








2024
**Corporate Governance &
Social Responsibility Report**



Table of Contents

-  Welcome Letter
-  Awards & Recognition
-  Community Engagement
-  Human Capital
-  Governance

Friends,

From its inception in 2010, Customers Bank has chosen to follow its own north star and remain true to its core values:

- ✓ Teamwork
- ✓ Customer Success
- ✓ On the Job Excellence
- ✓ Personal Integrity
- ✓ Entrepreneurial Mindset

And, from the beginning we have always made it a priority to give back – from supporting workforce development programs to alleviating food insecurity, and much more.

Today, Customers Bank is a well-run company with strong governance systems, continuous investment in its team members, and an enduring commitment to strengthen the communities in which we do business.

We are proud to continue forging our own path forward. This report tells our story.

Sincerely yours,

Jay Sidhu

Chairman & CEO, Customers Bancorp, Inc.

Sam Sidhu

President & CEO, Customers Bank





customers
bancorp

Awards & Recognition



Awards & Recognition





customers
bancorp

Community Engagement



Commitment to Community Engagement

Customers Bank allocates philanthropic and community investment funds to business teams, encouraging them to find and work with suitable beneficiaries through sponsorships and active participation. The Bank supports various events and activities, including:

- Community and economic development projects undertaken by municipal governments.
- Annual events of civic/charitable organizations such as United Way, Red Cross, YWCA/YMCA, local hospitals, food banks, addiction treatment centers and veterans' organizations.
- Scholarship programs for private/charter schools, colleges and universities.
- Educational and professional seminars conducted by 501(c)(3) education foundations.

Community Reinvestment

Act

At Customers Bank, we don't view CRA as a regulatory requirement, we see it as the way to do business. We provide a range of loans, investments, and services for our low- and moderate-income customers, as part of this mission.

Building and rebuilding

In addition to making mortgages more affordable for homebuyers, we work with small businesses to provide the financial and business support they need for start-up and long-term growth in their neighborhoods. We also provide crucial capital and credit to diverse local partners including community development financial institutions (CDFI), landlords, and other community developers.

Making housing affordable

The backbone of every neighborhood are the families and the homes in which they live in. At Customers Bank, we are committed to making safe, decent housing affordable for low- and moderate-income seniors, families, veterans, and people with disabilities.

Supporting small business

Customers Bank understands that businesses located in the communities we serve are essential to community development and revitalization, and we support those businesses by providing affordable commercial financing.

Service to our community

Our community efforts are not limited to banking. We encourage our employees to volunteer their time and expertise to organizations that serve low- and moderate-income communities. At events ranging from reading readiness drives to health fairs, you will likely find Customers Bank employees rolling up their sleeves and getting involved. In addition, our team members teach free courses on spending, saving, borrowing and banking – sharing special knowledge that can help people throughout our geographical footprint make sound financial decisions.

In this report, we document some of the many ways in which we implement and live our commitment to CRA.

Focus Areas

Based on our commitment to CRA and community engagement, the Bank's main focus areas include:

Affordable Housing

Funding low-income/affordable housing mortgages and participating in initiatives like FHLB's First Front Door program.

Education & Workforce Development

From pre-K to postsecondary opportunities, supporting literacy, scholarships and educational improvements. Examples include donations to Read Alliance which provides literacy tutoring to dozens of schools.

Economic Development

Contributing to the public-private and university-based entrepreneurship programs.

Children's Needs

Supporting safe houses, food pantries, healthy meal programs and childhood disease prevention.

Financial Literacy

Partnering with third-party providers, Customers Bank delivers financial education.

Healthcare

Supporting organizations like Children's Hospital Colorado and Caron Treatment Centers.

Food Insecurity

Contributing to food banks and food programs across various locations.

Veterans

Sponsoring the annual Veterans Luncheon that supports veterans' programs in Berks County.

Contributions

Highlights in 2024

In 2024, Customers Bank made **367 contributions** to **273 unique organizations** totaling over **\$5.1 million**.

Additionally, about **60 team members** donated more than **1,600 hours** collectively to support dozens of organizations in our communities.

