for the Veterans Social Center in Berks County and are used to create scholarships for active and retired members of all branches of the armed service at Reading Area Community College.





## Food Insecurity and Nutrition

Food insecurity in America remains a pressing issue, affecting millions of individuals and families across the nation. Despite being one of the world's wealthiest countries, many Americans struggle to access nutritious and affordable food consistently. Factors such as poverty, unemployment, and inadequate access to grocery stores contribute to this problem. Food insecurity has far-reaching consequences, impacting physical health, cognitive development, and overall well-being, particularly among children. Addressing this challenge requires comprehensive solutions, including increased access to affordable fresh produce, improved support for low-income households, and initiatives to address inequalities in education and employment. In 2023, Customers Bank **gave \$180,000 to food banks and food programs** including:

**All Faiths Food Bank (Sarasota, FL)**

**Chester County Food Bank (Chester County, PA)**

**Helping Harvest (Reading, PA)**

**Regional Food Bank of Northeastern New York (Latham, NY)**

**Siloam Wellness Food Pantry (Philadelphia, PA)**

**Zion Baptist Church (Philadelphia, PA)**





## United Way

Since Customers Bank's founding in 2009, the company has partnered with the United Way chapters across its footprint.

In 2023, aggregate Customers Bank team member contributions to United Ways throughout the nation **exceeded \$130,000**. Additionally, the bank matched team member giving and made gifts totalling **more than \$53,000**.

Team members who contributed at a "leadership" level were eligible for additional paid time off.

In addition to the team member pledges and match, Customers Bank **provided a \$25,000 grant** to United Way of Berks County through the Pennsylvania Education Improvement Tax Credit program. This gift supports the READ Alliance tutoring programs in the Reading School District.

Customers Bank **contributed \$9,000** to United Way of Berks County for administration of the annual "Books for Bikes" literacy program.

The bank also sponsored the United Way of Berks County Tocqueville Society event with a **\$20,000 donation**.

Customers Bank, the Reading Area Community College, and the United Way of Berks partnered to provide an enrichment and learning program for emerging leaders. **The bank underwrote the event at a cost of \$4,251.**

The bank **contributed \$10,000** to the United Way of Southern Chester County Emergency Fund to respond to the Oxford Fire.

There were other smaller donations to local United Way programs in North Carolina.



**More than  
\$250,000  
across the nation**



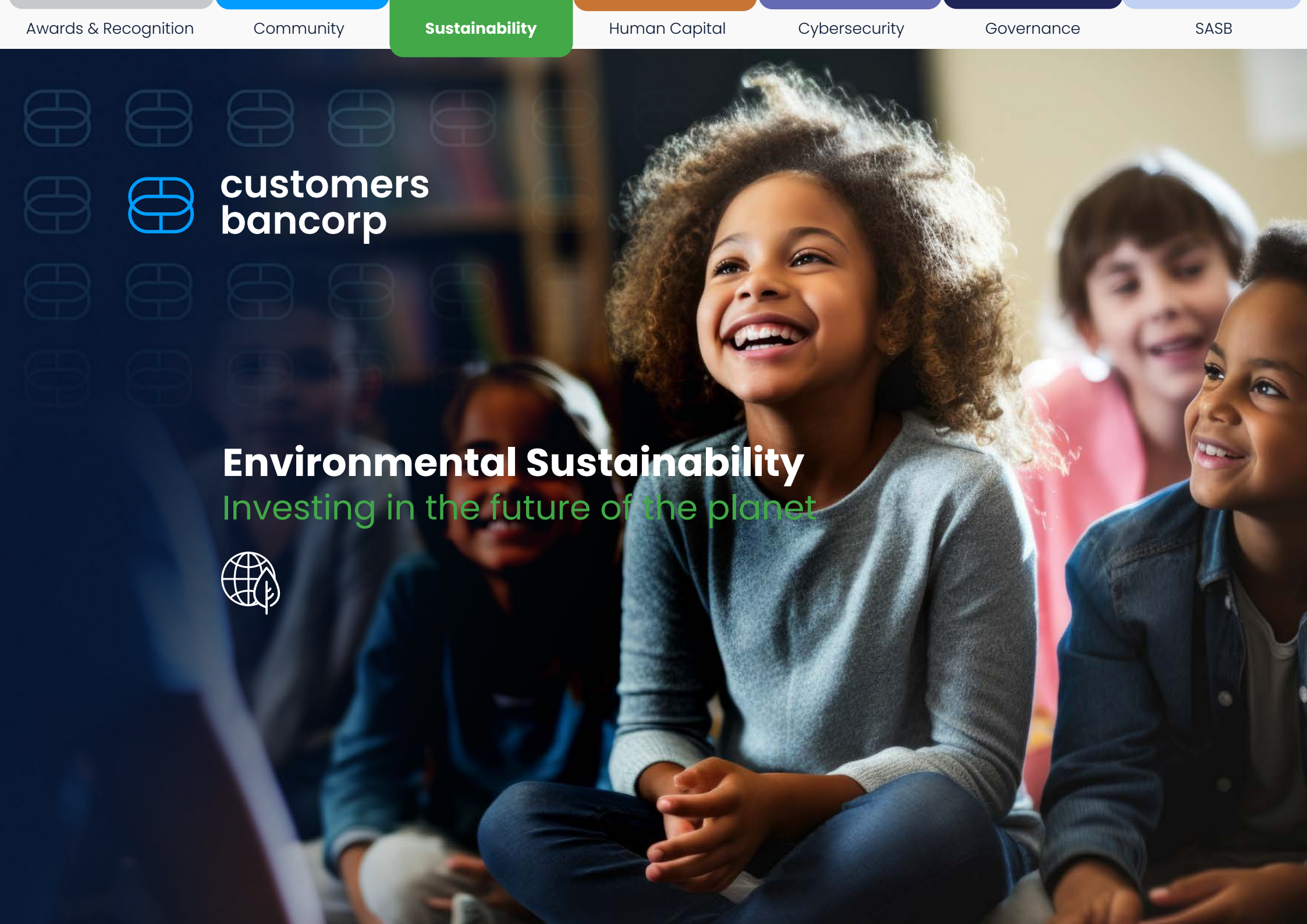




customers  
bancorp

# Environmental Sustainability

Investing in the future of the planet





# Energy & Climate Change

Customers Bank's New England commercial lenders have been aggressively courting alternative energy clients for many years. In 2023, they added nine (9) projects to the portfolio which include, in the aggregate:



**\$30,382,743**  
of loans for solar energy



**\$25,309,966**  
of loans for wind energy



**\$2,591,607**  
of loans for hydro-generated energy



**\$2,763,880**  
of loans for low emission natural gas co-generation

**Over \$61 million of lending for Sustainable Energy**

Customers Commercial Finance, LLC (CCF) funded an aggregate \$23.2 million in leases of electrolyzers which use energy (in this case solar) to split water molecules into hydrogen and oxygen. The hydrogen is then used to power fleet EVs, material handling equipment, industrial robots, UAVs, data centers, CPUs, and more. The equipment was made and sold by Plug Power, Inc. a global innovator in the hydrogen energy industry.



The bank's Tech & Venture team provided a \$5 million facility to Optera, a developer of carbon emissions management software that enables companies to achieve corporate climate and sustainability goals. Optera's platform helps corporations quantify their greenhouse gas emissions across their entire value chain while providing the tools and insights needed to manage the transition to the low-carbon economy.



## Sustainability Case Study – MycoWorks



**We're very grateful to the Customers Bank Venture team for their partnership over the years and for stepping up to support our business at a critical moment in our growth," said MycoWorks CFO, Juan Lopez. "Their collaborative approach has been very helpful as we scale up into our large commercial stage and bring our innovations into wider adoption.**

MycoWorks is a manufacturer of natural materials fully grown from mycelium—the root structure of the reishi mushroom. Their flagship material REISHI™ is a natural alternative to fine leather and exotic skins.

In 2013, co-founders Philip Ross and Sophia Wang formed MycoWorks, a San Francisco-based biomaterials company dedicated to bringing new mycelium-grown materials to the world. MycoWorks' patented Fine Mycelium™ technology is an advanced manufacturing platform and breakthrough in materials science, engineering mycelium to interweave and interlock at the cellular level. Unlocking a new category of material for the world's best luxury brands including Hermès and Ligne Roset, REISHI™ is the first precious material grown from their technology.

MycoWorks' products in the leather goods category are innovative, allowing for new high-quality, low-carbon, biodegradable and no-or-low plastic options for applications such as automobiles, apparel, footwear and architectural interiors. Their patented tray-based technology enables clients to rapidly and efficiently grow-to-order a leather-like material. A supply chain breakthrough, MycoWorks is one of the first biomaterial companies to apply batch-processing to their manufacturing system. At full capacity, the facility will employ nearly 400 people in its operations.

In late October, 2023, MycoWorks celebrated the opening and start of production at its first full-scale facility in Union, S.C., with a ribbon-cutting attended by South Carolina Governor Henry McMaster, as well as other government officials, community leaders, brand partners, and supporters. This first of its kind factory opening paves the way for wider adoption of MycoWorks' revolutionary biomaterial across industries and new applications. As MycoWorks' primary commercial banking partner, Customers Bank was proud to be present and part of the celebration.



## Sustainability Case Study - Green Development



**Green Development** is devoted to preserving farmland, reducing water and air pollution, increasing energy security, and creating local jobs. Since 2009, the company has been instrumental in transforming the energy mix in Rhode Island to clean, reliable energy. Green has developed **more than 168 MW in solar and wind capacity**, with additional projects in development.

Customers Bancorp, Inc. Chair & CEO Jay Sidhu with Green Development CEO Mark DePasquale on visit to company HQ.

