UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2026

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _________ to _________.

001-35542
(Commission File number)

(Exact name of registrant as specified in its charter)

Customers Bancorp, Inc.

Pennsylvania	**27-2290659**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

701 Reading Avenue
West Reading, PA 19611
(Address of principal executive offices)

(610) 933-2000
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbols	Name of Each Exchange on which Registered
Voting Common Stock, par value $1.00 per share	CUBI	New York Stock Exchange
5.375% Subordinated Notes due 2034	CUBB	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated Filer	☐
Non-accelerated filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

On August 4, 2026, 33,783,799 shares of Voting Common Stock were outstanding.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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GLOSSARY OF ABBREVIATIONS AND ACRONYMS

The following list of abbreviations and acronyms may be used throughout this Report, including Management's Discussion and Analysis of Financial Condition and Results of Operations, the Unaudited Consolidated Financial Statements and the Notes to the Unaudited Consolidated Financial Statements.

2019 Plan	2019 Stock Incentive Plan
2024 Share Repurchase Program	Share repurchase program authorized by the Board of Directors of Customers Bancorp in 2024
2026 Share Repurchase Program	Share repurchase program authorized by the Board of Directors of Customers Bancorp in 2026
ACL	Allowance for credit losses
AFS	Available for sale
AOCI	Accumulated other comprehensive income (loss)
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
Bancorp	Customers Bancorp, Inc.
Bank	Customers Bank
BBB spread	BBB rated corporate bond spreads to U.S. Treasury securities
CECL	Current expected credit losses
CMO	Collateralized mortgage obligation
CODM	Chief operating decision maker
Commission	U.S. Securities and Exchange Commission
Company	Customers Bancorp, Inc. and subsidiaries
CPI	Consumer Price Index
CRA	Community Reinvestment Act
CRE	Commercial real estate
CUBI	Symbol for Customers Bancorp, Inc. common stock traded on the NYSE
Customers	Customers Bancorp, Inc. and Customers Bank, collectively
Customers Bancorp	Customers Bancorp, Inc.
DCF	Discounted cash flow
EVE	Economic value of equity
Exchange Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
Fed Funds	Federal Reserve Board's Effective Federal Funds Rate
Federal Reserve, Federal Reserve Board	Board of Governors of the Federal Reserve System
FHLB	Federal Home Loan Bank
FICO	Fair Isaac Corporation
Fintech	Third-Party Financial Technology
FRB	Federal Reserve Bank of Philadelphia
GDP	Gross domestic product
HTM	Held to maturity
LIBOR	London Interbank Offered Rate
LPO	Limited Purpose Office
MMDA	Money market deposit accounts
NIM	Net interest margin, tax equivalent
NM	Not meaningful
NPA	Non-performing asset
NPL	Non-performing loan
NYSE	New York Stock Exchange
OCI	Other comprehensive income (loss)
OREO	Other real estate owned
PCD	Purchased Credit-Deteriorated
PPP	Paycheck Protection Program
Rate Shocks	Interest rates rising or falling immediately
ROU	Right-of-use
SBA	U.S. Small Business Administration

SBA loans	Loans originated pursuant to the rules and regulations of the SBA
SEC	U.S. Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
Series E Preferred Stock	Fixed-to-floating rate non-cumulative perpetual preferred stock, series E
Series F Preferred Stock	Fixed-to-floating rate non-cumulative perpetual preferred stock, series F
SOFR	Secured Overnight Financing Rate
U.S. GAAP	Accounting principles generally accepted in the United States of America
VIE	Variable interest entity

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET — UNAUDITED
(amounts in thousands, except share and per share data)

	June 30, 2026	December 31, 2025
ASSETS		
Cash and due from banks	$ 85,546	$ 62,051
Interest earning deposits	4,093,306	4,349,412
Cash and cash equivalents	4,178,852	4,411,463
Investment securities, at fair value (includes allowance for credit losses of $29,910 and $28,805, respectively)	2,626,717	1,937,646
Investment securities held to maturity	631,594	729,134
Loans held for sale (includes $5,510 and $2,745, respectively, at fair value)	58,611	26,102
Loans and leases receivable	16,217,068	15,041,340
Loans receivable, mortgage finance, at fair value	1,654,795	1,612,997
Loans receivable, installment, at fair value	84,826	102,077
Allowance for credit losses on loans and leases	(164,106)	(155,656)
Total loans and leases receivable, net of allowance for credit losses on loans and leases	17,792,583	16,600,758
FHLB, Federal Reserve Bank, and other restricted stock	144,971	110,411
Accrued interest receivable	103,125	103,626
Bank premises and equipment, net	19,773	16,745
Bank-owned life insurance	310,312	305,503
Other real estate owned	12,568	12,432
Goodwill and other intangibles	3,629	3,629
Other assets	638,054	638,419
Total assets	$ 26,520,789	$ 24,895,868
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand, non-interest bearing	$ 6,913,804	$ 6,303,748
Interest bearing	14,819,093	14,474,956
Total deposits	21,732,897	20,778,704
FHLB advances	2,059,163	1,325,068
Other borrowings	99,278	99,208
Subordinated debt	171,741	281,147
Accrued interest payable and other liabilities	252,018	296,224
Total liabilities	24,315,097	22,780,351
Commitments and contingencies (NOTE 17)		
Shareholders' equity:		
Common stock, par value $1.00 per share; 200,000,000 shares authorized; 36,484,767 and 36,188,920 shares issued as of June 30, 2026 and December 31, 2025; 33,772,598 and 34,191,223 shares outstanding as of June 30, 2026 and December 31, 2025	36,485	36,189
Additional paid in capital	669,114	666,756
Retained earnings	1,676,407	1,535,194
Accumulated other comprehensive income (loss), net	(58,346)	(54,050)
Treasury stock, at cost (2,712,169 and 1,997,697 shares as of June 30, 2026 and December 31, 2025)	(117,968)	(68,572)
Total shareholders' equity	2,205,692	2,115,517
Total liabilities and shareholders' equity	$ 26,520,789	$ 24,895,868

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS) — UNAUDITED
(amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Interest income:				
Loans and leases	$ 268,628	$ 246,869	$ 527,362	$ 477,877
Investment securities	34,727	37,381	66,868	71,720
Interest earning deposits	37,628	39,972	79,458	82,886
Loans held for sale	1,280	1,806	2,515	6,567
Other	2,394	1,973	4,766	3,860
Total interest income	344,657	328,001	680,969	642,910
Interest expense:				
Deposits	130,296	134,045	256,422	265,353
FHLB advances	17,109	12,717	30,044	24,518
Subordinated debt	2,723	3,229	7,344	6,441
Federal funds purchased	99	—	112	—
Other borrowings	1,064	1,307	2,330	2,449
Total interest expense	151,291	151,298	296,252	298,761
Net interest income	193,366	176,703	384,717	344,149
Provision for credit losses	23,067	20,781	46,439	49,078
Net interest income after provision for credit losses	170,299	155,922	338,278	295,071
Non-interest income:				
Commercial lease income	15,392	11,056	30,810	21,724
Loan fees	8,673	9,106	19,179	16,341
Bank-owned life insurance	2,213	2,249	5,297	6,909
Mortgage finance transactional fees	1,332	1,175	2,638	2,108
Net gain (loss) on sale of loans and leases	1,061	—	2,105	2
Net gain (loss) on sale of investment securities	154	(1,797)	509	(1,797)
Impairment loss on debt securities	—	—	—	(51,319)
Other	5,218	7,817	7,821	11,148
Total non-interest income	34,043	29,606	68,359	5,116
Non-interest expense:				
Salaries and employee benefits	56,037	45,848	107,331	88,522
Technology, communication and bank operations	12,891	10,382	24,534	21,694
Commercial lease depreciation	12,761	8,743	25,453	17,206
Professional services	10,024	13,850	21,719	25,707
Loan servicing	3,710	4,053	7,569	8,683
Occupancy	3,495	3,551	7,451	6,963
FDIC assessments, non-income taxes and regulatory fees	4,585	11,906	12,800	23,656
Advertising and promotion	481	461	1,035	989
Other	10,907	7,832	18,987	15,977
Total non-interest expense	114,891	106,626	226,879	209,397
Income before income tax expense	89,451	78,902	179,758	90,790
Income tax expense	17,891	17,963	38,545	16,939
Net income	71,560	60,939	141,213	73,851
Preferred stock dividends	—	3,185	—	6,574
Loss on redemption of preferred stock	—	1,908	—	1,908
Net income available to common shareholders	$ 71,560	$ 55,846	$ 141,213	$ 65,369
Basic earnings per common share	$ 2.12	$ 1.77	$ 4.16	$ 2.07
Diluted earnings per common share	2.05	1.73	4.02	2.02

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) — UNAUDITED
(amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net income	$ 71,560	$ 60,939	$ 141,213	$ 73,851
Unrealized gains (losses) on available for sale debt securities:				
Unrealized gains (losses) arising during the period	1,360	(8,011)	6,480	(21,260)
Income tax effect	(360)	2,119	(1,716)	5,603
Reclassification adjustments for (gains) losses included in net income	(154)	1,797	(509)	53,116
Income tax effect	41	(475)	135	(13,972)
Amortization of unrealized loss on securities transferred from available-for-sale to held-to-maturity	952	1,206	1,839	2,375
Income tax effect	(253)	(320)	(489)	(627)
Net unrealized gains (losses) on available for sale debt securities	1,586	(3,684)	5,740	25,235
Unrealized gains (losses) on cash flow hedges:				
Unrealized gains (losses) arising during the period	(7,563)	—	(14,507)	—
Income tax effect	2,004	—	3,844	—
Reclassification adjustment for (gains) losses included in net income	386	—	853	—
Income tax effect	(102)	—	(226)	—
Net unrealized gains (losses) on cash flow hedges	(5,275)	—	(10,036)	—
Other comprehensive income (loss), net of income tax effect	(3,689)	(3,684)	(4,296)	25,235
Comprehensive income (loss)	$ 67,871	$ 57,255	$ 136,917	$ 99,086

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY — UNAUDITED
(amounts in thousands, except shares outstanding data)

	Three Months Ended June 30, 2026								
	Preferred Stock		Common Stock						
	Shares of Preferred Stock Outstanding	Preferred Stock	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, March 31, 2026	—	$ —	33,692,632	$ 36,312	$ 669,112	$ 1,604,847	$ (54,657)	$ (111,314)	$ 2,144,300
Net income	—	—	—	—	—	71,560	—	—	71,560
Other comprehensive income (loss)	—	—	—	—	—	—	(3,689)	—	(3,689)
Share-based compensation expense	—	—	—	—	6,013	—	—	—	6,013
Issuance of common stock under share-based compensation arrangements	—	—	172,770	173	(6,011)	—	—	—	(5,838)
Repurchase of common shares	—	—	(92,804)	—	—	—	—	(6,654)	(6,654)
Balance, June 30, 2026	—	$ —	33,772,598	$ 36,485	$ 669,114	$ 1,676,407	$ (58,346)	$ (117,968)	$ 2,205,692

	Three Months Ended June 30, 2025								
	Preferred Stock		Common Stock						
	Shares of Preferred Stock Outstanding	Preferred Stock	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, March 31, 2025	5,700,000	$ 137,794	31,479,132	$ 35,995	$ 570,172	$ 1,335,534	$ (67,641)	$ (147,294)	$ 1,864,560
Net income	—	—	—	—	—	60,939	—	—	60,939
Other comprehensive income (loss)	—	—	—	—	—	—	(3,684)	—	(3,684)
Preferred stock dividends (1)	—	—	—	—	—	(3,185)	—	—	(3,185)
Redemption of preferred stock (2)	(2,300,000)	(55,593)	—	—	—	—	—	—	(55,593)
Loss on redemption of preferred stock (2)	—	—	—	—	—	(1,908)	—	—	(1,908)
Share-based compensation expense	—	—	—	—	4,442	—	—	—	4,442
Issuance of common stock under share-based compensation arrangements	—	—	127,802	128	(2,141)	—	—	—	(2,013)
Balance, June 30, 2025	3,400,000	$ 82,201	31,606,934	$ 36,123	$ 572,473	$ 1,391,380	$ (71,325)	$ (147,294)	$ 1,863,558

(1) Dividends per share of $0.613042 and $0.589155 were declared on Series E and F preferred stock, respectively, for the three months ended June 30, 2025.
(2) Refer to NOTE 11 – SHAREHOLDERS' EQUITY for additional information about the redemption of Series E Preferred Stock.

	Six Months Ended June 30, 2026								
	Preferred Stock		Common Stock						
	Shares of Preferred Stock Outstanding	Preferred Stock	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, December 31, 2025	—	$ —	34,191,223	$ 36,189	$ 666,756	$ 1,535,194	$ (54,050)	$ (68,572)	$ 2,115,517
Net income	—	—	—	—	—	141,213	—	—	141,213
Other comprehensive income (loss)	—	—	—	—	—	—	(4,296)	—	(4,296)
Share-based compensation expense	—	—	—	—	11,844	—	—	—	11,844
Issuance of common stock under share-based compensation arrangements	—	—	295,847	296	(9,486)	—	—	—	(9,190)
Repurchase of common shares	—	—	(714,472)	—	—	—	—	(49,396)	(49,396)
Balance, June 30, 2026	—	$ —	33,772,598	$ 36,485	$ 669,114	$ 1,676,407	$ (58,346)	$ (117,968)	$ 2,205,692

	Six Months Ended June 30, 2025								
	Preferred Stock		Common Stock						
	Shares of Preferred Stock Outstanding	Preferred Stock	Shares of Common Stock Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total
Balance, December 31, 2024	5,700,000	$ 137,794	31,346,507	$ 35,758	$ 575,333	$ 1,326,011	$ (96,560)	$ (141,653)	$ 1,836,683
Net income	—	—	—	—	—	73,851	—	—	73,851
Other comprehensive income (loss)	—	—	—	—	—	—	25,235	—	25,235
Preferred stock dividends (1)	—	—	—	—	—	(6,574)	—	—	(6,574)
Redemption of preferred stock (2)	(2,300,000)	(55,593)	—	—	—	—	—	—	(55,593)
Loss on redemption of preferred stock (2)	—	—	—	—	—	(1,908)	—	—	(1,908)
Share-based compensation expense	—	—	—	—	8,737	—	—	—	8,737
Issuance of common stock under share-based compensation arrangements	—	—	364,633	365	(11,597)	—	—	—	(11,232)
Repurchase of common shares	—	—	(104,206)	—	—	—	—	(5,641)	(5,641)
Balance, June 30, 2025	3,400,000	$ 82,201	31,606,934	$ 36,123	$ 572,473	$ 1,391,380	$ (71,325)	$ (147,294)	$ 1,863,558

(1) Dividends per share of $1.229832 and $1.182057 were declared on Series E and F preferred stock, respectively, for the six months ended June 30, 2025.
(2) Refer to NOTE 11 – SHAREHOLDERS' EQUITY for additional information about the redemption of Series E Preferred Stock.

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS — UNAUDITED

(amounts in thousands)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash Flows from Operating Activities		
Net income	$ 141,213	$ 73,851
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for credit losses	46,439	49,078
Depreciation and amortization	28,150	27,282
Share-based compensation expense	11,451	8,652
Deferred taxes	3,845	(10,973)
Net amortization (accretion) of investment securities premiums and discounts	(2,188)	(1,773)
Unrealized (gain) loss on investment securities	111	(160)
Impairment loss on debt securities	—	51,319
Impairment loss on equity securities	—	2,278
Net (gain) loss on sale of investment securities	(509)	1,797
Unrealized (gain) loss on derivatives	280	(1,514)
(Gain) loss on sale of leased assets under lessor operating leases	(745)	(1,636)
Fair value adjustment on loans held for sale	(393)	378
Fair value adjustment on loans held for investment	291	(2,050)
Net (gain) loss on sale of loans and leases	(2,105)	(2)
Origination and purchases of loans held for sale	(356,642)	(417,808)
Proceeds from sales and repayments of loans held for sale	380,428	466,171
Amortization (accretion) of loan net deferred fees, discounts and premiums	(13,233)	(11,616)
Earnings on investment in bank-owned life insurance	(5,297)	(6,909)
(Increase) decrease in accrued interest receivable and other assets	(44,743)	3,465
Increase (decrease) in accrued interest payable and other liabilities	(43,979)	26,445
Net Cash Provided By (Used In) Operating Activities	142,374	256,275
Cash Flows from Investing Activities		
Proceeds from maturities, calls and principal repayments of investment securities available for sale	273,890	167,483
Proceeds from maturities, calls and principal repayments of investment securities held to maturity	109,438	155,580
Proceeds from sales of investment securities available for sale	70,950	450,423
Purchases of investment securities available for sale	(1,035,999)	(506,771)
Purchases of investment securities held to maturity	(9,819)	(14,022)
Origination of mortgage finance loans	(14,820,321)	(12,162,399)
Proceeds from repayments of mortgage finance loans	14,790,697	11,969,037
Net (increase) decrease in loans and leases, excluding mortgage finance loans	(1,083,776)	(461,034)
Proceeds from sales of loans and leases	44,559	1,081
Purchases of loans	(200,046)	(182,000)
Purchases of bank-owned life insurance	—	(1,462)
Proceeds from bank-owned life insurance	1,431	5,634
Net (purchases of) proceeds from sale of FHLB, Federal Reserve Bank, and other restricted stock	(36,560)	(4,376)
Purchases of bank premises and equipment	(1,300)	(772)
Proceeds from sales of leased assets under lessor operating leases	3,577	4,207
Purchases of leased assets under lessor operating leases	(30,036)	(39,811)
Net Cash Provided By (Used In) Investing Activities	(1,923,315)	(619,202)

(continued)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash Flows from Financing Activities		
Net increase (decrease) in deposits	977,301	101,644
Proceeds from long-term borrowed funds from FHLB and FRB	920,000	160,000
Repayments of long-term borrowed funds from FHLB and FRB	(180,000)	(100,000)
Repayments of subordinated long-term debt	(110,000)	—
Redemption of preferred stock	—	(57,501)

Preferred stock dividends paid		—		(6,848)
Purchase of treasury stock		(49,396)		(5,641)
Payments of employee taxes withheld from share-based awards		(10,241)		(12,280)
Proceeds from issuance of common stock		666		1,133
Net Cash Provided By (Used In) Financing Activities		1,548,330		80,507
Net Increase (Decrease) in Cash and Cash Equivalents		(232,611)		(282,420)
Cash and Cash Equivalents – Beginning		4,411,463		3,785,931
Cash and Cash Equivalents – Ending	$	4,178,852	$	3,503,511
Non-cash Investing and Financing Activities:				
Transfer of loans held for investment to held for sale	$	40,029	$	—
Transfer of loans held for sale to held for investment		1,300		137,011
Transfer of loans to other real estate owned		136		12,306

See accompanying notes to the unaudited consolidated financial statements.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

NOTE 1 — DESCRIPTION OF THE BUSINESS

Customers Bancorp, Inc. ("Customers Bancorp") is a bank holding company engaged in banking activities through its wholly owned subsidiary, Customers Bank ("the Bank"), collectively referred to as "Customers" herein.

The Bank has diversified lending activities that build overall franchise value and a high-tech, high-touch, branch-light strategy that serves its customers through a single-point-of-contact private banking strategy. The Bank serves commercial businesses, through community, SBA, and private client groups. The Bank also serves corporate businesses nationwide, including healthcare, real estate specialty finance, fund finance, technology and venture capital banking, financial institutions group, mortgage finance and commercial equipment financing, as well as commercial real estate companies in the Bank's geographic markets and provides payments and treasury services. The Bank serves consumers through its branch network, provides residential mortgages, and personal loan and deposit products including through relationships with fintech companies and Banking-as-a-Service to fintech companies.

Customers Bancorp and its wholly owned subsidiaries, the Bank, and non-bank subsidiaries, serve businesses and residents in Berks County and Southeastern Pennsylvania (Bucks, Chester and Philadelphia Counties); New York (Westchester and Suffolk Counties, and Manhattan); Hamilton, New Jersey; Boston, Massachusetts; Providence, Rhode Island; Portsmouth, New Hampshire; California (Southern California and the Bay Area); Nevada (Las Vegas and Reno); and nationally for certain loan and deposit products. The Bank has seven branches and also administratively supports loan and other financial products, including equipment finance leases, to customers through its limited-purpose offices.

The Bank is subject to regulation of the Pennsylvania Department of Banking and Securities and the Federal Reserve Bank and is periodically examined by those regulatory authorities.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Basis of Presentation

The interim unaudited consolidated financial statements have been prepared in conformity with U.S. GAAP and pursuant to the rules and regulations of the SEC. These interim unaudited consolidated financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present a fair statement of the financial position and the results of operations and cash flows of Customers Bancorp and subsidiaries for the interim periods presented. Certain information and footnote disclosures normally included in the annual consolidated financial statements have been omitted from these interim unaudited consolidated financial statements as permitted by SEC rules and regulations. The December 31, 2025 consolidated balance sheet presented in this report has been derived from Customers Bancorp's audited 2025 consolidated financial statements. Management believes that the disclosures are adequate to present fairly the consolidated financial statements as of the dates and for the periods presented. These interim unaudited consolidated financial statements should be read in conjunction with the 2025 consolidated financial statements of Customers Bancorp and subsidiaries included in Customers' Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 27, 2026 (the "2025 Form 10-K"). The 2025 Form 10-K describes Customers Bancorp's significant accounting policies. There have been no material changes to Customers Bancorp's significant accounting policies noted above for the three and six months ended June 30, 2026.

Recently Issued Accounting Standards

Presented below are recently issued accounting standards that Customers has adopted during the current period as well as those that the FASB has issued but are not yet effective.

Accounting Standards Issued But Not Yet Adopted

Standard	Summary of Guidance	Effects on Financial Statements
ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* Issued November 2024 and ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* Issued January 2025	• Requires disclosure in the notes to financial statements at each interim and annual reporting period of specified information about certain costs and expenses including purchases of inventory, employee compensation, depreciation, intangible asset amortization and depreciation, depletion, and amortization recognized as part of oil-and gas-producing activities. • Requires disclosure of certain amounts already required to be disclosed under U.S. GAAP in the same disclosure as the other disaggregation requirements. • Requires disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. • Requires disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. • Effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted.	• Customers is currently evaluating the expected impact of this ASU on Customers' consolidated financial statements.
ASU 2025-08, *Financial Instruments - Credit Losses (Topic 326) - Purchased Loans* Issued November 2025	• Expands the population of acquired financial assets subject to the gross-up approach in Topic 326 to loans (excluding credit cards) acquired without credit deterioration and deemed "seasoned", as defined below. Specifically, after an entity determines that a loan is a non-PCD asset based on its assessment of credit deterioration experienced since origination, the entity determines whether the loan is seasoned and accounted for using the gross-up approach. The gross-up approach requires recognition of an ACL for the estimate of credit losses at the acquisition date. The ACL is recorded with an offsetting gross-up adjustment to the purchase price of the acquired financial asset. • All non-PCD loans (excluding credit cards) that are acquired in a business combination are deemed seasoned. Other non-PCD loans (excluding credit cards) are seasoned if they were purchased at least 90 days after origination and the acquirer was not involved in the origination of the loans. • Effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted for annual financial statements that have not yet been issued.	• Customers is currently evaluating the expected impact of this ASU on Customers' consolidated financial statements.

Standard	Summary of Guidance	Effects on Financial Statements
ASU 2025-09, *Derivatives and Hedging (Topic 815) - Hedge Accounting Improvements* Issued November 2025	• Amends the hedge accounting guidance to more closely align hedge accounting with the economics of an entity's risk management activities. The amendments included in the five issues addressed in this ASU better reflect those strategies in financial reporting by enabling entities to achieve and maintain hedge accounting for highly effective economic hedges of forecasted transactions. • Specifically, one of five issues in this ASU expands the hedged risks permitted to be aggregated in a group of individual forecasted transactions in a cash flow hedge from having a shared risk exposure to a similar risk exposure. Entities are required to assess risk similarity both at hedge inception and on an ongoing basis. The amendments also clarify that a group of individual forecasted transactions can be considered to have a similar risk exposure if the derivative used as the hedging instrument is highly effective against each hedged risk in the group. In some cases, entities are permitted to perform an ongoing qualitative assessment of whether a group of individual forecasted transactions has a similar risk exposure. • Effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. • Amendments in this ASU are to be applied on a prospective basis for all hedging relationships. An entity may elect to adopt the amendments in this ASU for hedging relationships that exist as of the date of adoption. An entity is permitted to modify certain critical terms of certain existing hedging relationships without de-designating the hedge.	• Customers is currently evaluating the expected impact of this ASU on Customers' consolidated financial statements.

NOTE 3 — EARNINGS (LOSS) PER SHARE

The following are the components and results of Customers' earnings per common share calculations for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands, except share and per share data)	2026	2025	2026	2025
Net income available to common shareholders	$ 71,560	$ 55,846	$ 141,213	$ 65,369
Weighted-average number of common shares outstanding – basic	33,796,369	31,585,390	33,937,816	31,516,887
Share-based compensation plans	1,109,362	788,671	1,170,840	915,108
Weighted-average number of common shares – diluted	34,905,731	32,374,061	35,108,656	32,431,995
Basic earnings per common share	$ 2.12	$ 1.77	$ 4.16	$ 2.07
Diluted earnings per common share	2.05	1.73	4.02	2.02

The following are securities that could potentially dilute basic earnings per common share in future periods that were not included in the computation of diluted earnings per common share because either the performance conditions for certain of the share-based compensation awards have not been met or to do so would have been anti-dilutive for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Anti-dilutive securities:				
Share-based compensation awards	—	18,975	24,665	18,975

NOTE 4 — CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) BY COMPONENT

The following table presents the changes in accumulated other comprehensive income (loss) by component for the three and six months ended June 30, 2026 and 2025. Amounts in parentheses indicate reductions to AOCI:

(amounts in thousands)	Three Months Ended June 30, 2026 Unrealized Gains (Losses) on Available for Sale Securities [1]	Unrealized Gains (Losses) on Cash Flow Hedges [2]	Total
Balance at April 1	$ (52,858)	$ (1,799)	$ (54,657)
Unrealized gains (losses) arising during period, before tax	1,360	(7,563)	(6,203)
Income tax effect	(360)	2,004	1,644
Other comprehensive income (loss) before reclassifications	1,000	(5,559)	(4,559)
Reclassification adjustments for (gains) losses included in net income, before tax	(154)	386	232
Income tax effect	41	(102)	(61)
Amounts reclassified from accumulated other comprehensive income (loss) to net income	(113)	284	171
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	952	—	952
Income tax effect	(253)	—	(253)
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	699	—	699
Net current-period other comprehensive income (loss)	1,586	(5,275)	(3,689)
Balance at June 30	$ (51,272)	$ (7,074)	$ (58,346)

(amounts in thousands)	Three Months Ended June 30, 2025 Unrealized Gains (Losses) on Available for Sale Securities [1]	Unrealized Gains (Losses) on Cash Flow Hedges [2]	Total
Balance at April 1	$ (67,641)	$ —	$ (67,641)
Unrealized gains (losses) arising during period, before tax	(8,011)	—	(8,011)
Income tax effect	2,119	—	2,119
Other comprehensive income (loss) before reclassifications	(5,892)	—	(5,892)
Reclassification adjustments for (gains) losses included in net income, before tax	1,797	—	1,797
Income tax effect	(475)	—	(475)
Amounts reclassified from accumulated other comprehensive income (loss) to net income	1,322	—	1,322
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	1,206	—	1,206
Income tax effect	(320)	—	(320)
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	886	—	886
Net current-period other comprehensive income (loss)	(3,684)	—	(3,684)
Balance at June 30	$ (71,325)	$ —	$ (71,325)

(amounts in thousands)	Six Months Ended June 30, 2026 Unrealized Gains (Losses) Available for Sale Securities (1)	Unrealized Gains (Losses) on Cash Flow Hedges (2)	Total
Balance at January 1	$ (57,012)	$ 2,962	$ (54,050)
Unrealized gains (losses) arising during period, before tax	6,480	(14,507)	(8,027)
Income tax effect	(1,716)	3,844	2,128
Other comprehensive income (loss) before reclassifications	4,764	(10,663)	(5,899)
Reclassification adjustments for (gains) losses included in net income, before tax	(509)	853	344
Income tax effect	135	(226)	(91)
Amounts reclassified from accumulated other comprehensive income (loss) to net income	(374)	627	253
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	1,839	—	1,839
Income tax effect	(489)	—	(489)
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	1,350	—	1,350
Net current-period other comprehensive income (loss)	5,740	(10,036)	(4,296)
Balance at June 30	$ (51,272)	$ (7,074)	$ (58,346)

(amounts in thousands)	Six Months Ended June 30, 2025 Unrealized Gains (Losses) on Available for Sale Securities (1)	Unrealized Gains (Losses) on Cash Flow Hedges (2)	Total
Balance at January 1	$ (96,560)	$ —	$ (96,560)
Unrealized gains (losses) arising during period, before tax	(21,260)	—	(21,260)
Income tax effect	5,603	—	5,603
Other comprehensive income (loss) before reclassifications	(15,657)	—	(15,657)
Reclassification adjustments for (gains) losses included in net income, before tax	53,116	—	53,116
Income tax effect	(13,972)	—	(13,972)
Amounts reclassified from accumulated other comprehensive income (loss) to net income	39,144	—	39,144
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	2,375	—	2,375
Income tax effect	(627)	—	(627)
Amortization of unrealized loss on securities transferred from available for sale to held to maturity	1,748	—	1,748
Net current-period other comprehensive income	25,235	—	25,235
Balance at June 30	$ (71,325)	$ —	$ (71,325)

(1) Reclassification amounts for AFS debt securities are reported as net gain (loss) on sale of investment securities or impairment loss on debt securities, and amortization of unrealized losses on debt securities transferred from available-for-sale to held-to-maturity is reported within interest income on the consolidated statements of income.

