



**2023 CORPORATE SOCIAL
RESPONSIBILITY REPORT**

Table of Contents



Message from our President & Chief Executive Officer	3
Company Overview	5
Accolades	7
Our Community Commitment	8
Investing in Our People and Culture	28
Our Environmental Impact	37
Responsible Corporate Governance	40

Message from Our President & Chief Executive Officer

2023 in Review

For nearly 50 years, Citizens Business Bank has been serving and supporting businesses and communities throughout the State of California. Since our founding in 1974, we have made it our shared responsibility to improve the places where we live and work. We continue to strive to create positive social, economic, and environmental change in the communities we serve.

We have compiled our 2023 Corporate Social Responsibility (CSR) Report to provide insights into our organization and the positive impact we seek to make on our communities, our customers, our associates, and the planet we all share. This report explains how, over the course of 2023, we assisted numerous organizations in our communities, how we implemented a variety of associate programs and incentives that we believe help to develop superior people, how we take sustainable steps across our enterprise to better protect our environment, and how we continue to pursue our commitment to strong corporate governance practices. Our 2023 CSR Report is designed to demonstrate our principles as evidenced by the work we do in our communities and the organizations we proudly support. Our efforts throughout 2023 go well beyond the words and numbers printed in this report.

Our Bank is driven by a set of Five Core Values that provide continuing commitment and direction to our organization's underlying culture. Our Five Core Values of Financial

Strength, Superior People, Customer Focus, Cost-Effective Operation, and Having Fun are the guiding principles that help us to achieve our high corporate and community standards. At Citizens Business Bank, we strive for inclusivity and representation. Building and retaining a high-performing workforce continue to be a critical priority for our Bank. Our Bank's associates are our most valuable assets, which is why we continuously invest in our people and communities, with our goal being to create better places to live and work. We continuously strive to be the bank of choice for our customers by deepening our culture, developing our talent and capacity for leadership, and fostering a highly engaged workforce.

Our Bank's strong financial performance enhances our fundamental safety and soundness, which in turn enables us to devote resources to developing and improving the communities in which we operate and to assisting thousands of local business customers throughout the State of California. We accomplish this through lending, investing, donating, and volunteering. Over the course of 2023, associates across our Bank volunteered their talents and more than 5,000 total hours of their own time, serving more than 140 separate community development organizations. In addition, our Bank contributed approximately \$1,650,000 in donations to a wide variety of charitable organizations in our communities to support affordable housing, high speed internet access, food banks, economic development,

Continued

workforce development, and more. We also continue to help build the capacity of our existing community organization partners so they can more effectively serve their client populations.

One key avenue for our community-based activities is our investments made pursuant to the Community Reinvestment Act. At year end, we had approximately \$140,000,000 in total qualified Community Reinvestment Act investments benefiting low-to-moderate income communities and small businesses.

Moreover, Citizens Business Bank continues to be an SBA Preferred Lender, which allows the Bank to approve loans on behalf of the Small Business Administration (SBA) and to expedite the loan approval process to facilitate the extension of credit to our SBA borrowers. SBA loans offer small business borrowers alternative financing when conventional financing may not be an option, thus expanding opportunities for new businesses and their employees.

Additionally, we recognize the significant responsibility that every financial services company has when it comes to making a positive impact on our environment. We believe that our cost-effective methods to reduce energy, paper use, and waste across our company will continue to have an increased beneficial impact as new initiatives are launched and implemented in 2024.

Since our Bank's founding, we have maintained strong corporate governance and oversight. Our Board of Directors operates on the principles of fairness, transparency, responsibility, and

accountability. We believe that strong corporate governance provides a firm foundation for our business activities and our organization's fundamental values and priorities. Among other things, we have a strong corporate code of conduct and ethics, and we have implemented robust policies on managing conflicts of interest, anti-corruption, insider trading, claw-back of any erroneously paid compensation, anti-money laundering and maintaining the security and privacy of customer and employee information.

We look forward to continuing to make important contributions to the communities we serve in 2024 by staying focused on our customers and building long-term banking relationships. Thank you to our community partners, our Board of Directors, our Leadership Team, and our generous associates, as we endeavor to make a positive, meaningful difference in each of our many communities.

Please read on to see more detailed information on our Bank's CSR initiatives in 2023.

Thank you,



David A. Brager
President and Chief Executive Officer



Company Overview



Our Story

Since 1974, Citizens Business Bank has been creating banking relationships by focusing on our customers and helping them achieve more for their businesses, their employees, and the communities they serve. Our founder, George A. Borba Sr., was an enterprising dairy farmer and small business owner from Southern California. George saw a need to support other business owners in his community by helping them preserve and enhance the value of their companies.



He shared his vision with a group of local business leaders who cared deeply about their communities, and together they set out to design a new banking experience.

Chino Valley Bank was established in August of 1974. 49 years later, Citizens Business Bank has grown to approximately \$16 billion in assets with 3 trust offices and over 60 banking locations throughout California. We changed our name to Citizens Business Bank along the way, but we still hold true to our original vision.



We are proud to be in the position to assist entrepreneurs with opportunities to foster and grow their businesses. Our customers' success is our success. We are able to build long-standing relationships with each customer by treating them the same way we would want to be treated. In fact, many of our customers have banked with us for decades.

Our unwavering commitment to our Five Core Values of Financial Strength, Superior People, Customer Focus, Cost-Effective Operation, and Having Fun is the reason we are consistently recognized as one of the top-performing banks in the nation.

Our Vision

Citizens Business Bank will strive to become the premier financial services company operating throughout the state of California, serving the comprehensive financial needs of successful small to medium-sized businesses and their owners.

Our Mission

The mission of Citizens Business Bank is to achieve superior performance and rank in the top ten percent of all financial institutions in the nation in return on equity and return on assets. This will be achieved by delivering the finest in financial products and services through relationship banking commitments with businesses and professionals throughout California. It will be supported by an unqualified commitment to our Five Core Values of Financial Strength, Superior People, Customer Focus, Cost-Effective Operation, and Having Fun.

Our Footprint

Over 60 locations serving the Inland Empire, Los Angeles County, Orange County, San Diego County, Ventura County, Santa Barbara County, and Central California.