- Made an estimated \$1.4 million of contributions eligible under the Community Reinvestment Act for activities that enhance the neighborhoods in our assessment areas.
- Donated \$2.1 million to 53 qualifying institutions through PA's Educational Improvement Tax Credit Program (EITC).
- Contributed \$450,000 to Children's Hospital Colorado for research on inherited metabolic diseases.
- Invested over \$115,000 in Read Alliance literacy programs in New York City and Reading, PA.
- Contributed \$125,000 toward scholarships for LMI children in Philadelphia to attend the high-quality Liguori Academy.
- Donated \$50,000 to the Caron Foundation to fight addiction and provide affordable treatment.
- Supported cultural events like the City of Reading's annual Three Kings Celebration.
- Raised over \$100,000 net for veterans' programs through the annual Veterans Luncheon.
- Matched 69 team member charitable contributions to qualifying charities totaling over \$12,700.
- Matched the United Way contributions of 116 team members on a \$1 to \$1 basis adding nearly \$92,000 to the companywide campaign.
- Funded 101 low-income/affordable housing mortgages totaling \$16.9 million.

Customers Bank leveraged state tax credit programs where eligible to fund over half of its contributions reducing its corporate tax liability by nearly **\$2.87 million**.

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, especially urban neighborhoods. Far too often, our essential workers in manual labor, service industries, law enforcement, and education cannot afford to live in the cities in which they work.

In 2024, Customers Bank funded 101 low income/affordable housing mortgages totaling \$16.9 million. The Bank closed 91 Pennsylvania Housing Financing Authority (PHFA) loans coincidentally also totaling \$16.9 million. PHFA consistently recognizes Customers Bank loan officers as among the top producing low-income loan originators in the Commonwealth.

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 54 mortgages totaling \$7.9 million that received \$271,300 in FFD grants.

The bank participated in 34 Philly First Program mortgages totaling \$5.5 million with \$312,680 of grant assistance from the City of Philadelphia. The Philadelphia Urban League provided \$59,000 in grants to support another 26 loans totaling \$4.2 million.



Customers Bank supports the Habitat Berks First-Time Home Buyer Program creating the opportunity to own a fully-renovated or new home to individuals and families who may not qualify for a traditional mortgage through a bank or other funding source.

During the 12-14 month program, potential home buyers take up to 45 hours of financial education courses and complete 200 hours of “sweat equity.”

In 2024, Customers Bank provided three affordable mortgages totaling \$359,667 in partnership with Berks Habitat for Humanity.

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 \$210,000** 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 6-year NAP NPP commitments for housing development projects:

- 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.

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 multiple LIHTC funds. Collectively, Customers Bank committed \$58 million to these funds which are invested in affordable housing. To date, \$34 million has been disbursed.

\$58 million
LIHTC commitment

Fueling the American Dream

Customers Bank takes an entrepreneurial approach to banking entrepreneurs. When there is a chance to help grow a new venture, we take it.

Customers Bank's SBA/Government Guaranteed Lending team is consistently one of the **top 100 SBA lenders** in the nation. In 2024* the bank funded **\$97.7 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 2024, the team **closed 87 loans**, with an **average loan size of \$1.1 million**.

* Federal data run October 1 through September 30. These data represent internal records for calendar year 2024.



U.S. Small Business
Administration



Helping Business Startups

Customers Bank is an annual contributor to **Accompany Capital** – an award-winning Community Development Financial Institution (CDFI) that provides financial support primarily to refugee and immigrant-owned businesses in New York City. They offer affordable small business loans, financial education and technical support, including classes and one-on-one consulting to help entrepreneurs start and grow their businesses. Accompany Capital aims to create new businesses, retain jobs and build pathways to prosperity for underserved communities.

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 legal immigrants, refugees and women entrepreneurs.

In 2024, Accompany Capital earned a three-star impact management rating and an A+ financial strength and performance rating from Aeris, the rating and information service that provides comprehensive, third-party assessments of the financial strength and performance and impact management of CDFIs. The rigorous Aeris rating process is a demonstration of a fund's commitment to transparency and accountability, with regard to its financial performance and impact in the community. With the rating upgrade, Accompany Capital has already attracted new investors, such as Grow with Google Small Business Program and the Sachs Family Foundation.



Small Business Development Centers

& Entrepreneurship

Customers Bank is a strong supporter 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.

Growing the Economy

Customers Bank is a sustaining contributor to Alvernia University's O'Pake Institute

Catalyst for Regional Economic Development:

The O'Pake Institute is a driving force in Alvernia University's mission to enhance student experiential learning and contribute to the economic growth of the region.