(2) Reclassification amounts for cash flow hedges are reported as interest income for the applicable hedged items on the consolidated statements of income.

NOTE 5 — INVESTMENT SECURITIES

Investment securities at fair value

The amortized cost, approximate fair value and allowance for credit losses of investment securities at fair value as of June 30, 2026 and December 31, 2025 are summarized as follows:

	June 30, 2026 (1)				
(amounts in thousands)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale debt securities:					
Asset-backed securities	$ 300,305	$ —	$ 1,187	$ —	$ 301,492
Agency-guaranteed residential mortgage-backed securities	754,024	—	2,372	(5,401)	750,995
Agency-guaranteed residential collateralized mortgage obligations	852,422	—	1,582	(9,138)	844,866
Agency-guaranteed commercial collateralized mortgage obligations	116,879	—	150	(5,004)	112,025
Corporate notes	280,206	(29,910)	417	(13,834)	236,879
Private label collateralized mortgage obligations	362,873	—	—	(13,164)	349,709
Available for sale debt securities	$ 2,666,709	$ (29,910)	$ 5,708	$ (46,541)	2,595,966
Equity securities (2)					30,751
Total investment securities, at fair value					$ 2,626,717

	December 31, 2025 (1)				
(amounts in thousands)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available for sale debt securities:					
Asset-backed securities	$ 239,259	$ (586)	$ —	$ (860)	$ 237,813
Agency-guaranteed residential mortgage-backed securities	410,648	—	3,238	(125)	413,761
Agency-guaranteed residential collateralized mortgage obligations	496,595	—	4,307	(7,395)	493,507
Agency-guaranteed commercial collateralized mortgage obligations	118,049	—	548	(3,021)	115,576
Corporate notes	340,793	(28,219)	1,091	(27,807)	285,858
Private label collateralized mortgage obligations	376,803	—	—	(16,783)	360,020
Available for sale debt securities	$ 1,982,147	$ (28,805)	$ 9,184	$ (55,991)	1,906,535
Equity securities (2)					31,111
Total investment securities, at fair value					$ 1,937,646

(1) Accrued interest on AFS debt securities totaled $10.2 million and $9.2 million at June 30, 2026 and December 31, 2025, respectively, and is included in accrued interest receivable on the consolidated balance sheet.
(2) Primarily includes perpetual preferred stock issued by domestic banks and domestic bank holding companies and equity securities issued by fintech companies, without a readily determinable fair value, and CRA-qualified mutual fund shares at June 30, 2026 and December 31, 2025. No impairments or measurement adjustments have been recorded on equity securities without a readily determinable fair value during the three and six months ended June 30, 2026. Impairments of $2.3 million have been recorded on certain equity securities without a readily determinable fair value during the three and six months ended June 30, 2025 and included within other non-interest income on the consolidated statements of income.

Customers' transactions with unconsolidated VIEs include sales of consumer installment loans and investments in the securities issued by the VIEs. Customers is not the primary beneficiary of the VIEs because Customers has no right to make decisions that will most significantly affect the economic performance of the VIEs. Customers' continuing involvement with the unconsolidated VIEs is not significant. Customers' continuing involvement is not considered to be significant where Customers only invests in securities issued by the VIE and was not involved in the design of the VIE or where Customers has transferred financial assets to the VIE for only cash consideration. Customers' investments in the securities issued by the VIEs are classified as AFS or HTM debt securities on the consolidated balance sheets, and represent Customers' maximum exposure to loss.

Proceeds from the sale of AFS debt securities were $29.7 million and $71.0 million for the three and six months ended June 30, 2026, respectively. Proceeds from the sale of AFS debt securities were $450.4 million for the three and six months ended June 30, 2025. The following table presents gross realized gains and realized losses from the sale of AFS debt securities for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	2026	2025	2026	2025
Gross realized gains	$ 208	$ 3,248	$ 882	$ 3,248
Gross realized losses	(54)	(5,045)	(373)	(5,045)
Net realized gains (losses) on sale of available for sale debt securities	$ 154	$ (1,797)	$ 509	$ (1,797)

These gains (losses) were determined using the specific identification method and were reported as net gain (loss) on sale of investment securities within non-interest income on the consolidated statements of income.

The following table presents AFS debt securities by stated maturity. Debt securities backed by mortgages and other assets have expected maturities that differ from contractual maturities because borrowers have the right to call or prepay and, therefore, these debt securities are classified separately with no specific maturity date:

	June 30, 2026	
(amounts in thousands)	Amortized Cost	Fair Value
Due in one year or less	$ 48,687	$ 38,561
Due after one year through five years	108,891	88,676
Due after five years through ten years	114,628	101,642
Due after ten years	8,000	8,000
Asset-backed securities	300,305	301,492
Agency-guaranteed residential mortgage-backed securities	754,024	750,995
Agency-guaranteed residential collateralized mortgage obligations	852,422	844,866
Agency-guaranteed commercial collateralized mortgage obligations	116,879	112,025
Private label collateralized mortgage obligations	362,873	349,709
Total available for sale debt securities	$ 2,666,709	$ 2,595,966

Gross unrealized losses and fair value of Customers' AFS debt securities for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026					
	Less Than 12 Months		12 Months or More		Total	
(amounts in thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale debt securities:						
Agency-guaranteed residential mortgage-backed securities	$ 401,772	$ (5,401)	$ —	$ —	$ 401,772	$ (5,401)
Agency-guaranteed residential collateralized mortgage obligations	301,286	(1,574)	84,221	(7,564)	385,507	(9,138)
Agency-guaranteed commercial collateralized mortgage obligations	23,085	(449)	72,551	(4,555)	95,636	(5,004)
Corporate notes	68,632	(1,118)	44,953	(3,047)	113,585	(4,165)
Private label collateralized mortgage obligations	—	—	349,709	(13,164)	349,709	(13,164)
Total	$ 794,775	$ (8,542)	$ 551,434	$ (28,330)	$ 1,346,209	$ (36,872)

(amounts in thousands)	December 31, 2025					
	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available for sale debt securities:						
Asset-backed securities	$ —	$ —	$ 1,478	$ (176)	$ 1,478	$ (176)
Agency-guaranteed residential mortgage-backed securities	121,782	(95)	3,793	(30)	125,575	(125)
Agency-guaranteed residential collateralized mortgage obligations	171,773	(905)	92,018	(6,490)	263,791	(7,395)
Agency-guaranteed commercial collateralized mortgage obligations	21,190	(276)	75,013	(2,745)	96,203	(3,021)
Corporate notes	26,590	(910)	83,414	(9,086)	110,004	(9,996)
Private label collateralized mortgage obligations	—	—	360,020	(16,783)	360,020	(16,783)
Total	$ 341,335	$ (2,186)	$ 615,736	$ (35,310)	$ 957,071	$ (37,496)

At June 30, 2026, there were 50 AFS debt securities with unrealized losses in the less-than-twelve-months category and 35 AFS debt securities with unrealized losses in the twelve-months-or-more category. Except for certain AFS debt securities where there was a change in future estimated cash flows as further discussed below, the unrealized losses were principally due to changes in market interest rates and credit spreads that resulted in a negative impact on the respective securities' fair value and expected to be recovered when market prices recover or at maturity. Customers does not intend to sell any of the 85 securities, and it is not more likely than not that Customers will be required to sell any of the 85 securities before recovery of the amortized cost basis. At December 31, 2025, there were 57 AFS debt securities in an unrealized loss position.

Customers recorded an allowance for credit losses on certain AFS debt securities where there was a change in future estimated cash flows during the three and six months ended June 30, 2026 and 2025. A discounted cash flow approach is used to determine the amount of the allowance. The cash flows expected to be collected, after considering expected prepayments, are discounted at the original effective interest rate. The amount of the allowance is limited to the difference between the amortized cost basis of the security and its estimated fair value.

The following tables present the activity in the allowance for credit losses on AFS debt securities, by major security type, for the periods presented:

	Three Months Ended June 30,						
	2026			2025			
(amounts in thousands)	Asset-backed securities	Corporate notes	Total	Asset-backed securities	Corporate notes	Private label CMOs	Total
Balance at April 1	$ 42	$ 24,524	$ 24,566	$ 353	$ 12,774	$ —	$ 13,127
Credit losses on securities for which credit losses were not previously recorded	—	202	202	400	128	—	528
Credit losses on previously impaired securities	—	5,316	5,316	—	2,189	—	2,189
Decrease in allowance for credit losses on previously impaired securities	(42)	(132)	(174)	(169)	(124)	—	(293)
Reduction due to sales and intent to sell	—	—	—	—	(100)	—	(100)
Allowance for credit losses on PCD debt securities	—	—	—	—	1,905	—	1,905
Balance at June 30	$ —	$ 29,910	$ 29,910	$ 584	$ 16,772	$ —	$ 17,356

	Six Months Ended June 30,						
	2026			2025			
(amounts in thousands)	Asset-backed securities	Corporate notes	Total	Asset-backed securities	Corporate notes	Private label CMOs	Total
Balance at January 1	$ 586	$ 28,219	$ 28,805	$ 362	$ 7,135	$ 107	$ 7,604
Credit losses on securities for which credit losses were not previously recorded	—	202	202	400	128	—	528
Credit losses on previously impaired securities	—	12,109	12,109	16	9,188	—	9,204
Decrease in allowance for credit losses on previously impaired securities	(586)	(1,570)	(2,156)	(194)	(223)	—	(417)
Reduction due to sales and intent to sell	—	(9,050)	(9,050)	—	(1,361)	(107)	(1,468)
Allowance for credit losses on PCD debt securities	—	—	—	—	1,905	—	1,905
Balance at June 30	$ —	$ 29,910	$ 29,910	$ 584	$ 16,772	$ —	$ 17,356

Customers has elected to not estimate an ACL on accrued interest receivable on AFS debt securities, as it already has a policy in place to reverse or write-off accrued interest, through interest income, for debt securities in non-accrual status in a timely manner. Customers recorded a reversal of $0.6 million in accrued interest income for the three and six months ended June 30, 2026. No accrued interest income was reversed for the three months ended June 30, 2025. Customers recorded a reversal of $4.1 million in accrued interest income for the six months ended June 30, 2025.

At June 30, 2026 and December 31, 2025, Customers Bank had pledged AFS investment securities aggregating $2.0 billion and $1.4 billion in fair value, respectively, as collateral primarily for immediately available liquidity from the FRB and the FHLB. The counterparty does not have the ability to sell or repledge these securities.

Investment securities held to maturity

The amortized cost, approximate fair value and allowance for credit losses of investment securities held to maturity as of June 30, 2026 and December 31, 2025 are summarized as follows:

	June 30, 2026 [1]					
(amounts in thousands)	Amortized Cost	Allowance for Credit Losses	Net Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held to maturity debt securities:						
Asset-backed securities	$ 181,633	$ —	$ 181,633	$ 3	$ (3,425)	$ 178,211
Agency-guaranteed residential mortgage-backed securities	6,622	—	6,622	—	(758)	5,864
Agency-guaranteed commercial mortgage-backed securities	1,645	—	1,645	—	(239)	1,406
Agency-guaranteed residential collateralized mortgage obligations	146,909	—	146,909	—	(13,485)	133,424
Agency-guaranteed commercial collateralized mortgage obligations	190,374	—	190,374	—	(28,243)	162,131
Private label collateralized mortgage obligations	104,411	—	104,411	—	(9,899)	94,512
Total held to maturity debt securities	$ 631,594	$ —	$ 631,594	$ 3	$ (56,049)	$ 575,548

	December 31, 2025 [1]					
(amounts in thousands)	Amortized Cost	Allowance for Credit Losses	Net Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Held to maturity debt securities:						
Asset-backed securities	$ 258,371	$ —	$ 258,371	$ 678	$ (2,432)	$ 256,617
Agency-guaranteed residential mortgage-backed securities	6,708	—	6,708	—	(718)	5,990
Agency-guaranteed commercial mortgage-backed securities	1,687	—	1,687	—	(238)	1,449
Agency-guaranteed residential collateralized mortgage obligations	153,662	—	153,662	—	(10,629)	143,033
Agency-guaranteed commercial collateralized mortgage obligations	182,272	—	182,272	—	(22,242)	160,030
Private label collateralized mortgage obligations	126,434	—	126,434	—	(9,955)	116,479
Total held to maturity debt securities	$ 729,134	$ —	$ 729,134	$ 678	$ (46,214)	$ 683,598

(1) Accrued interest on HTM debt securities totaled $1.2 million and $1.5 million at June 30, 2026 and December 31, 2025, respectively, and is included in accrued interest receivable on the consolidated balance sheet.

The following table presents HTM debt securities by stated maturity, including debt securities backed by mortgages and other assets with expected maturities that differ from contractual maturities because borrowers have the right to call or prepay and, therefore, are classified separately with no specific maturity date:

	June 30, 2026	
(amounts in thousands)	Amortized Cost	Fair Value
Asset-backed securities	$ 181,633	$ 178,211
Agency-guaranteed residential mortgage-backed securities	6,622	5,864
Agency-guaranteed commercial mortgage-backed securities	1,645	1,406
Agency-guaranteed residential collateralized mortgage obligations	146,909	133,424
Agency-guaranteed commercial collateralized mortgage obligations	190,374	162,131
Private label collateralized mortgage obligations	104,411	94,512
Total held to maturity debt securities	$ 631,594	$ 575,548

Customers recorded no allowance for credit losses on investment securities classified as held to maturity at June 30, 2026 and December 31, 2025. The U.S. government agency securities represent obligations issued by a U.S. government-sponsored enterprise or other federal government agency that are explicitly or implicitly guaranteed by the U.S. federal government and therefore, assumed to have zero credit losses. The private label collateralized mortgage obligations that are highly rated with sufficient overcollateralization are estimated to have no expected credit losses. Customers recorded no allowance for its investments in the asset-backed securities. Customers considered the seniority of its beneficial interests, which include overcollateralization of these asset-backed securities in the estimate of the ACL at June 30, 2026 and December 31, 2025. The unrealized losses on HTM debt securities with no ACL were primarily due to changes in market interest rates that resulted in a negative impact on the respective securities' fair value and are expected to be recovered when market prices recover or at maturity.

Credit Quality Indicators

Customers monitors the credit quality of HTM debt securities primarily through credit ratings provided by rating agencies. Investment grade debt securities are rated BBB- or higher by S&P Global Ratings, Baa3 or higher by Moody's Investors Service or equivalent ratings by other rating agencies, and are generally considered to be of low credit risk. Except for the asset-backed securities, all of the HTM debt securities held by Customers were investment grade or U.S. government agency guaranteed securities that were not rated at June 30, 2026 and December 31, 2025. The asset-backed securities are not rated by rating agencies. Customers monitors the credit quality of these asset-backed securities by evaluating the performance of the sold consumer installment loans and other underlying loans against the overcollateralization available for these securities.

The following table presents the amortized cost of HTM debt securities based on their lowest credit rating available:

	June 30, 2026		
(amounts in thousands)	AAA	Not Rated	Total
Held to maturity debt securities:			
Asset-backed securities	$ —	$ 181,633	$ 181,633
Agency-guaranteed residential mortgage-backed securities	—	6,622	6,622
Agency-guaranteed commercial mortgage-backed securities	—	1,645	1,645
Agency-guaranteed residential collateralized mortgage obligations	—	146,909	146,909
Agency-guaranteed commercial collateralized mortgage obligations	—	190,374	190,374
Private label collateralized mortgage obligations	104,411	—	104,411
Total held to maturity debt securities	$ 104,411	$ 527,183	$ 631,594

Customers has elected to not estimate an ACL on accrued interest receivable on HTM debt securities, as it already has a policy in place to reverse or write-off accrued interest, through interest income, for debt securities in non-accrual status in a timely manner. At June 30, 2026 and December 31, 2025, there were no HTM debt securities past due under the terms of their agreements or in non-accrual status.

At June 30, 2026 and December 31, 2025, Customers Bank had pledged HTM investment securities aggregating $397.3 million and $406.5 million in fair value, respectively, as collateral primarily for immediately available liquidity from the FRB and the FHLB. The counterparties do not have the ability to sell or repledge these securities.

NOTE 6 – LOANS HELD FOR SALE

The composition of loans held for sale as of June 30, 2026 and December 31, 2025 was as follows:

(amounts in thousands)	June 30, 2026	December 31, 2025
Residential mortgage loans, at fair value	$ 2,528	$ 1,851
Personal installment loans, at lower of cost or fair value	53,101	23,357
Other installment loans, at fair value	2,982	894
Total loans held for sale	$ 58,611	$ 26,102

Total loans held for sale included NPLs of $0.1 million and $0.3 million as of June 30, 2026 and December 31, 2025, respectively.

Refer to NOTE 7 – LOANS AND LEASES RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES ON LOANS AND LEASES for additional information on the transfer of other consumer installment loans, at fair value, from loans held for sale to held for investment.

NOTE 7 — LOANS AND LEASES RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES ON LOANS AND LEASES

The following table presents loans and leases receivable as of June 30, 2026 and December 31, 2025:

(amounts in thousands)	June 30, 2026	December 31, 2025
Loans and leases receivable:		
Commercial:		
Commercial and industrial:		
Specialized lending [1]	$ 7,650,758	$ 7,090,087
Other commercial and industrial	1,179,043	1,121,087
Multifamily	2,623,964	2,490,336
Commercial real estate owner occupied	1,270,575	1,135,119
Commercial real estate non-owner occupied	1,888,040	1,738,821
Construction	216,832	162,966
Total commercial loans and leases receivable	14,829,212	13,738,416
Consumer:		
Residential real estate	508,187	497,567
Manufactured housing	24,763	27,452
Installment:		
Personal	647,149	581,340
Other	207,757	196,565
Total consumer loans receivable	1,387,856	1,302,924
Loans and leases receivable	16,217,068	15,041,340
Loans receivable, mortgage finance, at fair value	1,654,795	1,612,997
Loans receivable, installment, at fair value	84,826	102,077
Allowance for credit losses on loans and leases	(164,106)	(155,656)
Total loans and leases receivable, net of allowance for credit losses on loans and leases [2]	$ 17,792,583	$ 16,600,758

(1) Includes direct finance and sales-type equipment leases of $325.9 million and $306.5 million at June 30, 2026 and December 31, 2025, respectively.
(2) Includes deferred (fees) costs and unamortized (discounts) premiums, net of $(29.9) million and $(30.3) million at June 30, 2026 and December 31, 2025, respectively.

Customers' total loans and leases receivable includes loans receivable reported at fair value based on an election made to account for these loans at fair value and loans and leases receivable predominately reported at their outstanding unpaid principal balance, net of charge-offs, deferred costs and fees and unamortized premiums and discounts, and evaluated for impairment. The total amount of accrued interest recorded for total loans was $89.2 million and $89.9 million at June 30, 2026 and December 31, 2025, respectively, and is presented in accrued interest receivable in the consolidated balance sheet. At June 30, 2026 and December 31, 2025, there were $48.8 million and $34.2 million of individually evaluated loans that were collateral-dependent, respectively. Substantially all individually evaluated loans are collateral-dependent and consisted primarily of commercial and industrial, commercial real estate, and residential real estate loans. Collateral-dependent commercial and industrial loans were secured by accounts receivable, inventory and equipment; collateral-dependent commercial real estate loans were secured by commercial real estate assets; and residential real estate loans were secured by residential real estate assets.

Loans and leases receivable

The following tables summarize loans and leases receivable by loan and lease type and performance status as of June 30, 2026 and December 31, 2025:

	June 30, 2026					
(amounts in thousands)	30-59 Days past due [(1)]	60-89 Days past due [(1)]	90 Days or more past due [(2)]	Total past due	Loans and leases not past due [(3)(4)]	Total loans and leases [(4)]
Commercial and industrial, including specialized lending	$ 1,410	$ 11,739	$ 7,216	$ 20,365	$ 8,805,388	$ 8,825,753
Multifamily	—	7,130	—	7,130	2,616,834	2,623,964
Commercial real estate owner occupied	—	—	5,691	5,691	1,264,884	1,270,575
Commercial real estate non-owner occupied	—	—	135	135	1,887,905	1,888,040
Construction	—	—	—	—	216,832	216,832
Residential real estate	4,900	4,259	4,307	13,466	494,721	508,187
Manufactured housing	132	467	1,197	1,796	22,967	24,763
Installment	7,066	3,122	4,076	14,264	840,642	854,906
Total	$ 13,508	$ 26,717	$ 22,622	$ 62,847	$ 16,150,173	$ 16,213,020

	December 31, 2025					
(amounts in thousands)	30-59 Days past due [(1)]	60-89 Days past due [(1)]	90 Days or more past due [(2)]	Total past due	Loans and leases not past due [(3)(4)]	Total loans and leases [(4)]
Commercial and industrial, including specialized lending	$ 9,212	$ 12,888	$ 7,359	$ 29,459	$ 8,177,047	$ 8,206,506
Multifamily	17,506	—	2,092	19,598	2,470,738	2,490,336
Commercial real estate owner occupied	3,124	158	3,875	7,157	1,127,962	1,135,119
Commercial real estate non-owner occupied	65	—	168	233	1,738,588	1,738,821
Construction	—	—	—	—	162,966	162,966
Residential real estate	11,259	4,376	5,197	20,832	476,735	497,567
Manufactured housing	533	205	1,466	2,204	25,248	27,452
Installment	8,744	3,519	4,483	16,746	761,159	777,905
Total	$ 50,443	$ 21,146	$ 24,640	$ 96,229	$ 14,940,443	$ 15,036,672

(1) Includes past due loans and leases that are accruing interest because collection is considered probable.
(2) Includes loans amounting to $0.2 million and $4.0 million as of June 30, 2026 and December 31, 2025, respectively, that are still accruing interest because collection is considered probable.
(3) Loans and leases where next payment due is less than 30 days from the report date.
(4) Includes PCD loans of $118.6 million and $118.5 million at June 30, 2026 and December 31, 2025, respectively.

Non-accrual Loans and Leases

The following table presents the amortized cost of loans and leases held for investment on non-accrual status:

	June 30, 2026			December 31, 2025		
(amounts in thousands)	Non-accrual loans with no related allowance	Non-accrual loans with related allowance	Total non-accrual loans	Non-accrual loans with no related allowance	Non-accrual loans with related allowance	Total non-accrual loans
Commercial and industrial, including specialized lending	$ 11,156	$ 11,672	$ 22,828	$ 8,108	$ 11,682	$ 19,790
Multifamily	14,205	—	14,205	2,092	—	2,092
Commercial real estate owner occupied	5,692	—	5,692	3,876	—	3,876
Commercial real estate non-owner occupied	135	—	135	168	—	168
Residential real estate	6,586	154	6,740	9,513	158	9,671
Manufactured housing	—	1,047	1,047	—	1,192	1,192
Installment	—	4,075	4,075	—	4,483	4,483
Total	$ 37,774	$ 16,948	$ 54,722	$ 23,757	$ 17,515	$ 41,272

Interest income recognized on non-accrual loans was insignificant for the three and six months ended June 30, 2026 and 2025. Accrued interest reversed when the loans went to non-accrual status was insignificant for the three and six months ended June 30, 2026 and 2025.

Loans receivable, mortgage finance, at fair value

Mortgage finance loans consist of commercial loans to mortgage companies. These mortgage finance lending transactions are subject to master repurchase agreements. As a result of the contractual provisions, for accounting purposes, control of the underlying mortgage loan has not transferred and the rewards and risks of the mortgage loans are not assumed by Customers. The mortgage finance loans are designated as loans held for investment and reported at fair value based on an election made to account for the loans at fair value. Pursuant to the agreements, Customers funds the pipelines for these mortgage lenders by sending payments directly to the closing agents for funded mortgage loans and receives proceeds directly from third party investors when the underlying mortgage loans are sold into the secondary market. The fair value of the mortgage finance loans is estimated as the amount of cash initially advanced to fund the mortgage, plus accrued interest and fees, as specified in the respective agreements. The interest rates on these loans are variable, and the lending transactions are short-term, with an average life under 30 days from purchase to sale. The primary goal of these lending transactions is to provide liquidity to mortgage companies.

At June 30, 2026 and December 31, 2025, all of Customers' mortgage finance loans were current in terms of payment. As these loans are reported at their fair value, they do not have an ACL and are therefore excluded from ACL-related disclosures.

Loans receivable, installment, at fair value

Customers had a lending arrangement with a fintech company, which was acquired by a bank, whereby Customers originated consumer installment loans and held these loans prior to sale. These consumer installment loans were designated as loans held for sale and reported at fair value based on an election made to account for the loans at fair value. Customers transferred these consumer installment loans from held for sale to held for investment when the lending arrangement with this fintech company expired, and continue to be reported at fair value based on an election made to account for the loans at fair value.

At June 30, 2026, Customers had $1.2 million of consumer installment loans, at fair value, in non-accrual status. As these loans are reported at their fair value, they do not have an ACL and are therefore excluded from ACL-related disclosures.

Allowance for credit losses on loans and leases

The changes in the ACL on loans and leases by loan and lease type for the three and six months ended June 30, 2026 and 2025 are presented in the tables below:

(amounts in thousands)	Commercial and industrial [1]	Multifamily	Commercial real estate owner occupied	Commercial real estate non-owner occupied	Construction	Residential real estate	Manufactured housing	Installment	Total
Three Months Ended June 30, 2026									
Ending Balance, March 31, 2026	$ 41,214	$ 19,441	$ 10,556	$ 18,470	$ 2,672	$ 5,713	$ 3,338	$ 59,558	$ 160,962
Charge-offs	(3,469)	(4,880)	(6)	—	—	(21)	—	(8,951)	(17,327)
Recoveries	821	—	338	—	—	1	—	1,588	2,748
Provision (benefit) for credit losses on loans and leases	1,592	14,763	(662)	(4,967)	131	558	(94)	6,402	17,723
Ending Balance, June 30, 2026	$ 40,158	$ 29,324	$ 10,226	$ 13,503	$ 2,803	$ 6,251	$ 3,244	$ 58,597	$ 164,106
Six Months Ended June 30, 2026									
Ending Balance, December 31, 2025	$ 37,683	$ 19,333	$ 10,431	$ 18,928	$ 2,225	$ 6,499	$ 3,391	$ 57,166	$ 155,656
Charge-offs	(7,948)	(7,510)	(36)	—	—	(22)	—	(18,883)	(34,399)
Recoveries	2,724	—	373	—	—	2	—	3,466	6,565
Provision (benefit) for credit losses on loans and leases	7,699	17,501	(542)	(5,425)	578	(228)	(147)	16,848	36,284
Ending Balance, June 30, 2026	$ 40,158	$ 29,324	$ 10,226	$ 13,503	$ 2,803	$ 6,251	$ 3,244	$ 58,597	$ 164,106

(amounts in thousands)	Commercial and industrial [1]	Multifamily	Commercial real estate owner occupied	Commercial real estate non-owner occupied	Construction	Residential real estate	Manufactured housing	Installment	Total
Three Months Ended June 30, 2025									
Ending Balance, March 31, 2025	$ 30,584	$ 18,790	$ 10,780	$ 18,058	$ 1,264	$ 6,163	$ 3,800	$ 51,637	$ 141,076
Allowance for credit losses on PCD loans, net of charge-offs [2]	1,000	—	—	—	—	—	—	—	1,000
Charge-offs	(5,996)	—	(417)	—	—	—	—	(10,750)	(17,163)
Recoveries	2,125	—	6	—	3	4	—	1,910	4,048
Provision (benefit) for credit losses on loans and leases	8,549	2,074	2,145	2,621	893	164	(79)	2,090	18,457
Ending Balance, June 30, 2025	$ 36,262	$ 20,864	$ 12,514	$ 20,679	$ 2,160	$ 6,331	$ 3,721	$ 44,887	$ 147,418
Six Months Ended June 30, 2025									
Ending Balance, December 31, 2024	$ 29,379	$ 18,511	$ 10,755	$ 17,405	$ 1,250	$ 5,968	$ 3,829	$ 49,678	$ 136,775
Allowance for credit losses on PCD loans, net of charge-offs [2]	1,000	—	—	—	—	—	—	—	1,000
Charge-offs	(10,503)	(3,834)	(436)	—	—	—	—	(23,153)	(37,926)
Recoveries	3,401	—	9	—	6	4	—	4,247	7,667
Provision (benefit) for credit losses on loans and leases	12,985	6,187	2,186	3,274	904	359	(108)	14,115	39,902
Ending Balance, June 30, 2025	$ 36,262	$ 20,864	$ 12,514	$ 20,679	$ 2,160	$ 6,331	$ 3,721	$ 44,887	$ 147,418

(1) Includes specialized lending.
(2) Represents $1.0 million of allowance for credit losses on PCD loans recognized upon acquisition of commercial and industrial loans during the three and six months ended June 30, 2025.