Top 50 Public Banks

S&P Global Market Intelligence, 2023

#1 Best Bank

in America¹

Forbes, 2023



Five-Star Superior Rating

BauerFinancial, 2023

Super Premier Performing Bank

Findley Reports, 2023

America's Greatest Workplaces for Women 2024

Newsweek, 2024

BBB+

Strong Rating Outlook

Fitch Ratings, 2023

\$221.4 Million

Net Earnings

Second Highest in Company History

187 Consecutive Quarters of Profitability

Over 46 Years

137 Consecutive Quarters of Cash Dividends Paid

Over 34 Years

Our Community Commitment



2023 Community Impact At-A-Glance



Grants and Donations

\$1,648,000
in charitable contributions

with more than \$1,467,000 to community development organizations focused on supporting Affordable Housing, Economic / Business Development, Community Services, and Revitalization & Stabilization of low-to-moderate income communities

Investments

As of December 31, 2023, we had \$140,166,000 in total qualified Community Reinvestment Act (CRA) investments benefitting low-to-moderate income communities or small businesses including:

\$63,238,000 to support CRA Mortgage Backed Securities	\$20,838,000 to CRA Municipal Bond Investments	\$480,000 to Minority Depository Institutions
\$26,561,000 in LIHTC Investments and Commitments to Multi-Family Affordable Housing	\$21,048,000 Commitments to CRA Equity Investments Benefiting Low-to-Moderate Income Individuals or Small Businesses	\$8,000,000 to Support CRA Small Business Loan Funds

Our Community Commitment



Loans

\$449,358,000
of small business
and small farm loans

\$285,068,000
of community
development loans

Service

Community
Service

5,050
HOURS

in total volunteer service activities to 140 community development organizations including over 1,300 hours of nonprofit services providing leadership roles in our communities.

Our Community Commitment



Corporate Charitable Contributions (Grants and Donations)

In addition to supporting our communities through volunteerism and organizational development, the Bank provided financial resources to support the operational needs of nonprofit organizations.

Food Bank Support

Citizens Business Bank provided much-needed relief through donations to 10 food banks located throughout California. Featured organizations that received financial support include:

- Second Harvest Food Bank of Orange County
- Feeding America Riverside | San Bernardino
- Central California Food Bank
- The Salvation Army Tulare Corps
- Union Station Homeless Services
- Los Angeles Regional Food Bank
- Emergency Food Bank of Stockton/San Joaquin



Our Community Commitment



Federal Home Loan Bank Programs

Access to Housing and Economic Assistance for Development (AHEAD) Program

The Bank is a member of the Federal Home Loan Bank (FHLB) and is able to access grant resources to provide to community partner organizations. The AHEAD grant program supports innovative, targeted initiatives that create new economic opportunities by expanding proven development models or piloting new interventions to help low-to-moderate income communities. Selected programs focus on creating or preserving jobs, delivering job training or education programs, supporting small business, microlending, and microenterprise incubation for low-income entrepreneurs.

Empowering Black Homeownership Initiative

The FHLB made \$2,000,000 available to help expand the capacity of U.S. Department of Housing and Urban Development-approved housing counseling agencies to serve aspiring and at-risk homeowners in communities of color. The Empowering Black Homeownership grant program is a key component to advancing homeownership opportunities for new homeowners of color. The Bank leveraged this opportunity to request a total of \$110,000 dollar-for-dollar matching grants to benefit five housing counseling agencies located in Southern California to support staffing, marketing, and pre- and post- purchase counseling. The organizations that received matching funds were: Neighborhood Housing Services of Los Angeles County, Neighborhood Housing Services of the Inland Empire, Neighborhood Partnership Housing Services, Inc., Inland Empire Resources Center, and West Angeles Community Development Corporation.

Affordable Housing Program

The Affordable Housing Program (AHP) is designed to assist in financing affordable housing for very low-, low-, and moderate-income individuals. The Bank supported a new grant application with National Community Renaissance of California to create 140 units of affordable housing for seniors in the City of Cudahy in Los Angeles County. This organization was awarded \$1,000,000. Cudahy Seniors is designed to be an impactful mixed-use development that provides a one-stop housing and wellness solutions for low-income and homeless seniors, including an array of on-site health services and economic development opportunities accessible to the surrounding community.

Our Community Commitment



Affordable Housing

Neighborhood Housing Services of Los Angeles County (NHSLA)

In 2023, Neighborhood Housing Services of Los Angeles County celebrated its 39th anniversary. NHSLA has been strengthening families throughout Los Angeles County, and the Bank provided a grant to fund the Financial Education and Counseling program, which is central to their work. The program provides families and individuals with the knowledge and guidance to make healthy financial decisions. The Bank donated \$70,000 in the last two years. NHSLA was also a recipient of a \$40,000 matching grant under the Federal Home Loan Bank's Empowering Black Homeownership Initiative.

Foothill Family Shelter

Foothill Family Shelter's mission is to assure children and adults a future by helping them acquire skills that will enable them to maintain a home, job, and, at the same time, develop the necessary self-esteem to function as successful stable adults. The Bank provided a \$5,000 grant to support the Shelter's housing programs and, in May 2023, donated a 2009 Toyota Yaris to a deserving family selected by the Shelter. The family had two working adults and only one car, immediately improving their lives with the donated vehicle.



Mary Erickson Community Housing

For many years, the Bank has supported Mary Erickson Community Housing in its mission to support the well-being of working families through the preservation of and increase in the supply of affordable housing in Southern California. The Bank's 2023 grant of \$15,000 helped to provide quality housing for low-income working families (both rental and homeownership), which assists in stabilizing and transforming the targeted communities.



Our Community Commitment



Economic Development

Business Development / Access to Capital

Mission Community Services Corporation (MCSC) / Kern Women's Business Center

MCSC hosts the Women's Business Center in Kern County by helping women-owned, low-income, minority, and nonprofit businesses gain the knowledge they need to start and run successful businesses. They also offer business start-up classes, monthly workshops, and free business consulting with special assistance for women, low-income persons, minority individuals, veterans, and nonprofit businesses in San Luis Obispo, Kern, and Monterey Counties.

The Bank provided \$10,000 in funding to support MCSC's small business opportunities for potential entrepreneurs and small business owners to become self-sustaining, successful contributors to their communities. Additionally, Bank associates volunteered to provide small business and financial education workshops to the participants.