### Customers Bank is proud to be the firm's financial institution.

Rhode Island currently imports the majority of its energy resources. Approximately 91% of those resources come from natural gas produced out of state, the highest percentage of any state, and the cost of these resources increases in times of short supply. Green Development is committed to helping Rhode Island produce its own power from renewable sources, to establish a reliable and sustainable energy supply.



Renewable energy solutions have a positive and measurable impact on our environment. Green Development's solar and wind projects produce no carbon dioxide (CO<sub>2</sub>), a greenhouse gas that is linked to atmospheric warming. Green Development's current solar and wind projects offset over 147,975 metric tons of CO<sub>2</sub> each year, equivalent to the CO<sub>2</sub> generation of 16,650,729 gallons of gas or the annual carbon sequestered by 175,119 acres of forest!

When Green Development builds renewable energy projects on the properties of local farmers and large landowners, they receive lease revenue. Farmers are able to continue farming their land, and large landowners are able to maintain open space. Green Development leases only a portion of the property for the renewable energy project, providing income and financial flexibility for our farmers and their families.

Green Development's renewable energy solutions deliver significant energy savings to towns, cities, and non-profit entities at a fixed low rate, via Rhode Island's virtual net metering program. Their current installed projects will save Rhode Island government entities and non-profits approximately \$85 million over 25 years! Green Development's wind and solar projects also create local jobs for project managers, engineers, business development professionals, equipment operators, technicians, and many more roles.



**customers  
bancorp**

# Human Capital

Investing in our people





# Human Capital

## Talent Acquisition

The demand for highly qualified candidates increases as our business grows. In the pursuit of securing top-tier talent aligned with our organizational objectives, the Talent Acquisition team has crafted a robust framework aimed at identifying, attracting, and onboarding exceptional individuals. Customers' recruitment strategies encompass a diverse array of channels and tactics tailored to reach a broad spectrum of candidates. We leverage traditional (and also pursue innovative) methods, including job boards, social media platforms, and team member referrals, casting a wide net to attract candidates with the requisite skills and qualifications. To cultivate a talent pool that sets Customers apart from its competitors and aligns with our strategic objectives, particularly in the realms of digitization and technological advancement, we undertook significant hiring initiatives in 2023. A total of 195 new team members were welcomed across various parts of our business, encompassing revenue generation, compliance, and shared services. These strategic additions not only enrich our workforce but also fortify our capabilities to thrive in an ever-evolving marketplace.

Our talent acquisition efforts continue to focus on attracting top talent that aligns with our diversity, equity, inclusion, and belonging initiatives, recognizing the value of a diverse workforce in driving innovation and fostering a culture of belonging. Our Talent Acquisition team partners with managers and leadership to ensure diverse pools of candidates are considered by incorporating inclusive language in job postings and posting positions to diversity job boards. Customers attracts talented individuals with a combination of competitive pay, benefits package, incentives, and reward programs. Central to our talent acquisition philosophy is the provision of an exceptional candidate experience at every stage of the recruitment process. From the initial outreach and application submission to interviews, assessments, and final offers, we prioritize transparency, communication, and responsiveness to ensure that candidates feel valued and engaged throughout their interactions with our organization. As our business continues to evolve, so does the way we need to attract talent to achieve future success. Customers remains committed to refining and evolving our talent acquisition practices meeting the evolving needs of our organization and the dynamic external landscape. Continual investment in technology, data analytics, employer branding, and talent pipeline development will support our efforts to attract, engage, and retain top talent, positioning us for sustained success in the marketplace.

Customers' vision is to be recognized as an outstanding financial services company dedicated to providing exceptional value, service and convenience as part of an overall effortless banking experience. The company focuses on doing what is best for all our stakeholders, including our shareholders, customers, team members, partners, and the communities in which we work and live.

	2023	2022
Full-Time Team Members	711	665
Part-Time Team Members	3	3
<b>Total Team Members</b>	<b>714</b>	<b>668</b>
Women	50%	53%
Minority	24%	17%



# Internship Program

## Investing in Early Careers

Our Internship Program provides interns with a hands-on experience tailored to their roles, including collaborating on team projects, assisting with streamlining tasks and processes, and participating in a “Fundamentals of Banking” speaker series featuring Senior Leaders from within the organization. The 2023 session marks the second cohort since pre-pandemic programs, during which Customers implemented a competitive selection process focusing on interns from universities within our markets that are currently majoring in programs aligned with the Bank’s areas of operation. The program’s long-term objective is to build a talent pipeline capable of seamlessly transitioning into full-time, high contributing team members upon graduation. To enrich their experience, interns participated in weekly Intern-Only check-ins, fostering skill sharing, project discussions, and relationship building. Customers successfully converted five (5) interns into regular employment positions throughout the Bank. These interns not only gained insight into their respective fields of study within the Bank but also had to collaborate cross-functionally with their peers. Based on the positive feedback and overall success of the 2023 cohort, the program will continue to expand in 2024 to include additional business units within Customers.





# Learning & Professional Development

Customers remains committed to fostering a culture of continuous learning, leveraging technology to drive initiatives that provide an engaging, personalized and varied learner experience accessible to all team members, at every stage of their career. Team members are empowered to learn new skills, establish and meet personalized development goals, take on new roles and become better leaders. Customers' performance management program is an interactive practice that engages team members through performance reviews, goal setting and on-going feedback from managers to their team members. We have leadership competencies in place to help advance and support an increasingly digital strategy with an emphasis on the three Q's: Emotional Intelligence (EQ), Adaptability (AQ), Technical Skills and Knowledge (IQ).

All (100%) of Customers Bank team members receive mandatory training as part of their onboarding process. Annual training is required of every team member with courses assigned according to job functions and responsibilities as well as regulatory requirements.

Total hours of training across all categories equaled 11,033 in 2023, meaning the average Customers Bank team members complete 15.52 hours of training. (Calculations include required training for regulatory and compliance purposes, new team member onboarding, training, voluntary training, and Linked-In Learning voluntary program.)

## Learning Initiatives:

- Learning & Development – All team members are encouraged to participate in learning and development opportunities that align with their career goals. Team members are empowered to upskill, reskill, and grow professionally by leveraging best in class digital platforms, podcasts, digital learning events and recommended articles. Additionally, in support of our team members' educational goals, tuition assistance is available to those interested in pursuing higher education opportunities or professional certifications.
- Digital Learning Platform – We continue to offer online training and access to a digital library of over 16,000 courses and a broad range of learning solutions. Team members have access to business, design, and technology courses to help them develop critical competencies and key leadership attributes. The learning platform offers a tremendous potential for managers and team members to create development plans as part of the performance review process.





## Diversity & Inclusion

At Customers, we are committed to establishing a workplace culture which is built upon a foundation of dignity, mutual trust, integrity, and transparency. We believe that being intentional about applying the principles and practices of diversity, equity, inclusion and belonging (DEIB) is essential to achieving the level of Cultural Intelligence (CQ) necessary to move us forward. The Customers Bank Diversity Council continues to evolve and remained steadfast in its commitment to DEIB initiatives along with fresh perspectives and renewed energy in driving initiatives forward. Efforts were made to maintain momentum in pursuit of DEIB goals establishing clear objectives, measurable goals, accountability, and succession planning to sustain a robust DEIB culture into the future. The Council also works to develop and oversee the organization's EDIFY Initiatives, which include DEIB-related education, training, resources, programs and other team member engagement. This includes the bank's team member-driven emERGE Forums, which are Employee Resource Groups designed to strengthen team member engagement, support the unique needs of each group, and increase cultural awareness and understanding through allyship. Efforts were made to strengthen and foster the emERGE Forums including, Asian American Pacific Islander (AAPI), Black Excellence, HOLA! (Latino), LGBTQ+, Millennial/GenZ and the Women's forum.

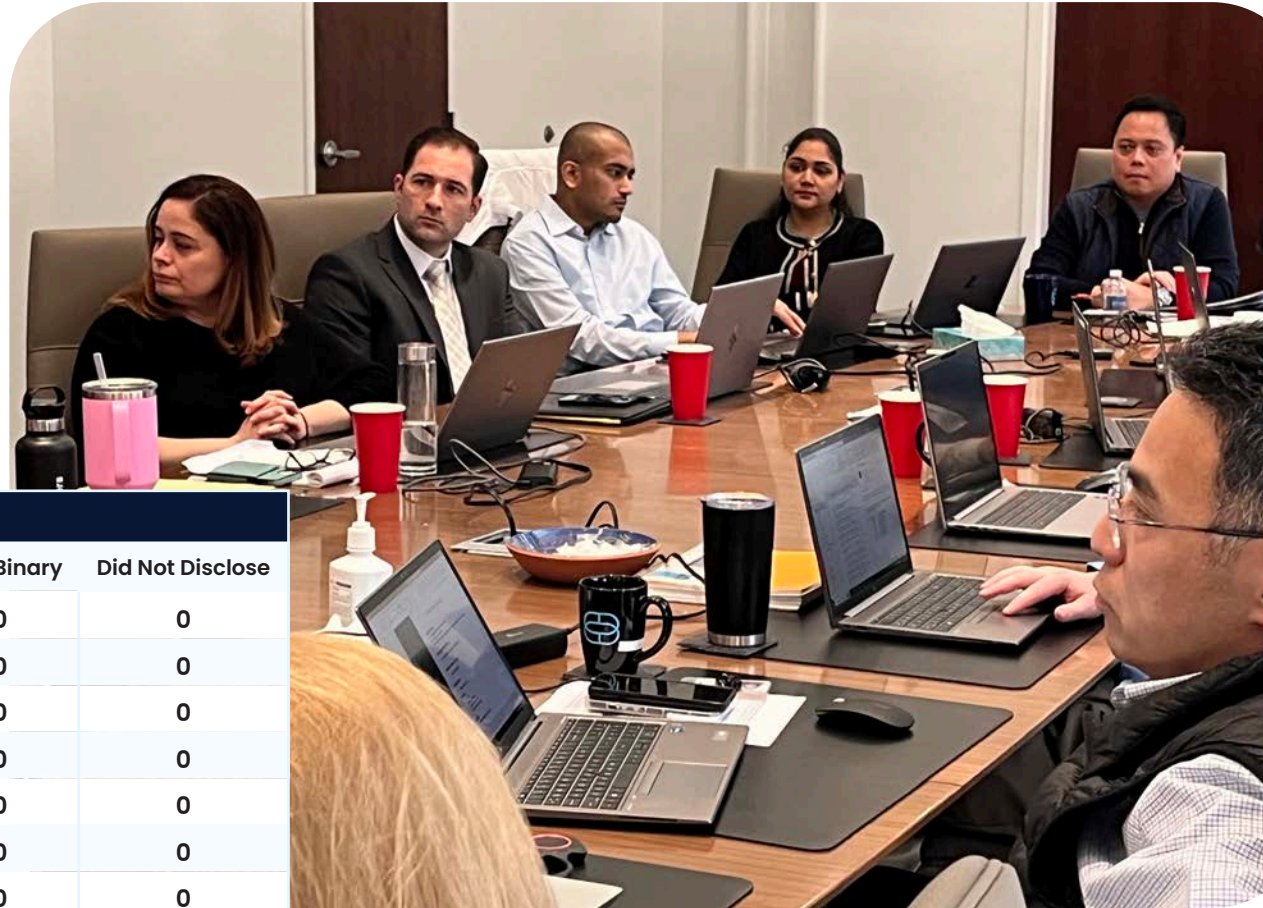
Customers Bancorp is using the Nasdaq Board Diversity Matrix as a model for a voluntary disclosure regarding the diversity of its Board of Directors and Management Board. The information in the matrix is based on the voluntary self-identification of each member of the Management Board.