Talent Pipeline Development:

The institute focuses on creating public and private partnerships that develop a talent pipeline needed to aid business growth in the region.

Support for Entrepreneurs and Small Businesses:

The O'Pake Institute offers resources and support to entrepreneurs and small businesses, including mentorship, business incubation and access to funding through programs like the Financial Lending and Innovation Collaborative (FLIC).

SPARK Business Incubator:

The SPARK Business Incubator provides a supportive environment for startup companies to learn, grow and thrive, offering affordable office space, mentorship and a professional service provider network.

Workforce Development:

The O'Pake Institute focuses on enhancing workforce development opportunities for the region, including initiatives to empower individuals with the skills they need to succeed in entrepreneurship and build careers.



The Importance of Community Development



The Pennsylvania Neighborhood Assistance Program (NAP) is a state initiative administered by Pennsylvania's 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. In 2024, Customers Bank made 11 contributions through the program:

\$200,000 to GoggleWorks Center for the Arts (Our City - Reading Inc) to retrofit a former factory to accommodate a large chiller that supports a community nutrition security program while making way for a play area for children participating in a Berks Intermediate Unit education program.

\$80,000 to the John Paul II Center to build and equip the Neighborhood Café in the rehabilitated American House in center city Reading. This dining facility is used to train and employ individuals with special needs allowing them access and opportunity to enter the community workforce.

\$50,000 to Our City of Reading to support the development of Helping Harvest Annex which will be the home of Helping Harvest Community Kitchen

\$10,000 for renovations to the WCR Center for the Arts, enhancing the performance space located in center city Reading and making it more accessible.

Supporting Entrepreneurship & Workforce Development



Customers Bank is a strong supporter of workforce development programs that improve the employability of individuals by providing training in relevant skills, certifications and work experience. Contributions from Customers Bank often leverage federal, state and local government grants and investments.

Customers Bank collaborates and partners with many organizations and institutions to provide vocational training, apprenticeships, internships and on-the-job training. By equipping individuals with the necessary skills and credentials, workforce development enhances their chances of securing gainful employment and advancement of their careers.

Customers Bank is a significant supporter of **City Year Philadelphia** which provides employment opportunities for 18 to 24-year-old individuals who supplement teachers and professionals in urban schools while preparing for their own long-term employment. A grant to the **Reading Hospital Foundation** provides internship opportunities for high school students to familiarize themselves with careers in healthcare.

Through the **Berks Business Education Coalition**, the Bank supports career awareness programs and high school internship opportunities for students in 18 public school districts and two career tech schools.

Customers Bank encourages business formation with sponsorship of programs that prepare entrepreneurs of all ages for the excitement and rigor 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.

Customers Bank also invests in **The Business Center for Entrepreneurship** in Philadelphia which helps community members start, sustain and expand their businesses.

Education Improvement

In 2024, Customers Bank again leveraged Pennsylvania's unique Educational Improvement Tax Credit Program (EITC) **by donating \$2,100,000 to 53 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 \$125,000 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 \$115,000 to Liguori Academy**, which creates individualized, flexible, technology-driven instructional programs for Philadelphia youths 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 lifelong success.
- 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.
- Customers Bank **contributed \$77,500 to the Camphill School for scholarships** so that children 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.



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 2024, Customers Bank **invested over \$115,000** in this effort that produces measurable success.



Supporting Experiential Learning

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 youths ages 11-18. Youths engage in meaningful service activities while having fun and learning about their community and themselves. YVC not only provides youths with critical job skills for future employment, but also offers improved life trajectories. Every project is organized and led by trained Team Leaders who are there to motivate and inspire. Customers Bank **provides \$15,000 annually** in support of VOiCEup Berks. In 2025, Customers Bank Executive Chairman Jay Sidhu will provide one of his **Never Ever Ever Give Up** Boot Camps for all of the teen attendees at the YVC national gathering in Kansas City.



Executives Paying It Forward

In 2024, Customers Bancorp, Inc. Chairman and CEO Jay Sidhu launched the **Never Ever, Ever Give Up** Movement as a “spiritual journey” that gives meaning to your life and those with whom you come into contact. This is done by focusing time and passion on establishing clear goals, mastering the environment, driving toward success and persevering through adversity. The Bank created a complementary “boot camp” program – a one-day program in which 50 – 100 students interact with about six CEOs/senior executives. Jay and his fellow speakers tell portions of their life stories and comment on the factors that contributed to their success, all drawing heavily on a common theme of overcoming challenges and adversity; facing failure; and maintaining “grit.” Between 20-minute sessions with the speakers, the students engage in processing what they learned through activities facilitated by a volunteer teacher and retired assistant superintendent.