California Hispanic Chamber of Commerce (CHCC)

The CHCC and its network of over 100 chambers and associations represent the interests of California's 815,000 Hispanic-owned businesses. Through its advocacy, education, and empowerment programs, the CHCC brings California's small business community's issues and needs to the forefront of the California and National economic agendas. The Bank provided \$10,000 in funding to support the CA Hispanic Regional SBDC - Programa Hispano and a Bank representative that serves as a member of the CHCC Governance Board and its foundation arm. Bank associates also volunteered, providing in-person and virtual small business and financial education workshops.

Our Community Commitment



Microenterprise Development

Community Services Employment Training (CSET)

The Bank provided a \$15,000 donation to support CSET's micro and small business development program, Biz Hub, and a new Workforce and Business Lab for CSET's Navigation Center. The Biz Hub program is a unique hybrid program to help low-income Tulare County entrepreneurs to achieve their dreams by providing business development assistance, financial literacy education, coaching, micro-loans, and resource navigation services in several languages.

The Business Lab will also assist low-income individuals with workforce development needs and will prepare them to gain good jobs and become self-sufficient.



Our Community Commitment



Workforce Development

Inland Southern California 211+ Careers

The Bank has been a long-time supporter of the Inland Southern California 211+ Careers Program, which is focused on workforce development for unemployed and under-employed job seekers who are experiencing barriers to getting and keeping a job. In the last three years, 211+ Careers program has placed 225 individuals into employment and assisted 627 individuals with becoming job ready through an individualized case plan. In 2023, the Bank provided \$30,000 in donations to support this work, and Bank associates provided 459 hours of volunteer service to review resumes, conduct one-on-one mock interviews, and conduct group Interview Success Webinars.



The Housing & Opportunity Foundation of Kern (HOFK)

HOFK offers a variety of programs designed to support, educate, and empower families to redirect their lives, move out of low-income housing, and become self-sufficient members of society. The HOFK assists residents in Kern county's low-income public housing, and those in the HUD Section 8 program. In 2023, the HOFK and Citizens Business Bank launched their first Pathways to Careers Success program which was scaled from the LA market to the Central Valley. Through the Pathways to Careers Success program, Bank associates volunteered by conducting resume reviews and providing mock interviews to low-to-moderate income (LMI) students and young adults from the HOFK Family Self-Sufficiency Program. These sessions are offered virtually via Zoom and/or by phone to LMI individuals who are job ready and seeking employment opportunities as part of the Workforce Development. Bank associates provided 28 hours of volunteer service to this program.



Our Community Commitment



Non-Monetary Donations

Citizens Business Bank made several non-monetary donations in 2023 including:

- ✓ A 2009 Toyota Yaris to Foothill Family Shelter
- ✓ Seven desktop computers with keyboards and a printer to Children's Fund
- ✓ 10 desktop computers with keyboards to Mission At Kern County
- ✓ Five computers, monitors, keyboards, and mouses to Mercy House

Community Investments

Citizens Business Bank strives to support and address community needs by diversifying investments in economic development, affordable housing, and education.

In 2023, the Bank approved a **\$25,000,000** Solomon Hess SBA Loan Investment to promote economic development in low-to-moderate income (LMI) communities within San Joaquin County, Yolo County, Sutter County, Fresno County, Madera County, and Tulare County.

The Bank is an avid supporter of affordable housing. In 2023, a tax credit fund for **\$5,000,000** was approved with \$2,000,000 allocated to affordable apartment complexes in Los Angeles County and Riverside County. The remaining \$3,000,000 was committed to affordable housing in Tulare County.

An investment of **\$1,820,000** in a CRA Bond supports the Visalia Unified School District.

An investment of **\$2,500,000** in a CRA Fund supports affordable housing in Yolo County.

An investment of **\$525,000** in a CRA Bond supports the Washington Unified School District (Sacramento, CA).

Our Community Commitment



Lending

Small Business Administration (SBA) Lending

As an SBA Lender, the Bank provided over 23 loans totaling \$26,440,119 in SBA 504 loans to finance the acquisition of owner-occupied commercial properties and SBA 7(a) loans for small business capital and support, all leading to economic development for small businesses and job creation.

Community Development Lending

In 2023, the Bank provided over 100 Community Development loans totaling more than \$285,068,000 to support Affordable Housing, Economic Development and Community Services.

The Whole Child - Mental Health & Housing Services

The Whole Child is a nonprofit organization that has been serving communities within Los Angeles County for over 65 years. This organization offers mental health services, family housing, parent enrichment services, and nutrition education. The Bank approved a \$1,500,000 revolving line of credit that helps the organization reach out and ramp up new programs without disruption in services when there is a lapse in funders' payments. The Bank has also provided a \$4,050 donation in support of the nonprofit's mission.



Helping Hearts California, LLC

Helping Hearts California, LLC provides community-based treatment for individuals suffering from serious mental illness. This organization offers an alternative to the traditional psychiatric hospitalization by providing transitional residential and long-term residential programs. The Bank renewed a \$1,500,000 loan to provide funds to support Helping Hearts' care facilities and to assist in the acquisition of residential facilities to be used by clients of the organization under the San Bernardino County's public health program.

Our Community Commitment



Community Service

Volunteerism

Bank associates dedicated over 4,700 CRA service hours in 2023 to providing impactful volunteer services, many in a leadership role, to community organizations and nonprofits throughout the Bank's footprint.

Pathways to Success Initiative

To address the primary needs in the communities in which we do business, the Bank has developed and launched the Pathways to Success initiative focused on three areas of impact:

- ✓ Pathways to Career Success
- ✓ Pathways to Financial Success
- ✓ Pathways to Business Success

Pathways to Career Success

Entering its fourth year of collaboration, the Bank continues to partner with Inland SoCal United Way (ISCUW) and its 211 Careers Program to assist low-to-moderate income individuals to enter or re-enter the workforce by providing one-on-one resume reviews along with mock interview sessions. The Bank provided \$32,500 in donations in 2023 in support of this critical program to residents in the Inland Empire. Some of the participants have been previously involved in the criminal justice system and require special attention to help them return to the workforce. Each month, the Bank makes ten sessions available to ISCUW, with two Bank volunteers per session, to help address ISCUW's clients' individual needs. Bank associates participated in over 450 hours of volunteer service under this program.