## Diversity & Inclusion

Customers Bancorp is using the NASDAQ Board Diversity Matrix as a model for a voluntary disclosure regarding the diversity of its Board of Directors and Customers Bank's Management Board. The information in the matrix is based on the voluntary self-identification of each member of the Management Committee leader of the bank who run business teams or core functional teams. Those individuals who did not make a voluntary disclosure are tallied as such in the matrix.



### Customers Bank Management Board Members

	Female	Male	Non-Binary	Did Not Disclose
EC & MBMs	3	12	0	0
African-American or Black	0	1	0	0
Alaskan Natives/American Indian	0	0	0	0
Asian	1	2	0	0
Hispanic or Latin	0	0	0	0
White	2	9	0	0
Two or More Races or Ethnicities	0	0	0	0
Did Not Disclose Race & Gender	0	0	0	0
LGBTQ+	0	0	0	0



# Diversity and Inclusion

Customers Bancorp is using the NASDAQ Board Diversity Matrix as a model for a voluntary disclosure regarding the diversity of its Board of Directors and Customers Bank's Management Board. The information in the matrix is based on the voluntary self-identification of each member of the Management Committee leader of the bank who run business teams or core functional teams. Those individuals who did not make a voluntary disclosure are tallied as such in the matrix.

## DEIB Activities

- LGBTQ+ Forum represented the bank by sponsoring a table at the annual LGBTQ+ event in Reading, PA.
- All forums came together to host emERGe Forum events at our Malvern and West Reading facilities which included multicultural foods, games, a photobooth and information about the forums.
- Freedom Scholarship Program was created in 2020 in tribute to Juneteenth, the annual celebration of the emancipation of African American slaves in the United States. We recognize that the promise of freedom is vitally linked to the power of, and access to, quality education. The Customers Bank Freedom Scholarship Program is our way of providing financial support to dependents of eligible team members towards their educational endeavors. In 2023, a total of \$100,000 was distributed among 14 of our team members' children.





# Team Member Engagement



2023 was a year devoted to supporting team members with three assigned shared days in the office in an enhanced hybrid model to foster in-person collaboration. We continue to focus on our customers, deliver what we promise, and promote an environment where our team members feel connected, supported and valued.

## Team Member Engagement Initiatives:

- Award winning Wellness Program:

2023 introduced a new enhancement to our wellness platform whereby team members can participate in on-demand activities to improve their physical and mental well-being. Customers strives to create a culture of wellness by engaging and positively impacting each team member. Our robust wellness program offers a variety of challenges, workshops, webinars, and health coaching sessions.

The program focuses on overall well-being: physical, mental, emotional, and financial. The wellness program has a multi-tiered reward system in which wellness points are awarded to team members for their participation.

Over 200 team members participated in the program in 2023, with 116 successfully completing the program.

- Corporate Trainer – We continue to promote Bank-sponsored personal training sessions offered both in person and virtually to all team members throughout the company. Programs include body relaxation, body muscle recovery, light pain management, and strengthening exercises. 139 team members participated in this benefit in 2023.
- Day of Learning – Team members are granted up to 8 hours of paid time off to participate in an educational course, seminar, or class.
- Matching Gift Program acknowledges the importance of both individual and corporate support for charitable organizations. Customers continues to match team members' financial contributions, up to \$500 annually.
- Community Service Day – Team members can earn up to 8 hours paid time off for participating in a qualifying event of community service.
- Team Member Referral Program – The program is a strategy and initiative that monetarily rewards team members for successfully referring highly qualified candidates for open positions. We offer three referral bonus reward levels to team members who submit qualified referrals who are subsequently hired. In 2023, 63 hires were referrals from team members, with 19 team members being eligible to receive a referral bonus.
- United Way – Customers continues to encourage team members to support their local United Way Chapters which provide significant support to the communities in which they live and work. The Company continues to match team member contributions dollar for dollar. Team members who contribute at a certain level are eligible for additional paid time off.
- Juneteenth – Federal holiday commemorating the emancipation of enslaved African Americans is incorporated into our Bank holidays.
- Digital Feedback Tool – Team members need to be heard, included, recognized, and cared for and provided with positive leadership to promote a productive and engaging working environment. Customers utilizes a feedback software tool to foster continuous feedback by surveying our team members on a periodic basis on subject matters relating to their work environment, managers, work life balance and overall engagement.



# Benefits

Customers views health care as an essential element in building and sustaining a fulfilled, successful, and rewarding work-life balance. The Company offers a variety of health, life, disability and voluntary insurance programs to protect our team members and their families. We continually evaluate our benefit packages to ensure they satisfy the needs of our team members.

Customers continues to actively encourage team members to prioritize their mental well-being with several tools, initiatives and resources. The Company continues to provide free of charge access to telehealth services to include general medicine, dermatological visits, nutritional counseling, mental health visits, neck and back care, among other services, to team members and their qualified dependents. Our health advocacy vendor continues to assist with services ranging from health care and insurance-related issues to providing one-on-one support for improving health and well-being. In addition to providing access to registered nurses, medical directors and benefits and claims specialists, team members also have access to an Employee Assistance Program (“EAP”). The EAP provides confidential counseling, legal, financial and referral services. EAP participants are entitled to three face-to-face consultations free of charge. In 2023, Customers enhanced the Company-paid Life, ADD, STD and LTD benefits as well as kept team member deductions flat for the 7th year in a row. A new supplemental benefit carrier was introduced adding a hospital indemnity plan for eligible team

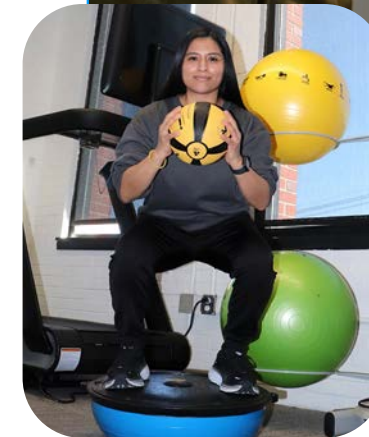
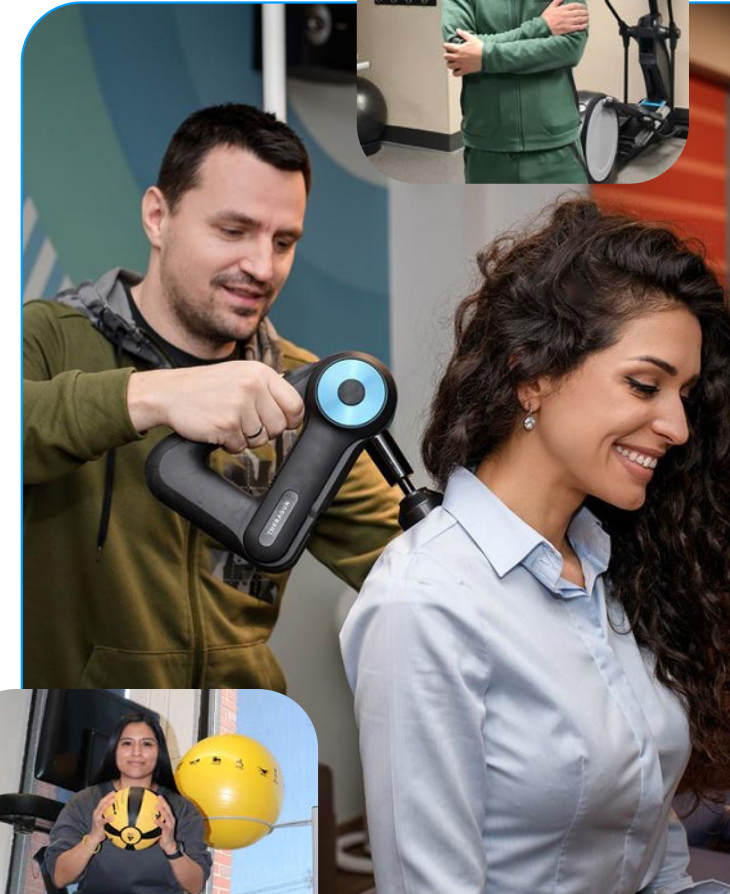
members. We continue to offer team members free access to a premium membership for ongoing care for their families. Resources include access to nannies, senior caregivers, transportation assistance, tutors, summer camps, special needs caregivers and more. Customers offers a 401(k) plan whereby eligible team members may contribute an amount (percentage) of their salary (less applicable tax and benefit deductions) and the Company will provide a matching contribution. 95% of team members actively participate in the 401(k) plan. The company hosts a series of financial well-being sessions focusing on a variety of topics each year.

