BANKING DIVE

Customers CEO talks lessons learned from Fed enforcement action

After investing to strengthen its risk management practices, the Pennsylvania bank now seeks to jump on the favorable atmosphere for digital-asset activities.

Published Aug. 21, 2025

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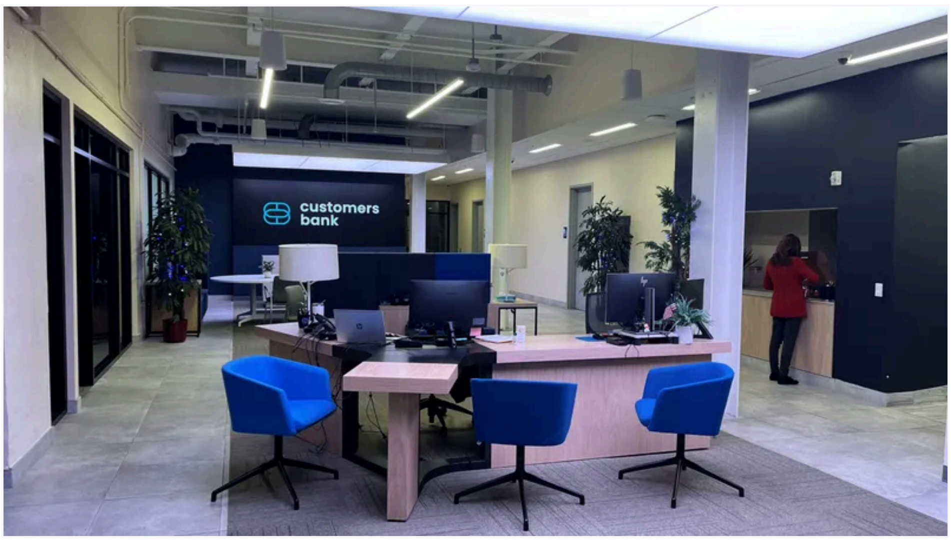

A Customers Bank office *Permission granted by Customers Bank*

Much has changed in the year since the Federal Reserve hit

Meanwhile, the Trump administration's views toward cryptocurrency and calls for clear rules and regulations around digital assets have prompted more Capitol Hill and corporate chatter around stablecoins.

Sam Sidhu

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"I think that it's safe to say our regulators' bar was higher than our commercial clients to make tokenized payments over a distributed ledger technology system.

As part of the Fed's enforcement action, Customers was ordered to notify the central bank before launching any new service or relationship with third parties tied to its digital-asset strategy. The work the bank has done "has now created a multiyear moat for Customers Bank, for someone to build an infrastructure of technology and a customer base like ours," Sidhu said.

In light of regulatory developments such as the Genius Act, Sidhu said the bank aims to grow its wallet share with customers and add new customers. July was cubiX's most active month to date, with 20% higher deposit balances, he said.

The bank processed $1.5 trillion in payments volume related to digital-asset customers last year; it's tracking closer to $2 trillion for 2025, he said.

Sidhu, the bank's CEO, will also become CEO of Customers Bancorp beginning Jan. 1, 2026, when his father, Jay Sidhu retires, the lender said in July. Jay Sidhu will become executive chair at that time.

Jay Sidhu has been with the company since 2009, purchasing distressed New Century Bank, renaming it and growing its assets from $250 million to about $22 billion today.

pointed to e-commerce giant Amazon as an example of a CEO transition done well, while some other companies have seen an executive chair return to the CEO role three or four times.

“We want to be known as the company that does it incredibly well,” said Sam Sidhu, who was a private-equity and real estate investor and executive prior to joining the bank.

When asked about managing perceptions of nepotism among any employees, shareholders or board members, Sam Sidhu said, “at the end of the day, it’s all about execution.”

Over the past five years, he’s sought to grow the bank’s reputation in niches such as fund finance, venture banking, fintech banking, and more recently, digital assets and payments.

“I think it’s safe to say, I have earned the respect of our internal stakeholders and our external stakeholders, including our investors and our board,” he added.

Through the Fed’s enforcement action, Customers’ leadership has learned to build a strong risk foundation independent of the current regulatory environment, Sam Sidhu said. Also crucial: close communication with bank regulators.

Especially with newer, high-risk areas like digital assets, it’s essential to give regulators the rundown, stay engaged with them and discuss where the bank is now and where it wants to be down

As Customers has worked to correct its course, the bank has added about three dozen employees with an eye toward bolstering risk and compliance, Sam Sidhu said. The bank has also hired a number of consultants.

He estimated the bank has spent between $10 million and $15 million to address enforcement action-related issues.

Among the bank's hires was a new chief risk officer, Nick Robinson, who joined Customers last September from Capital One. Robinson, in turn, brought on a half-dozen executives from that bank, Sam Sidhu said.

"We're taking that type of team-based approach … not just on the deposit-generating or the lending side, but also on the revenue-enablement side," Sam Sidhu said.

He also noted the bank's chief financial officer, chief credit officer and chief marketing officer all hailed from larger institutions. Customers' CFO, Mark McCollom, had been the finance chief at Fulton Financial until his February 2024 resignation; he joined Customers in June.