Pathways to Financial Success

The ability to manage money successfully is made possible by developing a strong understanding of personal finance principles. Without financial education, an individual's actions and decisions about savings, credit, and investments can be challenging and lead to the wrong financial choices. The Bank has developed an inter-generational financial education program to provide financial education to elementary-aged children, youth, adults, and senior citizens through the Pathways to Financial Success initiative.

Our Community Commitment



Financial Sports Program

Financial education can lead to more responsible financial management, helping young people make wiser decisions about debt, savings, credit, and investing. In an effort to provide engaging youth financial education in a relatable format, the Bank launched the Financial Sports trainings and competitions for low-to-moderate income youth by partnering with local nonprofit organizations, school districts, government organizations, and the financial services industry.

Financial Sports is presented as an interactive, educational football and soccer video game designed to help students test their knowledge of personal finance in a fun, competitive, learning environment. The program has received enthusiastic positive feedback from students and school administrators on the effectiveness of this learning model. The training curriculum consists of three sessions including topics on Savings and Financial Institutions, Credit and Debt, and Life Events and Identity Theft, which are conducted by Bank volunteers to groups of students, either in-person or virtually. The training not only provides valuable financial information, but it also helps students develop team-building and strategy skills. The training presentations prepare the students to participate in a competition conducted in a group setting between two teams, facilitated by a moderator with a live video game projected on a screen. Volunteers serve as financial coaches for each team using their financial expertise to support the teams that have been previously trained. The program has been delivered in cooperation with Living Advantage, Inc., Morongo Tribal TANF, Youth Business Alliance, and RestoreLA-CDC, with over 300 volunteer hours contributed.

The program grew substantially in 2023, requiring the training of another team member to help administer and facilitate the presentations. In addition to middle- and high-schools, the program is now being offered to additional nonprofit organizations that wish to provide financial education to their clients.

Our Community Commitment



SammyRabbit.com

Providing financial education for today's youth creates positive opportunities for developing personal economic success in the future. The Bank partnered with SammyRabbit.com and New Economics for Women (NEW) to launch a virtual financial education program for children (K to 3rd grade). SammyRabbit.com is dedicated to teaching financial literacy and other empowering life skills and habits using "edutainment" focused on young children and their families. The program uses reading, music, and dance as learning tools along with the Sammy Rabbit character created by children's author Sam Renick. NEW is a nonprofit organization with the mission to build economic mobility for women and families through entrepreneurship, housing, wealth creation, and education. In 2023, a new element was added where separate workshops were offered to the parents of the student so they could understand and reinforce the powerful ideas that were being shared with their students. The parental sessions were offered in English and Spanish to accommodate as many parents as possible. The Bank donated \$20,000 and provided over 80 hours of volunteer service to the program.

Our Community Commitment



Pathways to Business Success

In 2023, The Bank partnered with several nonprofit small business training providers and chambers of commerce throughout California to launch Pathways to Business Success. The program provides bilingual small business technical assistance to low-to-moderate income small businesses in English and Spanish. Bank associates participate in virtual and in-person workshops delivering financial education, budgeting, credit, savings, access to capital and small business lending information.

Organizations that are currently participating in the program include:

- ✓ California Hispanic Chamber of Commerce Foundation - Small Business Development Center
- ✓ Kern County Hispanic Chamber of Commerce
- ✓ Mission Community Services Corporation and the Kern Women's Business Center
- ✓ Vermont Slauson Economic Development Corporation
- ✓ ASIAN, Inc. - Fresno Native American & Business Development Center
- ✓ Kern County Black Chamber of Commerce
- ✓ Fresno Metro Black Chamber of Commerce
- ✓ Hispanic Chamber Foundation of Tulare -Kings County

Cybersecurity and Fraud Prevention Education Seminar

The Bank developed and presented a Cybersecurity and Fraud Prevention Seminar focused on creating awareness of common risks and threats to the security of participants' sensitive data and systems. Over 80 participants learned about key protections and best practices for defending against various types of attacks, including phishing, vishing, smishing, and ransomware. Solutions such as security best practices, risk assessment, patch and vulnerability management, various controls, and incident response tactics were discussed to assist businesses with implementing prudent safeguards against this ever-increasing threat.



Our Community Commitment



VITA ShePower - Volunteer Income Tax Assistance (VITA) Program

The VITA program is an IRS initiative designed to support free tax preparation service for the underserved. This service helps low-to-moderate income individuals, persons with disabilities, the elderly, and limited English speakers file their taxes for free each year. The Bank provided funding support to several nonprofit community organizations to help expand and grow the VITA program across California during 2023. Organizations Included:

United Way Kern County

\$10,000 donated

Yolo County Children's Alliance

\$3,000 donated

Kings Community Action Partnership - Serving Tulare Co.

\$5,000 donated

The Bank volunteered by preparing taxes, serving as intake coordinators, and setting up appointments for low-income families.

Our Community Commitment



Mentoring Future Leaders

Supporting the development of future leaders through mentoring and internship programs is an effective and impactful workforce development strategy for youth. Over 20 volunteers from the Bank provided more than 250 hours supporting youth mentoring and internship programs, including sharing educational and career path experiences with the goal of inspiring high school and college students to pursue career opportunities in the finance industry.

Workplace Mentoring Program - Big Brothers Big Sisters (BBBS)

The Bank is building the next-generation workforce supporting Big Brother Big Sisters of Orange County and the Inland Empire by providing low-to-moderate income college students a Workplace Mentoring Program. Focused on developing financial literacy skills, increasing soft skills, and supporting college/career readiness, Bank executive officers and managers volunteered to educate, teach, and coach college students about banking and the financial services industry during this eight-month program. Various volunteer associates from the Bank coordinated their schedules to provide individual mentoring to each of the low-to-moderate income youth. This program offers selected students with one-on-one attention from a mentor guide to provide professional support. BBBS is recognized by Forbes as a top nonprofit organization. Two Bank associates were recognized by BBBS as Mentors of the Year for their outstanding service throughout 2023.