- **Financial Wellness Workshops –**

These workshops, hosted by our 401(k) provider, aim to improve the financial literacy of all team members, equipping them to reach their savings objectives and attain financial well-being. Topics covered included steps on how to invest, saving for the future, and money management.

- **Retirement Readiness Workshop –**

This workshop is hosted by our 401(k) Plan Investment Advisors and are target all team members who have reached at least age 50 or over to help them to begin the process of preparing for retirement. Topics covered include Medicare, when to start collecting Social Security, budgeting for and in retirement, and education on 401(k) withdrawals in retirement.





## CEO Action for Diversity & Inclusion

CEO Action for Diversity & Inclusion™ is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. A unique coalition of more than 2,500 CEOs, including Customers Bancorp Chairman & CEO Jay Sidhu, have signed on to this commitment, agreeing to take action to cultivate environments where diverse experiences and perspectives are welcomed and where employees feel comfortable and encouraged to discuss diversity and inclusion. All CEO signatories serve as leaders of their organizations and have committed to implementing the pledge within their workplaces, or where companies have already implemented one or several of the commitments, will support other companies in doing the same.

### Customers Bancorp has pledged to:

- 1 Cultivate environments that support open dialogue on complex, and sometimes difficult, conversations about diversity, equity and inclusion.
- 2 Implement and expand unconscious bias education and training.
- 3 Share best known and unsuccessful diversity, equity and inclusion programs and initiatives among signatories so we all can learn from each other.
- 4 Engage boards of directors (or equivalent governing bodies) in the development and evaluation of inclusion and diversity strategies.





**customers  
bancorp**

## **Cybersecurity**

a holistic approach to  
organizational security





# Cybersecurity

Like all financial services institutions, Customers Bank and its clients digitized rapidly in recent years, depending more and more on information technology and data systems to make deposits, payments, and transfers. Banking is a 7X24 activity available and accessible virtually anywhere and anytime through mobile devices. Risks including technical failure, human error, malicious attacks, weather events, natural disasters or terrorist attacks can deny clients access to funds and services. Mitigating and managing these risks are of the utmost importance.

Our Program takes a holistic approach to organizational security focusing on both the protection of our core technologies and the protection of the operations and areas of business they support. The Program manages 86 distinct metrics and operates 24x7x365 to meet the growing needs of Customers as it seeks to ensure the continued protection of its customers. This rigor has resulted in the Bank experiencing zero (0) known breaches involving customer PII/NPI or restricted corporate data in 2023. The cybersecurity discipline for Customers Bank is overseen by the Board of Director's Risk Committee and the Office of the Chairman for Customers Bank. The primary Board member with relevant background in IT engaged on the cybersecurity strategy process, is Robert N. Mackay who served as CEO of Itiviti, a fast-growing and innovative capital markets technology leader providing systems for order management, execution management, automated trading and trading connectivity across all asset classes to the global markets. Mr. Mackay led the sale of Itiviti to

Broadridge (NYSE: BR) in April 2021. Prior to Itiviti, from 2011-2019, Mr. Mackay was COO for the global fintech leader FIS (formerly SunGard), where he led the Cross Asset Trading and Risk businesses.

The bank's EVP and Chief Information Security Officer (CISO) is Vivin Varghese who reports to Chief Information Officer Nicholas Harris. Mr. Varghese has 15 years of professional experience in information security with Lockheed Martin, SAIC, Integrity Applications Incorporated, and the University of Pennsylvania, before joining Customers in 2021.

The bank's information security program has been designed to conform with the National Institutes of Standards & Technology's (NIST) Cybersecurity Framework, International Organization for Standardization ("ISO") 27001, as well as the Federal Financial Institutions Examination Council (FFIEC) guidelines for cybersecurity. We use these frameworks to assist our organization as it seeks to ensure the confidentiality, integrity, and availability of technology and services for its customers, employees, and partners.

The Director's Risk Committee receives monthly security reports from the CISO sharing information on cyber risk, vulnerabilities, disaster recovery testing, employee security awareness training, and third-party cyber risk. An annual report is compiled and shared with the Board of Directors summarizing the previous year's activities along with a comprehensive view of trends and the risks they pose to the bank.

The bank's overall security program consists of key areas focused on Digital Security Operations, Enterprise Security Operations, Physical Security and Business Resilience and Availability.

The Corporate Security Group manages the company's incident response and business continuity functions and utilizes annual table-top exercises to test the organization's preparedness for anything from pandemics to cybersecurity events.

The bank's security policies are reviewed and ratified on an annual basis by the Board of Directors who provide oversight of executive-level enforcement and compliance. The organization also utilizes several global third-party advisors to ensure the appropriateness of the Bank's security posture, adherence to established controls, proper assessment of risk, and efficient operation of the bank's cybersecurity discipline.

In 2022, Customers Bank was certified by A-LIGN Compliance and Security, Inc. for an information security management system that conforms to the requirements of ISO/IEC 27001.







## Focus on Data Privacy & Customer Protection

The Bank's CUBI Security Group executes digital privacy assurance and protection for our digital channel products. Using legislation from California and the European Union as a standard, the organization manages a strict data privacy program which includes opt-in/out management for the Bank's digital assets, technological controls on data movement to prevent exfiltration and unauthorized disclosure, and program elements that are compliant with the California Privacy Rights Act ("CPRA"), the General Data Protection Regulation ("GDPR"), and New York Stop Hacks and Improve Electronic Data Security ("SHIELD") Act. In addition, the Bank adheres to the Gramm-Leach-Bliley Act ("GLBA") and the FFIEC standards for data privacy and confidentiality of consumer information.





**customers  
bancorp**

## **Corporate Governance**

Investing in best practices for business





# Corporate Governance

Customers Bank believes that governance systems ensure we manage our business in the interest of shareholders, clients, team members, and other stakeholders. We believe that good governance improves financial performance by aligning management interests with shareholder interests. Key elements include board structure, compensation, human capital, risk management, and cybersecurity.

Given its role of guiding the company in the creation of shareholder value, the Board recognizes that the long-term economic interests of shareholders can often be furthered by giving appropriate and responsible consideration to the interests and concerns of other constituencies, such as the company's customers, team members and local communities, as well as government officials, regulatory agencies, and the general public.

The Board of Directors has adopted Corporate Governance Guidelines and Policies to provide the framework for effective governance of the Board and the company. These guidelines and governance policies can be found at: [www.customersbank.com/investor-relations/governance-documents](http://www.customersbank.com/investor-relations/governance-documents). The Board's Nominating and Corporate Governance Committee oversees the company's governance strategy.

The company's mission and corporate purpose is to create a strong, sound and profitable financial services company committed to long-term growth in shareholder value. To guide the company in achieving its mission, the company has adopted certain corporate values to provide the foundation for the company's corporate culture and to promote the highest ethical conduct among its directors, officers and team members.

## Hallmarks of the Customers Bancorp approach to sound corporate governance include:

- Majority Independent Directors
- A very experienced and diverse Board
- Strong Lead Independent Director
- Monthly Board and Board Committee meetings
- Annual Board performance evaluation and self-assessment
- Annual CEO performance evaluation tied to financial performance
- Audit; Nominating and Corporate Governance; and Leadership and Development Committees consist solely of independent directors
- Majority voting standard in uncontested election of Directors
- Annual Say-on-Pay vote
- Stock ownership policies and prohibition on hedging



# Board of Directors

Strong corporate governance begins with a strong board of directors that is actively engaged in meeting the company's goals, complying with laws and regulations, protecting shareholder rights and interests, and overseeing management.

The Customers Bancorp, Inc. Board of Directors is elected by its shareholders to oversee and advise management in the conduct of the company's affairs and business and to guide management in the accomplishment of its goal to create shareholder value through superior execution of its annual and long-term plans. In this regard, the Board continuously promotes an environment within the company that is conducive to sound corporate governance, including periodic review, refinement and approval of policies and guidelines, and development of Board committees that effectively accomplish the Board's oversight and advisory responsibilities.

The Customers Bancorp, Inc. Board of Directors is a one-tier system consisting of nine members and is divided into three classes, with one class of Directors elected each year. Board members are elected individually (as opposed to elected by slate) to serve a three-year term or until their respective successors shall have been elected and qualified. Individual elections give shareholders the opportunity to vote for or against specific Board members. Each of the members of our Board of Directors also serves as a Director of Customers Bank.



## Lead Director

The role of chairperson and CEO is joint, but an independent lead director is also appointed. The current independent lead director is Daniel K. Rothermel.

Given the existence of a Lead Independent Director and the company's overall governance profile, as well as the Board's belief that it should maintain the flexibility to determine the leadership of the company, the Board does not have a fixed policy regarding the separation of the offices of the Chair of the Board and the Chief Executive Officer. The Board believes that the Board should select the Chair of the Board, from time to time, based on criteria that it deems to be in the best interests of company and its shareholders. The Board of Directors believes that our Chief Executive Officer is best suited to serve as Chairman of the Board because he is the director most familiar with our business and the financial services industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy.