At June 30, 2026, the ACL on loans and leases was $164.1 million, an increase of $8.4 million from the December 31, 2025 balance of $155.7 million. The increase in ACL for the three and six months ended June 30, 2026 was primarily attributable to increase in loan balances partially offset by slight improvements in the forecast of macroeconomic variables.

Loan Modifications for Borrowers Experiencing Financial Difficulty

A borrower is considered to be experiencing financial difficulty when there is a significant doubt about the borrower's ability to make the required principal and interest payments on the loan or to get an equivalent financing from another creditor at a market rate for a similar loan.

When borrowers are experiencing financial difficulty, Customers may make certain loan modifications as part of loss mitigation strategies to maximize expected payment. To be classified as a modification made to a borrower experiencing financial difficulty, the modification must be in the form of an interest rate reduction, principal forgiveness, or an other-than-insignificant payment delay (payment deferral), term extension, or combinations thereof.

Customers will generally try other forms of relief before principal forgiveness. Any contractual reduction in the amount of principal due without receiving payment or assets is considered forgiveness. For the purpose of this disclosure, Customers considers any contractual change in interest rate that results in a reduction in interest rate relative to the current stated interest rate as an interest rate reduction. Generally, Customers considers any delay in payment of greater than 90 days in the last twelve months to be significant. Term extensions extend the original contractual maturity of the loan. For the purpose of this disclosure, modification of contingent payment features or covenants that would have accelerated payment are not considered term extensions.

The following tables present the amortized cost of loans that were modified to borrowers experiencing financial difficulty for the three and six months ended June 30, 2026 and 2025, disaggregated by class of financing receivable and type of modification granted:

	Three Months Ended June 30, 2026						
(dollars in thousands)	Interest Rate Reduction	Term Extension	Payment Deferral	Debt Forgiveness	Interest Rate Reduction and Term Extension	Total	Percentage of Total by Financing Class
Commercial and industrial, including specialized lending	$ —	$ 9,089	$ —	$ —	$ —	$ 9,089	0.10 %
Personal installment	121	522	643	493	—	1,779	0.28 %
Total	$ 121	$ 9,611	$ 643	$ 493	$ —	$ 10,868	

	Three Months Ended June 30, 2025					
(dollars in thousands)	Term Extension	Payment Deferral	Debt Forgiveness	Interest Rate Reduction and Term Extension	Total	Percentage of Total by Financing Class
Personal installment	$ 665	$ 233	$ 789	$ —	$ 1,687	0.37 %
Total	$ 665	$ 233	$ 789	$ —	$ 1,687	

	Six Months Ended June 30, 2026						
(dollars in thousands)	Interest Rate Reduction	Term Extension	Payment Deferral	Debt Forgiveness	Interest Rate Reduction and Term Extension	Total	Percentage of Total by Financing Class
Commercial and industrial, including specialized lending	$ —	$ 15,169	$ —	$ —	$ —	$ 15,169	0.17 %
Manufactured housing	—	—	—	—	41	41	0.17 %
Personal installment	220	1,256	1,107	927	—	3,510	0.54 %
Total	$ 220	$ 16,425	$ 1,107	$ 927	$ 41	$ 18,720	

(dollars in thousands)	Six Months Ended June 30, 2025 Term Extension	Payment Deferral	Debt Forgiveness	Interest Rate Reduction and Term Extension	Total	Percentage of Total by Financing Class
Commercial and industrial, including specialized lending	$ 731	$ 760	$ —	$ —	$ 1,491	0.02 %
Personal installment	2,922	1,491	888	126	5,427	1.19 %
Total	$ 3,653	$ 2,251	$ 888	$ 126	$ 6,918	

As of June 30, 2026, there were no commitments to lend additional funds to debtors experiencing financial difficulty whose loans have been modified during the three and six months ended June 30, 2026.

The following tables summarize the impacts of loan modifications made to borrowers experiencing financial difficulty for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026				Three Months Ended June 30, 2025			
	Weighted Average				Weighted Average			
(dollars in thousands)	Interest Rate Reduction (%)	Term Extension (in months)	Payment Deferral (in months)	Debt Forgiven	Interest Rate Reduction (%)	Term Extension (in months)	Payment Deferral (in months)	Debt Forgiven
Commercial and industrial, including specialized lending	—%	6	0	$ —	—%	0	0	$ —
Personal installment	12.1	7	10	695	—	5	9	794

	Six Months Ended June 30, 2026				Six Months Ended June 30, 2025			
	Weighted Average				Weighted Average			
(dollars in thousands)	Interest Rate Reduction (%)	Term Extension (in months)	Payment Deferral (in months)	Debt Forgiven	Interest Rate Reduction (%)	Term Extension (in months)	Payment Deferral (in months)	Debt Forgiven
Commercial and industrial, including specialized lending	— %	9	0	$ —	— %	11	6	$ —
Manufactured housing	4.3	40	0	—	—	0	0	—
Personal installment	12.7	6	9	1,001	11.5	5	7	867

The performance of loans made to borrowers experiencing financial difficulty in which modifications were made is closely monitored to understand the effectiveness of modification efforts. Loans are considered to be in payment default at 90 days or more past due. The following tables present an aging analysis of loan modifications made to borrowers experiencing financial difficulty in the twelve months ended June 30, 2026 and 2025:

	June 30, 2026				
(dollars in thousands)	30-59 Days past due	60-89 Days past due	90 Days or more past due	Current	Total
Commercial and industrial, including specialized lending	$ —	$ —	$ —	$ 20,387	$ 20,387
Manufactured housing	—	—	—	41	41
Personal installment	568	205	295	5,031	6,099
Total	$ 568	$ 205	$ 295	$ 25,459	$ 26,527

(dollars in thousands)	June 30, 2025 30-59 Days past due	60-89 Days past due	90 Days or more past due	Current	Total
Commercial and industrial, including specialized lending	$ —	$ —	$ —	$ 6,286	$ 6,286
Residential real estate	—	—	—	301	301
Manufactured housing	—	—	—	167	167
Personal installment	542	574	517	5,431	7,064
Total	$ 542	$ 574	$ 517	$ 12,185	$ 13,818

The loans to borrowers experiencing financial difficulty that were modified during the twelve months ended June 30, 2026 and 2025, respectively, that subsequently defaulted were not material. Customers' ACL is influenced by loan level characteristics that inform the assessed propensity to default. As such, the provision for credit losses is impacted by changes in such loan level characteristics, such as payment performance. Loans made to borrowers experiencing financial difficulty can be classified as either accrual or non-accrual.

Credit Quality Indicators

The ACL represents management's estimate of expected losses in Customers' loans and leases receivable portfolio, excluding mortgage finance loans and consumer installment loans reported at fair value pursuant to a fair value option election and PPP loans as these loans are fully guaranteed by the SBA, provided that the eligibility criteria are met. Commercial and industrial including specialized lending, multifamily, owner occupied commercial real estate, non-owner occupied commercial real estate, and construction loans are rated based on an internally assigned risk rating system which is assigned at the time of loan origination and reviewed on a periodic, or on an "as needed" basis. Residential real estate loans, manufactured housing and installment loans are evaluated based on the payment activity of the loan.

To facilitate the monitoring of credit quality within the commercial and industrial including specialized lending, multifamily, owner occupied commercial real estate, non-owner occupied commercial real estate, and construction loan portfolios, and as an input in the ACL lifetime loss rate model for the commercial and industrial loan portfolio, the Bank utilizes the following categories of risk ratings: pass/satisfactory (includes risk rating 1 through 6), special mention, substandard, doubtful and loss. The risk rating categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter. Pass ratings, which are assigned to those borrowers who do not have identified potential or well-defined weaknesses and for whom there is a high likelihood of orderly repayment, are updated periodically based on the size and credit characteristics of the borrower. All other categories are updated on a quarterly basis during the month preceding the end of the calendar quarter. While assigning risk ratings involves judgment, the risk-rating process allows management to identify riskier credits in a timely manner and allocate the appropriate resources to manage those loans and leases. The 2025 Form 10-K describes Customers Bancorp's risk rating grades.

Risk ratings are not established for certain consumer loans, including residential real estate, home equity, manufactured housing, and installment loans, mainly because these portfolios consist of a larger number of homogeneous loans with smaller balances. Instead, these portfolios are evaluated for risk mainly based upon aggregate payment history through the monitoring of delinquency levels and trends and are classified as performing and non-performing.

The following tables present the credit ratings of loans and leases receivable and current period gross write-offs as of June 30, 2026 and December 31, 2025:

	Term Loans Amortized Cost Basis by Origination Year as of June 30, 2026								
(amounts in thousands)	2026	2025	2024	2023	2022	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
Commercial and industrial loans and leases, including specialized lending:									
Pass	$ 1,424,018	$ 1,960,832	$ 1,108,054	$ 408,614	$ 766,028	$ 276,583	$ 2,520,699	$ 211,916	$ 8,676,744
Special mention	—	1,803	2,715	—	4,080	—	2,000	6,959	17,557
Substandard	703	7,507	9,266	2,336	13,347	65,420	12,170	20,703	131,452
Doubtful	—	—	—	—	—	—	—	—	—
Total commercial and industrial loans and leases	$ 1,424,721	$ 1,970,142	$ 1,120,035	$ 410,950	$ 783,455	$ 342,003	$ 2,534,869	$ 239,578	$ 8,825,753
Commercial and industrial loans and leases charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ 332	$ 3,028	$ 109	$ —	$ —	$ 3,469
Six Months Ended June 30, 2026	—	3,616	—	332	3,110	890	—	—	7,948
Multifamily loans:									
Pass	$ 247,385	$ 454,600	$ 232,557	$ 754	$ 1,059,442	$ 457,001	$ —	$ —	$ 2,451,739
Special mention	—	—	—	—	67,020	19,543	—	—	86,563
Substandard	—	—	—	—	13,664	71,998	—	—	85,662
Doubtful	—	—	—	—	—	—	—	—	—
Total multifamily loans	$ 247,385	$ 454,600	$ 232,557	$ 754	$ 1,140,126	$ 548,542	$ —	$ —	$ 2,623,964
Multifamily loans charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ —	$ —	$ 4,880	$ —	$ —	$ 4,880
Six Months Ended June 30, 2026	—	—	—	—	—	7,510	—	—	7,510
Commercial real estate owner occupied loans:									
Pass	$ 134,581	$ 275,844	$ 329,020	$ 45,153	$ 201,869	$ 240,908	$ 7,603	$ 30	$ 1,235,008
Special mention	—	—	—	—	—	41	—	—	41
Substandard	—	17,632	—	4,857	2,773	10,264	—	—	35,526
Doubtful	—	—	—	—	—	—	—	—	—
Total commercial real estate owner occupied loans	$ 134,581	$ 293,476	$ 329,020	$ 50,010	$ 204,642	$ 251,213	$ 7,603	$ 30	$ 1,270,575
Commercial real estate owner occupied loans charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ —	$ 6	$ —	$ —	$ —	$ 6
Six Months Ended June 30, 2026	—	—	—	—	36	—	—	—	36
Commercial real estate non-owner occupied loans:									
Pass	$ 261,999	$ 522,185	$ 168,950	$ 13,883	$ 331,768	$ 551,535	$ 2,300	$ 2,000	$ 1,854,620
Special mention	—	—	—	21,971	3,511	3,061	—	—	28,543
Substandard	—	—	—	—	2,131	2,746	—	—	4,877
Doubtful	—	—	—	—	—	—	—	—	—
Total commercial real estate non-owner occupied loans	$ 261,999	$ 522,185	$ 168,950	$ 35,854	$ 337,410	$ 557,342	$ 2,300	$ 2,000	$ 1,888,040
Commercial real estate non-owner occupied loans charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Six Months Ended June 30, 2026	—	—	—	—	—	—	—	—	—

(amounts in thousands)	Term Loans Amortized Cost Basis by Origination Year as of June 30, 2026						Revolving loans amortized cost basis	Revolving loans converted to term	Total
	2026	2025	2024	2023	2022	Prior			
Construction loans:									
Pass	$ 11,258	$ 76,705	$ 50,402	$ 57,195	$ 21,272	$ —	$ —	$ —	$ 216,832
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total construction loans	$ 11,258	$ 76,705	$ 50,402	$ 57,195	$ 21,272	$ —	$ —	$ —	$ 216,832
Construction loans charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Six Months Ended June 30, 2026	—	—	—	—	—	—	—	—	—
Total commercial loans and leases receivable	$ 2,079,944	$ 3,317,108	$ 1,900,964	$ 554,763	$ 2,486,905	$ 1,699,100	$ 2,544,772	$ 241,608	$ 14,825,164
Total commercial loans and leases receivable charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ 332	$ 3,034	$ 4,989	$ —	$ —	$ 8,355
Six Months Ended June 30, 2026	—	3,616	—	332	3,146	8,400	—	—	15,494
Residential real estate loans:									
Performing	$ 25,265	$ 47,044	$ 32,071	$ 17,122	$ 149,092	$ 184,954	$ 45,631	$ —	$ 501,179
Non-performing	—	—	129	680	572	5,469	158	—	7,008
Total residential real estate loans	$ 25,265	$ 47,044	$ 32,200	$ 17,802	$ 149,664	$ 190,423	$ 45,789	$ —	$ 508,187
Residential real estate loans charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ 21	$ —	$ —	$ —	$ —	$ 21
Six Months Ended June 30, 2026	—	—	—	21	1	—	—	—	22
Manufactured housing loans:									
Performing	$ —	$ —	$ —	$ —	$ —	$ 23,429	$ —	$ —	$ 23,429
Non-performing	—	—	—	—	—	1,334	—	—	1,334
Total manufactured housing loans	$ —	$ —	$ —	$ —	$ —	$ 24,763	$ —	$ —	$ 24,763
Manufactured housing loans charge-offs:									
Three Months Ended June 30, 2026	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Six Months Ended June 30, 2026	—	—	—	—	—	—	—	—	—
Installment loans:									
Performing	$ 253,252	$ 195,448	$ 57,256	$ 147,741	$ 110,643	$ 78,646	$ 7,844	$ —	$ 850,830
Non-performing	6	655	423	1,540	915	537	—	—	4,076
Total installment loans	$ 253,258	$ 196,103	$ 57,679	$ 149,281	$ 111,558	$ 79,183	$ 7,844	$ —	$ 854,906
Installment loans charge-offs:									
Three Months Ended June 30, 2026	$ 1,244	$ 1,609	$ 1,035	$ 2,030	$ 1,973	$ 1,060	$ —	$ —	$ 8,951
Six Months Ended June 30, 2026	1,866	3,131	2,373	4,560	4,877	2,076	—	—	18,883
Total consumer loans	$ 278,523	$ 243,147	$ 89,879	$ 167,083	$ 261,222	$ 294,369	$ 53,633	$ —	$ 1,387,856
Total consumer loans charge-offs:									
Three Months Ended June 30, 2026	$ 1,244	$ 1,609	$ 1,035	$ 2,051	$ 1,973	$ 1,060	$ —	$ —	$ 8,972
Six Months Ended June 30, 2026	1,866	3,131	2,373	4,581	4,878	2,076	—	—	18,905
Loans and leases receivable	$ 2,358,467	$ 3,560,255	$ 1,990,843	$ 721,846	$ 2,748,127	$ 1,993,469	$ 2,598,405	$ 241,608	$ 16,213,020

(amounts in thousands)	Term Loans Amortized Cost Basis by Origination Year as of June 30, 2026						Revolving loans amortized cost basis	Revolving loans converted to term	Total
	2026	2025	2024	2023	2022	Prior			
Loans and leases receivable charge-offs:									
Three Months Ended June 30, 2026	$ 1,244	$ 1,609	$ 1,035	$ 2,383	$ 5,007	$ 6,049	$ —	$ —	$ 17,327
Six Months Ended June 30, 2026	$ 1,866	$ 6,747	$ 2,373	$ 4,913	$ 8,024	$ 10,476	$ —	$ —	$ 34,399

(amounts in thousands)	Term Loans Amortized Cost Basis by Origination Year as of December 31, 2025						Revolving loans amortized cost basis	Revolving loans converted to term	Total
	2025	2024	2023	2022	2021	Prior			
Commercial and industrial loans and leases, including specialized lending:									
Pass	$ 2,609,580	$ 1,280,152	$ 609,744	$ 839,184	$ 233,753	$ 129,958	$ 2,131,707	$ 167,916	$ 8,001,994
Special mention	7,511	4,778	—	37,976	3,633	—	9,658	7,150	70,706
Substandard	—	10,267	1,116	18,927	15,226	84,462	797	3,011	133,806
Doubtful	—	—	—	—	—	—	—	—	—
Total commercial and industrial loans and leases	$ 2,617,091	$ 1,295,197	$ 610,860	$ 896,087	$ 252,612	$ 214,420	$ 2,142,162	$ 178,077	$ 8,206,506
Commercial and industrial loans and leases charge-offs:									
For the Year Ended December 31, 2025	$ —	$ 1,064	$ 881	$ 10,880	$ 600	$ 1,307	$ —	$ —	$ 14,732
Multifamily loans:									
Pass	$ 467,366	$ 233,998	$ 775	$ 1,148,681	$ 242,865	$ 290,416	$ —	$ —	$ 2,384,101
Special mention	—	—	—	14,556	20,471	16,920	—	—	51,947
Substandard	—	—	—	7,182	16,974	30,132	—	—	54,288
Doubtful	—	—	—	—	—	—	—	—	—
Total multifamily loans	$ 467,366	$ 233,998	$ 775	$ 1,170,419	$ 280,310	$ 337,468	$ —	$ —	$ 2,490,336
Multifamily loans charge-offs:									
For the Year Ended December 31, 2025	$ —	$ —	$ —	$ —	$ —	$ 8,446	$ —	$ —	$ 8,446
Commercial real estate owner occupied loans:									
Pass	$ 217,893	$ 335,437	$ 52,517	$ 195,951	$ 161,739	$ 124,346	$ 7,604	$ 32	$ 1,095,519
Special mention	17,785	—	—	10,676	1,214	43	—	—	29,718
Substandard	—	—	2,928	170	—	6,784	—	—	9,882
Doubtful	—	—	—	—	—	—	—	—	—
Total commercial real estate owner occupied loans	$ 235,678	$ 335,437	$ 55,445	$ 206,797	$ 162,953	$ 131,173	$ 7,604	$ 32	$ 1,135,119
Commercial real estate owner occupied loans charge-offs:									
For the Year Ended December 31, 2025	$ —	$ —	$ 15	$ 417	$ 361	$ 393	$ —	$ —	$ 1,186
Commercial real estate non-owner occupied loans:									
Pass	$ 524,297	$ 163,771	$ 14,136	$ 354,528	$ 86,017	$ 525,878	$ 3,300	$ —	$ 1,671,927
Special mention	—	—	24,048	28,407	6,010	5,626	—	—	64,091
Substandard	—	—	—	1,754	—	1,049	—	—	2,803
Doubtful	—	—	—	—	—	—	—	—	—
Total commercial real estate non-owner occupied loans	$ 524,297	$ 163,771	$ 38,184	$ 384,689	$ 92,027	$ 532,553	$ 3,300	$ —	$ 1,738,821
Commercial real estate non-owner occupied loans charge-offs:									
For the Year Ended December 31, 2025	$ —	$ —	$ —	$ —	$ —	$ 3,073	$ —	$ —	$ 3,073
Construction loans:									
Pass	$ 36,844	$ 55,389	$ 49,156	$ 21,577	$ —	$ —	$ —	$ —	$ 162,966
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Doubtful	—	—	—	—	—	—	—	—	—
Total construction loans	$ 36,844	$ 55,389	$ 49,156	$ 21,577	$ —	$ —	$ —	$ —	$ 162,966
Construction loans charge-offs:									
For the Year Ended December 31, 2025	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Total commercial loans and leases receivable	$ 3,881,276	$ 2,083,792	$ 754,420	$ 2,679,569	$ 787,902	$ 1,215,614	$ 2,153,066	$ 178,109	$ 13,733,748

(amounts in thousands)	Term Loans Amortized Cost Basis by Origination Year as of December 31, 2025 2025	2024	2023	2022	2021	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
Total commercial loans and leases receivable charge-offs:									
For the Year Ended December 31, 2025	$ —	$ 1,064	$ 896	$ 11,297	$ 961	$ 13,219	$ —	$ —	$ 27,437
Residential real estate loans:									
Performing	$ 49,521	$ 32,347	$ 18,124	$ 152,771	$ 114,934	$ 75,589	$ 44,794	$ —	$ 488,080
Non-performing	—	133	962	1,225	1,040	4,990	1,137	—	9,487
Total residential real estate loans	$ 49,521	$ 32,480	$ 19,086	$ 153,996	$ 115,974	$ 80,579	$ 45,931	$ —	$ 497,567
Residential real estate loans charge-offs:									
For the Year Ended December 31, 2025	$ —	$ —	$ 53	$ —	$ —	$ 3	$ —	$ —	$ 56
Manufactured housing loans:									
Performing	$ —	$ —	$ —	$ —	$ —	$ 25,845	$ —	$ —	$ 25,845
Non-performing	—	—	—	—	—	1,607	—	—	1,607
Total manufactured housing loans	$ —	$ —	$ —	$ —	$ —	$ 27,452	$ —	$ —	$ 27,452
Manufactured housing loans charge-offs:									
For the Year Ended December 31, 2025	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Installment loans:									
Performing	$ 245,697	$ 76,563	$ 178,863	$ 159,650	$ 40,057	$ 32,671	$ 39,981	$ 1	$ 773,483
Non-performing	364	467	1,532	1,610	258	61	130	—	4,422
Total installment loans	$ 246,061	$ 77,030	$ 180,395	$ 161,260	$ 40,315	$ 32,732	$ 40,111	$ 1	$ 777,905
Installment loans charge-offs:									
For the Year Ended December 31, 2025	$ 2,621	$ 4,713	$ 12,790	$ 15,413	$ 6,457	$ 2,809	$ —	$ —	$ 44,803
Total consumer loans	$ 295,582	$ 109,510	$ 199,481	$ 315,256	$ 156,289	$ 140,763	$ 86,042	$ 1	$ 1,302,924
Total consumer loans charge-offs:									
For the Year Ended December 31, 2025	$ 2,621	$ 4,713	$ 12,843	$ 15,413	$ 6,457	$ 2,812	$ —	$ —	$ 44,859
Loans and leases receivable	$ 4,176,858	$ 2,193,302	$ 953,901	$ 2,994,825	$ 944,191	$ 1,356,377	$ 2,239,108	$ 178,110	$ 15,036,672
Loans and leases receivable charge-offs:									
For the Year Ended December 31, 2025	$ 2,621	$ 5,777	$ 13,739	$ 26,710	$ 7,418	$ 16,031	$ —	$ —	$ 72,296

Loan Purchases and Sales

Purchases and sales of loans held for investment were as follows for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	2026	2025	2026	2025
Purchases [(1)]				
Other commercial and industrial	$ —	$ 52,776	$ —	$ 53,855
Construction	—	10,080	—	10,080
Personal installment [(2)]	111,952	40,700	169,778	145,641
Other installment [(2)]	30,268	—	30,268	—
Total	$ 142,220	$ 103,556	$ 200,046	$ 209,576
Sales [(3)]				
Specialized lending	$ —	$ —	$ 1,039	$ —
Other commercial and industrial [(4)]	24,184	—	38,314	—
Multifamily	—	—	—	8,000
Commercial real estate owner occupied [(4)]	1,181	—	5,206	—
Personal installment	—	—	—	281
Total	$ 25,365	$ —	$ 44,559	$ 8,281

(1) Amounts reported in the above table are the unpaid principal balance at time of purchase. The purchase price was 99.9% and 74.4% of the loans' unpaid principal balance for the three months ended June 30, 2026 and 2025, respectively. The purchase price was 99.6% and 87.1% of the loans' unpaid principal balance for the six months ended June 30, 2026 and 2025, respectively.
(2) Installment loan purchases for the three and six months ended June 30, 2026 and 2025 consist of third-party originated unsecured consumer loans. None of the loans held for investment are considered sub-prime at the time of origination. Customers considers sub-prime borrowers to be those with FICO scores below 660.
(3) The gain on sales of loans held for investment included in net gain (loss) on sale of loans and leases in the consolidated statement of income was $1.1 million and $2.1 million for the three and six months ended June 30, 2026, respectively. The gain on sales of loans held for investment included in net gain (loss) on sale of loans and leases in the consolidated statement of income was insignificant for the three and six months ended June 30, 2025.
(4) Primarily sales of SBA loans.

Loans Pledged as Collateral

Customers has pledged eligible commercial and residential real estate, multifamily, commercial and industrial and consumer installment loans as collateral for borrowings outstanding or available immediately from the FHLB and FRB in the amount of $10.5 billion and $9.4 billion at June 30, 2026 and December 31, 2025, respectively.

NOTE 8 — LEASES

Lessee

Customers has operating leases for its branches, certain LPOs, and administrative offices, with remaining lease terms ranging between eleven months and nine years. These operating leases comprise substantially all of Customers' obligations in which Customers is the lessee. These lease agreements typically consist of initial lease terms ranging between one and ten years, with options to renew the leases or extend the term up to ten years at Customers' sole discretion. Some operating leases include variable lease payments that are based on an index or rate, such as the CPI. Variable lease payments are not included in the liability or ROU asset and are recognized in the period in which the obligation for those payments are incurred. Customers' operating lease agreements do not contain any material residual value guarantees or material restrictive covenants. Pursuant to these agreements, Customers does not have any commitments that would meet the definition of a finance lease.

As most of Customers' operating leases do not provide an implicit rate, Customers utilized its incremental borrowing rate when determining the present value of lease payments.

The following table summarizes operating lease ROU assets and operating lease liabilities and their corresponding balance sheet location:

(amounts in thousands)	Classification	June 30, 2026	December 31, 2025
ASSETS			
Operating lease ROU assets	Other assets	$ 32,096	$ 34,347
LIABILITIES			
Operating lease liabilities	Other liabilities	$ 39,218	$ 41,719

The following table summarizes operating lease cost and its corresponding income statement location for the periods presented:

		Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	Classification	2026	2025	2026	2025
Operating lease cost [1]	Occupancy expenses	$ 1,753	$ 1,877	$ 3,599	$ 3,826

(1) There were no variable lease costs for the three and six months ended June 30, 2026 and 2025, and sublease income for operating leases was immaterial.

Maturities of non-cancelable operating lease liabilities were as follows at June 30, 2026:

(amounts in thousands)	June 30, 2026
2026	$ 3,868
2027	7,827
2028	7,526
2029	6,590
2030	4,980
Thereafter	14,643
Total minimum payments	45,434
Less: interest	6,216
Present value of lease liabilities	$ 39,218

Customers does not have leases where it is involved with the construction or design of an underlying asset. Cash paid pursuant to the operating lease liabilities was $2.0 million and $3.9 million for the three and six months ended June 30, 2026, respectively. Cash paid pursuant to the operating lease liabilities was $1.5 million and $3.0 million for the three and six months ended June 30, 2025, respectively. These payments were reported as cash flows used in operating activities in the statement of cash flows.

The following table summarizes the weighted average remaining lease term and discount rate for Customers' operating leases at June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Weighted average remaining lease term (years)		
Operating leases	7.0 years	7.4 years
Weighted average discount rate		
Operating leases	4.21 %	4.20 %

Equipment Lessor

Customers' commercial equipment financing group goes to market through the following origination platforms: vendors, intermediaries, direct and capital markets. Lease terms typically range from 24 months to 120 months. Customers' commercial equipment financing group leases equipment under direct finance, sales-type or operating leases.

The estimated residual values for direct finance, sales-type and operating leases are established by utilizing internally developed analyses, external studies, and/or third-party appraisals to establish a residual position. Expected credit losses on direct financing and sales-type leases and the related estimated residual values are included in the ACL on loans and leases.

Direct finance and sales-type equipment leases, are included in commercial and industrial loans and leases receivable and are recorded at the discounted amounts of lease payments receivable and the estimated residual value of the leased assets. Interest income on direct finance and sales-type leases is recognized over the term of the leases using the effective interest method. Any difference between the lower of the fair value of the underlying leased asset or the sum of the lease receivables and the carrying amount of the underlying leased asset would result to a gain or loss at the lease commencement date. Customers' direct finance and sales-type lease activity primarily relates to leasing of new equipment.

Customers' commercial equipment financing group has executed leases of commercial clean vehicles that qualified for investment tax credits in 2024. Customers accounted for these leases as sales-type leases and were included in loans and leases receivable on the balance sheet. Customers did not enter into sales-type leases of commercial clean vehicles that qualified for investment tax credits during the three and six months ended June 30, 2026 and 2025.

Customers' commercial equipment financing group had total interest income, including from direct financing and sales-type leases of $18.0 million and $15.3 million for the three months ended June 30, 2026 and 2025, respectively. Customers' commercial equipment financing group had total interest income, including from direct financing and sales-type leases of $35.8 million and $29.8 million for the six months ended June 30, 2026 and 2025, respectively.