This short video will give you a quick sense of the event: [Jay Sidhu \(vimeo.com\)](#) You can also learn more about the boot camp, by reading this **Reading Eagle** article: [Customers Bank CEO holds motivational bootcamp for high schoolers \(readingeagle.com\)](#).

“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 Latin American 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.

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 funding 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 to achieve economic self-sufficiency and well-being.



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 young people with programs that develop good character and citizenship, contribute to academic success and promote physical fitness, sports and recreation. In 2024, Customers Bank was a major benefactor of Olivet.

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 toward 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 contracted with the **GreenPath Financial Wellness Program**, a trusted national nonprofit with more than 60-years of helping people build financial health and resiliency, to conduct 47 financial literacy/credit counseling sessions with clients and assisted two clients through its debt management program. GreenPath Financial's National Foundation for Credit Counseling-certified counselors give clients options to manage credit card debt, student loans and homeownership.

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 2024, the Bank completed its long-term commitment to the hospital with **\$450,000** to CHC to fund groundbreaking researched aimed at eliminating inherited metabolic diseases that can devastate young lives. CHC is recognized by *U.S. 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 94.4% rate of recovery at 90 days post-treatment. Customers Bank was **proud to contribute \$50,000** to this important work.

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 2024, Customers Bank **gave \$126,500 to food banks and food programs** including:

All Faiths Food Bank (Sarasota, FL)

Chester County Food Bank (Chester County, PA)

Helping Harvest (Reading, PA)

Foodlink (Rochester, NY)

PSU – St. Joseph's Food Pantry (Reading, PA)

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

Zion Baptist Church (Philadelphia, PA)

Customers Bank is especially proud of the major role it played in renovating a 10,000-square-foot facility for Helping Harvest Fresh Food Bank, including a 7,000-square-foot state-of-the-art commercial kitchen. Culinary Arts skill training will be provided to students and volunteers by highly trained professional chefs. This facility will allow Helping Harvest to accept bulk food donations, which will be used to prepare 2,500 meals weekly for distribution through their extensive pantry network. Helping Harvest's client-facing staff will be more accessible to Reading residents, especially for assistance in applying for SNAP benefits.



Veterans

For 10 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 veterans who 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 ten years.** This annual event and the contributions of attendees provide continued support to our veterans throughout Berks County.

Since 2014, 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 over \$1.2 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.



United Way

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

Team member pledges, payable in 2024, totaled nearly \$92,000 to nationwide United Way chapters.

Customers Bank matched team member pledges dollar-for-dollar and made other **corporate gifts totaling over \$166,000**. Those gifts included:

- a **\$25,000 grant** to United Way of Berks County through the Pennsylvania Education Improvement Tax Credit program to support the READ Alliance after-school tutoring program in the Reading School District;
- **\$20,000** for the Berks County Tocqueville Society event;
- **over \$7,000** to the United Way of West Chester & Putnum for event sponsorships; and
- **\$1,000** to sponsor a full-day training seminar as part of Leadership Berks.



United Way

Nearly \$92,000 in team member pledges

More than \$166,000 in corporate gifts

Non-profits and NGOs play a crucial role in society by addressing needs that are often overlooked by government and for-profit sectors. They provide vital services such as education, healthcare, economic development, and cultural enrichment. By fostering community engagement and driving social change, these organizations help build stronger, more resilient communities. Their work often involves innovative solutions tailored to local issues, and their impact is measurable, leading to sustainable improvements in the lives of individuals and families.

Customers Bank strongly encourages its team members to contribute their time and talent as volunteers and leaders of civic organizations. Dozens of bank team members serve as officers, board members, trustees, and committee members of community non-profits and non-governmental organizations. The bank's non-profit and NGO leadership involvement spans PreK-12 education, universities, hospitals and health organizations, arts programs, community and economic development, youth leadership and development programs, workforce development, and United Way chapters. Bank team members build capacity, improve organizational systems and practices, and develop the talent pipeline for future community leaders.