The Lead Independent Director serves as Chairman of the Nominating & Corporate Governance Committee and the Directors Risk Committee.

The Lead Independent Director presides over all Board meetings when the Chairman of the Board is not present, and presides over meetings of the non-management Directors held in executive session.

### The Lead Independent Director also has the responsibilities to:

- 1 Following consultation with the Chairman and Chief Executive Officer and other Directors, approve Board meeting agendas and schedules, assuring that there is sufficient time for discussion of all agenda items;
- 2 Call special meetings or executive sessions of the Board and call and chair executive sessions or meetings of the non-management or independent Directors and, as appropriate, provide feedback to the Chairman and Chief Executive Officer, and otherwise serve as a liaison between the independent Directors and the Chairman;
- 3 Work with committee chairs to ensure coordinated coverage of Board responsibilities;
- 4 Facilitate communication between the Board and senior management, including advising the Chairman and the Chief Executive Officer of the Board's informational needs and approving the types and forms of information sent to the Board;
- 5 Serve as an additional point of contact for Board members and shareholders, and be available for consultation and direct communication with major shareholders;
- 6 Facilitate the Board's review and consideration of shareholder proposals properly submitted for inclusion in the company's annual proxy statement;
- 7 Serve as a "sounding board" and advisor to the Chairman and Chief Executive Officer;
- 8 Contribute to the performance review of the Chairman and Chief Executive Officer;
- 9 and stay informed about the strategy and performance of the company and reinforce that expectation for all Board members.

The Lead Independent Director also has the responsibility of acting as a liaison between management and the non-management Directors, advising the Chairman and Chief Executive Officer on the efficiency of the board meetings, and facilitating teamwork and communication between the non-management directors and management.

Customers Bank shares the view of many that independent directors can bring new insights and balance that improve the performance of a company through their objective view of the company's health and operations. This improves accountability. Independent directors, including many who serve on the Customers Bancorp Board, also bring specific expertise from their professional experience that shapes the bank's strategy and tactics. Independent directors and management have different perspectives and roles in strategy development.



# Election of Board

Our Board of Directors consists of individuals with considerable and diverse business experiences, backgrounds, skills and qualifications. Collectively, they have a strong knowledge of our company's business and markets and are committed to enhancing long-term shareholder value. Our Nominating and Corporate Governance Committee is responsible for identifying and selecting director candidates who meet the evolving needs of our company. Director candidates must have the highest personal and professional ethics and integrity. Additional criteria considered by the Nominating and Corporate Governance Committee in the director selection process includes the relevance of a candidate's experience to our business, enhancement of the diversity of experience of our Board, the candidate's independence from conflict or direct economic relationship with our company, and the candidate's ability and willingness to devote the proper time to prepare for and attend meetings.

## Director Qualifications

The Nominating and Corporate Governance Committee identifies or evaluates and recommends candidates for Board membership. The Board has approved the following minimum qualifications for first-time nominees for director:

- 1 individuals of the highest character and integrity,
- 2 a demonstrated breadth and depth of management and/or leadership experience, preferably in a senior leadership role (e.g., chief executive officer, managing partner, president) in a large or recognized organization or governmental entity;
- 3 financial literacy or other professional or business experience relevant to an understanding of the company and its business;
- 4 and a demonstrated ability to think and act independently, as well as the ability to work constructively in a collegial environment.

The Nominating and Corporate Governance Committee traditionally has believed it appropriate for at least one member of the Board to meet the criteria for an "Audit Committee financial expert," that a majority of the members of the Board meet the definition of "independent director" under NYSE rules, and that one or more key members of management participate as members of the Board.

In identifying candidates, nominees for director, or evaluating individuals recommended by shareholders, the Nominating and Corporate Governance Committee determines, in its sole discretion, whether an individual meets the minimum qualifications and will consider other factors including the current composition of the Board.



# Election of Board

## Board Nomination Process

The Nominating and Corporate Governance Committee identifies nominees by first evaluating the current members of the expiring class of Directors willing to continue in service. Current members of the expiring class with skills and experience that are relevant to our business and who are willing to continue in service are considered for re-nomination, balancing the value of continuity of service in contrast to the merits of obtaining a new perspective. If any member of the expiring class does not wish to continue in service or if the Nominating and Corporate Governance Committee or the Board decides not to re-nominate a member for reelection, the Nominating and Corporate Governance Committee identifies the desired skills and experience of a new nominee and discusses with the Board suggestions as to individuals that meet the criteria.

The Nominating and Corporate Governance Committee has not in the past engaged third parties to identify, evaluate, or assist in identifying potential nominees.

The company's bylaws contain provisions that address the process by which a shareholder may nominate a candidate to stand for election to the Board of Directors at our Annual Meeting of Shareholders.



# Board Characteristics & Performance

While we have no formal policy with respect to gender, race, ethnicity, or sexual orientation diversity on the Board, our Board is committed to diverse membership, including gender and racial diversity, and assesses the effectiveness of its approach to Board diversity as part of the annual Board and Board committee evaluation process. We have employed the NASDAQ Board Diversity Matrix to track the self-identification of Board members. Those data are recorded in the table to the right.

## Customers Bancorp Directors

	Female	Male	Non-Binary	Did Not Disclose
Directors	1	8	0	0
African-American or Black	0	1	0	0
Alaskan Natives/American Indian	0	0	0	0
Asian	0	2	0	0
Hispanic or LatinX	0	0	0	0
White	1	5	0	0
Two or More Races or Ethnicities	0	0	0	0
Did Not Disclose Race & Gender	0	0	0	0
LGBTQ+	0	0	0	0

All nine (9) Directors serve on two or fewer public company boards; any Director that is CEO of a public company serves on no more than one other public company board.

Two (2) have or have had CPA licenses, four (4) have a Juris Doctor degree, one has a Ph.D.

Two (2) independent directors (Robert Mckay and Rajeev Date) had or have relevant work experience in the financial sector and all directors offer significant financial experience and expertise.

Average Board attendance at meetings in 2023 was 91.5%.

The CUBI Board of Directors conducts a self-evaluation at least annually to determine whether the Board and its committees are functioning effectively.





# Executive Performance, Compensation

Shareholders and other stakeholders want to know that CEOs and other executives are evaluated and compensated for their alignment to the company's long-term success. Best practices in corporate governance provide formulas for executive compensation and bonuses tied to specific financial performance metrics with a long-term vesting window that rewards strategic decisions which achieve desired results. The Customers Bancorp proxy provides great transparency and insight to executive compensation. Our compensation program has three primary components:

- 1 Base salary sufficient to attract and retain high performing executives;
- 2 100% performance based annual incentives that promote teamwork that leads to success; and
- 3 Long-term equity awards that align executives' interests with shareholders'.

## Short-Term Annual Performance Award Target as a % of Salary

Position	2023 Target	2023 Maximum	2022 Target	2022 Maximum
CEO	100%	150%	85%	120%
President	90%	135%	75%	100%
CFO	50%	80%	50%	80%

## Long-Term Annual Performance Award Target as a % of Salary

Position	2023 Target	2023 Maximum	2022 Target	2022 Maximum
CEO	100%	150%	85%	136%
President	90%	135%	80%	120%
CFO	65%	104%	65%	104%

All short-term annual performance awards are entirely performance based. For 2023, the Leadership Development and Compensation Committee had chosen the following three goals:

- 1 Growth in the average balance of non-interest bearing deposits of at least 50% from December 31, 2022 ending balance (50% weight). The achievement of this goal should dramatically improve the quality of the Company's deposit franchise.
- 2 Maintain immediately available liquidity in excess of uninsured deposits of at least 150% (25% weight).
- 3 Maintain a CET1 ratio of at least 9.5% (25% weight).



# Executive Performance, Compensation

**For five consecutive years – 2018, 2019, 2020, 2021, and 2022 (paid in 2023) – the CEO and CFO of Customers Bancorp took 100% of their annual bonuses in stock with zero cash.**

After reviewing the basic structure of pay mix and components, Customers adopted a completely formulaic approach that aligns pay with performance by establishing a Long Term Incentive (LTI) plan that is mostly or entirely quantitative and paid entirely in restricted stock units with a 60/40 performance/time-based vesting mix. The LTI plan utilizes a 3-year roughly equally weighted factors:

**3-year Relative Total Shareholder Return;**

**3-year Relative Return on Average Common Equity; and**

**3-year Relative Average Non-Performing Assets to Total Assets.**

The Customers Bancorp compensation policy allows “clawback” of incentive based compensation erroneously received by current or former executive officers during the three completed fiscal years immediately preceding the year in which the Company is required to prepare an accounting restatement due to material noncompliance in financial reporting requirements. Clawback also triggered by illegal activity, breach of fiduciary duty, intentional violations or grossly negligent disregard of our policies, rules or procedures.



# Succession Planning



Our Board oversees CEO and senior management succession planning, which is formally reviewed at least annually. Our CEO and our President, together with executives in our People Experience Team, provide our Board with recommendations and evaluations of potential CEO successors, and review their development progress.

Our Board periodically reviews potential internal senior management candidates with our CEO, our President, and executives in our People Experience Team, including the qualifications, experience, and development priorities for these individuals.

Directors engage with potential CEO and senior management successors at Board and committee meetings and in less formal settings to allow directors to personally assess candidates. Further, our Board periodically reviews the overall composition of our senior management's qualifications, tenure, and experience.



# Board Committees

There are seven (7) committees of the Board. The duties and functions of each are summarized below:

## Audit Committee

The Audit Committee is appointed by the Board of Directors of the company to assist the Board in overseeing:

- the integrity of the financial statements of the company
- the qualifications and independence of the company's independent registered public accounting firm,
- the performance of the company's internal audit function and independent auditors, and
- the compliance by the company with legal and regulatory requirements.