Leased assets under operating leases are reported at amortized cost, net of accumulated depreciation and any impairment charges, and are presented in other assets. The depreciation expense of the leased assets is recognized on a straight-line basis over the contractual term of the leases up to the expected residual value. The expected residual value and, accordingly, the monthly depreciation expense, may change throughout the term of the lease. Operating lease rental income for leased assets is recognized in commercial lease income on a straight-line basis over the lease term. Customers periodically reviews its operating leased assets for impairment. An impairment loss is recognized if the carrying amount of the operating leased asset exceeds its fair value and is not recoverable. The carrying amount of operating leased assets is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the lease payments and the estimated residual value upon the eventual disposition of the equipment.

The following table summarizes lease receivables and investment in operating leases and their corresponding balance sheet location at June 30, 2026 and December 31, 2025:

(amounts in thousands)	Classification	June 30, 2026	December 31, 2025
ASSETS			
Direct financing and sales-type leases			
Lease receivables	Loans and leases receivable	$ 324,767	$ 301,753
Guaranteed residual assets	Loans and leases receivable	28,619	26,859
Unguaranteed residual assets	Loans and leases receivable	10,748	11,788
Deferred initial direct costs	Loans and leases receivable	1,809	1,717
Unearned income	Loans and leases receivable	(40,060)	(35,575)
Net investment in direct financing and sales-type leases		$ 325,883	$ 306,542
Operating leases			
Investment in operating leases	Other assets	$ 423,130	$ 407,987
Accumulated depreciation	Other assets	(122,018)	(105,706)
Deferred initial direct costs	Other assets	1,017	1,094
Net investment in operating leases		302,129	303,375
Total lease assets		$ 628,012	$ 609,917

Maturities of operating and direct financing and sales-type lease receivables were as follows at June 30, 2026:

(amounts in thousands)	Operating leases	Direct financing and sales-type leases
2026	$ 29,478	$ 47,490
2027	53,848	81,861
2028	44,491	65,306
2029	33,862	52,658
2030	21,166	35,207
Thereafter	14,099	42,245
Total minimum payments	$ 196,944	324,767
Less: interest		40,060
Present value of lease receivables		$ 284,707

NOTE 9 – DEPOSITS

The components of deposits at June 30, 2026 and December 31, 2025 were as follows:

(amounts in thousands)	June 30, 2026	December 31, 2025
Demand, non-interest bearing	$ 6,913,804	$ 6,303,748
Demand, interest bearing	5,107,649	5,049,151
Savings, including money market deposit accounts	6,148,783	6,129,837
Time	3,562,661	3,295,968
Total deposits	$ 21,732,897	$ 20,778,704

The scheduled maturities for time deposits at June 30, 2026 were as follows:

(amounts in thousands)	June 30, 2026
2026	$ 988,727
2027	878,626
2028	739,199
2029	472,128
2030	195,044
Thereafter	288,937
Total time deposits	$ 3,562,661

Time deposits greater than the FDIC limit of $250,000 totaled $1.2 billion at June 30, 2026 and December 31, 2025.

Demand deposit overdrafts reclassified as loans were $1.5 million and $1.2 million at June 30, 2026 and December 31, 2025, respectively.

At June 30, 2026 and December 31, 2025, the Bank had $1.7 billion and $1.8 billion in deposits, respectively, to which it had pledged $1.9 billion and $1.8 billion of available borrowing capacity through the FHLB to the depositors through a standby letter of credit arrangement, respectively.

NOTE 10 - BORROWINGS

Short-term debt

There were no short-term debt outstanding at June 30, 2026 and December 31, 2025.

The following is a summary of additional information relating to Customers' short-term debt:

(dollars in thousands)	June 30, 2026 [1]	December 31, 2025 [2]
FHLB advances		
Maximum outstanding at any month end	$ 150,000	$ 200,000
Average balance during the period	22,155	61,781
Weighted-average interest rate during the period	4.16 %	4.55 %
Federal funds purchased		
Maximum outstanding at any month end	$ 145,000	$ —
Average balance during the period	6,039	—
Weighted-average interest rate during the period	3.75 %	— %

(1) For the six months ended June 30, 2026.
(2) For the year ended December 31, 2025.

At June 30, 2026 and December 31, 2025, Customers Bank had aggregate availability under federal funds lines totaling $145.0 million and $1.6 billion, respectively.

Long-term debt

FHLB and FRB advances

Long-term FHLB and FRB advances at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026		December 31, 2025	
(dollars in thousands)	Amount	Rate	Amount	Rate
FHLB advances [1]	$ 2,059,163 [2]	4.05 % [3]	$ 1,325,068 [2]	4.04 % [3]
Total long-term FHLB and FRB advances	$ 2,059,163		$ 1,325,068	

(1) Amounts reported in the above table include fixed rate long-term advances from FHLB of $650.0 million with maturities ranging from September 2026 to March 2028, and variable rate long-term advances from FHLB of $1.4 billion with maturities ranging from February 2030 to June 2031 with a returnable option that can be repaid without penalty on certain predetermined dates at Customers Bank's option, at June 30, 2026.
(2) Includes $(0.8) million and $5.1 million of unamortized basis adjustments from interest rate swaps designated as fair value hedges of long-term advances from FHLB at June 30, 2026 and December 31, 2025, respectively. Refer to NOTE 16 — DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES for additional information.
(3) Excludes the effect of interest rate swaps designated as fair value hedges of long-term advances from FHLB.

Maturities of long-term FHLB advances were as follows at June 30, 2026:

	June 30, 2026	
(dollars in thousands)	Amount [1]	Rate [2]
2026	$ 100,000	4.28 %
2027	780,000	3.86 %
2028	100,000	4.19 %
2029	—	— %
2030	660,000	4.14 %
Thereafter	420,000	4.16 %
Total long-term FHLB advances	$ 2,060,000	

(1) Amounts reported in the above table include variable rate long-term advances from FHLB of $1.4 billion with maturities ranging from February 2030 to June 2031 with a returnable option that can be repaid without penalty on certain predetermined dates at Customers Bank's option.
(2) Excludes the effect of interest rate swaps designated as fair value hedges of long-term advances from FHLB.

The maximum borrowing capacity with the FHLB and FRB at June 30, 2026 and December 31, 2025 was as follows:

(amounts in thousands)	June 30, 2026	December 31, 2025
Total maximum borrowing capacity with the FHLB	$ 5,663,083	$ 4,639,436
Total maximum borrowing capacity with the FRB	5,273,074	4,742,290
Qualifying loans and securities serving as collateral against FHLB and FRB	12,983,245	11,200,653

Senior and Subordinated Debt

Long-term senior notes and subordinated debt at June 30, 2026 and December 31, 2025 were as follows:

(dollars in thousands)		Carrying Amount						
Issued by	Ranking	June 30, 2026	December 31, 2025	Rate	Issued Amount	Date Issued	Maturity	Price
Customers Bancorp	Senior (1)	$ 99,278	$ 99,208	2.875 %	$ 100,000	August 2021	August 2031	100.000 %
Total other borrowings		$ 99,278	$ 99,208					
Customers Bancorp	Subordinated (2)(3)	$ 98,521	$ 98,359	6.875 %	$ 100,000	December 2025	January 2036	100.000 %
Customers Bancorp	Subordinated (2)(4)	73,220	73,129	5.375 %	$ 74,750	December 2019	December 2034	100.000 %
Customers Bank	Subordinated (2)(5)	—	109,659	6.125 %	110,000	June 2014	June 2029	100.000 %
Total subordinated debt		$ 171,741	$ 281,147					

(1) The senior notes will bear an annual fixed rate of 2.875% until August 15, 2026. From August 15, 2026 until maturity, the notes will bear an annual interest rate equal to a benchmark rate, which is expected to be the three-month term SOFR, plus 235 basis points. Customers Bancorp has the ability to call the senior notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after August 15, 2026.
(2) The subordinated notes qualify as Tier 2 capital for regulatory capital purposes.
(3) The subordinated notes will bear an annual fixed rate of 6.875% until January 15, 2031. From January 15, 2031 until maturity, the notes will bear an annual interest rate equal to a benchmark rate, which is expected to be the three-month term SOFR, plus 342 basis points. Customers Bancorp has the ability to call the subordinated notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after January 15, 2031.
(4) Customers Bancorp has the ability to call the subordinated notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after December 30, 2029.
(5) The subordinated notes had an annual fixed rate of 6.125% until June 26, 2024. From June 26, 2024 until maturity, the notes bear an annual interest rate equal to the three-month LIBOR plus 344.3 basis points. Pursuant to the Adjustable Interest Rate (LIBOR) Act enacted by Congress on March 15, 2022, Customers substituted three-month term SOFR plus a tenor spread adjustment of 26.161 basis points for three-month LIBOR as the benchmark reference rate in order to calculate the annual interest rate after June 26, 2024. Customers Bank has the ability to call the subordinated notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after June 26, 2024. Customers Bank called the subordinated notes on March 26, 2026.

NOTE 11 — SHAREHOLDERS' EQUITY

Common Stock

On June 26, 2024, the Board of Directors of Customers Bancorp authorized a common stock repurchase program, the 2024 Share Repurchase Program, to repurchase up to 497,509 shares of the Company's common stock. The term of the 2024 Share Repurchase Program extended for one year from June 26, 2024. Customers Bancorp purchased 104,206 shares of its common stock for $5.6 million under the 2024 Share Repurchase Program during the six months ended June 30, 2025. Customers had purchased all shares authorized under the 2024 Share Repurchase Program.

On February 11, 2026, the Board of Directors of Customers Bancorp authorized a new common stock repurchase program, the 2026 Share Repurchase Program, to repurchase up to $100.0 million of the Company's common stock. The term of the 2026 Share Repurchase Program will extend for one year from February 12, 2026, unless earlier terminated. Purchases of shares under the 2026 Share Repurchase Program may be executed through open market purchases, privately negotiated transactions, through the use of Rule 10b5-1 plans, or otherwise. The exact number of shares, timing for such purchases, and the price and terms at and on which such purchases are to be made will be at the discretion of the Company and will comply with all applicable regulatory limitations. Customers Bancorp purchased 92,804 shares of its common stock for $6.7 million under the 2026 Share Repurchase Program during the three months ended June 30, 2026. Customers Bancorp purchased 714,472 shares of its common stock for $49.4 million under the 2026 Share Repurchase Program during the six months ended June 30, 2026.

Preferred Stock

As of June 30, 2026 and December 31, 2025, Customers Bancorp had no series of preferred stock outstanding. On June 16, 2025 and December 15, 2025, Customers redeemed all of the outstanding shares of Series E Preferred Stock and Series F Preferred Stock, respectively, for an aggregate payment of $142.5 million, at a redemption price of $25.00 per share. The redemption price of $57.5 million paid in excess of the carrying value of Series E Preferred Stock of $1.9 million is included as a loss on redemption of preferred stock in the consolidated statements of income for the three and six months ended June 30, 2025. After giving effect to the redemption, no shares of the Series E Preferred Stock and Series F Preferred Stock remained outstanding. There were no preferred stock dividends for the three and six ended June 30, 2026. Preferred stock dividends were $3.2 million and $6.6 million for the three and six months ended June 30, 2025.

NOTE 12 — SHARE-BASED COMPENSATION

Customers' 2019 Plan is administered by the Leadership Development and Compensation Committee of the Board of Directors. At June 30, 2026 and December 31, 2025, the aggregate number of shares of common stock available for grant under the 2019 Plan was 634,485 and 283,983 shares, respectively.

Share-based compensation expense relating to stock options and restricted stock units is recognized on a straight-line basis over the vesting periods of the awards and is a component of salaries and employee benefits expense. Total share-based compensation expense for the team members' incentives for the three months ended June 30, 2026 and 2025 was $5.2 million and $4.1 million, respectively. Total share-based compensation expense for the team members' incentives for the six months ended June 30, 2026 and 2025 was $10.6 million and $8.0 million, respectively. At June 30, 2026, there was $47.0 million of unrecognized compensation cost related to all non-vested share-based compensation awards. This cost is expected to be recognized through 2031.

Restricted Stock Units

The fair value of restricted stock units granted under the 2019 Plan is determined based on the closing market price of Customers' common stock on the date of grant, except for the performance based restricted stock units with market conditions. There were 179,302 and 59,683 restricted stock units granted under the 2019 Plan during the three months ended June 30, 2026 and 2025, respectively. There were 411,523 and 338,498 restricted stock units granted under 2019 Plan during the six months ended June 30, 2026 and 2025, respectively. The grants are mostly subject to either a three-year waterfall vesting (with one third of the amount vesting annually) or a three-year cliff vesting, with 84,073 and 41,823 of those units for the three and six months ended June 30, 2026 and 2025, respectively, also subject to the performance metrics, including total shareholder return, return on average common equity, and average NPAs to total assets over a three-year period relative to the performance of its peer group. The performance conditions are considered probable.

In addition, in 2025, an incentive award of 225,000 performance-based restricted stock units were granted, subject to certain performance conditions under the Company's 2019 Stock Incentive Plan in connection with an executive appointment. These restricted stock units vest if the executive is employed by the Company as of January 1, 2031 and, at any time during a five-year period commencing on January 1, 2026, the average closing price of the Company's common stock is, for 20 consecutive trading days, equal to or greater than $125.00.

The tables below present the status of the restricted stock units at June 30, 2026 and 2025, and changes during the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025	
	Restricted Stock Units	Weighted-Average Grant-Date Fair Value	Restricted Stock Units	Weighted-Average Grant-Date Fair Value
Outstanding and unvested at April 1,	1,094,607	$ 47.67	980,921	$ 39.18
Granted	179,302	62.78	59,683	42.77
Vested	(236,369)	26.44	(167,172)	27.25
Forfeited	(27,387)	57.04	(37,489)	45.87
Outstanding and unvested at June 30,	1,010,153	55.61	835,943	41.52

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025	
	Restricted Stock Units	Weighted-Average Grant-Date Fair Value	Restricted Stock Units	Weighted-Average Grant-Date Fair Value
Outstanding and unvested at December 31,	1,028,926	$ 42.63	1,110,122	$ 32.61
Granted	411,523	65.47	338,498	49.28
Vested	(400,347)	34.84	(570,949)	28.31
Forfeited	(29,949)	56.58	(41,728)	45.20
Outstanding and unvested at June 30,	1,010,153	55.61	835,943	41.52

As a part of Customers' annual equity compensation program, including the long-term incentive program, the Leadership Development and Compensation Committee of the Board of Directors approved granting of an aggregate of 71,007 restricted stock units, and 15,043 restricted stock units and 23,647 performance based restricted stock units under the long-term incentive program to certain executives (collectively, the "Contingent Grants"), subject to approval of an increase in the number of shares authorized for issuance under the 2019 Plan by the Customers Bancorp shareholders at the annual shareholders' meeting. The amendments to the 2019 Plan were approved by the shareholders at the annual shareholders' meeting on May 26, 2026, and the Contingent Grants are included in the tables above.

NOTE 13 — FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

Customers is involved with financial instruments and other commitments with off-balance sheet risks. Financial instruments with off-balance sheet risks are incurred in the normal course of business to meet the financing needs of the Bank's customers. These financial instruments include commitments to extend credit, including unused portions of lines of credit, and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized on the balance sheet.

As of June 30, 2026 and December 31, 2025, the following off-balance sheet commitments, financial instruments and other arrangements were outstanding:

(amounts in thousands)	June 30, 2026	December 31, 2025
Commitments to fund loans and leases	$ 235,862	$ 190,268
Unfunded commitments to fund mortgage finance loans	1,553,115	1,379,938
Unfunded commitments under lines of credit and credit cards	4,167,774	3,912,704
Letters of credit	47,249	43,345
Other unused and unfunded commitments	31,576	37,308

Allowance For Credit Losses on Lending-Related Commitments

ACL on lending related commitments is a liability account, calculated in accordance with ASC 326, *Financial Instruments - Credit Losses* ("ASC 326"), representing expected credit losses over the contractual period for which Customers is exposed to credit risk resulting from a contractual obligation to extend credit. Customers recognized a provision for credit losses of $0.6 million and $1.0 million for the three and six months ended June 30, 2026 resulting in an ACL of $10.0 million as of June 30, 2026. Customers recognized a provision for credit losses of $1.6 million and $2.8 million for the three and six months ended June 30, 2025 resulting in an ACL of $7.7 million as of June 30, 2025. Customers had an ACL on unfunded lending-related commitments of $9.0 million as of December 31, 2025. The ACL on lending-related commitments is recorded in accrued interest payable and other liabilities in the consolidated balance sheet and the credit loss expense is recorded as a provision for credit losses within other non-interest expense in the consolidated statement of income.

NOTE 14 — REGULATORY CAPITAL

The Bank and the Bancorp are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet the minimum capital requirements can result in certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on Customers' financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and the Bancorp must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance sheet items, as calculated under the regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Bank and the Bancorp to maintain minimum amounts and ratios (set forth in the following table) of common equity Tier 1, Tier 1, and total capital to risk-weighted assets, and Tier 1 capital to average assets (as defined in the regulations). At June 30, 2026 and December 31, 2025, the Bank and the Bancorp satisfied all capital requirements to which they were subject.

Generally, to comply with the regulatory definition of adequately capitalized, or well capitalized, respectively, or to comply with the Basel III capital requirements, an institution must at least maintain the common equity Tier 1, Tier 1 and total risk-based capital ratios and the Tier 1 leverage ratio in excess of the related minimum ratios as set forth in the following table:

			Minimum Capital Levels to be Classified as:					
	Actual		Adequately Capitalized		Well Capitalized		Basel III Compliant	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2026:								
Common equity Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,257,930	12.857 %	$ 790,286	4.500 %	N/A	N/A	$ 1,229,333	7.000 %
Customers Bank	$ 2,376,363	13.552 %	$ 789,061	4.500 %	$ 1,139,755	6.500 %	$ 1,227,428	7.000 %
Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,257,930	12.857 %	$ 1,053,714	6.000 %	N/A	N/A	$ 1,492,762	8.500 %
Customers Bank	$ 2,376,363	13.552 %	$ 1,052,081	6.000 %	$ 1,402,775	8.000 %	$ 1,490,448	8.500 %
Total capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,601,025	14.811 %	$ 1,404,952	8.000 %	N/A	N/A	$ 1,844,000	10.500 %
Customers Bank	$ 2,547,717	14.530 %	$ 1,402,775	8.000 %	$ 1,753,469	10.000 %	$ 1,841,142	10.500 %
Tier 1 capital (to average assets)								
Customers Bancorp, Inc.	$ 2,257,930	8.868 %	$ 1,018,411	4.000 %	N/A	N/A	$ 1,018,411	4.000 %
Customers Bank	$ 2,376,363	9.342 %	$ 1,017,523	4.000 %	$ 1,271,904	5.000 %	$ 1,017,523	4.000 %
As of December 31, 2025:								
Common equity Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,164,010	12.992 %	$ 749,547	4.500 %	N/A	N/A	$ 1,165,962	7.000 %
Customers Bank	$ 2,203,933	13.252 %	$ 748,412	4.500 %	$ 1,081,040	6.500 %	$ 1,164,197	7.000 %
Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,164,010	12.992 %	$ 999,396	6.000 %	N/A	N/A	$ 1,415,811	8.500 %
Customers Bank	$ 2,203,933	13.252 %	$ 997,883	6.000 %	$ 1,330,510	8.000 %	$ 1,413,667	8.500 %
Total capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,563,309	15.389 %	$ 1,332,528	8.000 %	N/A	N/A	$ 1,748,943	10.500 %
Customers Bank	$ 2,431,744	14.621 %	$ 1,330,510	8.000 %	$ 1,663,138	10.000 %	$ 1,746,295	10.500 %
Tier 1 capital (to average assets)								
Customers Bancorp, Inc.	$ 2,164,010	8.724 %	$ 992,221	4.000 %	N/A	N/A	$ 992,221	4.000 %
Customers Bank	$ 2,203,933	8.895 %	$ 991,061	4.000 %	$ 1,238,827	5.000 %	$ 991,061	4.000 %

The Basel III Capital Rules require that we maintain a 2.500% capital conservation buffer with respect to each of common equity Tier 1, Tier 1 and total capital to risk-weighted assets, which provides for capital levels that exceed the minimum risk-based capital adequacy requirements. A financial institution with a conservation buffer of less than the required amount is subject to limitations on capital distributions, including dividend payments and stock repurchases, and certain discretionary bonus payments to executive officers.

NOTE 15 — DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

Customers uses fair value measurements to record fair value adjustments to certain assets and liabilities and to disclose the fair value of its financial instruments. ASC 825, *Financial Instruments*, requires disclosure of the estimated fair value of an entity's assets and liabilities considered to be financial instruments. For Customers, as for most financial institutions, the majority of its assets and liabilities are considered to be financial instruments. Many of these instruments lack an available trading market as characterized by a willing buyer and a willing seller engaging in an exchange transaction. For fair value disclosure purposes, Customers utilized certain fair value measurement criteria under ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"), as explained below.

In accordance with ASC 820, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for Customers' various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, focusing on an exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

The fair value guidance also establishes a fair value hierarchy and describes the following three levels used to classify fair value measurements.

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require adjustments to inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

A financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used to estimate the fair values of Customers' financial instruments as of June 30, 2026 and December 31, 2025:

Financial Instruments Recorded at Fair Value on a Recurring Basis

Investment securities:

The fair values of equity securities with a readily determinable fair value, AFS debt securities and debt securities reported at fair value based on a fair value option election are determined by obtaining quoted market prices on nationally recognized and foreign securities exchanges (Level 1), quoted prices in markets that are not active (Level 2), matrix pricing (Level 2), which is a mathematical technique used widely in the industry to value debt securities without relying exclusively on quoted market prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted prices, or internally and externally developed models that use unobservable inputs due to limited or no market activity of the instrument (Level 3).

When quoted market prices are not available, Customers employs an independent pricing service that utilizes matrix pricing to calculate fair value. Such fair value measurements consider observable data such as dealer quotes, market spreads, cash flows, yield curves, live trading levels, trade execution data, market consensus prepayments speeds, credit information, and respective terms and conditions for debt instruments. Management maintains procedures to monitor the pricing service's results and has an established process to challenge their valuations, or methodologies, that appear unusual or unexpected.

Customers also utilizes internally and externally developed models that use unobservable inputs due to limited or no market activity of the instrument. These models use unobservable inputs that are inherently judgmental and reflect our best estimates of the assumptions a market participant would use to calculate fair value. Certain unobservable inputs in isolation may have either a directionally consistent or opposite impact on the fair value of the instrument for a given change in that input. When multiple inputs are used within the valuation techniques, a change in one input in a certain direction may be offset by an opposite change from another input. These assets are classified as Level 1, 2 or 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Loans held for sale - Residential mortgage loans (fair value option):

Customers generally estimates the fair values of residential mortgage loans held for sale based on commitments on hand from investors within the secondary market for loans with similar characteristics. These assets are classified as Level 2 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Loans held for sale and Loans receivable - Consumer other installment loans (fair value option):

The fair value of medical and home improvement installment loans within consumer other installment loans is the amount of cash initially advanced to fund the loan, as specified in the agreement with fintech companies, and generally held for up to 90 days prior to sale. Customers transferred medical installment loans from held for sale to held for investment when a lending arrangement with a fintech company expired. These assets are classified as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Loans receivable - Mortgage finance loans (fair value option):

The fair value of mortgage finance loans is the amount of cash initially advanced to fund the mortgage, plus accrued interest and fees, as specified in the respective agreements. The loan is used by mortgage companies as short-term bridge financing between the funding of mortgage loans and the finalization of the sale of the loans to an investor. Changes in fair value are not generally expected to be recognized because at inception of the transaction the underlying mortgage loans have already been sold to an approved investor. Additionally, the interest rate is variable, and the transaction is short-term, with an average life of under 30 days from purchase to sale. These assets are classified as Level 2 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Derivatives (assets and liabilities):

The fair values of interest rate swaps, caps and collars and credit derivatives are determined using models that incorporate readily observable market data into a market standard methodology. This methodology nets the discounted future cash receipts and the discounted expected cash payments. The discounted variable cash receipts and payments are based on expectations of future interest rates derived from observable market interest rate curves. In addition, fair value is adjusted for the effect of nonperformance risk by incorporating credit valuation adjustments for Customers and its counterparties. These assets and liabilities are classified as Level 2 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Derivative assets and liabilities are presented in other assets and accrued interest payable and other liabilities on the consolidated balance sheet.

Financial Instruments Recorded at Fair Value on a Nonrecurring Basis

Collateral-dependent loans:

Collateral-dependent loans are those loans that are accounted for under ASC 326, in which the Bank has measured impairment generally based on the fair value of the loan's collateral or DCF analysis. Fair value is generally determined based upon independent third-party appraisals of the properties that collateralize the loans, DCF based upon the expected proceeds, sales agreements or letters of intent with third parties. These assets are generally classified as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

Other real estate owned:

The fair value of OREO is determined by using appraisals, which may be discounted based on management's review and changes in market conditions or sales agreements with third parties. All appraisals must be performed in accordance with the Uniform Standards of Professional Appraisal Practice. Appraisals are certified to the Bank and performed by appraisers on the Bank's approved list of appraisers. Evaluations are completed by a person independent of management. The content of the appraisal depends on the complexity of the property. Appraisals are completed on a "retail value" and an "as is value". These assets are classified as Level 3 fair values, based upon the lowest level of input that is significant to the fair value measurements.

The following information should not be interpreted as an estimate of Customers' fair value in its entirety because fair value calculations are only provided for a limited portion of Customers' assets and liabilities. Due to a wide range of valuation techniques and the degree of subjectivity used in making these estimates, comparisons between Customers' disclosures and those of other companies may not be meaningful.