Customers Bank in 2024 made significant contributions to funds in Boston and Philadelphia created and managed by the **GreenLight Fund**, a national nonprofit funder, to invest in evidence-based social innovations that result in measurable social impact and positive change for individuals, families and children. The organizations nurtured by GreenLight are then replicated in other cities across the nation to address similar local issues.

Strengthening Civic Organizations

Active Support for Non-Profit and NGOs



"GreenLight is an innovative funder that understands the value of listening to the community, finding what works and then ensuring the solution has measurable results. We enthusiastically support GreenLight Philadelphia as they expand and amplify impact in our community," said Lyle Cunningham, EVP & Chief Banking Officer.



**customers
bancorp**

Human Capital

Investing in Our People

Human Capital

Talent Acquisition

The demand for highly qualified candidates has increased as our business has grown. 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. We currently do business in 31 states and recruit nationally across the U.S. Customers Bank recruitment strategies encompass a diverse array of channels and tactics tailored to reach a broad spectrum of candidates. We leverage traditional strategies and innovative approaches, including job boards, social media platforms, and team member referrals, and direct outreach in order to cast a wide net to attract candidates with the requisite skills and qualifications.

We undertook significant hiring initiatives in 2024 to cultivate a talent pool that sets Customers Bank apart from its competitors and aligns with our strategic objectives, with particular focus on deposit generation and within the risk and compliance space. A total of 247 new team members were welcomed across the Bank, encompassing both revenue-generating and revenue-enabling lines of business. These strategic additions not only enrich our broader workforce but also fortify our capabilities to thrive in an ever-evolving marketplace.

Our talent acquisition efforts continue to focus on recognizing the importance of a high-performing workforce in driving innovation and fostering alignment with the company's vision, mission and values. Our Talent Acquisition team partners with managers and leadership to ensure the position requirements are clear and posted on our careers page as well as on a variety of broad and specialized job boards to attract multi-dimensional candidate pools. Customers Bank attracts talented individuals with a combination of competitive pay, benefits package, incentives and reward programs.

Central to our talent acquisition philosophy is the commitment to providing 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 Bank remains committed to refining and evolving our talent acquisition practices meeting the evolving needs of our organization and the dynamic external landscape. Ongoing 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.

Customers Bank's success is intrinsically linked to our ability to consistently attract, develop and retain a pool of highly qualified and engaged team members who are also committed to delivering on our corporate strategy and living our values every day. Customers Bank does this by empowering our workforce to develop leaders and team members, as well as creating a safe and supportive workplace environment.

	2024	2023
Full-Time Team Members	787	711
Part-Time Team Members	6	3
Total Team Members	793	714
Women	49%	50%
Minority	24%	24%

(Black, Indigenous and People of Color)

Learning & Professional Development

Customers Bank is committed to fostering a workplace culture that supports continuous learning and personal growth by offering resources and opportunities for team members to further their education and advance in their careers, preparing them for increased responsibility and professional development.

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 in-house training programs, 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 24,000 courses and a broad range of learning solutions to develop critical competencies and key leadership attributes for emotional intelligence (EQ), adaptability and agility (AQ), technical skills (IQ), and cultural competency.

Workplace Culture

At Customers Bank, we are committed to establishing a workplace culture built upon our vision, mission and values. Our company values are:

- Customer Success
- Personal Integrity
- Entrepreneurial Mindset
- Teamwork
- On-the-job Excellence

We believe in creating an environment where all team members can thrive and contribute their unique perspectives and talents.

- The Customers Bank 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 toward their educational endeavors. In 2024, a total of \$70,000 was distributed among 14 of our team members' children.

Team Member Engagement

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

Wellness Program:

- Customers Bank strives to create a culture of wellness through active engagement to positively impact each team member. Our robust wellness program offers a variety of challenges, workshops, webinars and health coaching sessions.
- Provide an enhanced wellness platform whereby team members can participate in on-demand activities and initiatives to improve their physical and mental well-being through a multi-tiered reward system in which wellness points are awarded to team members for their participation.
- The program centers around physical, mental, emotional and financial well-being.
- More than one-third of team members took advantage of our wellness initiatives during 2024, with 96 successfully participating to maximize their wellness points.