The primary responsibility of the Audit Committee is to oversee the company's accounting and financial reporting process on behalf of the Board and report the results of their activities to the Board.

## Leadership Development & Compensation Committee

The Committee's responsibilities includes formulating and guiding the company's executive compensation philosophy for compensating the CEO and executive officers of the company at a level sufficient to attract, motivate, and retain the talent needed to achieve the short-term and long-term goals of the company. In 2022, the Committee's scope was expanded to include oversight of the company's leadership development and other human capital initiatives. Among other tasks and responsibilities, the Committee:

- Review and approve corporate goals and objectives relevant to the compensation of the executive officers, evaluate the performance of the executive officers in light of those goals and objectives, and approve the level of the executive officers' compensation based on that evaluation;
- Select and periodically review and revise a peer group of companies against which to assess the Company's compensation programs and practices to ensure they are competitive and supportive of the Company's strategy and objectives;
- Administer the Company's equity incentive plans, including without limitation, making grants and monitoring awards under such plans, interpreting the terms of such plans and taking such other actions as contemplated by such plans;
- Periodically discuss with management the implementation and effectiveness of the Corporation's policies, strategies, programs and practices relating to its human capital management function, including but not limited to those relating to talent recruiting, leadership development, progression and retention, diversity, equity and inclusion, culture, human health and safety and total rewards;

The Leadership Development & Compensation Committee is made up of at least two independent directors appointed by the Board of Directors to manage its responsibilities for approving and evaluating all compensation plans, policies and programs relating to compensation for the Chief Executive Officer and the other executive officers of Customers Bancorp, Inc. and Customers Bank.



# Board Committees

## Director & Compliance Committee

The Directors Compliance Committee of Customers Bank consists of three or more Directors appointed by the Board to provide oversight of the bank's policies concerning all compliance risk management activities and the bank's compliance with applicable law and regulations. Among its responsibilities, the Committee:

- reviews and reassesses the adequacy and effectiveness of its Charter periodically (but not less than annually) and recommends changes to the Board of Directors or any appropriate Committee of the Board when necessary;
- reviews and approves the Compliance Department's overall policies and goals concerning compliance including but not limited to CRA, BSA, and Fair Lending Responsible Banking programs except where review and approval of the full Board is required;
- ensures that there are adequate dedicated resources including compliance staffing necessary to manage the compliance risks of the bank;
- evaluates the adequacy and effectiveness of the bank's compliance programs;
- receives and reviews the reports of examination of the bank and mandates by regulatory authorities concerning consumer compliance, tracks the responses of management to these reports and mandates, and produces follow-up reports to the Board and the regulatory authorities;
- provides oversight of all compliance training and monitoring programs;
- reviews all internal and external compliance independent audits; and
- reviews the establishment, closure and relocation of branches and other offices.

## Directors Risk Committee

All members of the Customers Bancorp's and the Bank's boards serve on the Directors Risk Committee. The Committee currently meets monthly to exercise its oversight role. The Committee is responsible for overseeing the company's overall risk management framework and risk profile, and ensuring that all risks associated with the Company's strategy, environment, and operations are suitably identified, measured, managed, and monitored within defined risk appetite and tolerance levels.

### The Committee also :

- receives and reviews reports from senior management regarding risk management, including compliance with applicable risk related policies, standards, risk limits, and tolerances;
- receives and reviews reports from senior management regarding results and conclusions from various risk assessments; and
- approves the appointment and removal of the CRO, and annually review the CRO's performance and independence



# Board Committees

## Nominating and Corporate Governance

The Nominating and Corporate Governance Committee consists of at least four independent directors whose purpose and responsibility are to: (a) develop and recommend to the Board corporate governance policies and guidelines; (b) assist the Board in identifying and nominating director candidates for election to the Board and appointment to committee membership; and (c) assist the Board with corporate governance matters. The Committee:

- reviews and advises the Board with respect to policies or changes to the governance structure of the company to enhance the Board's effectiveness, including the size and composition of the Board, the frequency and structure of Board meetings, the frequency, structure and guidelines for calling executive sessions of independent directors, procedures for Board meetings including distribution of meeting materials, and the formation of new Board committees;
- creates and reviews, at least annually, the corporate governance policies of the company to ensure that they are appropriate for the company and comply with applicable laws, regulations and stock exchange listing standards, and recommend changes to the Board as appropriate;
- reviews and assesses the adequacy of the company's Code of Conduct and recommends proposed changes to the Board, including the terms of the enforcement and waiver mechanisms for the Code of Conduct, also reviewing and assessing the enforcement and waiver provisions of the company's other policies;
- investigates and assesses the backgrounds and skills required of Board members and those of potential candidates for Board membership, including reviewing and assessing candidates recommended by shareholders;
- recommends to the Board, director nominees to be presented to the shareholders for election or to the Board for appointment to fill vacancies, as applicable, considering the independence and other qualifications of each candidate and seeking an appropriately diversified Board
- assess the independence of directors, director nominees and director candidates under applicable laws, regulations and stock exchange listing standards, including heightened standards for committee membership, and recommend independence determinations to the Board;
- subject to the provisions of the bylaws, makes recommendations to the Board for membership on the various Board committees (considering the qualifications for membership on each committee);
- recommends to the Board such changes to the committee structure and committee functions as it deems advisable; and
- reviews and recommends to the Board compensation to be paid to the non-management directors.



# Board Committees

## Regulatory Affairs Committee

The Regulatory Affairs Committee, established in October 2023, is responsible for overseeing the Company's overall regulatory compliance, strategy, and remediation efforts and ensuring that all regulatory endeavors associated with the Company's strategy, environment, risk profile, and operations are suitably identified, measured, managed, and monitored to ensure compliance with regulatory requirements and expectations.

### The Regulatory Affairs Committee's duties include the following:

- Oversees the establishment and operations of the Company's Regulatory Excellence Office ("REO") and its policies and frameworks, including the appropriate policies, procedures, standards, and governance structure, commensurate with the Company's size and complexity, to effectively identify, measure, manage, and monitor key and emerging regulatory risks to the Company;
- Reviews and approves at least annually the regulatory strategy and policies of the organization to ensure that the framework remains aligned with the Company's strategic plan;
- Receives and reviews reports from senior management regarding regulatory compliance, remediation, and strategy activities;
- Supports the independence of the REO through separate oversight responsibilities from other Board committees and the Chief Risk Officer ("CRO"), providing the Executive Chair of the REO and the Managing Director of the REO direct access to the Committee and the Board;
- Receives and reviews reports from senior management regarding progress against regulatory-related actions to ensure the Company is meeting its commitments to regulators;
- Reviews and approves the allocation of resources to ensure that the REO has sufficient support to successfully execute its responsibilities;
- Reviews significant capital expenditures and potential significant merger and acquisition activity with consideration for regulatory implications;
- Considers the regulatory implications of new strategic customer facing banking products, services or business lines; and
- Meet regularly with the Company's primary regulators to independently understand and communicate the Company's regulatory requirements, expectations, strategy, and activities.



# Board Committees

## Corporate Social Responsibility Committee

Among its responsibilities, the Corporate Social Responsibility (“CSR”) Committee has responsibility for overseeing the ongoing commitment of the Company and Customers Bank to the principles of diversity and inclusion, supporting economic and community development efforts that improve the lives of our team members, our clients and the communities in which we operate, appropriate and transparent corporate governance, and environmental sustainability. The CSR Committee Charter is available on our website at [www.customersbank.com](http://www.customersbank.com) by selecting “Investors,” “Governance,” and finally selecting the CSR Committee Charter. This Committee:

- Determines the key stakeholders in relation to the Company’s and Customers Bank’s general strategy relating to corporate social responsibility considerations (the “CSR Strategy”), including coordination with the Nominating and Corporate Governance Committee and Audit Committee, which have been delegated primary oversight of corporate governance and internal control matters;
- Oversees the development and implementation by management of the CSR Strategy;
- Oversees the development and implementation by management of initiatives and policies to meet the CSR Strategy;
- Oversees reporting and disclosures by management with respect to CSR matters in compliance with applicable laws, including applicable federal securities laws and regulations and applicable federal and state banking laws and regulations;
- Oversees internal and external CSR related communications with employees, investors, and other constituents, including the community at large;
- Oversees the preparation by management of the annual Customers Bank CSR Report; and
- Receives updates from the management CSR committee responsible for significant CSR activities.

The CSR Committee held one meeting during 2023.





## Customers Bancorp Governance Major Policies

### Code of Ethics and Business Conduct

Every director, officer and team members is required to comply with the Customers Bancorp, Inc. Code of Ethics and Business Conduct (“Code of Conduct”). The Code of Conduct, which is reviewed annually by the Board and acknowledged annually by the company’s directors, officers, and team members, sets forth policies covering a broad range of subjects and requires compliance with laws and regulations applicable to our business.

The Code of Conduct is intended to promote the highest standards of integrity among all Team Members, by providing guidance in how Team Members should perform their duties with honesty and integrity. Each Director, Officer and Team Member must act with integrity and observe the highest of ethical standards of business conduct in his or her dealings with customers, Team Members, suppliers, service providers, competitors and all other stakeholders with whom he or she has contact in the course of performing his or her duties.

Further, the company and Board of Directors continue to nurture and celebrate a culture that embraces diverse points of views, background and experiences. We are committed to equity in how people are treated and the opportunities available to them. Each of our directors, officers and team members is required annually to review and provide acknowledgment of their understanding of the company’s Code of Conduct. The Code of Conduct addresses the company’s commitment to providing an inclusive, respectful, and non-discriminatory working environment, free from harassment or any other inappropriate conduct.