The estimated fair values of Customers' financial instruments at June 30, 2026 and December 31, 2025 were as follows:

			Fair Value Measurements at June 30, 2026		
(amounts in thousands)	Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Cash and cash equivalents	$ 4,178,852	$ 4,178,852	$ 4,178,852	$ —	$ —
Debt securities, available for sale	2,595,966	2,595,966	—	2,294,474	301,492
Debt securities, held to maturity	631,594	575,548	—	397,337	178,211
Loans held for sale	58,611	58,611	—	2,528	56,083
Total loans and leases receivable, net of allowance for credit losses on loans and leases	17,792,583	17,656,866	—	1,654,795	16,002,071
FHLB, Federal Reserve Bank, and other restricted stock	144,971	144,971	—	144,971	—
Derivatives	9,626	9,626	—	9,533	93
Liabilities:					
Deposits	$ 21,732,897	$ 21,735,283	$ 18,170,236	$ 3,565,047	$ —
FHLB advances	2,059,163	2,057,460	—	2,057,460	—
Other borrowings	99,278	95,509	—	95,509	—
Subordinated debt	171,741	164,402	—	164,402	—
Derivatives	14,443	14,443	—	14,443	—

			Fair Value Measurements at December 31, 2025		
(amounts in thousands)	Carrying Amount	Estimated Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:					
Cash and cash equivalents	$ 4,411,463	$ 4,411,463	$ 4,411,463	$ —	$ —
Debt securities, available for sale	1,906,535	1,906,535	—	1,668,722	237,813
Debt securities, held to maturity	729,134	683,598	—	426,981	256,617
Loans held for sale	26,102	26,102	—	1,851	24,251
Total loans and leases receivable, net of allowance for credit losses on loans and leases	16,600,758	16,307,551	—	1,612,997	14,694,554
FHLB, Federal Reserve Bank, and other restricted stock	110,411	110,411	—	110,411	—
Derivatives	11,369	11,369	—	11,325	44
Liabilities:					
Deposits	$ 20,778,704	$ 20,806,081	$ 17,482,736	$ 3,323,345	$ —
FHLB advances	1,325,068	1,327,565	—	1,327,565	—
Other borrowings	99,208	93,834	—	93,834	—
Subordinated debt	281,147	277,105	—	277,105	—
Derivatives	15,799	15,799	—	15,799	—

For financial assets and liabilities measured at fair value on a recurring and nonrecurring basis, the fair value measurements by level within the fair value hierarchy used at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026			
	Fair Value Measurements at the End of the Reporting Period Using			
(amounts in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Measured at Fair Value on a Recurring Basis:				
Assets				
Available for sale debt securities:				
Asset-backed securities	$ —	$ —	$ 301,492	$ 301,492
Agency-guaranteed residential mortgage-backed securities	—	750,995	—	750,995
Agency-guaranteed residential collateralized mortgage obligations	—	844,866	—	844,866
Agency-guaranteed commercial collateralized mortgage obligations	—	112,025	—	112,025
Corporate notes	—	236,879	—	236,879
Private label collateralized mortgage obligations	—	349,709	—	349,709
Derivatives	—	9,533	93	9,626
Loans held for sale – fair value option	—	2,528	2,982	5,510
Loans receivable, mortgage finance – fair value option	—	1,654,795	—	1,654,795
Loans receivable, installment – fair value option	—	—	84,826	84,826
Total assets – recurring fair value measurements	$ —	$ 3,961,330	$ 389,393	$ 4,350,723
Liabilities				
Derivatives	$ —	$ 14,443	$ —	$ 14,443
Measured at Fair Value on a Nonrecurring Basis:				
Assets				
Collateral-dependent loans	$ —	$ —	$ 37,611	$ 37,611
Other real estate owned	—	—	12,568	12,568
Total assets – nonrecurring fair value measurements	$ —	$ —	$ 50,179	$ 50,179

	December 31, 2025			
	Fair Value Measurements at the End of the Reporting Period Using			
(amounts in thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Measured at Fair Value on a Recurring Basis:				
Assets				
Available for sale debt securities:				
Asset-backed securities	$ —	$ —	$ 237,813	$ 237,813
Agency-guaranteed residential mortgage–backed securities	—	413,761	—	413,761
Agency-guaranteed residential collateralized mortgage obligations	—	493,507	—	493,507
Agency-guaranteed commercial collateralized mortgage obligations	—	115,576	—	115,576
Corporate notes	—	285,858	—	285,858
Private label collateralized mortgage obligations	—	360,020	—	360,020
Derivatives	—	11,325	44	11,369
Loans held for sale – fair value option	—	1,851	894	2,745
Loans receivable, mortgage finance – fair value option	—	1,612,997	—	1,612,997
Loans receivable, installment – fair value option	—	—	102,077	102,077
Total assets – recurring fair value measurements	$ —	$ 3,294,895	$ 340,828	$ 3,635,723
Liabilities				
Derivatives	$ —	$ 15,799	$ —	$ 15,799
Measured at Fair Value on a Nonrecurring Basis:				
Assets				
Collateral-dependent loans	$ —	$ —	$ 20,668	$ 20,668
Other real estate owned	—	—	12,432	12,432
Total assets – nonrecurring fair value measurements	$ —	$ —	$ 33,100	$ 33,100

The changes in asset-backed securities (Level 3 assets) measured at fair value on a recurring basis for the three and six months ended June 30, 2026 and 2025 are summarized in the tables below:

(amounts in thousands)	Asset-backed securities	
	Three Months Ended June 30,	
	2026	2025
Balance at April 1	$ 275,706	$ 168,475
Purchases	69,529	78,429
Principal payments and premium amortization	(42,816)	(17,922)
Increase in allowance for credit losses	—	(400)
Decrease in allowance for credit losses	42	169
Change in fair value recognized in OCI	(969)	(53)
Balance at June 30	$ 301,492	$ 228,698

(amounts in thousands)	Asset-backed securities	
	Six Months Ended June 30,	
	2026	2025
Balance at January 1	$ 237,813	$ 13,236
Purchases	137,509	236,256
Principal payments and premium amortization	(76,462)	(20,999)
Increase in allowance for credit losses	—	(466)
Decrease in allowance for credit losses	586	244
Change in fair value recognized in OCI	2,046	427
Balance at June 30	$ 301,492	$ 228,698

The changes in other installment loans (Level 3 assets) classified as held for sale and held for investment, and measured at fair value on a recurring basis, based on an election made to account for the loans at fair value for the three and six months ended June 30, 2026 and 2025 are summarized in the tables below:

(amounts in thousands)	Other Installment Loans	
	Three Months Ended June 30,	
	2026	2025
Balance at April 1	$ 94,545	$ 138,224
Originations	14,316	1,625
Sales	(12,798)	(357)
Principal payments	(8,195)	(18,087)
Change in fair value recognized in earnings	(60)	2,050
Balance at June 30	$ 87,808	$ 123,455

(amounts in thousands)	Other Installment Loans	
	Six Months Ended June 30,	
	2026	2025
Balance at January 1	$ 102,971	$ 162,055
Originations	14,987	195,958
Sales	(12,798)	(175,921)
Principal payments	(17,061)	(60,687)
Change in fair value recognized in earnings	(291)	2,050
Balance at June 30	$ 87,808	$ 123,455

There were no transfers between levels during the three and six months ended June 30, 2026 and 2025.

The following tables summarize financial assets and financial liabilities measured at fair value as of June 30, 2026 and December 31, 2025 on a recurring and nonrecurring basis for which Customers utilized Level 3 inputs to measure fair value. The unobservable Level 3 inputs noted below contain a level of uncertainty that may differ from what is realized in an immediate settlement of the assets. Therefore, Customers may realize a value higher or lower than the current estimated fair value of the assets.

	Quantitative Information about Level 3 Fair Value Measurements				
(dollars in thousands)	Fair Value Estimate		Valuation Technique	Unobservable Input	Range (Weighted Average)
June 30, 2026					
				Discount rate	7% - 9% (7%)
				Annualized loss rate	5% - 7% (5%)
Asset-backed securities	$	301,492	Discounted cash flow	Constant prepayment rate	19% - 19% (19%)
Other real estate owned		12,568	Collateral appraisal (1)	Liquidation expenses (2)	6% - 7% (6%)

	Quantitative Information about Level 3 Fair Value Measurements				
(dollars in thousands)	Fair Value Estimate		Valuation Technique	Unobservable Input	Range (Weighted Average)
December 31, 2025					
				Discount rate	8% - 9% (8%)
				Annualized loss rate	3% - 13% (4%)
Asset-backed securities	$	237,813	Discounted cash flow	Constant prepayment rate	17% - 20% (19%)
Other real estate owned		12,432	Collateral appraisal (1)	Liquidation expenses (2)	6% - 7% (6%)

(1) Obtained from approved independent appraisers. Appraisals are current and in compliance with credit policy. Customers does not generally discount appraisals. Fair value is also estimated based on sale agreements or letters of intent with third parties.
(2) Appraisals are adjusted by management for liquidation expenses. The range and weighted average of liquidation expense adjustments are presented as a percentage of the appraisal.

NOTE 16 — DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

Risk Management Objectives of Using Derivatives

Customers is exposed to certain risks arising from both its business operations and economic conditions. Customers manages economic risks, including interest rate, liquidity and credit risk, primarily by managing the amount, sources, and durations of its assets and liabilities. Specifically, Customers enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the values of which are determined by interest rates. Customers' derivative financial instruments are used to manage differences in the amount, timing and duration of Customers' known or expected cash receipts and its known or expected cash payments principally related to certain loans, borrowings and deposits. Customers also has interest-rate derivatives resulting from an accommodation provided to certain qualifying customers, and therefore, they are not used to manage Customers' interest-rate risk in assets or liabilities. Customers manages a matched book with respect to its derivative instruments used in this customer service in order to minimize its net risk exposure resulting from such transactions.

Cash Flow Hedges of Interest-Rate Risk

Customers' objectives in using interest-rate derivatives include managing exposure to interest rate movements. To accomplish this objective, Customers primarily uses interest rate swaps as part of its interest rate risk management strategy. In the past, such derivatives were used to hedge the variable cash flows associated with the forecasted issuances of debt and a certain variable-rate deposit relationship. Customers also uses such derivatives to hedge the variable cash flows associated with certain variable-rate commercial and industrial loans. Interest rate swaps designated as cash flow hedges of forecasted issuance of debt and variable-rate deposit relationship involve the receipt of variable amounts from a counterparty in exchange for Customers making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate swaps designated as cash flow hedges of loans receivable involve the receipt of fixed amounts from a counterparty in exchange for Customers making variable-rate payments over the life of the agreements without exchange of the underlying notional amount. The changes in the fair value of derivatives designated and qualifying as cash flow hedges are recorded in AOCI and subsequently reclassified into earnings in the period that the hedged item affects earnings. At June 30, 2026, Customers had four outstanding interest rate derivatives with notional amounts totaling $1.1 billion designated as cash flow hedges of interest-rate risk associated with variable-rate commercial and industrial loans. The outstanding cash flow hedges expire between July 2027 and January 2031. Customers did not enter into interest rate derivatives that were designated as cash flow hedges of certain commercial and industrial loans during the three months ended June 30, 2026. During the six months ended June 30, 2026, Customers entered into two interest rate derivatives with notional amounts totaling $300.0 million that were designated as cash flow hedges of certain commercial and industrial loans. Customers did not enter into any interest rate derivatives that were designated as cash flow hedges of variable-rate commercial and industrial loans during the three and six months ended June 30, 2025. At December 31, 2025, Customers had two outstanding interest rate derivatives with notional amounts totaling $800.0 million designated as cash flow hedges of variable-rate commercial and industrial loans.

Customers discontinues cash flow hedge accounting if it is probable the forecasted hedged transactions will not occur in the initially identified time period. At such time, the associated gains and losses deferred in AOCI are reclassified immediately into earnings and any subsequent changes in the fair value of such derivatives are recognized directly in earnings.

Amounts reported in AOCI related to derivatives will be reclassified to interest income as interest payments are received on Customers' variable-rate commercial and industrial loans. During the next twelve months, Customers estimates that $4.9 million will be reclassified from AOCI as a decrease to interest income. Customers is hedging its exposure to the variability in future cash flows for forecasted transactions (interest payments on commercial and industrial loans) over a maximum period of five years.

Fair Value Hedges of Benchmark Interest-Rate Risk

Customers is exposed to changes in the fair value of certain of its fixed rate AFS debt securities, deposits and FHLB advances due to changes in the benchmark interest rate. Customers uses interest rate swaps to manage its exposure to changes in fair value on these instruments attributable to changes in the designated benchmark interest rate such as the Fed Funds Effective Swap Rate. Interest rate swaps designated as fair value hedges of certain fixed rate AFS debt securities involve the payment of fixed-rate amounts to a counterparty in exchange for Customers receiving variable-rate payments over the life of the agreements without the exchange of the underlying notional amount. Interest rate swaps designated as fair value hedges of certain deposits and FHLB advances involve the payment of variable-rate amounts to a counterparty in exchange for Customers receiving fixed-rate payments over the life of the agreements without the exchange of the underlying notional amount. For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in net interest income.

At June 30, 2026, Customers had 46 outstanding interest rate derivatives with notional amounts totaling $2.2 billion that were designated as fair value hedges of certain deposits and FHLB advances. During the three months ended June 30, 2026, Customers entered into three interest rate derivatives with notional amounts totaling $118.3 million that were designated as fair value hedges of certain deposits. During the six months ended June 30, 2026, Customers entered into seven interest rate derivatives with notional amounts totaling $244.0 million that were designated as fair value hedges of certain deposits. Customers did not enter into any interest rate derivatives during the three months ended June 30, 2025. During the six months ended June 30, 2025, Customers entered into three interest rate derivatives with notional amounts totaling $320.2 million that were designated as fair value hedges of certain deposits. At December 31, 2025, Customers had 44 outstanding interest rate derivatives with notional amounts totaling $2.4 billion that were designated as fair value hedges of certain deposits and FHLB advances.

As of June 30, 2026 and December 31, 2025, the following amounts were recorded on the consolidated balance sheet related to cumulative basis adjustments for fair value hedges:

	Amortized Cost		Cumulative Amount of Fair Value Hedging Adjustment to Hedged Items	
(amounts in thousands)	June 30, 2026	December 31, 2025	June 30, 2026	December 31, 2025
Deposits	$ 1,586,085	$ 1,697,282	$ (2,876)	$ 20,232
FHLB advances	650,000	750,000	(837)	5,068

Derivatives Not Designated as Hedging Instruments

Customers executes interest rate swaps (typically the loan customers will swap a floating-rate loan for a fixed-rate loan), caps and collars with commercial banking customers to facilitate their respective risk management strategies. The customer interest rate swaps, caps and collars are simultaneously offset by interest rate swaps, caps and collars that Customers executes with a third party in order to minimize interest-rate risk exposure resulting from such transactions. As the interest rate swaps, caps and collars associated with this program do not meet the hedge accounting requirements, changes in the fair value of both the customer swaps, caps and collars and the offsetting third-party market swaps, caps and collars are recognized directly in earnings. At June 30, 2026, Customers had 108 interest rate swaps with an aggregate notional amount of $1.2 billion and twelve interest rate caps and collars with an aggregated notional amount of $484.6 million related to this program. At December 31, 2025, Customers had 118 interest rate swaps with an aggregate notional amount of $1.1 billion and ten interest rate caps and collars with an aggregate notional amount of $432.2 million related to this program.

Fair Value of Derivative Instruments on the Balance Sheet

The following tables present the fair value of Customers' derivative financial instruments as well as their presentation on the consolidated balance sheets as of June 30, 2026 and December 31, 2025:

	June 30, 2026			
	Derivative Assets		Derivative Liabilities	
(amounts in thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments:				
Interest rate swaps, caps and collars (1)	Other assets	$ 9,533	Other liabilities	$ 14,376

	December 31, 2025			
	Derivative Assets		Derivative Liabilities	
(amounts in thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments:				
Interest rate swaps, caps and collars (1)	Other assets	$ 11,325	Other liabilities	$ 15,700

(1) Customers' centrally cleared derivatives are legally settled through variation margin payments and these payments are reflected as a reduction of the related derivative asset or liability, including accrued interest, on the consolidated balance sheet.

Effect of Derivative Instruments on Net Income

The following table presents amounts included in the consolidated statements of income related to derivatives designated as fair value hedges and derivatives not designated as hedges for the three and six months ended June 30, 2026 and 2025:

		Amount of Income (Loss) Recognized in Earnings			
		Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	Income Statement Location	2026	2025	2026	2025
Derivatives designated as fair value hedges:					
Recognized on interest rate swaps	Net interest income	$ 1,161	$ (2,322)	$ 2,790	$ (4,290)
Recognized on hedged deposits	Net interest income	(846)	1,563	(2,132)	2,736
Recognized on hedged FHLB advances	Net interest income	(116)	996	(365)	1,890
Total		$ 199	$ 237	$ 293	$ 336
Derivatives not designated as hedging instruments:					
Interest rate swaps, caps and collars	Other non-interest income	$ 603	$ 892	$ 619	$ 1,671

Effect of Derivative Instruments on Comprehensive Income

The following tables present the effect of Customers' derivative financial instruments on comprehensive income for the three and six months ended June 30, 2026 and 2025:

	Amount of Gain (Loss) Recognized in OCI on Derivatives (1)		Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income	
	Three Months Ended June 30,			Three Months Ended June 30,	
(amounts in thousands)	2026	2025		2026	2025
Derivatives in cash flow hedging relationships:					
Interest rate swaps	$ (5,559)	$ —	Interest income	$ (386)	$ —

	Amount of Gain (Loss) Recognized in OCI on Derivatives (1)		Location of Gain (Loss) Reclassified from AOCI into Income	Amount of Gain (Loss) Reclassified from AOCI into Income	
	Six Months Ended June 30,			Six Months Ended June 30,	
(amounts in thousands)	2026	2025		2026	2025
Derivatives in cash flow hedging relationships:					
Interest rate swaps	$ (10,663)	$ —	Interest income	$ (853)	$ —

(1) Amounts presented are net of taxes. Refer to NOTE 4 – CHANGES IN ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) for the total effect on other comprehensive income (loss) from derivatives designated as cash flow hedges for the periods presented.

Credit-risk-related Contingent Features

By entering into derivative contracts, Customers is exposed to credit risk. The credit risk associated with derivatives executed with customers is the same as that involved in extending the related loans and is subject to the same standard credit policies. To mitigate the credit-risk exposure to major derivative dealer counterparties, Customers only enters into agreements with those counterparties that maintain credit ratings of high quality or with central clearing parties.

Agreements with major derivative dealer counterparties contain provisions whereby default on any of Customers' indebtedness would be considered a default on its derivative obligations. Customers also has entered into agreements that contain provisions under which the counterparty could require Customers to settle its obligations if Customers fails to maintain its status as a well/adequately capitalized institution. Under these agreements, Customers had derivative assets of $7.3 million and derivative liabilities of $2.5 million, resulting in a net asset position of $4.8 million at June 30, 2026. In addition, Customers, which has collateral posting thresholds with certain of these counterparties, had received $5.9 million and posted $2.1 million, resulting in net cash collateral received of $3.8 million at June 30, 2026. Customers records cash posted or received as collateral with these counterparties, except with a central clearing entity, as a reduction or an increase in the outstanding balance of cash and cash equivalents and an increase in the balance of other assets or other liabilities.

Disclosures about Offsetting Assets and Liabilities

The following tables present derivative instruments that are subject to enforceable master netting arrangements. Customers' interest rate swaps, caps and collars with institutional counterparties are subject to master netting arrangements and are included in the tables below. Interest rate swaps, caps and collars with commercial banking customers are not subject to master netting arrangements and are excluded from the tables below. Customers has not made a policy election to offset its derivative positions.

(amounts in thousands)	Gross Amounts Recognized on the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet		Net Amount
		Financial Instruments	Cash Collateral Received/Posted	
June 30, 2026				
Interest rate derivative assets with institutional counterparties	$ 7,272	$ (1,118)	$ (5,891)	$ 263
Interest rate derivative liabilities with institutional counterparties	$ 2,490	$ (1,118)	$ (1,372)	$ —

(amounts in thousands)	Gross Amounts Recognized on the Consolidated Balance Sheet	Gross Amounts Not Offset in the Consolidated Balance Sheet		Net Amount
		Financial Instruments	Cash Collateral Received/Posted	
December 31, 2025				
Interest rate derivative assets with institutional counterparties	$ 6,294	$ (5,219)	$ (1,075)	$ —
Interest rate derivative liabilities with institutional counterparties	$ 5,219	$ (5,219)	$ —	$ —

NOTE 17 — LOSS CONTINGENCIES

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are any such matters that will have a material effect on the consolidated financial statements that are not currently accrued for. However, in light of the uncertainties inherent in these matters, it is possible that the ultimate resolution may have a material adverse effect on Customers' results of operations for a particular period, and future changes in circumstances or additional information could result in accruals or resolution in excess of established accruals, which could adversely affect Customers' results of operations, potentially materially.

Demand Letter

On or about June 17, 2025, the Company's Board of Directors received a letter demanding it investigate and pursue causes of action, purportedly on behalf of the Company, against certain current and former directors and/or officers of the Company based on alleged deficiencies in the Company's disclosures concerning anti-money laundering and bank secrecy compliance (the "Demand Letter"). In response to the Demand Letter, on July 23, 2025, the Board approved the formation of a Special Litigation Committee comprised entirely of independent directors to investigate the allegations raised.

NOTE 18 — BUSINESS SEGMENTS

Customers has one reportable segment. Customers derives its revenues from customers by providing loans and deposit products in the United States, and manages the business on a consolidated basis. Customers' accounting policies of the reportable segment are the same as those described in NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION to the audited consolidated financial statements in the 2025 Form 10-K.

Customers' CODM is the Executive Committee (the "Executive Committee") that includes the Executive Chairman, Chief Executive Officer, Chief Financial Officer, Chief Banking Officer, Chief Risk Officer, Chief Credit Officer, Chief Operating Officer and the Head of Corporate Development and Investor Relations. The Executive Committee assesses performance of Customers on a consolidated basis, and decides how to allocate resources based on net income that is also reported as net income available to common shareholders on the consolidated statement of income.

The Executive Committee uses net income, which is the measure of segment profit and loss, to evaluate income generated from segment assets (return on assets) and other measures, such as net interest margin, tax equivalent, return on average assets, return on common equity and tangible common equity per common share, in deciding how to reinvest profits, such as originating loans and leases, investing in investment securities, or to repurchase shares in Customers' common stock.

Net income available to common shareholders is used to monitor budget versus actual results. The Executive Committee also uses net income available to common shareholders and other measures in comparing to Customers' peer banks. The comparison of Customers' net income available to common shareholders and other measures to its peer banks, along with the comparison of budgeted versus actual results are used in assessing Customers' performance and in establishing management compensation.

The following table presents Customers' reported segment revenues, profit or loss and significant segment expenses for the three and six months ended June 30, 2026 and 2025:

Segment profit or loss

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands, except per share data)	2026	2025	2026	2025
Interest income:				
Total interest income	$ 344,657	$ 328,001	$ 680,969	$ 642,910
Total interest expense	151,291	151,298	296,252	298,761
Net interest income	193,366	176,703	384,717	344,149
Provision for credit losses	23,067	20,781	46,439	49,078
Net interest income after provision for credit losses	170,299	155,922	338,278	295,071
Total non-interest income (1)	34,043	29,606	68,359	5,116
Non-interest expense:				
Salaries and employee benefits	56,037	45,848	107,331	88,522
Technology, communication and bank operations	12,891	10,382	24,534	21,694
Commercial lease depreciation	12,761	8,743	25,453	17,206
Professional services	10,024	13,850	21,719	25,707
Loan servicing	3,710	4,053	7,569	8,683
Occupancy (2)	3,495	3,551	7,451	6,963
FDIC assessments, non-income taxes and regulatory fees	4,585	11,906	12,800	23,656
Advertising and promotion	481	461	1,035	989
Other (3)	10,907	7,832	18,987	15,977
Total non-interest expense	114,891	106,626	226,879	209,397
Income before income tax expense	89,451	78,902	179,758	90,790
Income tax expense	17,891	17,963	38,545	16,939
Segment net income	71,560	60,939	141,213	73,851
Preferred stock dividends	—	3,185	—	6,574
Loss on redemption of preferred stock	—	1,908	—	1,908
Segment net income available to common shareholders	$ 71,560	$ 55,846	$ 141,213	$ 65,369
Reconciliation of profit or loss				
Adjustments and reconciling items	—	—	—	—
Consolidated net income available to common shareholders	$ 71,560	$ 55,846	$ 141,213	$ 65,369
Basic earnings per common share	$ 2.12	$ 1.77	$ 4.16	$ 2.07
Diluted earnings per common share	2.05	1.73	4.02	2.02

(1) Includes Customers' equity in the net income of investees accounted for under the equity method consisting primarily of investments in the SBA's small business investment companies, and income from investments in affordable housing projects.

(2) Includes depreciation expense for furniture, fixture and equipment and amortization of leasehold improvements of \$1.0 million and \$0.8 million for the three months ended June 30, 2026 and 2025, respectively. Depreciation expense for furniture and equipment and amortization of leasehold improvement were \$2.1 million and \$1.5 million for the six months ended June 30, 2026 and 2025, respectively.

(3) Other expenses include provision for credit losses on unfunded lending-related commitments, loan workout and non-capitalizable origination costs, provision for operating losses, insurance expenses, charitable contributions and other miscellaneous expenses.

Substantially all revenues generated and long-lived assets held by Customers are derived from customers that reside in the United States. Customers did not earn revenues from a single external customer that represents ten percent or more of consolidated total revenues.

The measure of segment assets is reported as total assets on the consolidated balance sheet. The following table presents Customers' reported segment assets as of June 30, 2026 and December 31, 2025:

Segment assets

(amounts in thousands)	June 30, 2026	December 31, 2025
Total assets	$ 26,520,789	$ 24,895,868
Adjustments and reconciling items	—	—
Consolidated total assets	$ 26,520,789	$ 24,895,868

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Note Regarding Forward-Looking Statements

This report and all attachments hereto, as well as other written or oral communications made from time to time by us, may contain forward-looking information within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.'s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words "may," "could," "should," "pro forma," "looking forward," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," "project," or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.'s control). Numerous competitive, economic, regulatory, legal and technological events and factors, among others, could cause Customers Bancorp, Inc.'s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements, including: a continuation of the recent turmoil in the banking industry, responsive measures taken by us and regulatory authorities to mitigate and manage related risks, regulatory actions taken that address related issues and the costs and obligations associated therewith, such as the FDIC special assessments; the potential for negative consequences resulting from regulatory violations, investigations and examinations, including potential supervisory actions, the assessment of fines and penalties, the imposition of sanctions, the need to undertake remedial actions and possible damage to our reputation; effects of competition on deposit rates and growth, loan rates and growth and net interest margin; failure to identify and adequately and promptly address cybersecurity risks, including data breaches and cyberattacks; public health crises and pandemics and their effects on the economic and business environments in which we operate; geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and military conflicts, including the war between Russia and Ukraine and ongoing conflict in the Middle East, which could impact the economic conditions in the United States; the impact that changes in the economy have on the performance of our loan and lease portfolio, the market value of our investment securities, the demand for our products and services and the availability of sources of funding; the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that affect market interest rates and the money supply; actions that we and our customers take in response to these developments and the effects such actions have on our operations, products, services and customer relationships; higher inflation and its impacts; the effects of changes in U.S. trade policies, including the imposition of tariffs and retaliatory tariffs on its trading partners; and the effects of any changes in accounting standards or policies. Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management's current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.'s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2025, subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto, that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Customers Bancorp, Inc. does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank, except as may be required under applicable law.

Management's discussion and analysis represents an overview of the financial condition and results of operations, and highlights the significant changes in the financial condition and results of operations, as presented in the accompanying consolidated financial statements for Customers Bancorp, Inc. (the "Bancorp" or "Customers Bancorp"), a financial holding company, and its wholly owned subsidiaries, including Customers Bank (the "Bank"), collectively referred to as "Customers" herein. This information is intended to facilitate your understanding and assessment of significant changes and trends related to Customers' financial condition and results of operations as of and for the three and six months ended June 30, 2026. All quarterly information in this Management's Discussion and Analysis is unaudited. You should read this section in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Customers' 2025 Form 10-K.

Overview

Like most financial institutions, Customers derives the majority of its income from interest it receives on its interest-earning assets, such as loans, leases and investments. Customers' primary source of funds for making these loans, leases and investments are its deposits and borrowings, on which it pays interest. Consequently, one of the key measures of Customers' success is the amount of its net interest income, or the difference between the interest income on its interest-earning assets and the interest expense on its interest-bearing liabilities, such as deposits and borrowings. Another key measure is the difference between the interest income generated by interest earning assets and the interest expense on interest-bearing liabilities, relative to the amount of average interest earning assets, which is referred to as net interest margin.

There is credit risk inherent in loans and leases requiring Customers to maintain an ACL to absorb credit losses on existing loans and leases that may become uncollectible. Customers maintains this allowance by charging a provision for credit losses on loan and leases against its operating earnings. Customers has included a detailed discussion of this process in “NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION” to Customers’ audited consolidated financial statements in its 2025 Form 10-K, as well as several tables describing its ACL in “NOTE 7 – LOANS AND LEASES RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES ON LOANS AND LEASES” to Customers’ unaudited consolidated financial statements.

Impact of Macroeconomic and Banking Industry Uncertainties, Tariffs, and Military Conflicts

The Federal Reserve kept the target range for the federal funds rate unchanged at its meetings in 2026. At its June 2026 meeting, the Federal Reserve stated that inflation remains elevated in part reflecting supply shocks that have driven price increases in certain sectors, including energy. Uncertainty about the economic outlook remains elevated. The implications of developments in the Middle East for the U.S. economy are uncertain. The Federal Reserve stated that it will deliver price stability. Significant uncertainties exist as to the direction of interest rates and their effects on economic conditions.

Significant uncertainties as to future economic conditions continue to exist, including risks of higher inflation, changes in U.S. trade policies including the imposition of tariffs and retaliatory tariffs on its trading partners, elevated liquidity risk to the U.S. banking system and the exposure to the U.S. commercial real estate market, particularly to the regional banks, disruptions to global supply chain and labor markets and higher oil and commodity prices exacerbated by the military conflicts between Russia and Ukraine and in the Middle East. Customers has maintained higher levels of liquidity, reserves for credit losses on loans and leases and off-balance sheet credit exposures and strong capital ratios, and shifted the mix of its loan portfolio towards low credit risk commercial loans with floating or adjustable interest rates during the period of high interest rates. As interest rates began to decline, Customers had been reducing the Bank’s asset sensitivity through derivative hedging and investment securities portfolio rebalancing. Customers remains focused on growing its non-interest bearing and lower-cost interest-bearing deposits. The Bank’s debt securities available for sale and held to maturity are available to be pledged as collateral to the FRB and FHLB for additional liquidity. The Bank had approximately $7.0 billion in immediate available liquidity from the FRB and FHLB and cash on hand of $4.2 billion as of June 30, 2026. The Bank’s estimated FDIC insured deposits represented approximately 55% of our deposits (inclusive of accrued interest) as of June 30, 2026. When including collateralized and affiliate deposits as FDIC insured, this number increased to 65% of our deposits as of June 30, 2026. Customers continues to monitor closely the impact of uncertainties affecting the macroeconomic conditions, the U.S. banking system, particularly regional banks, the military conflicts between Russia and Ukraine and in the Middle East, as well as any effects that may result from the federal government’s responses including future rate and regulatory actions; however, the extent to which inflation, interest rates and other macroeconomic and industry factors, the geopolitical conflicts and developments in the U.S. banking system will impact Customers’ operations and financial results during the remainder of 2026 is highly uncertain.

New Accounting Pronouncements

For information about the impact that recently adopted or issued accounting guidance will have on us, refer to “NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION” to Customers’ unaudited consolidated financial statements.

Critical Accounting Policies and Estimates

Customers has adopted various accounting policies that govern the application of U.S. GAAP and that are consistent with general practices within the banking industry in the preparation of its consolidated financial statements. Customers’ significant accounting policies are described in “NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION” in Customers’ audited consolidated financial statements included in its 2025 Form 10-K. Certain accounting policies involve significant judgments and assumptions by Customers that have a material impact on the carrying value of certain assets. Customers considers these accounting policies to be critical accounting policies. The judgments and assumptions used are based on historical experience and other factors, which are believed to be reasonable under the circumstances. Because of the nature of the judgments and assumptions management makes, actual results could differ from these judgments and estimates, which could have a material impact on the carrying values of Customers’ assets.