Team Member Engagement Initiatives:

- **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.
- **Day of Learning** – Team members are granted up to eight 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. The Bank continues to match team members' financial contributions, up to \$500 annually.
- **Community Service Day** – Team members can earn up to eight hours' paid time off for participating in a qualifying event of community service.
- **Team Member Referral Program** – The program monetarily rewards team members for successfully referring highly qualified candidates for open positions. We offer a referral bonus to team members who submit qualified referrals who are subsequently hired. In 2024, 44 hires were referrals from team members, with 21 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 Bank 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** – The federal holiday commemorating the emancipation of enslaved African Americans is incorporated into our Bank holidays, encouraging engagement through reflection, education and community involvement.

Team Member Feedback – Team members need to be heard, included and recognized, with positive leadership that promotes a productive and engaging working environment. Customers Bank encourages feedback through regular conversations with their direct manager(s) and team, as well as People Experience Team Business Partners, gathering insights from topics such as their work environment, managers, work-life balance and overall engagement. As appropriate, important trends are shared with leaders as we partner on dynamic engagement strategies.

Benefits

Customers Bank offers a variety of health, life, disability and voluntary insurance programs to protect our team members and their families. We periodically evaluate our benefit packages to ensure they meet the needs of our team members.

The Bank 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 healthcare and insurance-related issues to providing one-on-one support for improving health and well-being.

Customers Bank continues to actively encourage team members to prioritize their mental well-being with several tools, initiatives and resources. 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. Customers Bank continues to provide Company-paid Life, Accidental Death & Dismemberment, Short-term and Long-term disability benefits.

Customers Bank 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 Bank will provide a matching contribution. More than 95% of team members actively participate in the 401(k) plan. The Bank 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 target all team members who have reached at least age 50 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.

Internship Program

Investing in Early Careers

Our 2024 Internship Program marked the third cohort of the program during which Customers Bank 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 provided interns with a hands-on experience tailored to their roles including collaboration 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.

Customers Bank successfully converted seven interns into regular employees 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.

Management and Succession Planning

Strategic succession management starts with a position-based succession planning approach and is implemented alongside our performance management process to facilitate cohesive people-centric decision-making and follow-through.

This proactive approach builds a sustainable pipeline of internal talent primed for our most senior, key executive, and critical positions, and these individuals are intentionally developed for enhanced leadership responsibility. There is critical focus on strengthening talent in the succession pipeline, with individuals who have the required leadership, functional and technical expertise as well as a broad understanding of the Bank. The process is used to identify successors of key management positions and is aimed at mitigating risks, developing talent, retaining institutional knowledge and strengthening our readiness to adapt to change while creating a sound leadership foundation.

We continue to partner with leadership to also identify high-potential team members who possess the technical abilities and leadership attributes to be assessed and considered for succession.



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 Bank'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. The Board's Nominating and Corporate Governance Committee oversees the Bank's governance strategy.

The Bank'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 Bank 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
- Regular Board and Board Committee meetings, with executive sessions
- 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 (as of 12/31/2024) 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), generally 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 chair and CEO is joint, but an independent lead director is also appointed. The current Lead Independent Director is Daniel K. Rothermel.

Mr. Rothermel serves as Chairman of the Nominating & Corporate Governance Committee and the Directors Risk Committee.

In addition, Mr. Rothermel 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, ensuring 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

The members of our Board bring a variety of backgrounds, qualifications, skills and experiences that contribute to a well-rounded Board that we believe is uniquely positioned to effectively guide our strategy and oversee our operations in a rapidly evolving financial services industry. We believe that a Board comprised of Directors with a wide range of backgrounds, experiences, perspectives and viewpoints improves the dialogue and decision-making in the boardroom and contributes to overall Board effectiveness.

Customers Bancorp Directors*				
	Female	Male	Non-Binary	Did Not Disclose
Directors	1	8	0	0
African American or Black	0	1	0	0
Alaska Natives/Native American	0	0	0	0
Asian	0	2	0	0
Hispanic or Latino	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

*As of December 31, 2024

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

Two (2) have or have had CPA licenses, three (3) have a Juris Doctor degree, one has a Ph.D.

All directors offer significant financial and governance experience and expertise.

Average Board attendance at meetings in 2024 was 92%.

The Customers Bank 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 that 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	2024 Target	2024 Maximum
CEO	100%	150% (150% of target)
President	90%	135% (150% of target)
CFO	50%	80% (160% of target)

The target and maximum amounts shown above and below did not change from 2024.