B BOLD(ER) Internship Program

The purpose of the Clearinghouse Community Development Financial Institution (CDFI) B BOLD(ER) Internship Program is to invest in tomorrow's leaders. Clearinghouse CDFI interns benefit from exposure to a professional setting, access to positive role models, and receiving real-life job skills that help build a solid foundation for future success. Citizens Business Bank is the Legacy funder for the B BOLD(ER) Internship Program, providing capacity-building resources to develop and launch the program, and hosting the program's first onsite intern in 2022. The program offers paid internships and scholarships to high school students as well as first-generation college students.

The Bank hosted an intern in 2023 and has already agreed to host a third onsite intern during the summer of 2024. During the internship, the intern attends in-person trainings including a leadership program focused on the following topics: Community Economic Development, critical thinking, creating and analyzing surveys identifying the impact of Clearinghouse CDFI lending, a teaching project for elementary students on STEM-related topics, financial literacy, Investing Basics, budgeting, and various personal growth and development issues.

Our Community Commitment



Building the Capacity of Community Organizations

Nonprofit organizations within our footprint have identified opportunities to support capacity-building programs that provide technical assistance and training to nonprofit leaders. The Bank has taken a leadership role in developing innovative, supportive programs in partnership with key development institutions. Through these efforts, the Bank supports the improvement of program development, community impact, and organizational effectiveness.

In 2023, the Bank partnered with USC Civic Engagement & Economic Partnerships (CEEP) to host the 2023 Nonprofit Resilient Leaders & Capacity Building (NPRL) program. The Bank provided \$25,000 in funding for the NPRL program which is a 10-week course of study that supports the growth and development of local, diverse nonprofit leaders. The program offers high-quality instruction from industry experts—providing each participant new information, resources, and practical strategies. The program also utilizes a cohort-based model that offers opportunities to engage and network with strategic thought partners. With the funding from the Bank, this program was offered for free to each nonprofit leader. In 2023, 28 nonprofit leaders from across Los Angeles County, San Bernardino County, and San Francisco County completed the program. The cohort covered the following topics:

- ✓ Re-Discovering Your “Why”
- ✓ Broad Development
- ✓ Essentials for Grant Seekers
- ✓ Leadership & Managing Effective Teams
- ✓ Succession Planning
- ✓ Program Evaluation & Data Management
- ✓ Marketing, Communications, & Storytelling

A highlight for this cohort was the addition of the “Succession Planning” session. Many community partners have expressed a need for greater succession planning to navigate the realities of leadership transitions. Another component of the program is the Mentorship Initiative. The initiative invites alumni of the program to mentor current program participants. For this cohort, there were 10 mentor/mentee pairs that met regularly to attend the sessions and explore how each mentee can continue to expand their leadership skills and attributes.

Our Community Commitment



CRA Training

Bank associates provide training and development opportunities to new and existing partners on Community Reinvestment Act (CRA) 101. The CRA Training for Nonprofit Organizations highlights the importance of developing relationships with financial institutions as critical for nonprofit organizations to access resources including grants, contributions, and volunteer support. The Bank provides free webinars to local community development organizations on the topic of demystifying the CRA and has implemented this training for all new partnerships receiving funding support.

Faith-Based Capacity Building Program

The Jesse Miranda Center's mission is to promote community and economic development in low-to-moderate income Hispanic communities. With a donation of \$5,000 from the Bank in 2023, the center was able to host a series of Hispanic Heritage Month Prayer Breakfasts in Los Angeles, Riverside, Orange, Fresno, and Bakersfield to bring together community and faith leaders with the goal to increase small business and homeownership opportunities. The Executive Director of The Jesse Miranda Center, Jack Miranda, is the son of the founder and serves on the Bank's Community Advisory Committee.

Emerging Chambers of Commerce

In 2023, the Bank partnered with state and local emerging ethnic chambers of commerce providing \$40,000 in funding and program support to help small businesses that continue to struggle due to economic challenges. The Bank supported the following emerging chambers of commerce with funding and program support, to provide training and technical assistance for small business owners:

- Hispanic Chamber Foundation of Tulare & Kings County
- Greater Los Angeles African American Chamber of Commerce
- Fresno Metro Black Chamber Foundation
- Orange County Hispanic Chamber of Commerce
- Kern County Hispanic Education Foundation
- California Hispanic Chamber of Commerce Foundation