The critical accounting policy that is both important to the portrayal of Customers’ financial condition and results of operations and requires complex, subjective judgments is the ACL. This critical accounting policy and material estimate, along with the related disclosures, are reviewed by Customers’ Audit Committee of the Board of Directors.

Allowance for Credit Losses

Customers' ACL at June 30, 2026 represents Customers' current estimate of the lifetime credit losses expected from its loan and lease portfolio and its unfunded lending-related commitments that are not unconditionally cancellable. Management estimates the ACL by projecting a lifetime loss rate conditional on a forecast of economic parameters and other qualitative adjustments, for the loans' and leases' expected remaining term.

Customers uses external sources in the creation of its forecasts, including current economic conditions and forecasts for macroeconomic variables over its reasonable and supportable forecast period (e.g., GDP growth rate, unemployment rate, BBB spread, commercial real estate and home price index). After the reasonable and supportable forecast period, which ranges from two to five years, the models revert the forecasted macroeconomic variables to their historical long-term trends, without specific predictions for the economy, over the expected life of the pool, while also incorporating prepayment assumptions into its lifetime loss rates. Internal factors that impact the quarterly allowance estimate include the level of outstanding balances, portfolio performance and assigned risk ratings. Significant loan/borrower attributes utilized in the models include property type, initial loan to value, assigned risk ratings, delinquency status, origination date, maturity date, initial FICO scores, and borrower industry and state.

The ACL may be affected materially by a variety of qualitative factors that Customers considers to reflect its current judgment of various events and risks that are not measured in our statistical procedures, including uncertainty related to the economic forecasts used in the modeled credit loss estimates, nature and volume of the loan and lease portfolio, credit underwriting policy exceptions, peer comparison, industry data, and model and data limitations. The qualitative allowance for economic forecast risk is further informed by multiple alternative scenarios, as deemed applicable, to arrive at a scenario or a composite of scenarios supporting the period-end ACL balance. The evaluation process is inherently imprecise and subjective as it requires significant management judgment based on underlying factors that are susceptible to changes, sometimes materially and rapidly. Customers recognizes that this approach may not be suitable in certain economic environments such that additional analysis may be performed at management's discretion. Due in part to its subjectivity, the qualitative evaluation may be materially impacted during periods of economic uncertainty and late breaking events that could lead to a revision of reserves to reflect management's best estimate of expected credit losses.

The ACL is established in accordance with our ACL policy. The ACL Committee, which includes the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Chief Banking Officer, and Chief Credit Officer, among others, reviews the adequacy of the ACL each quarter, together with Customers' risk management team. The ACL policy, significant judgments and the related disclosures are reviewed by Customers' Audit Committee of the Board of Directors.

The net increase in our estimated ACL as of June 30, 2026 as compared to December 31, 2025 resulted primarily from increase in loan balances partially offset by slight improvements in the forecast of macroeconomic variables. The provision for credit losses on loans and leases was $17.7 million and $36.3 million for the three and six months ended June 30, 2026, respectively, for an ending ACL balance of $174.1 million ($164.1 million for loans and leases and $10.0 million for unfunded lending-related commitments) as of June 30, 2026.

To determine the ACL as of June 30, 2026, Customers utilized its baseline forecast to generate its modeled expected losses and considered other alternative economic forecast scenarios to qualitatively adjust the modeled ACL by loan portfolio in order to reflect management's reasonable expectations of current and future economic conditions. The baseline forecast at June 2026 assumed slight improvements in macroeconomic forecasts from the first quarter 2026 forecasts of macroeconomic conditions used by Customers; the Federal Reserve Board holding interest rates unchanged for the foreseeable future due to uncertainty caused by the military conflict with Iran and the surge in oil and other commodity prices; inflation is above the Federal Reserve's target due to higher tariffs and the military conflict with Iran and is not expected to return to target until early 2028; the jobs market has stabilized, and unemployment remains close to the estimated unemployment rate at full employment. Key variables in the forecast show the CRE price index rising to 307.8 in 2026 and 316.7 in 2027, quarterly GDP growth between 1.8% and 2.0% through 2027, the unemployment rate rising to 4.5% in 2026 and 4.6% in 2027, and the BBB spread rising to 1.51% in 2026 and 1.79% in 2027. Customers continues to monitor the impact of the military conflicts between Russia and Ukraine and in the Middle East, high tariffs, inflation, and monetary and fiscal policy measures on the U.S. economy and, if pace of the expected economic growth is worse than expected, further meaningful provisions for credit losses could be required.

As of December 31, 2025, the ACL ending balance was $164.7 million ($155.7 million for loans and leases and $9.0 million for unfunded lending-related commitments). To determine the ACL as of December 31, 2025, Customers utilized its December 2025 baseline forecast to generate its modeled expected losses and considered other alternative economic forecast scenarios to qualitatively adjust the modeled ACL by loan portfolio in order to reflect management's reasonable expectations of current and future economic conditions. The baseline forecast at December 31, 2025 assumed slight improvements in macroeconomic forecasts compared to the macroeconomic forecasts used by Customers in 2024; the Federal Reserve Board lowering interest rates in December 2025 and three more times, a quarter point each time as prompted by a soft economy and a struggling job market, in early 2026, and gradually bringing the policy rate to its neutral level by late 2028; policymakers anticipating that the recent acceleration in inflation will prove temporary, as it is largely due to a one-time price increase caused by the higher tariffs; the military conflict between Russia and Ukraine continuing but its fallout on energy, agriculture and other commodity markets is modest; a threat that the turmoil in Middle East disrupting global energy and financial markets has abated somewhat; the CPI rising 3.2% in 2026 and 2.6% in 2027; and the unemployment rate rising to 4.7% in 2026 and 2027.

One of the most significant judgments influencing the ACL is the macroeconomic forecasts. Changes in the economic forecasts could significantly affect the estimated credit losses which could potentially lead to materially different allowance levels from one reporting period to the next. Given the dynamic relationship between macroeconomic variables within Customers' modeling framework, it is difficult to estimate the impact of a change in any one individual variable on the ACL. However, to illustrate a hypothetical sensitivity analysis, management calculated a quantitative allowance using a 100% weighting applied to an adverse scenario. This scenario includes assumptions around the the military conflict in the Middle East, including negotiations between the U.S. and Iran taking much longer than expected, and the damage to energy infrastructure worse than expected and taking longer to repair, and causing oil prices to decline less than in the Baseline scenario; economic impacts on the economy of the current administration's tariffs and deportations, as well as high oil prices worse than expected, causing inflation to rise in the third quarter of 2026; military conflict between Russia and Ukraine persisting longer than expected; the combination of high oil prices, tariffs, rising inflation, deportations, political tensions, still-elevated interest rates and reduced credit availability causing the economy to fall into recession in the third quarter of 2026; unemployment beginning to increase significantly in the third quarter of 2026 and peaking in the third quarter of 2027. Under this scenario, the unemployment rate is estimated at 7.2% and 8.4% in 2026 and 2027, respectively. These numbers represent a 2.7% and 3.8% higher unemployment estimate than the Baseline scenario projection of 4.5% and 4.6% for the same time periods, respectively. Further, the adverse scenario showed the CRE price index declining to 289.5 in 2026 and 248.3 in 2027, quarterly GDP contracting by 3-4% through Q1 of 2027 with a very modest economic recovery happening in Q2 2027, as well as the BBB spread growing to 3.15% in Q2 of 2027 before retreating to 2.39% at the end of 2027. To demonstrate the sensitivity to key economic parameters, management calculated the difference between a 100% Baseline weighting and a 100% adverse scenario weighting for modeled results. This would result in an incremental quantitative impact to the ACL of approximately $105 million at June 30, 2026. This resulting difference is not intended to represent an expected increase in ACL levels since (i) Customers may use a weighted approach applied to multiple economic scenarios for its ACL process, (ii) the highly uncertain economic environment, (iii) the difficulty in predicting inter-relationships between macroeconomic variables used in various economic scenarios, and (iv) the sensitivity analysis does not account for any qualitative adjustments incorporated by Customers as part of its overall ACL framework.

There is no certainty that Customers' ACL will be appropriate over time to cover losses in our portfolio as economic and market conditions may ultimately differ from our reasonable and supportable forecast. Additionally, events adversely affecting specific customers, industries, or Customers' markets, such as geopolitical instability, or risks of rising inflation including a near-term recession could severely impact our current expectations. If the credit quality of Customers' customer base materially deteriorates or the risk profile of a market, industry, or group of customers changes materially, Customers' net income and capital could be materially adversely affected which, in turn could have a material adverse effect on Customers' financial condition and results of operations. The extent to which the geopolitical instability, higher tariffs and risks of rising inflation have and will continue to negatively impact Customers' businesses, financial condition, liquidity and results will depend on future developments, which are highly uncertain and cannot be forecasted with precision at this time.

For more information, refer to "NOTE 7 – LOANS AND LEASES RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES ON LOANS AND LEASES" to Customers' unaudited consolidated financial statements.

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Results of Operations

The following table sets forth the condensed statements of income for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		QTD		Six Months Ended June 30,		YTD	
(dollars in thousands)	2026	2025	Change	% Change	2026	2025	Change	% Change
Net interest income	$ 193,366	$ 176,703	$ 16,663	9.4 %	$ 384,717	$ 344,149	$ 40,568	11.8 %
Provision for credit losses	23,067	20,781	2,286	11.0 %	46,439	49,078	(2,639)	(5.4)%
Total non-interest income	34,043	29,606	4,437	15.0 %	68,359	5,116	63,243	NM
Total non-interest expense	114,891	106,626	8,265	7.8 %	226,879	209,397	17,482	8.3 %
Income before income tax expense	89,451	78,902	10,549	13.4 %	179,758	90,790	88,968	98.0 %
Income tax expense	17,891	17,963	(72)	(0.4)%	38,545	16,939	21,606	127.6 %
Net income	71,560	60,939	10,621	17.4 %	141,213	73,851	67,362	91.2 %
Preferred stock dividends	—	3,185	(3,185)	(100.0)%	—	6,574	(6,574)	(100.0)%
Loss on redemption of preferred stock	—	1,908	(1,908)	(100.0)%	—	1,908	(1,908)	(100.0)%
Net income available to common shareholders	$ 71,560	$ 55,846	$ 15,714	28.1 %	$ 141,213	$ 65,369	$ 75,844	116.0 %

Customers reported net income available to common shareholders of $71.6 million and $141.2 million for the three and six months ended June 30, 2026, compared to net income available to common shareholders of $55.8 million and $65.4 million for the three and six months ended June 30, 2025. Factors contributing to the change in net income available to common shareholders for the three and six months ended June 30, 2026 compared to the three and six months ended June 30, 2025 were as follows:

Net interest income

Net interest income increased $16.7 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to higher average loan balances. Average interest-earning assets increased by $2.9 billion for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. The increase in interest-earning assets was primarily driven by an increase in commercial and industrial specialized lending. NIM decreased by ten basis points to 3.17% for the three months ended June 30, 2026 from 3.27% for the three months ended June 30, 2025. The NIM decrease was primarily attributable to lower market interest rates on commercial and industrial loans and interest earning deposits, partially offset by lower cost of deposits from a favorable shift in deposit mix and lower market interest rates, which drove a 52 basis point decrease in the cost of interest-bearing liabilities for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. Customers' total cost of funds, including non-interest bearing deposits and borrowings, was 2.64% and 2.99% for the three months ended June 30, 2026 and 2025, respectively.

Net interest income increased $40.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to higher average loan balances and lower interest expense on deposits. Average interest-earning assets increased by $2.6 billion for the six months ended June 30, 2026, compared to the six months ended June 30, 2025. The increase in interest-earning assets was primarily driven by an increase in commercial and industrial specialized lending. NIM decreased by one basis point to 3.19% for the six months ended June 30, 2026 from 3.20% for the six months ended June 30, 2025. The NIM decrease was primarily attributable to lower market interest rates on commercial and industrial specialized lending and interest-earning deposits, partially offset by lower cost of deposits from a favorable shift in deposit mix and lower market interest rates on deposits, which drove a 50 basis point decrease in cost of interest-bearing liabilities for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. Customers' total cost of funds, including non-interest bearing deposits and borrowings, was 2.63% and 2.98% for the six months ended June 30, 2026 and 2025, respectively.

Provision for credit losses

The $2.3 million increase in the provision for credit losses for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 included $0.7 million decrease in provision for credit losses on loans and leases for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, which primarily reflects reserve releases in commercial and industrial and commercial real estate non-owner occupied loans, were largely offset by a reserve build in multifamily loans driven by higher net charge-offs and increased reserves for consumer installment loans. The ACL on off-balance sheet credit exposures is presented within accrued interest payable and other liabilities in the consolidated balance sheet and the related provision is presented as part of other non-interest expense on the consolidated statement of income. The ACL on loans and leases held for investment represented 1.01% of total loans and leases receivable at June 30, 2026, compared to 1.07% of total loans and leases receivable at June 30, 2025. Net charge-offs for the three months ended June 30, 2026 were $14.6 million, or 34 basis points of average loans and leases on an annualized basis, compared to net charge-offs of $13.1 million, or 35 basis points on an annualized basis, for the three months ended June 30, 2025. The increase in net charge-offs for the three months ended June 30, 2026, compared to the three months ended June 30, 2025, was primarily due to higher charge-offs for multifamily loans, partially offset by lower charge-offs for commercial and industrial loans and consumer installment loans.

The $2.6 million decrease in the provision for credit losses for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 included $3.6 million decrease in provision for credit losses on loans and leases for the six months ended June 30, 2026 compared to the six months ended June 30, 2025, which primarily reflects reserve releases in commercial and industrial and commercial real estate non-owner occupied loans were largely offset by a reserve build in multifamily loans driven by higher net charge-offs and increased reserves for consumer installment loans. Net charge-offs for the six months ended June 30, 2026 were $27.8 million, or 33 basis points of average loans and leases on an annualized basis, compared to net charge-offs of $30.3 million, or 41 basis points on an annualized basis, for the six months ended June 30, 2025. The decrease in net charge-offs for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, was primarily due to lower charge-offs for commercial and industrial loans and consumer installment loans, partially offset by higher charge-offs for multifamily loans.

The provision for credit losses for the three months ended June 30, 2026 and 2025 also included a provision for credit losses of $5.3 million and $2.3 million, respectively, on certain debt securities available for sale. The provision for credit losses on certain debt securities available for sale was $10.2 million and $9.2 million for the six months ended June 30, 2026 and 2025, respectively. Refer to "NOTE 5 – INVESTMENT SECURITIES" to Customers' unaudited consolidated financial statements for additional information.

Non-interest income

The $4.4 million increase in non-interest income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from increases of $4.3 million in commercial lease income and $1.1 million in net gain on sale of loans and leases and a decrease of $2.0 million in net loss on sale of investment securities, partially offset by a decrease of $2.6 million in other non-interest income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

The $63.2 million increase in non-interest income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from $51.3 million of impairment loss on investment securities that the Bank decided to sell as of June 30, 2025 in order to further improve structure liquidity, enhance credit profile, reduce asset sensitivity and benefit margin, and increases of $9.1 million in commercial lease income, $2.8 million in loan fees and $2.1 million in net gain on sale of loans and leases and a decrease of $2.3 million in net loss on sale of investment securities, partially offset by decreases of $3.3 million in other non-interest income and $1.6 million in bank-owned life insurance income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025.

Non-interest expense

The $8.3 million increase in non-interest expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from increases of $10.2 million in salaries and employee benefits, $4.0 million in commercial lease depreciation and $2.5 million in technology, communication and bank operations. These increases were offset in part by decreases of $7.3 million in FDIC assessments, non-income taxes and regulatory fees and $3.8 million in professional fees for the three months ended June 30, 2026 compared to the three months ended June 30, 2025.

The $17.5 million increase in non-interest expense for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from increases of $18.8 million in salaries and employee benefits, $8.2 million in commercial lease depreciation, $3.0 million in other non-interest expense and $2.8 million in technology, communication and bank operations. These increases were offset in part by decreases of $10.9 million in FDIC assessments, non-income taxes and regulatory fees and $4.0 million in professional services for the six months ended June 30, 2026 compared to the three months ended June 30, 2025.

Income tax expense

Customers' effective tax rate was 20.0% for the three months ended June 30, 2026 compared to 22.8% for the three months ended June 30, 2025. The decrease in the effective tax rate primarily resulted from higher favorable permanent book to tax adjustments, which was partially offset by higher state and local income tax expense.

Customers' effective tax rate was 21.4% for the six months ended June 30, 2026 compared to 18.7% for the six months ended June 30, 2025. The increase in the effective tax rate primarily resulted from higher pre-tax income and higher state and local income tax expense.

Preferred stock dividends and loss on redemption of preferred stock

There were no preferred stock dividends for the three and six month ended June 30, 2026. Preferred stock dividends were $3.2 million and $6.6 million for the three and six months ended June 30, 2025, respectively. On June 16, 2025 and December 15, 2025, Customers redeemed all of the outstanding shares of Series E Preferred Stock and Series F Preferred Stock, respectively, for an aggregate payment of $142.5 million, at a redemption price of $25.00 per share. The redemption price of $57.5 million paid in excess of the carrying value of Series E Preferred Stock of $1.9 million is included as a loss on redemption of preferred stock in the consolidated statements of income for the three and six months ended June 30, 2025. After giving effect to the redemption, no shares of the Series E Preferred Stock and Series F Preferred Stock remained outstanding. Refer to "NOTE 11 – SHAREHOLDERS' EQUITY" to Customers' unaudited consolidated financial statements for additional information.

NET INTEREST INCOME

Net interest income (the difference between the interest earned on loans and leases, investments and interest-earning deposits with banks, and interest paid on deposits, borrowed funds and subordinated debt) is the primary source of Customers' earnings. The following table summarizes Customers' net interest income, related interest spread, net interest margin and the dollar amount of changes in interest income and interest expense for the major categories of interest-earning assets and interest-bearing liabilities for the three and six months ended June 30, 2026 and 2025. Information is provided for each category of interest-earning assets and interest-bearing liabilities with respect to (i) changes attributable to volume (i.e., changes in average balances multiplied by the prior-period average rate) and (ii) changes attributable to rate (i.e., changes in average rate multiplied by prior-period average balances). For purposes of this table, changes attributable to both rate and volume which cannot be segregated have been allocated proportionately to the change due to volume and the change due to rate.

(dollars in thousands)	Three Months Ended June 30, 2026 Average Balance	2026 Interest Income or Expense	2026 Average Yield or Cost (%)	2025 Average Balance	2025 Interest Income or Expense	2025 Average Yield or Cost (%)	Three Months Ended June 30, 2026 vs. 2025 Due to rate	Due to volume	Total
Assets									
Interest-earning deposits	$ 4,064,683	$ 37,628	3.66 %	$ 3,565,168	$ 39,972	4.50 %	$ (7,741)	$ 5,397	$ (2,344)
Investment securities (1)	2,982,966	34,727	4.66 %	2,890,878	37,381	5.19 %	(3,840)	1,186	(2,654)
Loans and leases:									
Commercial and industrial:									
Specialized lending loans and leases (2)	8,274,803	139,664	6.77 %	6,785,684	126,854	7.50 %	(13,175)	25,985	12,810
Other commercial and industrial loans (2)	1,478,857	22,160	6.01 %	1,484,528	25,862	6.99 %	(3,604)	(98)	(3,702)
Mortgage finance loans	1,590,328	17,078	4.31 %	1,501,484	18,349	4.90 %	(2,308)	1,037	(1,271)
Multifamily loans	2,492,956	29,118	4.68 %	2,317,381	25,281	4.38 %	1,822	2,015	3,837
Non-owner occupied commercial real estate loans	2,003,968	29,842	5.97 %	1,581,087	23,003	5.84 %	525	6,314	6,839
Residential mortgages	527,816	6,265	4.75 %	537,008	6,344	4.74 %	15	(94)	(79)
Installment loans	947,935	25,781	10.91 %	879,972	22,982	10.48 %	971	1,828	2,799
Total loans and leases (3)	17,316,663	269,908	6.25 %	15,087,144	248,675	6.61 %	(14,071)	35,304	21,233
Other interest-earning assets	174,621	2,394	5.50 %	133,824	1,973	5.91 %	(145)	566	421
Total interest-earning assets	24,538,933	344,657	5.62 %	21,677,014	328,001	6.07 %	(25,160)	41,816	16,656
Non-interest-earning assets	828,466			685,975					
Total assets	$ 25,367,399			$ 22,362,989					
Liabilities									
Interest checking accounts	$ 5,075,436	41,077	3.25 %	$ 4,935,587	47,245	3.84 %	(7,469)	1,301	(6,168)
Money market deposit accounts	4,593,765	39,880	3.48 %	4,137,035	40,397	3.92 %	(4,761)	4,244	(517)
Other savings accounts	1,655,029	13,943	3.38 %	1,325,639	12,767	3.86 %	(1,722)	2,898	1,176
Certificates of deposit	3,438,721	35,396	4.13 %	2,852,645	33,636	4.73 %	(4,604)	6,364	1,760
Total interest-bearing deposits (4)	14,762,951	130,296	3.54 %	13,250,906	134,045	4.06 %	(18,171)	14,422	(3,749)
Federal funds purchased	10,659	99	3.75 %	—	—	— %	—	99	99
Borrowings	1,989,478	20,896	4.21 %	1,417,370	17,253	4.88 %	(2,609)	6,252	3,643
Total interest-bearing liabilities	16,763,088	151,291	3.62 %	14,668,276	151,298	4.14 %	(20,239)	20,232	(7)
Non-interest-bearing deposits (4)	6,183,251			5,593,581					
Total deposits and borrowings	22,946,339		2.64 %	20,261,857		2.99 %			
Other non-interest-bearing liabilities	249,563			221,465					
Total liabilities	23,195,902			20,483,322					
Shareholders' equity	2,171,497			1,879,667					
Total liabilities and shareholders' equity	$ 25,367,399			$ 22,362,989					
Net interest income		193,366			176,703		$ (4,921)	$ 21,584	$ 16,663
Tax-equivalent adjustment		790			366				
Net interest earnings		$ 194,156			$ 177,069				
Interest spread			2.98 %			3.07 %			
Net interest margin			3.15 %			3.27 %			
Net interest margin tax equivalent (5)			3.17 %			3.27 %			

(1) For presentation in this table, average balances and the corresponding average yields for investment securities are based upon historical cost, adjusted for amortization of premiums and accretion of discounts.
(2) Includes owner occupied commercial real estate loans.
(3) Includes non-accrual loans, the effect of which is to reduce the yield earned on loans and leases, and deferred loan fees.
(4) Total costs of deposits (including interest bearing and non-interest-bearing) were 2.50% and 2.85% for the three months ended June 30, 2026 and 2025, respectively.
(5) Tax-equivalent basis, using an estimated marginal tax rate of 21% for the three months ended June 30, 2026 and 26% for three months ended June 30, 2025, presented to approximate interest income as a taxable asset.

Net interest income increased $16.7 million for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily due to higher average loan balances. Average interest-earning assets increased by $2.9 billion, primarily related to an increase in commercial and industrial specialized lending.

The NIM decreased by ten basis points to 3.17% for the three months ended June 30, 2026 from 3.27% for the three months ended June 30, 2025 resulting primarily from lower market interest rates on commercial and industrial loans and interest earning deposits, partially offset by lower cost of deposits from a favorable shift in deposit mix and lower market interest rates. The cost of interest-bearing liabilities decreased 52 basis points for the three months ended June 30, 2026 compared to the three months ended June 30, 2025. Customers' total cost of funds, including non-interest bearing deposits and borrowings was 2.64% and 2.99% for the three months ended June 30, 2026 and 2025, respectively.

	Six Months Ended June 30,						Six Months Ended June 30,		
	2026			2025			2026 vs. 2025		
(dollars in thousands)	Average Balance	Interest Income or Expense	Average Yield or Cost (%)	Average Balance	Interest Income or Expense	Average Yield or Cost (%)	Due to rate	Due to volume	Total
Assets									
Interest-earning deposits	$ 4,278,663	$ 79,458	3.69 %	$ 3,710,585	$ 82,886	4.50 %	$ (15,553)	$ 12,125	$ (3,428)
Investment securities (1)	2,860,058	66,868	4.68 %	2,995,074	71,720	4.83 %	(1,979)	(2,873)	(4,852)
Loans and leases:									
Commercial and industrial:									
Specialized lending loans and leases (2)	8,070,098	272,525	6.81 %	6,630,720	247,805	7.54 %	(25,575)	50,295	24,720
Other commercial and industrial loans (2)	1,465,556	46,362	6.38 %	1,513,526	49,795	6.63 %	(1,865)	(1,568)	(3,433)
Mortgage finance loans	1,552,332	33,328	4.33 %	1,377,730	33,101	4.85 %	(3,745)	3,972	227
Multifamily loans	2,493,897	57,367	4.64 %	2,295,757	48,945	4.30 %	4,027	4,395	8,422
Non-owner occupied commercial real estate loans	1,956,021	57,553	5.93 %	1,565,815	44,567	5.74 %	1,522	11,464	12,986
Residential mortgages	526,065	12,505	4.76 %	533,828	12,572	4.75 %	37	(104)	(67)
Installment loans	930,112	50,237	10.90 %	908,922	47,659	10.57 %	1,476	1,102	2,578
Total loans and leases (3)	16,994,081	529,877	6.29 %	14,826,298	484,444	6.59 %	(22,853)	68,286	45,433
Other interest-earning assets	165,796	4,766	5.80 %	130,825	3,860	5.95 %	(99)	1,005	906
Total interest-earning assets	24,298,598	680,969	5.64 %	21,662,782	642,910	5.98 %	(37,664)	75,723	38,059
Non-interest-earning assets	846,849			676,326					
Total assets	$ 25,145,447			$ 22,339,108					
Liabilities									
Interest checking accounts	$ 5,034,752	81,100	3.25 %	$ 5,145,729	97,148	3.81 %	(13,994)	(2,054)	(16,048)
Money market deposit accounts	4,479,969	76,520	3.44 %	4,010,647	78,164	3.93 %	(10,284)	8,640	(1,644)
Other savings accounts	1,617,588	27,523	3.43 %	1,239,021	23,458	3.82 %	(2,574)	6,639	4,065
Certificates of deposit	3,447,665	71,279	4.17 %	2,801,467	66,583	4.79 %	(9,346)	14,042	4,696
Total interest-bearing deposits (4)	14,579,974	256,422	3.55 %	13,196,864	265,353	4.05 %	(34,878)	25,947	(8,931)
Federal funds purchased	6,039	112	3.75 %	—	—	— %	—	112	112
Borrowings	1,851,753	39,718	4.33 %	1,382,349	33,408	4.87 %	(4,028)	10,338	6,310
Total interest-bearing liabilities	16,437,766	296,252	3.63 %	14,579,213	298,761	4.13 %	(38,303)	35,794	(2,509)
Non-interest-bearing deposits (4)	6,288,017			5,651,789					
Total deposits and borrowings	22,725,783		2.63 %	20,231,002		2.98 %			
Other non-interest-bearing liabilities	260,535			233,891					
Total liabilities	22,986,318			20,464,893					
Shareholders' equity	2,159,129			1,874,215					
Total liabilities and shareholders' equity	$ 25,145,447			$ 22,339,108					
Net interest income		384,717			344,149		$ 639	$ 39,929	$ 40,568
Tax-equivalent adjustment		1,047			729				
Net interest earnings		$ 385,764			$ 344,878				
Interest spread			3.01 %			3.00 %			
Net interest margin			3.18 %			3.20 %			
Net interest margin tax equivalent (5)			3.19 %			3.20 %			

(1) For presentation in this table, average balances and the corresponding average yields for investment securities are based upon historical cost, adjusted for amortization of premiums and accretion of discounts.
(2) Includes owner occupied commercial real estate loans.
(3) Includes non-accrual loans, the effect of which is to reduce the yield earned on loans and leases, and deferred loan fees.
(4) Total costs of deposits (including interest bearing and non-interest-bearing) were 2.48% and 2.84% for the six months ended June 30, 2026 and 2025, respectively.
(5) Tax-equivalent basis, using an estimated marginal tax rate of 21% for the six months ended June 30, 2026 and 26% for six months ended June 30, 2025, presented to approximate interest income as a taxable asset.

Net interest income increased $40.6 million for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily due to higher average loan balances. Average interest-earning assets increased by $2.6 billion, primarily related to an increase in commercial and industrial specialized lending.

The NIM decreased by one basis point to 3.19% for the six months ended June 30, 2026 from 3.20% for the six months ended June 30, 2025 resulting primarily from lower market interest rates on commercial and industrial specialized lending and interest-earning deposits, partially offset by lower cost of deposits from a favorable shift in deposit mix and lower market interest rates on deposits. The cost of interest-bearing liabilities decreased 50 basis points for the six months ended June 30, 2026 compared to the six months ended June 30, 2025. Customers' total cost of funds, including non-interest bearing deposits and borrowings was 2.63% and 2.98% for the six months ended June 30, 2026 and 2025, respectively.