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

Position	2024 Target	2024 Maximum
CEO	100%	150% (150% of target)
President	90%	135% (150% of target)
CFO	65%	104% (160% of target)

All short-term annual performance awards are entirely performance based. For 2024, the Leadership Development and Compensation Committee had chosen the following three goals:

- 1 Achieve a minimum Net Interest Margin (NIM) for fourth quarter 2024 of 3.25% (50% weight). The achievement of this goal should dramatically improve the quality of the Bank's deposit franchise and overall funding costs.
- 2 Maintain immediately available liquidity in excess of uninsured deposits of at least 150% (25% weight).
- 3 Maintain strong capital levels with a CET1 ratio of at least 11.25% (25% weight).

Executive

Performance, Compensation

Annual bonuses were paid 100% in stock to the CEO of Customers Bancorp for seven consecutive years (2018 through 2024) – and six of the last seven years to the CFO (2018 – 2022, and 2024).

Customers utilizes a formulaic approach to short-term and long-term incentives for our CEO, President and CFO that aligns pay with performance. Our Long-Term Incentive (LTI) plan is mostly or entirely quantitative and paid entirely in restricted stock units with a 60/40 performance/time-based vesting mix. The LTI plan measures performance over three years, with the following 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.

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 Leadership Development & Compensation Committee's (LD&CC) responsibilities include formulating and guiding the company's executive compensation philosophy and program structure, which is central to the Bank's ability to attract, motivate and retain the talent needed to achieve superior long-term financial results. The LD&CC's scope also includes oversight of the company's leadership development and other human capital initiatives. Key responsibilities of the LD&CC include:

- 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 Bank's compensation programs and practices to ensure they are competitive and supportive of the Bank's strategy and objectives;
- administer the Bank'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 review and discuss Human Capital Metrics, including but not limited to turnover, headcount and talent acquisition to help identify trends and inform the design and/or delivery of various Human Capital initiatives related to retention, engagement and leadership development.

The LD&CC 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 the Customers Bancorp, Inc. and Customers Bank.

Board Committees

Directors 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 Customers Bancorp's and the Bank's boards serve on the Directors Risk Committee. 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's responsibilities include:

- 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
- assesses 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"), 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 REO Policy of the organization to ensure that the policy 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
- meets 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 oversight of our ongoing commitment to the principles of supporting economic and community development efforts that improve the lives of our Team Members, our clients and the communities in which we operate and appropriate and transparent corporate governance and reporting related to climate disclosure and other CSR-related matters. The CSR Committee Charter is available on our website at 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 and climate disclosure-related considerations (the “CSR Strategy”), including coordination with other board-level committees as the Committee deems appropriate;
- oversees the development and implementation by management of the CSR Strategy and any initiatives and policies deemed by the Committee to be necessary or advisable to implement the CSR Strategy;
- oversees reporting and disclosures by management with respect to CSR matters in compliance with applicable laws, including applicable federal and state laws and regulations related to climate disclosure or other CSR-related matters; and
- oversees the preparation by management of the annual Customers Bank CSR Report.

Customers Bancorp Governance

Major Policies

Code of Ethics and Business Conduct

Every director, officer and team member 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 their dealings with customers, team members, suppliers, service providers, competitors and all other stakeholders with whom they have contact in the course of performing their 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 Bank’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 is 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, backgrounds 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.

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. Customers Bank has in place stock ownership guidelines for directors and key members of the executive management team.

Under the guidelines, 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
Executive Officers -- 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 the short selling of or other hedging transactions involving company securities, or the purchase or sale of derivatives related to the company's 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

Clawback Policy

The Company has adopted an Incentive-Based Compensation Clawback Policy in accordance with Exchange Act Rule 10D-11, which requires national securities exchanges to establish listing standards that require listed companies to develop and implement a clawback policy providing for recovery 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 with financial reporting requirements. Under the Policy, erroneous payments must be recovered even if there was no misconduct or failure of oversight on the part of an individual executive officer, and the Company's obligation to recover erroneously awarded Incentive-based Compensation is not dependent on the filing of restated financial statements. The recoverable amount is the difference between the amount actually received by the executive and the amount that would have been received based on the restated amount.