## Customers Bancorp Governance Major Policies

### Whistleblower Policy & Hotline

It is important that Customers Bank maintains a culture where anyone feels they can speak up if they believe that something is not right. Customers is pleased that a significant majority of our team members feel comfortable raising concerns directly to their management, People Experience Team (Human Resources), Compliance or Legal. However, sometimes team members will not feel comfortable raising concerns using these avenues.

At Customers Bank, we have a policy regarding reporting of complaints via the company's dedicated Whistleblower Hotline about accounting, internal controls, employment practices, auditing matters, questionable financial practices, Code of Conduct violations or violation of laws, rules or regulations by others. The policy is designed to provide a channel of communication for team members and others who have concerns about our conduct or any of our directors or team members. Complaints are treated seriously, handled expeditiously and fully investigated regardless of the nature. Complaints that are accounting or financial in nature or allege any immediate threat to the corporate security of the company are handled by the company's Audit Committee and Legal Team.

Team members submitting a complaint are not required to provide their names or other personal information, and reasonable efforts are used to investigate the complaint in a manner that protects the confidentiality and anonymity of the team member who submitted the complaint.

Team members are reminded of the company's Whistleblower Hotline at least annually. Information regarding the company's Whistleblower Hotline and contacts are accessible from the homepage of the bank Intranet and is referenced in the company's Code of Conduct.



## Customers Bancorp Governance Major Policies

### Zero Tolerance Policy – Workplace Harassment

Consistent with the company's current policies and processes, the company and Board of Directors remain committed to a zero-tolerance policy regarding sexual harassment and behaviors that contribute to a hostile work environment. The company and Board of Directors remain focused on the prevention of workplace harassment through the application of enhanced education and training to support and encourage a climate of mutual respect among all team members. Further, the company and Board of Directors continue to nurture and celebrate a culture that embraces diverse points of views, background and experiences. We are committed to equity in how people are treated and the opportunities available to them. Each of our Directors, Officers and team members are required annually to review and provide acknowledgment of their understanding of the company's Code of Conduct. The Code of Conduct addresses the company's commitment to providing an inclusive, respectful, and non-discriminatory working environment, free from harassment or any other inappropriate conduct. In support of our commitment to diversity and inclusion, the company's CEO joined Action for Diversity & Inclusion, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace and in concert with the Board and members of senior management, will champion the organization's principles.



## Customers Bancorp Governance Major Policies

### Stock Ownership Policies & Prohibition of Hedging

Research shows that stock ownership by senior management is positively correlated to financial performance and shareholder value. In 2016, the Board adopted a stock ownership policy for directors and key members of the executive management team. Under the policy, each non-management Director is required to own shares of the company's common stock having a value equal to five times the annual cash retainer.

Directors have five years from their appointment to the board to reach the targeted level, and then they must maintain at least that stock ownership level while serving as a member of the Board and for one year after service as a Director terminates.

In addition, the Board has adopted stock ownership guidelines for key members of the company's executive management intended to align the interests of the executive with the interests of the shareholders so that decisions made consistently consider the shareholders' interests. The ownership guidelines vary with the individual's rank:

**Chairman & CEO -- six times base salary**  
**President -- four times base salary**

**CFO -- three times base salary**  
**Key Executives (generally EVPs) -- one times base salary**

Many of our senior executives exceed these guidelines.

Under the bank's Code of Conduct, our officers, directors and team members are prohibited from short selling of or other hedging transactions involving company securities, or the purchase or sale of derivatives related to the company securities.

No governmental institutions own more than 5% of the total voting rights.



## Customers Bancorp Governance Major Policies

### Insider Trading

All Directors, Officers and team members of our company and its subsidiaries (together, the “Covered Persons” are required to abide by our Insider Trading Policy (the “Policy”). The company may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to material nonpublic information. This Policy also applies to family members, other members of a person’s household and entities controlled by a person covered by the Policy. The Policy provides guidelines with respect to transactions in the securities of the company and the handling of confidential information about the company and the companies with which the company does business. The company’s Board of Directors has adopted this Policy to promote compliance with federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information to other persons who may trade on the basis of that information. The company’s General Counsel is the Policy’s Compliance Officer. Directors, Officers and team members who, because of their position, are likely to possess material non-public information regarding the company are required to obtain approval from the Compliance Officer before trading in company securities. The company requires Covered Persons to acknowledge at least annually that they have read and understood the Policy.



## Customers Bancorp Governance Major Policies

### Marketing Materials Review

All marketing communications including, but not limited to paid advertisements for any form of media; charitable event sponsorship promotions; customer communications, website content; in-branch signage; banking statement supplements; and social media posts designed to sell a product or service are subject to review by the Marketing, Compliance, and Legal Departments of the bank.

Reviews are intended to comply with all applicable laws, rules and regulations relevant to advertising and communications, including but not limited to the Truth in Savings Act "TISA"/Regulation DD; Fair Lending Laws: Equal Credit Opportunity Act/Regulation B and Fair Housing Act; Truth in Lending Act/Regulation Z; Real Estate Settlement Procedures Act; Fair Debt Collection Practices Act; Unfair, Deceptive or Abusive Acts or Practices; Deposit Insurance; Electronic Fund Transfer Act/Regulation; Rules Applicable to Check Transactions; Gramm-Leach-Bliley Act; Privacy Rules and Data Security Guidelines; Fair Credit Reporting Act; Children's Online Privacy Protection Act; and the Federal Trade Commission.

Additionally, the review is intended to ensure clear and consistent messaging, an appropriate "voice of the bank," adherence to community standards, a good customer experience, and good taste and mitigate reputational risk.

The evolution of marketing content including copy, images, audio visual assets, or animation including meta data, drafts, edits, comments, and all versions of the content are recorded and maintained in a software platform for access by auditors and regulators. Records are maintained in accordance with the bank's records retention policy.



# Customers Bancorp Governance

## Major Policies

### Social Media Policy

Social media has become an integral part of many people's lives. It is a viable channel through which the Bank and its team members may engage in interactive communication with customers and prospective customers to market the bank's products and services, as well as to share information about the bank in this public arena. Furthermore, clients may choose to communicate with the bank using various social media platforms to ask questions, voice complaints, indicate satisfaction or dissatisfaction with the bank and its products or services, or for other purposes.

The bank recognizes the use of social media to attract and interact with customers and prospective customers can negatively impact the bank's risk profile, along with subjecting the bank to compliance and legal risks, operational risks, and reputational risks. Moreover, team members' use of social media can pose risks to the bank's confidential and proprietary information, expose the company to discrimination and harassment claims, and jeopardize the bank's compliance with various laws, rules and regulations.

For this reason, all posts made to bank-owned and titled user accounts can only be made by authorized team members or consultants and only after review and approval by the bank's Social Media Manager. The Social Media Manager is also responsible for managing the engagement with customers and prospective customers through the bank's social media pages and other social media pages as deemed appropriate, including responding to customer inquiries, complaints, and feedback, and escalating such items to the appropriate department(s) for response as needed.

Business units that wish to employ social media to advance sales goals or generate publicity consult with the Marketing Team and Social Media Manager to generate the posts.

Team members are strongly encouraged to engage with the bank's social media pages, regarding community engagement, charitable giving, team member recognition, or bank awards, but in doing so, team members must:

- Disclose their affiliation with the bank in their profiles on any social media platform in which they engage in such activity.

- Indicate that the views they express are their own and not the bank's in their profiles on any social media platform in which they engage in such activity as well as in the content of any such commentary.

- To the degree possible on the social media platform, share content in its entirety and original form without edits or omissions.

- Not share any content— regardless of date of posting – or post any original content or comments dealing with product offerings, terms, rates, conditions of service or other business development issues.

- Otherwise conduct themselves on such social media platforms in compliance with the scope of our policy, applicable laws, and the standards expressed in Customers Bank's Code of Ethics and Business Conduct.

If the Team Member does not acknowledge their employment with the Bank, they are in violation of the Social Media Policy and the Truth in Advertising guidelines put forth by the Federal Trade Commission.

Customers Bank recognizes the right of Team Members to use social media in its intended way for their personal benefit or enjoyment but remind them that they are always a representative of Customers Bank and its culture, even if not expressly seeking to represent the bank. Team members must be mindful of the bank's standards. Customers Bank will not be associated with content that is racist or misogynistic.