PROVISION FOR CREDIT LOSSES

The provision for credit losses is a charge to earnings to maintain the ACL at a level consistent with management's assessment of expected lifetime losses in the loan and lease portfolio, lending-related commitments and investment securities at the balance sheet date. Customers recorded a provision for credit losses of $17.7 million for loans and leases and $0.6 million for lending-related commitments, respectively, for the three months ended June 30, 2026. Customers recorded a provision for credit losses of $18.5 million for loans and leases and $1.6 million for lending-related commitments, respectively, for the three months ended June 30, 2025. The decrease in provision for credit losses for the three months ended June 30, 2026 compared to the three months ended June 30, 2025, which primarily reflects reserve releases in commercial and industrial and commercial real estate non-owner occupied loans, were largely offset by a reserve build in multifamily loans driven by higher net charge-offs and increased reserves for consumer installment loans. Net charge-offs for the three months ended June 30, 2026 were $14.6 million, or 34 basis points of average loans and leases on an annualized basis, compared to net charge-offs of $13.1 million, or 35 basis points of average loans and leases on an annualized basis, for the three months ended June 30, 2025. The increase in net charge-offs for the three months ended June 30, 2026, compared to the three months ended June 30, 2025, was primarily due to higher charge-offs for multifamily loans, partially offset by lower charge-offs for commercial and industrial loans and consumer installment loans.

Customers recorded a provision for credit losses of $36.3 million for loans and leases and $1.0 million for lending-related commitments, respectively, for the six months ended June 30, 2026. Customers recorded a provision for credit losses of $39.9 million for loans and leases and $2.8 million for lending-related commitments, respectively, for the six months ended June 30, 2025. The decrease primarily reflects reserve releases in commercial and industrial and commercial real estate non-owner occupied loans were largely offset by a reserve build in multifamily loans. Net charge-offs for the six months ended June 30, 2026 were $27.8 million, or 33 basis points of average loans and leases on an annualized basis, compared to net charge-offs of $30.3 million, or 41 basis points on an annualized basis, for the six months ended June 30, 2025. The decrease in net charge-offs for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, was primarily due to lower charge-offs for commercial and industrial loans and consumer installment loans, partially offset by higher charge-offs for multifamily loans.

For more information about the provision and ACL and our loss experience on loans and leases, refer to "Credit Risk" and "Asset Quality" herein.

The provision for credit losses for the three months ended June 30, 2026 and 2025 also included a provision for credit losses of $5.3 million and $2.3 million, respectively, on certain debt securities available for sale. The provision for credit losses on certain debt securities available for sale was $10.2 million and $9.2 million for the six months ended June 30, 2026 and 2025, respectively. Refer to "NOTE 5 – INVESTMENT SECURITIES" to Customers' unaudited consolidated financial statements for additional information.

NON-INTEREST INCOME

The table below presents the components of non-interest income for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		QTD		Six Months Ended June 30,		YTD	
(dollars in thousands)	2026	2025	Change	% Change	2026	2025	Change	% Change
Commercial lease income	$ 15,392	$ 11,056	$ 4,336	39.2 %	$ 30,810	$ 21,724	$ 9,086	41.8 %
Loan fees	8,673	9,106	(433)	(4.8)%	19,179	16,341	2,838	17.4 %
Bank-owned life insurance	2,213	2,249	(36)	(1.6)%	5,297	6,909	(1,612)	(23.3)%
Mortgage finance transactional fees	1,332	1,175	157	13.4 %	2,638	2,108	530	25.1 %
Net gain (loss) on sale of loans and leases	1,061	—	1,061	NM	2,105	2	2,103	NM
Net gain (loss) on sale of investment securities	154	(1,797)	1,951	(108.6)%	509	(1,797)	2,306	(128.3)%
Impairment loss on debt securities	—	—	—	— %	—	(51,319)	51,319	(100.0)%
Other	5,218	7,817	(2,599)	(33.2)%	7,821	11,148	(3,327)	(29.8)%
Total non-interest income	$ 34,043	$ 29,606	$ 4,437	15.0 %	$ 68,359	$ 5,116	$ 63,243	NM

Commercial lease income

Commercial lease income represents income earned on commercial operating leases originated by Customers' commercial equipment financing group in which Customers is the lessor. The $4.3 million increase in commercial lease income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from the growth of Customers' equipment finance business.

The $9.1 million increase in commercial lease income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from the growth of Customers' equipment finance business.

Loan fees

The $0.4 million decrease in loan fees for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from a decrease in unused credit line fees, partially offset by higher income from certain stock warrants.

The $2.8 million increase in loan fees for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from an increase in income from certain stock warrants, partially offset by a decrease in unused credit line fees.

Bank-owned life insurance

Bank-owned life insurance income represents income earned on life insurance policies owned by Customers including an increase in cash surrender value of the policies and any benefits paid by insurance carriers under the policies.

The $1.6 million decrease in bank-owned life insurance income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from lower death benefits received from insurance carriers, partially offset by an increase in cash surrender value of the policies.

Net gain (loss) on sale of loans and leases

The $1.1 million increase in net gain on sale of loans and leases for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from sales of SBA loans.

The $2.1 million increase in net gain on sale of loans and leases for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from sales of SBA loans.

Net gain (loss) on sale of investment securities

The $2.0 million decrease in net loss on sale of investment securities for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 reflects net gains realized from the sales of $29.5 million in AFS debt securities for the three months ended June 30, 2026, compared to net losses realized from the sale of $452.2 million in AFS debt securities for the three months ended June 30, 2025.

The $2.3 million decrease in net loss on sale of investment securities for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 reflects net gains realized from the sales of $70.4 million in AFS debt securities for the six months ended June 30, 2026, compared to net losses realized from the sales of $452.2 million in AFS debt securities for the six months ended June 30, 2025.

Impairment loss on debt securities

The $51.3 million decrease in impairment loss on debt securities for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 resulted from impairment loss recorded on certain AFS debt securities that the Bank decided to sell as of June 30, 2025, in order to further improve structural liquidity, enhance credit profile, reduce asset sensitivity and benefit margin.

Other non-interest income

The $2.6 million decrease in other non-interest income for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from a decrease in gain on sale of leased assets and $1.8 million of fees associated with the sunsetting of a loan origination program with a fintech company, which was acquired by a bank, during the three months ended June 30, 2025.

The $3.3 million decrease in other non-interest income for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from loss on equity investments for the six months ended June 30, 2026 and $1.8 million of fees associated with the sunsetting of a loan origination program with a fintech company, which was acquired by a bank, during the six months ended June 30, 2025.

NON-INTEREST EXPENSE

The table below presents the components of non-interest expense for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		QTD		Six Months Ended June 30,		YTD	
(dollars in thousands)	2026	2025	Change	% Change	2026	2025	Change	% Change
Salaries and employee benefits	$ 56,037	$ 45,848	$ 10,189	22.2 %	$ 107,331	$ 88,522	$ 18,809	21.2 %
Technology, communication and bank operations	12,891	10,382	2,509	24.2 %	24,534	21,694	2,840	13.1 %
Commercial lease depreciation	12,761	8,743	4,018	46.0 %	25,453	17,206	8,247	47.9 %
Professional services	10,024	13,850	(3,826)	(27.6)%	21,719	25,707	(3,988)	(15.5)%
Loan servicing	3,710	4,053	(343)	(8.5)%	7,569	8,683	(1,114)	(12.8)%
Occupancy	3,495	3,551	(56)	(1.6)%	7,451	6,963	488	7.0 %
FDIC assessments, non-income taxes and regulatory fees	4,585	11,906	(7,321)	(61.5)%	12,800	23,656	(10,856)	(45.9)%
Advertising and promotion	481	461	20	4.3 %	1,035	989	46	4.7 %
Other	10,907	7,832	3,075	39.3 %	18,987	15,977	3,010	18.8 %
Total non-interest expense	$ 114,891	$ 106,626	$ 8,265	7.8 %	$ 226,879	$ 209,397	$ 17,482	8.3 %

Salaries and employee benefits

The $10.2 million increase in salaries and employee benefits for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from an increase in average full-time equivalent team members and higher incentives associated with the Bank's growth, annual merit increases and severance.

The $18.8 million increase in salaries and employee benefits for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from an increase in average full-time equivalent team members and higher incentives associated with the Bank's growth, annual merit increases and severance.

Technology, communication and bank operations

The $2.5 million increase in technology, communication and bank operations expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from an increase in software and processing fees.

The $2.8 million increase in technology, communication and bank operations expense for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from increases in software and processing fees.

Commercial lease depreciation

The $4.0 million increase in commercial lease depreciation for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from the growth of the operating lease arrangements originated by Customers' commercial equipment financing group in which Customers is the lessor.

The $8.2 million increase in commercial lease depreciation for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from the growth of the operating lease arrangements originated by Customers' commercial equipment financing group in which Customers is the lessor.

Professional services

The $3.8 million decrease in professional services for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from a decrease in consulting fees.

The $4.0 million decrease in professional services for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from a decrease in consulting fees.

FDIC assessments, non-income taxes and regulatory fees

The $7.3 million decrease in FDIC assessments, non-income taxes and regulatory fees for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from a decrease in FDIC assessments.

The $10.9 million decrease in FDIC assessments, non-income taxes and regulatory fees for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from a decrease in FDIC assessments.

Other non-interest expense

The $3.1 million increase in other non-interest expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 primarily resulted from higher spending on business development and non-capitalizable loan origination expenses.

The $3.0 million increase in other non-interest expense for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 primarily resulted from higher spending on business development and non-capitalizable loan origination expenses.

INCOME TAXES

The table below presents income tax expense and the effective tax rate for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		QTD		Six Months Ended June 30,		YTD	
(dollars in thousands)	2026	2025	Change	% Change	2026	2025	Change	% Change
Income before income tax expense	$ 89,451	$ 78,902	$ 10,549	13.4 %	$ 179,758	$ 90,790	$ 88,968	98.0 %
Income tax expense	17,891	17,963	(72)	(0.4)%	38,545	16,939	21,606	127.6 %
Effective tax rate	20.0 %	22.8 %			21.4 %	18.7 %		

The $0.1 million decrease in income tax expense for the three months ended June 30, 2026, when compared to the same period in the prior year, primarily resulted from higher favorable discrete permanent book to tax adjustments, which was partially offset by higher state and local income tax expense. The decrease in the effective tax rate for the three months ended June 30, 2026, when compared to the same period in the prior year, primarily resulted from higher favorable discrete permanent book to tax adjustments, which was partially offset by higher state and local income tax expense.

The $21.6 million increase in income tax expense for the six months ended June 30, 2026, when compared to the same period in the prior year, primarily resulted from higher pre-tax income and higher state and local income tax expense. The increase in the effective tax rate for the six months ended June 30, 2026, when compared to the same period in the prior year, primarily resulted from higher pre-tax income and higher state and local income tax expense.

PREFERRED STOCK DIVIDENDS AND LOSS ON REDEMPTION OF PREFERRED STOCK

There were no preferred stock dividends for the three and six months ended June 30, 2026. Preferred stock dividends were $3.2 million and $6.6 million for the three and six months ended June 30, 2025, respectively. On June 16, 2025 and December 15, 2025, Customers redeemed all of the outstanding shares of Series E Preferred Stock and Series F Preferred Stock, respectively, for an aggregate payment of $142.5 million, at a redemption price of $25.00 per share. The redemption price of $57.5 million paid in excess of the carrying value of Series E Preferred Stock of $1.9 million is included as a loss on redemption of preferred stock in the consolidated statements of income for the three and six months ended June 30, 2025. After giving effect to the redemption, no shares of the Series E Preferred Stock and Series F Preferred Stock remained outstanding. Refer to "NOTE 11 – SHAREHOLDERS' EQUITY" to Customers' unaudited consolidated financial statements for additional information.

Financial Condition

General

Customers' total assets were $26.5 billion at June 30, 2026. This represented an increase of $1.6 billion from total assets of $24.9 billion at December 31, 2025. The increase in total assets was primarily driven by increases of $1.2 billion in loans and leases receivable, $689.1 million in investment securities, at fair value, $41.8 million in loans receivable, mortgage finance, at fair value and $32.5 million in loans held for sale, partially offset by decreases of $232.6 million in cash and cash equivalents and $97.5 million in investment securities held to maturity.

Total liabilities were $24.3 billion at June 30, 2026. This represented an increase of $1.5 billion from $22.8 billion at December 31, 2025. The increase in total liabilities primarily resulted from increases of $954.2 million in total deposits and $734.1 million in FHLB advances, partially offset by decreases of $109.4 million in subordinated debt and $44.2 million in accrued interest payable and other liabilities.

The following table sets forth certain key condensed balance sheet data as of June 30, 2026 and December 31, 2025:

(dollars in thousands)	June 30, 2026	December 31, 2025	Change	% Change
Cash and cash equivalents	$ 4,178,852	$ 4,411,463	$ (232,611)	(5.3)%
Investment securities, at fair value	2,626,717	1,937,646	689,071	35.6 %
Investment securities held to maturity	631,594	729,134	(97,540)	(13.4)%
Loans held for sale	58,611	26,102	32,509	124.5 %
Loans and leases receivable	16,217,068	15,041,340	1,175,728	7.8 %
Loans receivable, mortgage finance, at fair value	1,654,795	1,612,997	41,798	2.6 %
Loans receivable, installment, at fair value	84,826	102,077	(17,251)	(16.9)%
Allowance for credit losses on loans and leases	(164,106)	(155,656)	(8,450)	5.4 %
Bank-owned life insurance	310,312	305,503	4,809	1.6 %
Other assets	638,054	638,419	(365)	(0.1)%
Total assets	26,520,789	24,895,868	1,624,921	6.5 %
Total deposits	21,732,897	20,778,704	954,193	4.6 %
FHLB advances	2,059,163	1,325,068	734,095	55.4 %
Other borrowings	99,278	99,208	70	0.1 %
Subordinated debt	171,741	281,147	(109,406)	(38.9)%
Accrued interest payable and other liabilities	252,018	296,224	(44,206)	(14.9)%
Total liabilities	24,315,097	22,780,351	1,534,746	6.7 %
Total shareholders’ equity	2,205,692	2,115,517	90,175	4.3 %
Total liabilities and shareholders’ equity	$ 26,520,789	$ 24,895,868	$ 1,624,921	6.5 %

Cash and Cash Equivalents

Cash and cash equivalents include cash and due from banks and interest-earning deposits. Cash and due from banks consists mainly of vault cash and cash items in the process of collection. Cash and due from banks were $85.5 million and $62.1 million at June 30, 2026 and December 31, 2025, respectively. Cash and cash due from banks balances vary from day to day, primarily due to variations in customers’ deposit activities with the Bank.

Interest-earning deposits consist of cash deposited at other banks, primarily the FRB. Interest-earning deposits were $4.1 billion and $4.3 billion at June 30, 2026 and December 31, 2025, respectively. The balance of interest-earning deposits varies from day to day, depending on several factors, such as fluctuations in customers’ deposits with Customers, payment of checks drawn on customers’ accounts and strategic investment decisions made to optimize Customers’ net interest income, while effectively managing interest-rate risk and liquidity. The decrease in interest-earning deposits since December 31, 2025 primarily resulted from deploying excess cash into loans and investment securities.

Investment securities at fair value

The investment securities portfolio is an important source of interest income and liquidity. It consists primarily of mortgage-backed securities and collateralized mortgage obligations guaranteed by agencies of the United States government, asset-backed securities, private label collateralized mortgage obligations, corporate notes and certain equity securities. In addition to generating revenue, the investment portfolio is maintained to manage interest-rate risk, provide liquidity, serve as collateral for other borrowings, and diversify the credit risk of interest-earning assets. The portfolio is structured to optimize net interest income given the changes in the economic environment, liquidity position and balance sheet mix.

At June 30, 2026, investment securities at fair value totaled $2.6 billion compared to $1.9 billion at December 31, 2025. The increase primarily resulted from purchases of $1.0 billion of investment securities, partially offset by maturities, calls and principal repayments totaling $273.9 million and sales of $71.0 million for the six months ended June 30, 2026.

For financial reporting purposes, AFS debt securities are reported at fair value. Unrealized gains and losses on AFS debt securities that the Bank does not intend to sell, other than credit losses, are included in other comprehensive income (loss) and reported as a separate component of shareholders' equity, net of the related tax effect. Changes in the fair value of equity securities with a readily determinable fair value and securities reported at fair value based on a fair value option election are recorded in non-interest income in the period in which they occur. Customers recorded a provision for credit losses of $10.2 million and $9.2 million on certain debt securities available for sale for the six months ended June 30, 2026 and 2025, respectively. Refer to "NOTE 5 – INVESTMENT SECURITIES" and "NOTE 15 – DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS" to Customers' unaudited consolidated financial statements for additional information.

The following table sets forth information about the maturities and weighted-average yield of the AFS debt securities portfolio. The weighted-average yield is computed based on a constant effective interest rate over the contractual life of each security adjusted for prepayment estimates, and considers the contractual coupon, amortization of premiums and accretion of discounts. Yields exclude the impact of related hedging derivatives.

	June 30, 2026					
	Within one year	After one but within five years	After five but within ten years	After ten years	No specific maturity	Total
Asset-backed securities	— %	— %	— %	— %	7.05 %	7.05 %
Agency-guaranteed residential mortgage-backed securities	—	—	—	—	5.20	5.20
Agency-guaranteed residential collateralized mortgage obligations	—	—	—	—	4.37	4.37
Agency-guaranteed commercial collateralized mortgage obligations	—	—	—	—	6.25	6.25
Corporate notes	7.00	5.64	4.88	6.25	—	5.58
Private label collateralized mortgage obligations	—	—	—	—	4.66	4.66
Weighted-average yield	7.00 %	5.64 %	4.88 %	6.25 %	5.11 %	5.14 %

The agency-guaranteed mortgage-backed securities and collateralized mortgage obligations in the AFS portfolio were issued by Ginnie Mae and Freddie Mac, and contain guarantees for the collection of principal and interest on the underlying mortgages.

Investment securities held to maturity

At June 30, 2026, investment securities held to maturity totaled $631.6 million compared to $729.1 million at December 31, 2025. The decrease primarily resulted from the maturities, calls and principal repayments totaling $109.4 million for the six months ended June 30, 2026.

The following table sets forth information about the maturities and weighted-average yield of the investment securities held to maturity. The weighted-average yield is computed based on a constant effective interest rate over the contractual life of each security adjusted for prepayment estimates, and considers the contractual coupon, amortization of premiums, accretion of discounts and amortization of unrealized losses upon transfer from investment securities available for sale to held to maturity, along with the unrealized loss in accumulated other comprehensive income.

	June 30, 2026				
	Within one year	After one but within five years	After five but within ten years	No specific maturity	Total
Asset-backed securities	— %	— %	— %	— %	4.97 %
Agency-guaranteed residential mortgage-backed securities	—	—	—	—	1.79
Agency-guaranteed commercial mortgage-backed securities	—	—	—	—	1.77
Agency-guaranteed residential collateralized mortgage obligations	—	—	—	—	1.87
Agency-guaranteed commercial collateralized mortgage obligations	—	—	—	—	3.16
Private label collateralized mortgage obligations	—	—	—	—	2.39
Weighted-average yield	— %	— %	— %	— %	3.18 %

The agency-guaranteed mortgage-backed securities and collateralized mortgage obligations in the HTM portfolio were issued by Fannie Mae, Freddie Mac and Ginnie Mae, and contain guarantees for the collection of principal and interest on the underlying mortgages.

Investment securities classified as HTM are those debt securities that Customers has both the intent and ability to hold to maturity regardless of changes in market conditions, liquidity needs, or changes in general economic conditions. For financial reporting purposes, these securities are reported at cost, adjusted for the amortization of premiums and accretion of discounts, computed by a method which approximates the interest method over the terms of the securities. Refer to "NOTE 5 – INVESTMENT SECURITIES" and "NOTE 15 – DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS" to Customers' unaudited consolidated financial statements for additional information.

LOANS AND LEASES

The Bank has diversified lending activities that build overall franchise value and a high-tech, high-touch, branch-light strategy that serves its customers through a single-point-of-contact private banking strategy. The Bank serves commercial businesses, through community, SBA, and private client groups. The Bank also serves corporate businesses nationwide, including healthcare, real estate specialty finance, fund finance, technology and venture capital banking, financial institutions group, mortgage finance and commercial equipment financing, as well as commercial real estate companies in the Bank's geographic markets and provides payments and treasury services. The Bank serves consumers through its branch network, provides residential mortgages, and personal loan and deposit products including through relationships with fintech companies and Banking-as-a-Service to fintech companies.

Existing lending relationships are primarily with small and middle market businesses and individual consumers primarily in Berks County and Southeastern Pennsylvania (Bucks, Chester and Philadelphia Counties); New York (Westchester and Suffolk Counties, and Manhattan); Hamilton, New Jersey; Boston, Massachusetts; Providence, Rhode Island; Portsmouth, New Hampshire; California (Southern California and the Bay Area); Nevada (Las Vegas and Reno); and nationally for certain loan and deposit products, such as the portfolio of specialized lending loans and leases and mortgage finance loans. The loan portfolio consists primarily of commercial and industrial loans, loans to support mortgage companies' funding needs, multifamily and commercial real estate loans.

Commercial Lending

Customers' commercial lending is broadly divided into the following groups: small and middle market business banking, specialized banking, multifamily and commercial real estate lending, mortgage finance, and SBA lending. This diversity is designed to allow for greater resource deployment, higher standards of risk management, strong asset quality, lower interest-rate risk and higher productivity levels.

As of June 30, 2026, Customers had $16.5 billion in commercial loans outstanding, totaling approximately 91.5% of its total loan and lease portfolio, which includes loans held for sale, loans receivable, mortgage finance, at fair value, and loans receivable, installment, at fair value, compared to commercial loans outstanding of $15.4 billion, comprising approximately 91.5% of its total loan and lease portfolio at December 31, 2025.

The small and middle market business banking platform originates loans, including SBA loans, through the branch network sales force and a team of dedicated relationship managers. The support administration of this platform is centralized, including technology, risk management, product management, marketing, performance tracking and overall strategy. Credit and sales training has been established for Customers' sales force, ensuring that it has small business experts in place providing appropriate financial solutions to the small business owners in its communities.

Customers' specialized banking includes commercial equipment finance, healthcare lending, real estate specialty finance, fund finance, technology and venture capital banking, a financial institutions group and municipal finance. Customers' lender finance vertical within fund finance provides variable rate loans secured by diverse collateral pools to private debt funds. Customers' capital call lines vertical within fund finance provides variable rate loans secured by collateral pools and limited partnership commitments from institutional investors in private equity funds and cash management services to the alternative investment industry. Customers' technology and venture capital banking group services the venture-backed growth industry from seed-stage through late-stage.

Customers' mortgage finance primarily provides financing to mortgage bankers for residential mortgage originations from loan closing until sale in the secondary market. The underlying residential loans are taken as collateral for Customers' commercial loans to the mortgage companies. As of June 30, 2026 and December 31, 2025, mortgage finance loans totaled $1.7 billion and $1.6 billion, respectively, and are reported as loans receivable, mortgage finance, at fair value on the consolidated balance sheet.

Customers' commercial equipment financing group goes to market through the following origination platforms: vendors, intermediaries, direct and capital markets. As of June 30, 2026 and December 31, 2025, Customers had $828.7 million and $813.7 million, respectively, of equipment finance loans outstanding. As of June 30, 2026 and December 31, 2025, Customers had $325.9 million and $306.5 million, respectively, of equipment finance leases outstanding. As of June 30, 2026 and December 31, 2025, Customers had $302.1 million and $303.4 million, respectively, of operating leases outstanding, net of accumulated depreciation of $122.0 million and $105.7 million, respectively.

Customers' multifamily lending group is focused on retaining a portfolio of high-quality multifamily loans within Customers' covered markets. These lending activities use conservative underwriting standards and primarily target the refinancing of loans with other banks or provide purchase money for new acquisitions by borrowers. The primary collateral for these loans is a first lien mortgage on the multifamily property, plus an assignment of all leases related to such property. Customers had multifamily loans of $2.6 billion outstanding, comprising approximately 14.6% of the total loan and lease portfolio at June 30, 2026, compared to $2.5 billion, or approximately 14.8% of the total loan and lease portfolio at December 31, 2025.

Consumer Lending

Customers provides unsecured consumer installment loans, residential mortgage and home equity loans to customers nationwide primarily through relationships with fintech companies. The installment loan portfolio consists largely of originated and purchased personal, student loan refinancing, home improvement and medical loans. None of the loans held for investment are considered sub-prime at the time of origination. Customers considers sub-prime borrowers to be those with FICO scores below 660. Customers has been selective in the consumer loans it has been purchasing. At June 30, 2026, Customers had $1.5 billion in consumer loans outstanding (including consumer loans held for investment and held for sale), or 8.5% of the total loan and lease portfolio, compared to $1.4 billion, or 8.5% of the total loan and lease portfolio, at December 31, 2025.

Purchases and sales of loans held for investment were as follows for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30,		Six Months Ended June 30,	
(amounts in thousands)	2026	2025	2026	2025
Purchases (1)				
Other commercial and industrial	$ —	$ 52,776	$ —	$ 53,855
Construction	—	10,080	—	10,080
Personal installment (2)	111,952	40,700	169,778	145,641
Other installment (2)	30,268	—	30,268	—
Total	$ 142,220	$ 103,556	$ 200,046	$ 209,576
Sales (3)				
Specialized lending	$ —	$ —	$ 1,039	$ —
Other commercial and industrial (4)	24,184	—	38,314	—
Multifamily	—	—	—	8,000
Commercial real estate owner occupied (4)	1,181	—	5,206	—
Personal installment	—	—	—	281
Total	$ 25,365	$ —	$ 44,559	$ 8,281

(1) Amounts reported in the above table are the unpaid principal balance at time of purchase. The purchase price was 99.9% and 74.4% of the loans' unpaid principal balance for the three months ended June 30, 2026 and 2025, respectively.The purchase price was 99.6% and 87.1% of the loans' unpaid principal balance for the six months ended June 30, 2026 and 2025, respectively.
(2) Installment loan purchases for the three and six months ended June 30, 2026 and 2025 consist of third-party originated unsecured consumer loans. None of the loans held for investment are considered sub-prime at the time of origination. Customers considers sub-prime borrowers to be those with FICO scores below 660.
(3) The gain on sales of loans held for investment included in net gain (loss) on sale of loans and leases in the consolidated statement of income was $1.1 million and $2.1 million for the three and six months ended June 30, 2026, respectively. The gain on sales of loans held for investment included in net gain (loss) on sale of loans and leases in the consolidated statement of income was insignificant for the three and six months ended June 30, 2025.
(4) Primarily sales of SBA loans.

Loans Held for Sale

The composition of loans held for sale as of June 30, 2026 and December 31, 2025 was as follows:

(amounts in thousands)	June 30, 2026	December 31, 2025
Residential mortgage loans, at fair value	$ 2,528	$ 1,851
Personal installment loans, at lower of cost or fair value	53,101	23,357
Other installment loans, at fair value	2,982	894
Total loans held for sale	$ 58,611	$ 26,102

Loans held for sale are reported on the consolidated balance sheet at either fair value (due to the election of the fair value option) or at the lower of cost or fair value. An ACL is not recorded on loans that are classified as held for sale.

Refer to “NOTE 7 – LOANS AND LEASES RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES ON LOANS AND LEASES” to Customers’ unaudited consolidated financial statements for additional information on the transfer of other consumer installment loans, at fair value, from loans held for sale to held for investment.

Total Loans and Leases Receivable

The composition of total loans and leases receivable (excluding loans held for sale) was as follows:

(amounts in thousands)	June 30, 2026	December 31, 2025
Loans and leases receivable:		
Commercial:		
Commercial and industrial:		
Specialized lending [1]	$ 7,650,758	$ 7,090,087
Other commercial and industrial	1,179,043	1,121,087
Multifamily	2,623,964	2,490,336
Commercial real estate owner occupied	1,270,575	1,135,119
Commercial real estate non-owner occupied	1,888,040	1,738,821
Construction	216,832	162,966
Total commercial loans and leases receivable	14,829,212	13,738,416
Consumer:		
Residential real estate	508,187	497,567
Manufactured housing	24,763	27,452
Installment:		
Personal	647,149	581,340
Other	207,757	196,565
Total consumer loans receivable	1,387,856	1,302,924
Loans and leases receivable	16,217,068	15,041,340
Loans receivable, mortgage finance, at fair value	1,654,795	1,612,997
Loans receivable, installment, at fair value	84,826	102,077
Allowance for credit losses on loans and leases	(164,106)	(155,656)
Total loans and leases receivable, net of allowance for credit losses on loans and leases [2]	$ 17,792,583	$ 16,600,758

(1) Includes direct finance and sales-type equipment leases of $325.9 million and $306.5 million at June 30, 2026 and December 31, 2025, respectively.
(2) Includes deferred (fees) costs and unamortized (discounts) premiums, net of $(29.9) million and $(30.3) million at June 30, 2026 and December 31, 2025, respectively.

Loans and leases receivable

Loans and leases receivable (excluding loans held for sale and loans receivable, mortgage finance, at fair value and loans receivable, installment, at fair value), net of the ACL, increased by $1.2 billion to $16.1 billion at June 30, 2026, from $14.9 billion at December 31, 2025. The increase in loans and leases receivable, net of the ACL, was primarily attributable to higher balances in commercial and industrial specialized lending, partially offset by $8.5 million increase in ACL, as further described below, from December 31, 2025. The overall loans and leases receivable fluctuations were the result of Customers selectively pursuing disciplined loan growth by focusing on holistic and strategic banking relationships that create franchise value.