This Policy applies to former executive officers who are no longer serving at the time the clawback is required. However, this Policy does not require recovery of Incentive-based Compensation in circumstances where (i) the compensation was received by a person before beginning service as an executive officer or (ii) if that person did not serve as an executive officer at any time during the three-year lookback period to which the Rules apply. The Company is prohibited from indemnifying or reimbursing any executive officer or former executive officer against the loss of erroneously awarded compensation or from paying the premiums on an insurance policy that would cover an executive officer's potential clawback obligations. The Policy contains certain exceptions to recovery when permitted by law, such as when recovery would be impracticable. This Policy is in addition to other clawback policies implemented by the Company, which are triggered by illegal activity, breach of fiduciary duty, intentional violations or grossly negligent disregard of our policies, rules or procedures.

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 mitigation of 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 that 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.

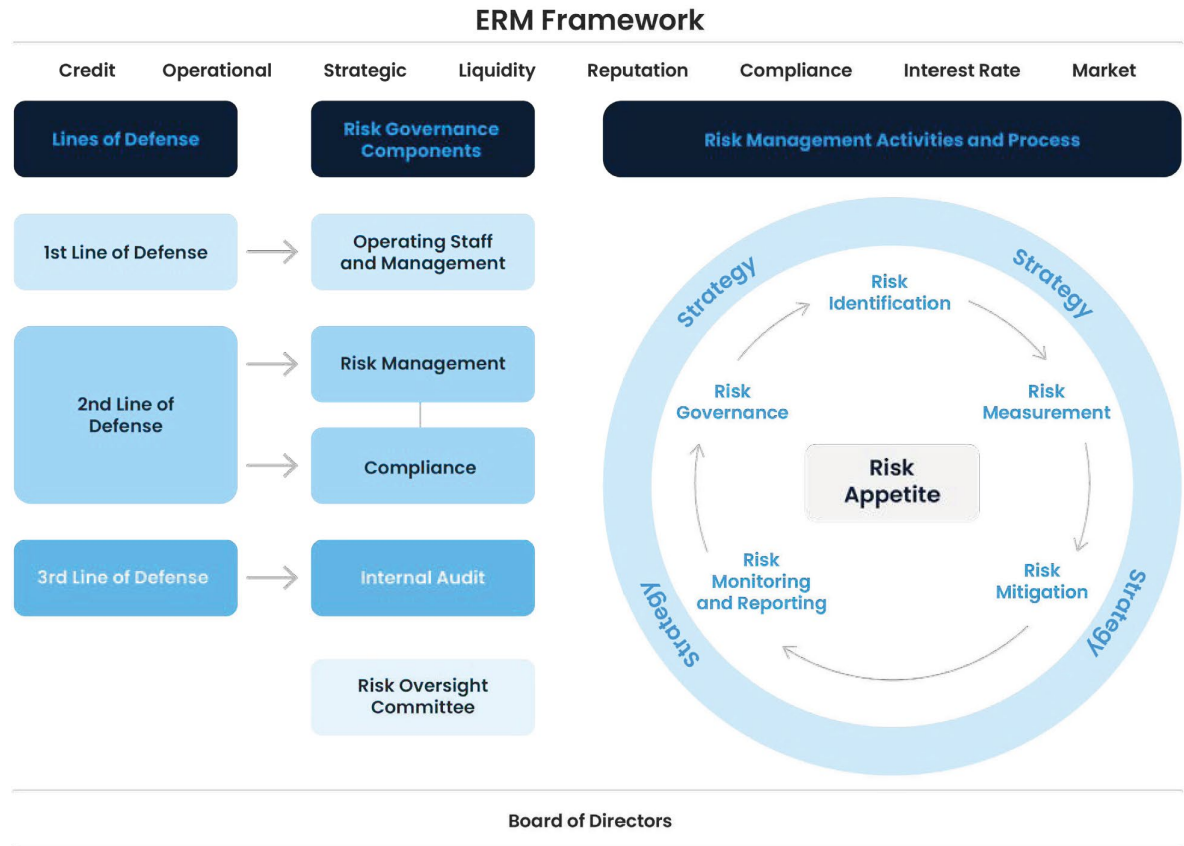
Customers Bank recognizes the right of team members to use social media in its intended way for their personal benefit or enjoyment but remind them that they are always a representative of Customers Bank and its culture, even if not expressly seeking to represent the Bank. Team members must be mindful 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 Enterprise 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.

The company's strong Enterprise 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.