Our Community Commitment



Board and Committee Services

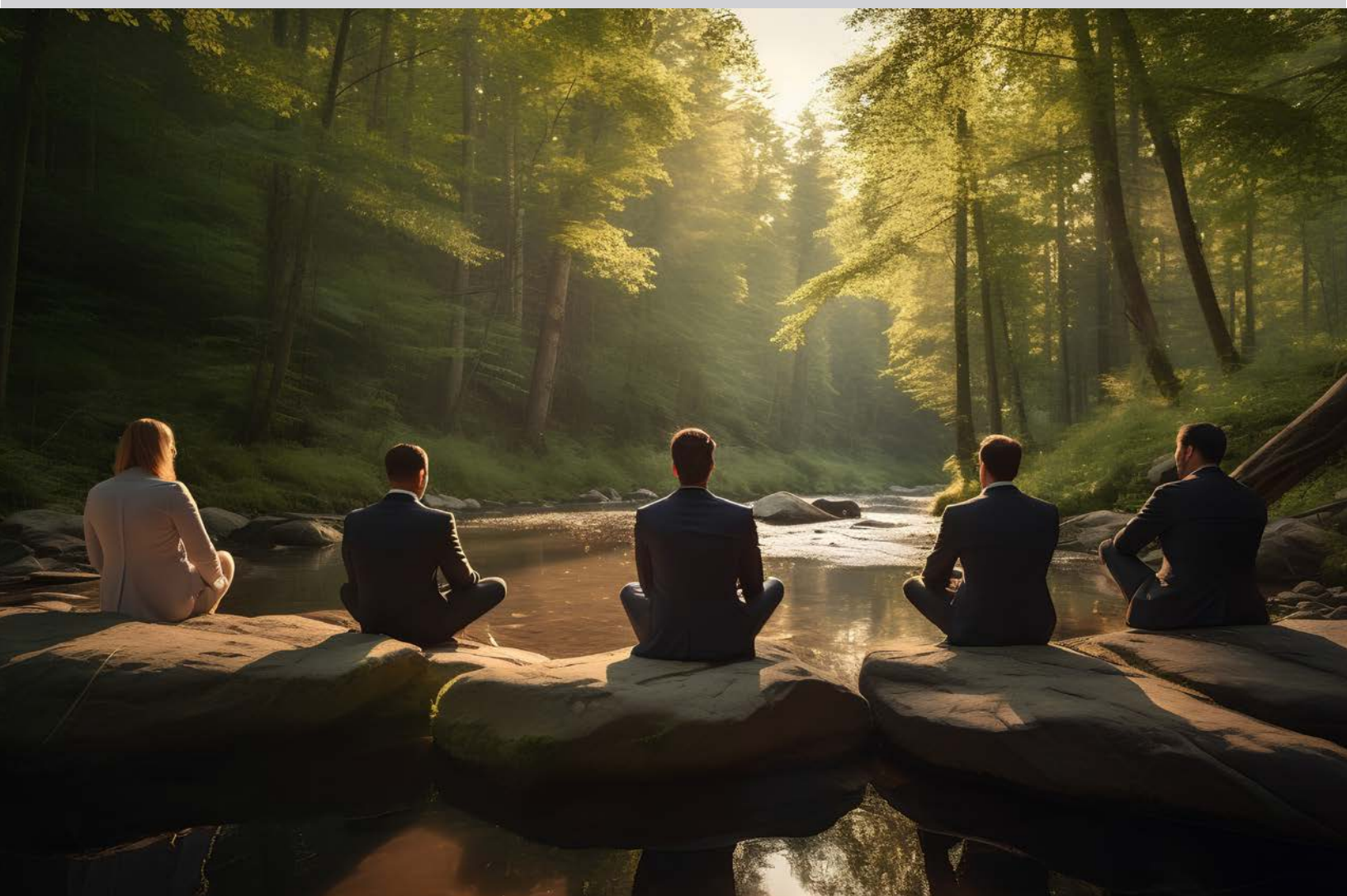
A total of 56 Bank associates conducted over 1,300 hours of board and committee service activities for over 50 nonprofit organizations, providing leadership, strategic planning, and financial expertise to support organizational success.

Affordable Housing Leadership

The Bank supports affordable homeownership programs to address the current housing crisis. According to RentData.org, California ranks as one of the most expensive rental markets in the country. Various Bank associates provide their financial expertise by serving on the boards and committees of affordable housing organizations, including Habitat for Humanity of Santa Barbara County, Orange County Community Housing Corporation (OCCHC), Neighborhood Partnership Housing Services, Inc., and Neighborhood Housing Partners.



Investing in Our People and Culture



Investing in Our People and Culture



At Citizens Business Bank, one of our continuing priorities is to be the bank of choice to attract and retain top talent. We have a clear vision of who we are and what we stand for.

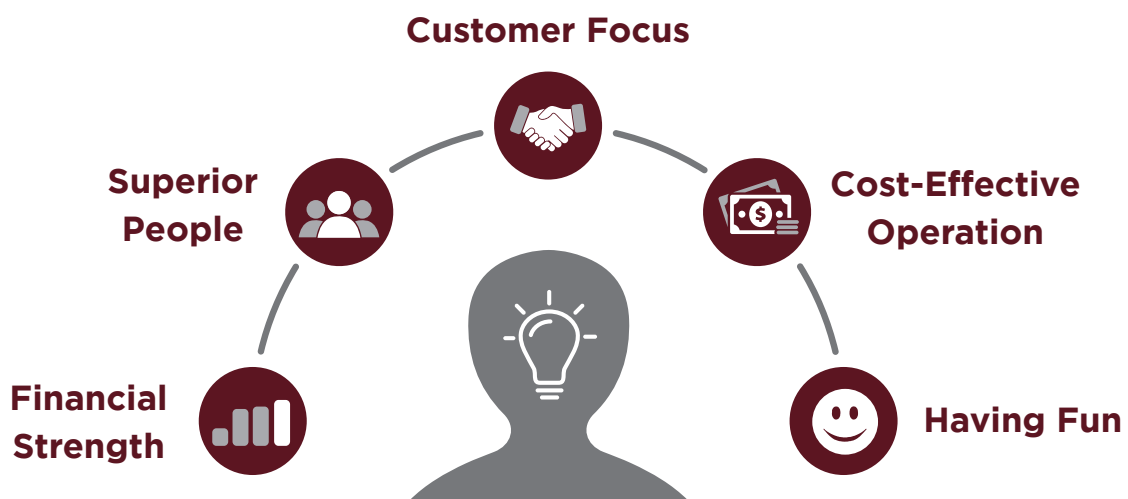
Building and retaining a high-performing workforce continues to be critical to the delivery of our products and services to customers and ultimately to achieving our Vision and Mission. Our belief in this strategy has prompted us to place strong emphasis on recognizing our associates' contributions and providing a work environment where associates are fully engaged.

Our entire Leadership Team plays a major role in our continuing success to enhance associate engagement. Leadership has a major impact on the quality of the work environment, and our Leadership Team is accountable for effective people management to successfully mentor and develop our associates, while ensuring alignment with our Core Values.

We're committed to making Citizens Business Bank the bank of choice, as well as a world-class organization of highly engaged associates. To do this, we focus on deepening our culture, developing our talent, and growing our diversity & inclusion efforts.

Our Culture

At Citizens Business Bank, we share a set of Five Core Values that we believe provide continuing commitment and direction to our underlying culture. These Core Values are the guiding principles that help us achieve to our high standards.



Through the Citizens Experience program, we recognize associates who demonstrate these Core Values by exemplifying outstanding service.

Investing in Our People and Culture



Annual Engagement Survey

Citizens Business Bank is committed to building a sustained and engaged work environment. Our priority is to place strong emphasis on valuing our associates' contributions and providing a work environment where everyone can succeed. In 2023, the Bank had 95% of associates participate in our Annual Engagement Survey.



Recognition and Rewards

The Citizens Experience Service Program

The Citizens Experience is a unique recognition program that rewards selected associates for going “above and beyond” their normal job duties to provide service to our customers and fellow associates, as well as our communities.