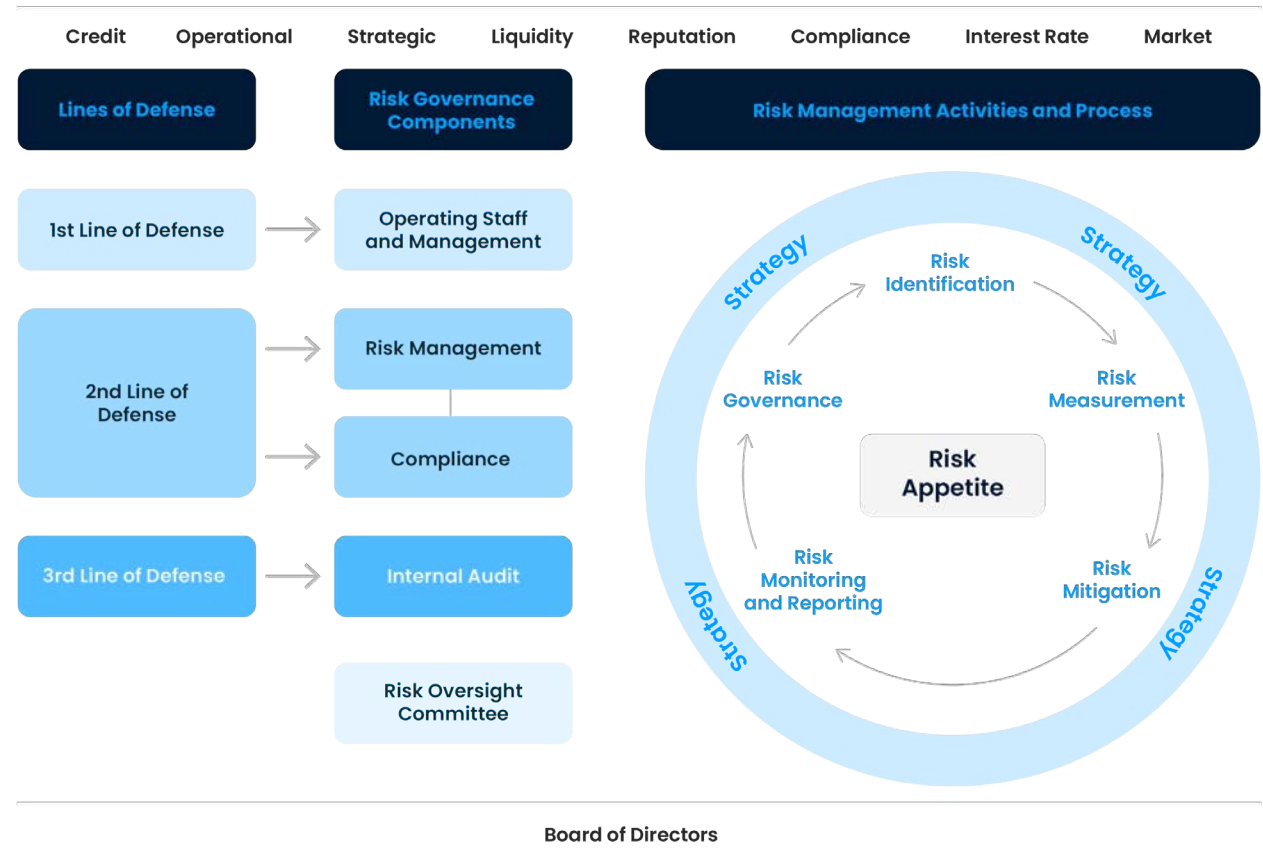


# Risk Assessment & Management

Banks are in the business of taking risk, and we consider prudent risk management key to our success over time. The responsibility for risk management begins with the Board of Directors. The Company's overall objective is to manage its businesses, and the associated risks, in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Risk Management Framework serves as the foundation for consistent and effective risk management by setting forth clear roles, responsibilities, and accountability for the management of risk. The Risk Management Framework considers risk holistically, and ensures risks are evaluated across the primary risk categories - strategic, credit, liquidity, interest rate, price, operational (including IT, third party, and information security), compliance and reputation risk.

## ERM Framework







# Risk Assessment & Management

The Directors Risk Committee of the Board of Directors is responsible for overseeing the Company's overall Risk Management Framework and risk profile and ensuring that all risks associated with the Company's strategy, environment, and operations are suitably identified, measured, managed, and monitored within defined risk appetite and tolerance levels.

The Company's strong Risk Management Framework includes various risk management activities and processes related to risk appetite, risk identification, risk measurement, risk mitigation, risk monitoring and reporting, and risk governance across the first, second, and third lines of defense.



## Government Affairs & Political Action

Customers Bancorp monitors public policy at the local, state, and federal levels for potential impacts on the business and its operations. The company does not have a political action committee (PAC). Some executives and team members make voluntary personal contributions to political candidates and campaigns. The company employs one individual whose duties include government affairs and who is a registered lobbyist in Pennsylvania. The activities at the Federal level do not reach the threshold requiring Federal lobbyist registration. All lobbyist registration and reporting requirements are followed strictly. The company is a member of the Mid-size Bank Coalition of America, the American Fintech Council, and several state and local chambers of commerce and banking associations. These professional trade associations undertake lobbying activities on behalf of the collective interests of their members.



**customers  
bancorp**

# Sustainability Accounting Standards Board (SASB)





# Sustainability Accounting Standards Board

## Voluntary Disclosure Metrics for Commercial Banks

In 2022, the Management Corporate Governance & Social Responsibility Committee conducted a thorough review of corporate best practices and an evaluation of the CSR reporting by the bank's peer group. As a result, Sustainability Accounting Standards Board Sector Metrics for Commercial Banks were adopted for voluntary disclosure. This is the second consecutive year for which Customers Bancorp is making a voluntary disclosure on each of the 11 metrics. We believe these metrics make a nice introduction to this report, clearly demonstrating our commitment to excellent performance, and or transparency to stakeholders.

CODE	TOPIC	ACCOUNTING METRIC	DISCLOSURE
FN-CB-230a.1	Data Security	(1) Number of data breaches, (2) % involving PII (3) # of account holders affected	Zero (0) data breaches Zero (0) PII lost Zero (0) account holders affected
FN-CB-230a.2	Data Security	Description of approach to identifying and addressing data security risks	The Directors Risk Committee and our management's Executive Committee guide our cybersecurity efforts. Our cybersecurity program is overseen by the company's Chief Information Security Office and our Corporate Security Office is designed around the National Institutes of Standards & Technology's (NIST) Cybersecurity Framework as well as the Federal Financial Institutions Examination Council (FFIEC) guidelines for cybersecurity. Our program consists of Digital Security Operations, Enterprise Security Operations, Physical Security and Business Resilience and Availability. Key areas focused on physical security operations, governance, technology risk, cybersecurity operations, digital architecture, and compliance, and standards management. For more, see the Cybersecurity section beginning on page 47.



# Voluntary Disclosure Metrics

## for Commercial Banks

CODE	TOPIC	ACCOUNTING METRIC	DISCLOSURE
FN-CB-240a.1	Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding to qualified programs designed to promote small business and community development	A 15-person CRA Committee supports the bank's enterprise-wide CRA program by discussing and addressing compliance risks as they relate to CRA, including the credit needs of the communities in which the bank operates, with particular emphasis on low and moderate income (LMI) neighborhoods. The bank reported 7 community development loans with an aggregate value of \$99.6 million in 2023.
FN-CB-240a.2	Financial Inclusion & Capacity Building	(1) Number and (2) amount of past due and non-accrual loans to qualified programs designed to promote small business and community development	Zero (0) of the 7 qualified community development loans cited in disclosure FN-CB-240a.1 are past due or nonaccrual.
FN-CB-240a.3	Financial Inclusion & Capacity Building	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	The bank does not have sufficient data to provide an accurate disclosure.
FN-CB-240a.4	Financial Inclusion & Capacity Building	Number of participants in financial literacy initiatives for unbanked, underbanked, or under-served customers.	<p>Customers Bank continues to partner with Everfi to provide financial education through a digital platform to students in grades K – 12 in low-to-moderate census tracts. During the 2022-2023 school year the program reached 948 unique students for over 2,040 hours of financial education.</p> <p>Customers Bank also provided rent-free office space in its 101 Park Avenue, Manhattan suite to Cents Ability, a 501(c)(3) non-profit organization in NY &amp; Chicago that teaches teens the fundamentals of personal finance. Since 2004, Cents Ability has provided thousands of free financial literacy workshops by leveraging a pool of volunteers from some of the top finance institutions including Customers Bank.</p>



# Voluntary Disclosure Metrics for Commercial Banks

CODE	TOPIC	ACCOUNTING METRIC	DISCLOSURE	
FN-CB-410a.1	Incorporation of ESG Factors in Credit Analysis	Commercial and credit exposure, by industry.  NOTE: NAICS Code Concentration reporting is performed and provided to our Board every quarter. Disclosure is total commitment amount -- actual outstanding balances and unused commitment exposure.	Description	Aggregate Loan Exposure 12/31/2023 000's
			Agriculture, Forestry, Fishing & Hunting	\$8,325
			Utilities	\$87,876
			Construction	\$1,402,640
			Manufacturing	\$561,502
			Wholesale Trade	\$126,919
			Retail Trade	\$166,432
			Transportation & Warehousing	\$294,206
			Information Technology	\$712,753
			Finance & Insurance	\$5,368,196
			Real Estate Rental & leasing	\$3,218,937
			Non Real Estate Rental & Leasing	\$162,096
			Hotels & Motels	\$457,013
			Services	\$1,741,913
			Consumer Loans	\$1,077,307
			Tammac – Manufactured Home Loans	\$40,551
			Public Administration	\$55,286
Mortgage Loans	\$470,952			
Warehouse Lending	\$2,579,259			
<b>TOTAL</b>	<b>\$18,532,163</b>			



# Voluntary Disclosure Metrics for Commercial Banks

CODE	TOPIC	ACCOUNTING METRIC	DISCLOSURE
FN-CB-410a.2	Incorporation of ESG Factors in Credit Analysis		Customers Bank adheres to a very strict Credit Policy based on a well-defined credit culture and risk appetite. However, the policy also allows for exceptions to this policy to effectively fulfill the best interests of the bank, borrower and communities served. When evaluating the use of loan proceeds, the policy allows for consideration of community and social impacts.
FN-CB-501a.1	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	\$0.00 in 2023 There was no resulting need to take corrective action and nothing further to disclose.
FN-CB-501a.2	Business Ethics	Description of whistleblower policies and procedures	A discussion of Customers Bank's Whistleblower policy can be found on page 66 of this report and the policy is publicly available on our website. New team members are familiarized with the policy during onboarding and it appears in the Code of Ethics and Business Conduct. The policy with the hotline 800 number and client code appear on the homepage of the bank's Intranet.
FN-CB-550a.1	Systemic Risk Management	Global Systemically Important Bank (G-SIB) score by category	The Global Systemically Important Bank (G-SIB) score is calculated by regulatory authorities. At this time, Customers Bancorp is not designated as a GSIB.