Every associate is eligible to participate in the Citizens Experience service program. Nominations can be made by and for any associate for delivering the “Citizens Experience.” All nominations are reviewed by the Citizens Experience Awards and Recognition Program Committee. This recognition program consists of a monthly, quarterly, and annual recognition. We experienced an increase in participation in 2023 that exceeded 2022 by more than 60%.

In 2023, we had:

708 Citizens Experience Award Nominations



Distributed \$50 Citizens Business Bank gift cards to award winners



Totaling \$13,300

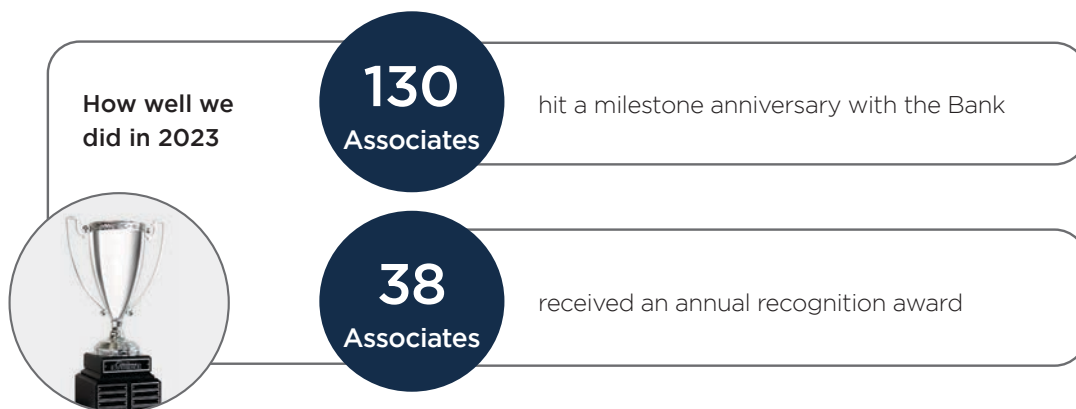
Investing in Our People and Culture



Annual Recognition Awards

Citizens Business Bank has a long-held tradition of hosting an annual awards program to recognize outstanding job performance. The annual recognition awards consist of Most Valuable Staff, Department of the Year, Center of the Year, and the CEO Award. These awards represent the Bank's highest recognition for an associate, a Department, and a Center.

The winners are announced at the Bank's Annual Holiday Party and Awards Ceremony, where they receive a customized trophy and are able to celebrate this prestigious recognition among more than 1,000 fellow associates and invited guests.



Competitive Benefits Package

Citizens Business Bank is committed to offering a competitive benefits package to our associates and their families. We offer a comprehensive set of health insurance and retirement benefits, as well as associate award perks.

- Associates are offered a medical insurance plan, which is subsidized by the Bank by approximately 80%
- 93% of active associates participate in the Bank's 401(k) retirement plan, which includes an annual contribution by the Bank equal to 3% of participating associate compensation
- Associates also receive an additional annual profit sharing contribution to their 401(k), where the percentage contribution is based on the Bank's financial performance; for 2023, this additional contribution was 2% of participating associate compensation
- 100% of our associates are eligible to earn a discretionary bonus incentive and 93% of our associates earned an incentive bonus for 2023
- Holiday Gift Cards are distributed to each Bank associate to support their family holiday celebrations
- Unlimited New Associate Referral Awards for the referring associate when a new associate is successfully hired

Investing in Our People and Culture



Borba Scholarship Program

In recognition of the impact of education on our society and economy, Citizens Business Bank provides a program to award scholarships to selected dependents of Bank associates based on the recipient's outstanding academic accomplishments. Awards are used for educational fees and are paid directly to the selected recipients. Our scholarship program provides dependent children of the Bank's associates with educational expense assistance to pursue higher education following high school. The Bank provides up to \$2,500 for the Borba Scholarship Award to selected students, which is open to eligible children of the Bank's associates. Children of the Executive and Senior Leadership Group are ineligible to participate in the Borba Scholarship Program.

Highlights of the 2023 Borba Scholarship Program:



Talent Management Program

We want to be consistently challenged to do our best, which makes continuous learning and development an important focus. Because of this, we have a Talent Management Program to enhance leadership capabilities to support our associates' professional growth so that our organization remains competitive in the marketplace for talent.

Leadership and Top Talent Development Program

Our Leadership and Top Talent Development Program's objective is to define what "development" means at Citizens Business Bank, by providing a variety of high-quality development programs designed to ensure that our associates at all levels receive specialized training to further their careers, achieve Citizens Business Bank's strategic goals, and continue to drive shareholder value.

We implement this through a combination of core curriculum and customized development solutions that reinforce the Core Values that drive Citizens Business Bank's corporate culture.

Investing in Our People and Culture



Leadership Development Programs

Leadership Foundations

The Leadership Foundations program is an investment in our associates who are already in management roles. As Citizens Business Bank managers, they drive results that directly influence the success of Citizens Business Bank. This four-part series is offered to all levels of management and trains our managers on attracting top talent, effective coaching, and performance management.

Future Leader Development

The Future Leader Development program is intended to prepare future leaders to successfully navigate the challenges, opportunities, and common pitfalls of transitioning from a mid-level manager to one who maximizes their team’s capabilities as a senior level manager. Selected participants will explore their leadership style and how it impacts their ability to lead, motivate, and manage others in their group.

Succession Program

Success is built on the contributions of every associate at every level. Associates are the Bank’s most important resource and valuable asset. Some positions, called “key positions,” are more directly impactful on the Bank’s mission and strategy. These positions often are considered “key” because the position requires specialized knowledge, expertise, and capabilities that make a unique contribution or have a significant influence on the priorities, strategic direction or operation of the Bank.



Investing in Our People and Culture



Associate Well-Being

Citizens Business Bank believes health and well-being should play a vital role in our associates' lives, and we are committed to helping our associates find a balance that feels right for them at an individual level. The CBB Well program is comprised of four pillars: Financial, Social, Physical and Mind.

Well-Being Committee

The Well-Being Committee is made up of 16 associates who have been past super-users of our well-being programs. Committee members volunteer to assist with well-being efforts around the financial, social, physical, and mind well-being of their colleagues. In addition, they serve as ambassadors for our well-being programs, encouraging other associates to get involved by championing events in their Centers/ Departments, and encouraging greater participation in our well-being programs. As a result, 77% of our associates participated in at least one wellness activity, an increase of 12% from 2022. We also award monthly prizes to associates who meet or exceed wellness contest benchmarks.



2023 Highlights



2023 Well-Being Programs



Investing in Our People and Culture

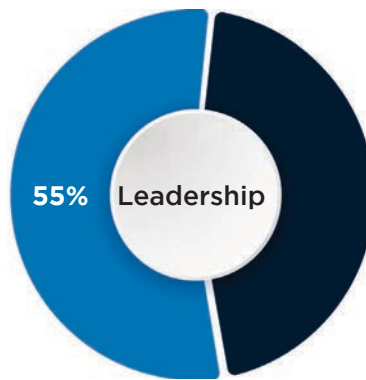


2023 Highlights

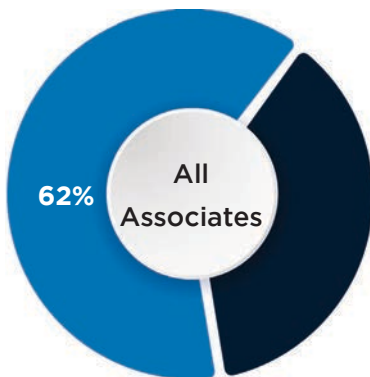
Diversity & Inclusion Efforts

Citizens Business Bank fosters, cultivates and preserves a culture of diversity & inclusion. Our associates are our most valuable asset. The collective sum of the individual differences, life experiences, knowledge, inventiveness, innovation, self-expression, unique capabilities, and talents that our associates invest in their work represents a significant part of not only our culture, but our reputation and the Bank's achievements as well.

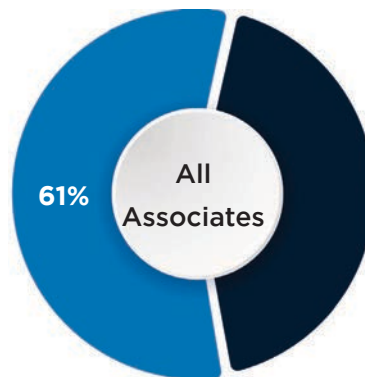
Total Bank Diversity



■ % of leadership, female or ethnically diverse



■ % of all associates, female



■ % of all associates, racially or ethnically diverse

Investing in Our People and Culture



Diversity, Engagement, and Inclusion (DEI) Council

Citizens Business Bank has created a DEI Council to foster engagement efforts among our associates. The Council discusses ways to encourage diversity and inclusion among associates, and Council members serve as ambassadors when it comes to implementing our Core Values, as they relate to diversity and inclusion. There are seven Council members and 15 sub-committee members who represent various leadership levels, backgrounds, banking areas, ages, genders, races, and ethnicities. They deliver programs focused on four areas: Corporate Communications, Development Programs, Mentoring Programs, and Networking Events.

The DEI Council's goals are the following:

- To create a culture of belonging by empowering associates in recognizing and celebrating our differences (DIVERSITY)
- To cultivate educational, training, and professional opportunities tailored to the needs of our associates' diverse backgrounds (INCLUSION & ENGAGEMENT)
- To promote an inclusive culture by engaging associates in DEI-themed social and networking opportunities (INCLUSION & ENGAGEMENT)

Citizens Business Bank has been recognized as one of America's Greatest Workplaces for Women 2024 by Newsweek and Plant-A Insights Group.



Our Environmental Impact



Our Environmental Impact



Paper Recycling

Access Shredding services our Southern California Centers, including our Corporate Office and Operations Center.

In 2023, Citizens Business Bank recycled approximately

430 Tons
of paper



Solar Equity Financing

Citizens Business Bank financed \$15,000,000 of renewable energy projects in 2023.

Annually, these projects will produce close to

18,000,000 kWh
of clean power



Our Environmental Impact





Commercial Property Assessed Clean Energy (C-PACE) Financing


Commercial Real Estate Owners and Developers

Citizens Business Bank offers C-PACE Financing, which enables our customers to integrate green improvements and other carbon-reducing enhancements to their properties without a large up-front capital contribution. Compared to traditional financing, C-PACE Financing is repaid through a consensual property tax assessment. The assessment is tied to the property and is paid semi-annually with property taxes. Should the property be sold, the repayment obligation is transferred to the next property owner. Improvements must meet certain criteria to be eligible for C-PACE Financing.

Clean Energy Improvements Eligible for C-PACE Financing include:

 **Seismic Strengthening**
Structural retrofits (superstructure strengthening) and non-structural retrofits (supplemental bracings and supports)

 **Energy Efficiency**
Air sealing and ventilation, HVAC, windows, lighting, insulation, roofing, refrigeration, charging stations, and similar items

 **Renewable Energy**
Solar, wind, cogeneration, fuel cell, and similar renewable power resources

 **Water Conservation**
Fixtures, irrigation, landscaping, water reuse, and similar conservation utilities

 **Wildfire Hardening**
Building hardening and using fire-resistant building materials

Responsible Corporate Governance



Responsible Corporate Governance



Committees:



- Audit
- Compensation
- Nominating & Corporate Governance



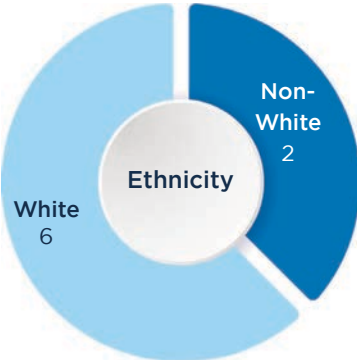
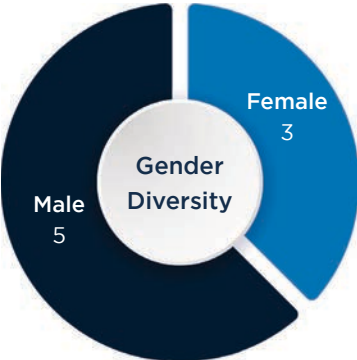
A Financial Services Company

- Balance Sheet Management
- Risk Management
- Credit
- Trust Services

[Click here to view our Proxy](#)

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Board of Directors





CITIZENSTRUST™