The following table presents Customers' loans receivable (excluding loans held for sale, loans receivable, mortgage finance, at fair value and loans receivable, installment, at fair value) as of June 30, 2026 based on the remaining term to contractual maturity:

(amounts in thousands)	Within one year	After one but within five years	After five but within fifteen years	After fifteen years	Total
Commercial loans:					
Commercial and industrial, including specialized lending	$ 2,282,561	$ 5,301,373	$ 1,177,373	$ 68,494	$ 8,829,801
Multifamily	232,742	281,869	2,109,353	—	2,623,964
Commercial real estate owner occupied	277,597	638,665	259,624	94,689	1,270,575
Commercial real estate non-owner occupied	709,655	954,671	223,714	—	1,888,040
Construction	108,199	43,292	65,341	—	216,832
Total commercial loans	$ 3,610,754	$ 7,219,870	$ 3,835,405	$ 163,183	$ 14,829,212
Consumer loans:					
Residential real estate	$ 841	$ 504	$ 9,213	$ 497,629	$ 508,187
Manufactured housing	466	3,818	17,469	3,010	24,763
Installment	100,317	521,517	184,597	48,475	854,906
Total consumer loans	$ 101,624	$ 525,839	$ 211,279	$ 549,114	$ 1,387,856

The following table presents the distribution of those loans that mature in more than one year between predetermined rates and floating or adjustable rates, excluding the effect of interest rate swaps designated as cash flow hedges of certain commercial and industrial loans, as of June 30, 2026:

(amounts in thousands)	Predetermined rates	Floating or adjustable rates	Total
Commercial loans:			
Commercial and industrial, including specialized lending	$ 1,424,138	$ 5,123,102	$ 6,547,240
Multifamily	252,935	2,138,287	2,391,222
Commercial real estate owner occupied	105,178	887,800	992,978
Commercial real estate non-owner occupied	705,409	472,976	1,178,385
Construction	—	108,633	108,633
Total commercial loans	$ 2,487,660	$ 8,730,798	$ 11,218,458
Consumer loans:			
Residential real estate	$ 414,788	$ 92,558	$ 507,346
Manufactured housing	24,297	—	24,297
Installment	754,584	5	754,589
Total consumer loans	$ 1,193,669	$ 92,563	$ 1,286,232

Loans receivable, mortgage finance, at fair value

The mortgage finance product line primarily provides financing to mortgage companies nationwide from the time of origination of the underlying mortgage loans until the mortgage loans are sold into the secondary market. As a mortgage finance lender, Customers provides a form of financing to mortgage bankers by purchasing for resale the underlying residential mortgages on a short-term basis under a master repurchase agreement. These loans are reported as loans receivable, mortgage finance, at fair value on the consolidated balance sheets. Because these loans are reported at their fair value, they do not have an ACL and are therefore excluded from ACL-related disclosures. At June 30, 2026, all of Customers' mortgage finance loans were current in terms of payment.

Customers is subject to the risks associated with such lending, including, but not limited to, the risks of fraud, bankruptcy and default of the mortgage banker or of the underlying residential borrower, any of which could result in credit losses. Customers' mortgage finance lending team members monitor these mortgage originators by obtaining financial and other relevant information to reduce these risks during the lending period. Loans receivable, mortgage finance, at fair value totaled $1.7 billion and $1.6 billion at June 30, 2026 and December 31, 2025, respectively.

Loans receivable, installment, at fair value

Customers had a lending arrangement with a fintech company, which was acquired by a bank, whereby Customers originated consumer installment loans and held these loans prior to sale. These consumer installment loans were designated as loans held for sale and reported at fair value based on an election made to account for the loans at fair value. Customers transferred these consumer installment loans from held for sale to held for investment when the lending arrangement with this fintech company expired, and continue to be reported at fair value based on an election made to account for the loans at fair value. Because these loans are reported at their fair value, they do not have an ACL and are therefore excluded from ACL-related disclosures. At June 30, 2026, Customers had $1.2 million of consumer installment loans, at fair value, on non-accrual status.

Credit Risk

Customers manages credit risk by maintaining diversification in its loan and lease portfolio, establishing and enforcing prudent underwriting standards and collection efforts, and continuous and periodic loan and lease classification reviews. Management also considers the effect of credit risk on financial performance by reviewing quarterly and maintaining an adequate ACL. Credit losses are charged-off when they are identified, and provisions are added for current expected credit losses, to the ACL at least quarterly. The ACL is estimated at least quarterly.

The provision for credit losses on loans and leases was $17.7 million and $36.3 million for the three and six months ended June 30, 2026, respectively. The provision for credit losses on loans and leases was $18.5 million and $39.9 million for the three and six months ended June 30, 2025, respectively. The ACL maintained for loans and leases receivable (excluding loans held for sale, loans receivable, mortgage finance, at fair value, and loans receivable, installment, at fair value) was $164.1 million, or 1.01% of loans and leases receivable at June 30, 2026, and $155.7 million or 1.03% of loans and leases receivable at December 31, 2025.

The increase in the ACL from December 31, 2025 resulted primarily from increase in loan balances partially offset by slight improvements in the forecast of macroeconomic variables. Net charge-offs were $14.6 million for the three months ended June 30, 2026, an increase of $1.5 million compared to the same period in 2025. Net charge-offs were $27.8 million for the six months ended June 30, 2026, a decrease of $2.4 million compared to the same period in 2025. The change in net charge-offs was primarily due to lower charge-offs for commercial and industrial and consumer installment loans, partially offset by higher charge-offs for multifamily loans. Refer to the tables of changes in Customers' ACL for annualized net-charge offs to average loans by loan type for the periods indicated.

The tables below present changes in Customers' ACL for the periods indicated:

(amounts in thousands)	Commercial and industrial [1]	Multifamily	Commercial real estate owner occupied	Commercial real estate non-owner occupied	Construction	Residential real estate	Manufactured housing	Installment	Total
Three Months Ended June 30, 2026									
Ending Balance, March 31, 2026	$ 41,214	$ 19,441	$ 10,556	$ 18,470	$ 2,672	$ 5,713	$ 3,338	$ 59,558	$ 160,962
Charge-offs	(3,469)	(4,880)	(6)	—	—	(21)	—	(8,951)	(17,327)
Recoveries	821	—	338	—	—	1	—	1,588	2,748
Provision (benefit) for credit losses on loans and leases	1,592	14,763	(662)	(4,967)	131	558	(94)	6,402	17,723
Ending Balance, June 30, 2026	$ 40,158	$ 29,324	$ 10,226	$ 13,503	$ 2,803	$ 6,251	$ 3,244	$ 58,597	$ 164,106
Six Months Ended June 30, 2026									
Ending Balance, December 31, 2025	$ 37,683	$ 19,333	$ 10,431	$ 18,928	$ 2,225	$ 6,499	$ 3,391	$ 57,166	$ 155,656
Charge-offs	(7,948)	(7,510)	(36)	—	—	(22)	—	(18,883)	(34,399)
Recoveries	2,724	—	373	—	—	2	—	3,466	6,565
Provision (benefit) for credit losses on loans and leases	7,699	17,501	(542)	(5,425)	578	(228)	(147)	16,848	36,284
Ending Balance, June 30, 2026	$ 40,158	$ 29,324	$ 10,226	$ 13,503	$ 2,803	$ 6,251	$ 3,244	$ 58,597	$ 164,106
Annualized Net Charge-offs to Average Loans and Leases									
Three Months Ended June 30, 2026	(0.12)%	(0.79)%	0.10 %	— %	— %	(0.02)%	— %	(3.56)%	(0.37)%
Six Months Ended June 30, 2026	(0.13)%	(0.61)%	0.05 %	— %	— %	(0.01)%	— %	(3.84)%	(0.37)%

(amounts in thousands)	Commercial and industrial [1]	Multifamily	Commercial real estate owner occupied	Commercial real estate non-owner occupied	Construction	Residential real estate	Manufactured housing	Installment	Total
Three Months Ended June 30, 2025									
Ending Balance, March 31, 2025	$ 30,584	$ 18,790	$ 10,780	$ 18,058	$ 1,264	$ 6,163	$ 3,800	$ 51,637	$ 141,076
Allowance for credit losses on PCD loans, net of charge-offs [2]	1,000	—	—	—	—	—	—	—	1,000
Charge-offs	(5,996)	—	(417)	—	—	—	—	(10,750)	(17,163)
Recoveries	2,125	—	6	—	3	4	—	1,910	4,048
Provision (benefit) for credit losses on loans and leases	8,549	2,074	2,145	2,621	893	164	(79)	2,090	18,457
Ending Balance, June 30, 2025	$ 36,262	$ 20,864	$ 12,514	$ 20,679	$ 2,160	$ 6,331	$ 3,721	$ 44,887	$ 147,418
Six Months Ended June 30, 2025									
Ending Balance, December 31, 2024	$ 29,379	$ 18,511	$ 10,755	$ 17,405	$ 1,250	$ 5,968	$ 3,829	$ 49,678	$ 136,775
Allowance for credit losses on PCD loans, net of charge-offs [2]	1,000	—	—	—	—	—	—	—	1,000
Charge-offs	(10,503)	(3,834)	(436)	—	—	—	—	(23,153)	(37,926)
Recoveries	3,401	—	9	—	6	4	—	4,247	7,667
Provision (benefit) for credit losses on loans and leases	12,985	6,187	2,186	3,274	904	359	(108)	14,115	39,902
Ending Balance, June 30, 2025	$ 36,262	$ 20,864	$ 12,514	$ 20,679	$ 2,160	$ 6,331	$ 3,721	$ 44,887	$ 147,418
Annualized Net Charge-offs to Average Loans and Leases									
Three Months Ended June 30, 2025	(0.22)%	— %	(0.15)%	— %	0.01 %	0.00 %	— %	(4.92)%	(0.39)%
Six Months Ended June 30, 2025	(0.20)%	(0.34)%	(0.08)%	— %	0.01 %	0.00 %	— %	(5.15)%	(0.46)%

(1) Includes specialized lending.
(2) Represents $1.0 million of allowance for credit losses on PCD loans recognized upon acquisition of commercial and industrial loans during the three and six months ended June 30, 2025.

The ACL is based on a quarterly evaluation of the loan and lease portfolio held for investment and is maintained at a level that management considers adequate to absorb expected losses as of the balance sheet date. All commercial loans, with the exception of PPP loans and mortgage finance loans, which are reported at fair value, are assigned internal credit-risk ratings, based upon an assessment of the borrower, the structure of the transaction and the available collateral and/or guarantees. All loans and leases are monitored regularly by the responsible officer, and the risk ratings are adjusted when considered appropriate. The risk assessment allows management to identify problem loans and leases timely. Management considers a variety of factors and recognizes the inherent risk of loss that always exists in the lending process. Management uses a disciplined methodology to estimate an appropriate level of ACL. Refer to Critical Accounting Policies and Estimates herein and “NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION” to Customers’ audited consolidated financial statements in its 2025 Form 10-K for further discussion on management’s methodology for estimating the ACL.

Customers’ commercial real estate, commercial and residential construction, consumer residential and owner occupied commercial and industrial loan types have real estate as collateral (collectively, “the real estate portfolio”), primarily in the form of a first lien position. Current appraisals providing current value estimates of the property are received when Customers’ credit group determines that the facts and circumstances have significantly changed since the date of the last appraisal, including that real estate values have deteriorated. A designated credit committee and loan officers review all non-accrual loans on a periodic basis. In addition, loans where the loan officers have identified a “borrower of interest” are discussed to determine if additional analysis is necessary to apply the risk-rating criteria properly. The risk ratings for the real estate loan portfolio are determined based upon the current information available, including but not limited to discussions with the borrower, updated financial information, economic conditions within the geographic area and other factors that may affect the cash flow of the loan. If a loan is individually evaluated for impairment, the collateral value or discounted cash flow analysis is generally used to determine the estimated fair value of the underlying collateral, net of estimated selling costs, and compared to the outstanding loan balance to determine the amount of reserve necessary, if any. Appraisals used in this evaluation process are typically less than two years aged. For loans where real estate is not the primary source of collateral, updated financial information is obtained, including any relevant supplemental financial data to estimate the fair value of the loan, net of estimated selling costs, and compared to the outstanding loan balance to estimate the required reserve.

These impairment measurements are inherently subjective as they require material estimates, including, among others, estimates of property values in appraisals, the amounts and timing of expected future cash flows on individual loans, and general considerations for historical loss experience, economic conditions, uncertainties in estimating losses and inherent risks in the various credit portfolios, all of which require judgment and may be susceptible to significant change over time and as a result of changing economic conditions or other factors. Pursuant to ASC 326, individually assessed loans, consisting primarily of non-accrual and restructured loans, are considered in the methodology for determining the ACL. Individually assessed loans are generally evaluated based on the expected future cash flows or the fair value of the underlying collateral if principal repayment is expected to substantially come from the operation of the collateral or fair value of the collateral less estimated costs to sell if repayment of the loan is expected to be provided from the sale of such collateral. Shortfalls in the underlying collateral value for loans or leases determined to be collateral dependent are charged off immediately. Subsequent to an appraisal or other fair value estimate, management will assess whether there was a further decline in the value of the collateral based on changes in market conditions or property use that would require additional impairment to be recorded to reflect the particular situation, thereby increasing the ACL on loans and leases held for investment.

Asset Quality

Customers classifies the loan and lease receivables by product or other characteristic generally defining a shared characteristic with other loans or leases in the same group. Charge-offs from originated and acquired loans and leases held for investment are absorbed by the ACL. The schedule that follows includes both loans held for sale and loans held for investment:

Asset Quality at June 30, 2026

(dollars in thousands)	Total Loans and Leases	Current	30-89 Days Past Due	90 Days or More Past Due and Accruing	Non-accrual/NPL (a)	OREO and Repossessed Assets (b)	NPA [1] (a)+(b)	NPL to Loan and Lease Type (%)	NPA to Loans and Leases + OREO and Repossessed Assets (%)
Loan and Lease Type									
Commercial and industrial, including specialized lending	$ 8,829,801	$ 8,801,972	$ 1,378	$ 3,623	$ 22,828	$ 12,324	$ 35,152	0.26 %	0.40 %
Multifamily	2,623,964	2,602,629	7,130	—	14,205	—	14,205	0.54 %	0.54 %
Commercial real estate owner occupied	1,270,575	1,264,883	—	—	5,692	—	5,692	0.45 %	0.45 %
Commercial real estate non-owner occupied	1,888,040	1,887,905	—	—	135	—	135	0.01 %	0.01 %
Construction	216,832	216,832	—	—	—	—	—	— %	— %
Total commercial loans and leases receivable	14,829,212	14,774,221	8,508	3,623	42,860	12,324	55,184	0.29 %	0.37 %
Residential	508,187	493,554	7,893	—	6,740	244	6,984	1.33 %	1.37 %
Manufactured housing	24,763	22,967	599	150	1,047	92	1,139	4.23 %	4.58 %
Installment	854,906	840,643	10,188	—	4,075	—	4,075	0.48 %	0.48 %
Total consumer loans receivable	1,387,856	1,357,164	18,680	150	11,862	336	12,198	0.85 %	0.88 %
Loans and leases receivable	16,217,068	16,131,385	27,188	3,773	54,722	12,660	67,382	0.34 %	0.42 %
Loans receivable, mortgage finance, at fair value	1,654,795	1,654,795	—	—	—	—	—	— %	— %
Loans receivable, installment, at fair value	84,826	81,688	1,907	—	1,231	—	1,231	1.45 %	1.45 %
Total loans held for sale	58,611	58,009	533	—	69	—	69	0.12 %	0.12 %
Total portfolio	$ 18,015,300	$ 17,925,877	$ 29,628	$ 3,773	$ 56,022	$ 12,660	$ 68,682	0.31 %	0.38 %

Asset Quality at June 30, 2026 (continued)

(dollars in thousands)	Total Loans and Leases	Non-accrual / NPL	ACL	Reserves to Loans and Leases (%)	Reserves to NPLs (%)
Loan and Lease Type					
Commercial and industrial, including specialized lending	$ 8,829,801	$ 22,828	$ 40,158	0.45 %	175.92 %
Multifamily	2,623,964	14,205	29,324	1.12 %	206.43 %
Commercial real estate owner occupied	1,270,575	5,692	10,226	0.80 %	179.66 %
Commercial real estate non-owner occupied	1,888,040	135	13,503	0.72 %	10002.22 %
Construction	216,832	—	2,803	1.29 %	— %
Total commercial loans and leases receivable	14,829,212	42,860	96,014	0.65 %	224.02 %
Residential	508,187	6,740	6,251	1.23 %	92.74 %
Manufactured housing	24,763	1,047	3,244	13.10 %	309.84 %
Installment	854,906	4,075	58,597	6.85 %	1,437.96 %
Total consumer loans receivable	1,387,856	11,862	68,092	4.91 %	574.03 %
Loans and leases receivable	16,217,068	54,722	164,106	1.01 %	299.89 %
Loans receivable, mortgage finance, at fair value	1,654,795	—	—	— %	— %
Loans receivable, installment, at fair value	84,826	1,231	—	— %	— %
Total loans held for sale	58,611	69	—	— %	— %
Total portfolio	$ 18,015,300	$ 56,022	$ 164,106	0.91 %	292.93 %

(1) Excludes non-performing investment securities, at fair value of $17.0 million with ACL of $20.4 million at June 30, 2026.

The total loan and lease portfolio was $18.0 billion at June 30, 2026 compared to $16.8 billion at December 31, 2025, and $56.0 million, or 0.31% of loans and leases, were non-performing at June 30, 2026 compared to $43.7 million, or 0.26% of loans and leases, at December 31, 2025. The total loan and lease portfolio was supported by an ACL of $164.1 million (292.93% of NPLs and 0.91% of total loans and leases) and $155.7 million (356.29% of NPLs and 0.93% of total loans and leases), at June 30, 2026 and December 31, 2025, respectively.

The tables below set forth non-accrual loans, NPAs and asset quality ratios:

(amounts in thousands)	June 30, 2026	December 31, 2025
Loans 90+ days delinquent still accruing	$ 3,773	$ 4,029
Non-accrual loans	$ 56,022	$ 43,688
OREO and repossessed assets	12,660	12,472
Investment securities, at fair value	16,979	16,184
Total non-performing assets	$ 85,661	$ 72,344

	June 30, 2026	December 31, 2025
Non-accrual loans to loans and leases receivable (1)	0.34 %	0.27 %
Non-accrual loans to total loans and leases portfolio	0.31 %	0.26 %
Non-performing assets to total assets (2)	0.32 %	0.29 %
Non-accrual loans and loans 90+ days delinquent to total assets	0.23 %	0.19 %
Allowance for credit losses on loans and leases to:		
Loans and leases receivable	1.01 %	1.03 %
Non-accrual loans	292.93 %	356.29 %

(1) Excludes loans held for sale, loans receivable, mortgage finance, at fair value and loans receivable, installment, at fair value.
(2) Includes non-performing investment securities, at fair value of $17.0 million with ACL of $20.4 million at June 30, 2026 and fair value of $16.2 million with ACL of $18.8 million at December 31, 2025, respectively.

The asset quality ratios related to NPAs, including non-performing investment securities, at fair value, and non-accrual loans remained low at June 30, 2026 as compared to December 31, 2025. Refer to *Credit Risk* above for information about the increase in ACL affecting the related asset quality ratios at June 30, 2026 as compared to December 31, 2025.

DEPOSITS

Customers offers a variety of deposit accounts, including checking, savings, MMDA, and time deposits. Deposits are primarily obtained from Customers' geographic service area and nationwide through our single point of contact relationship managers, our branchless digital banking products, deposit brokers, listing services and other relationships.

The components of deposits were as follows at the dates indicated:

(dollars in thousands)	June 30, 2026	December 31, 2025	Change	% Change
Demand, non-interest bearing	$ 6,913,804	$ 6,303,748	$ 610,056	9.7 %
Demand, interest bearing	5,107,649	5,049,151	58,498	1.2 %
Savings, including MMDA	6,148,783	6,129,837	18,946	0.3 %
Non-time deposits	18,170,236	17,482,736	687,500	3.9 %
Time deposits	3,562,661	3,295,968	266,693	8.1 %
Total deposits	$ 21,732,897	$ 20,778,704	$ 954,193	4.6 %

Total deposits were $21.7 billion at June 30, 2026, an increase of $954.2 million, or 4.6%, from $20.8 billion at December 31, 2025. The increase in total deposits was primarily due to increases in non-interest bearing demand deposits of $610.1 million, or 9.7%, to $6.9 billion at June 30, 2026 from $6.3 billion at December 31, 2025, time deposits of $266.7 million, or 8.1%, to $3.6 billion at June 30, 2026, from $3.3 billion at December 31, 2025, interest bearing demand deposits of $58.5 million, or 1.2%, to $5.1 billion at June 30, 2026, from $5.0 billion at December 31, 2025 and savings, including MMDA of $18.9 million, or 0.3%, to $6.1 billion at June 30, 2026, from $6.1 billion at December 31, 2025.

At June 30, 2026 and December 31, 2025, the Bank had $1.7 billion and $1.8 billion in deposits, respectively, to which it had pledged $1.9 billion and $1.8 billion of available borrowing capacity through the FHLB to the depositors through a standby letter of credit arrangement, respectively.

The total amount of estimated uninsured deposits was $9.7 billion and $8.6 billion at June 30, 2026 and December 31, 2025, respectively. Time deposits greater than the FDIC limit of $250,000 totaled $1.2 billion at June 30, 2026 and December 31, 2025. At June 30, 2026, the scheduled maturities of uninsured time deposits were as follows:

(amounts in thousands)	June 30, 2026
3 months or less	$ 456,309
Over 3 through 6 months	278,752
Over 6 through 12 months	350,868
Over 12 months	114,645
Total	$ 1,200,574

Average deposit balances by type and the associated average rate paid are summarized below:

	Three Months Ended June 30, 2026		Three Months Ended June 30, 2025	
(dollars in thousands)	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
Demand, non-interest bearing	$ 6,183,251	0.00 %	$ 5,593,581	0.00 %
Demand, interest-bearing	5,075,436	3.25 %	4,935,587	3.84 %
Savings, including MMDA	6,248,794	3.45 %	5,462,674	3.90 %
Time deposits	3,438,721	4.13 %	2,852,645	4.73 %
Total	$ 20,946,202	2.50 %	$ 18,844,487	2.85 %

	Six Months Ended June 30, 2026		Six Months Ended June 30, 2025	
(dollars in thousands)	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
Demand, non-interest bearing	$ 6,288,017	0.00 %	$ 5,651,789	0.00 %
Demand, interest-bearing	5,034,752	3.25 %	5,145,729	3.81 %
Savings, including MMDA	6,097,557	3.44 %	5,249,668	3.90 %
Time deposits	3,447,665	4.17 %	2,801,467	4.79 %
Total	$ 20,867,991	2.48 %	$ 18,848,653	2.84 %

FHLB ADVANCES AND OTHER BORROWINGS

Borrowed funds from various sources are generally used to supplement deposit growth and meet other operating needs. Customers' borrowings include short-term and long-term advances from the FHLB, FRB, federal funds purchased, senior unsecured notes and subordinated debt. Subordinated debt is also considered as Tier 2 capital for certain regulatory calculations.

Short-term debt

There were no short-term debt outstanding at June 30, 2026 and December 31, 2025.

Long-term debt

FHLB and FRB Advances

Long-term FHLB and FRB advances at June 30, 2026 and December 31, 2025 were as follows:

	June 30, 2026		December 31, 2025	
(dollars in thousands)	Amount	Rate	Amount	Rate
FHLB advances [1]	$ 2,059,163 [2]	4.05 % [3]	$ 1,325,068 [2]	4.04 % [3]
Total long-term FHLB and FRB advances	$ 2,059,163		$ 1,325,068	

(1) Amounts reported in the above table include fixed rate long-term advances from FHLB of $650.0 million with maturities ranging from September 2026 to March 2028, and variable rate long-term advances from FHLB of $1.4 billion with maturities ranging from February 2030 to June 2031 with a returnable option that can be repaid without penalty on certain predetermined dates at Customers Bank's option, at June 30, 2026.

(2) Includes $(0.8) million and $5.1 million of unamortized basis adjustments from interest rate swaps designated as fair value hedges of long-term advances from FHLB at June 30, 2026 and December 31, 2025, respectively. Refer to "NOTE 16 — DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES" to Customers' unaudited consolidated financial statements for additional information.

(3) Excludes the effect of interest rate swaps designated as fair value hedges of long-term advances from FHLB.

The maximum borrowing capacity with the FHLB and FRB at June 30, 2026 and December 31, 2025 was as follows:

(dollars in thousands)	June 30, 2026	December 31, 2025
Total maximum borrowing capacity with the FHLB	$ 5,663,083	$ 4,639,436
Total maximum borrowing capacity with the FRB	5,273,074	4,742,290
Qualifying loans and securities serving as collateral against FHLB and FRB	12,983,245	11,200,653

Senior Notes and Subordinated Debt

Long-term senior notes and subordinated debt at June 30, 2026 and December 31, 2025 were as follows:

(dollars in thousands)		Carrying Amount						
Issued by	Ranking	June 30, 2026	December 31, 2025	Rate	Issued Amount	Date Issued	Maturity	Price
Customers Bancorp	Senior [1]	$ 99,278	$ 99,208	2.875 %	$ 100,000	August 2021	August 2031	100.000 %
Total other borrowings		$ 99,278	$ 99,208					
Customers Bancorp	Subordinated [2][3]	$ 98,521	$ 98,359	6.875 %	$ 100,000	December 2025	January 2036	100.000 %
Customers Bancorp	Subordinated [2][4]	73,220	73,129	5.375 %	$ 74,750	December 2019	December 2034	100.000 %
Customers Bank	Subordinated [2][5]	—	109,659	6.125 %	110,000	June 2014	June 2029	100.000 %
Total subordinated debt		$ 171,741	$ 281,147					

(1) The senior notes will bear an annual fixed rate of 2.875% until August 15, 2026. From August 15, 2026 until maturity, the notes will bear an annual interest rate equal to a benchmark rate, which is expected to be the three-month term SOFR, plus 235 basis points. Customers Bancorp has the ability to call the senior notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after August 15, 2026.

(2) The subordinated notes qualify as Tier 2 capital for regulatory capital purposes.

(3) The subordinated notes will bear an annual fixed rate of 6.875% until January 15, 2031. From January 15, 2031 until maturity, the notes will bear an annual interest rate equal to a benchmark rate, which is expected to be the three-month term SOFR, plus 342 basis points. Customers Bancorp has the ability to call the subordinated notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after January 15, 2031.

(4) Customers Bancorp has the ability to call the subordinated notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after December 30, 2029.

(5) The subordinated notes had an annual fixed rate of 6.125% until June 26, 2024. From June 26, 2024 until maturity, the notes bear an annual interest rate equal to the three-month LIBOR plus 344.3 basis points. Pursuant to the Adjustable Interest Rate (LIBOR) Act enacted by Congress on March 15, 2022, Customers substituted three-month term SOFR plus a tenor spread adjustment of 26.161 basis points for three-month LIBOR as the benchmark reference rate in order to calculate the annual interest rate after June 26, 2024. Customers Bank has the ability to call the subordinated notes, in whole, or in part, at a redemption price equal to 100% of the principal balance at certain times on or after June 26, 2024. Customers Bank called the subordinated notes on March 26, 2026.

SHAREHOLDERS' EQUITY

The components of shareholders' equity were as follows at the dates indicated:

(dollars in thousands)	June 30, 2026	December 31, 2025	Change	% Change
Common stock	$ 36,485	$ 36,189	$ 296	0.8 %
Additional paid in capital	669,114	666,756	2,358	0.4 %
Retained earnings	1,676,407	1,535,194	141,213	9.2 %
Accumulated other comprehensive income (loss), net	(58,346)	(54,050)	(4,296)	7.9 %
Treasury stock	(117,968)	(68,572)	(49,396)	72.0 %
Total shareholders' equity	$ 2,205,692	$ 2,115,517	$ 90,175	4.3 %

Shareholders' equity increased $90.2 million, or 4.3%, to $2.2 billion at June 30, 2026 when compared to shareholders' equity of $2.1 billion at December 31, 2025. The increase primarily resulted from an increase of $141.2 million in retained earnings, partially offset by an increase in treasury stock of $49.4 million.

The increases in common stock and additional paid in capital primarily resulted from the issuance of common stock under share-based compensation arrangements for the six months ended June 30, 2026.

The increase in retained earnings resulted from net income of $141.2 million for the six months ended June 30, 2026.

The decrease in accumulated other comprehensive income (loss), net primarily resulted from an increase of $14.5 million in unrealized losses on derivatives designated as cash flow hedges and income tax effect of $3.8 million, partially offset by a decrease of $6.5 million in unrealized losses on AFS debt securities due to changes in market interest rates and credit spreads and income tax effect of $1.7 million during the six months ended June 30, 2026.

The increase in treasury stock primarily resulted from repurchases of 714,472 shares of its common stock for $49.4 million under the 2026 Share Repurchase Program for the six months ended June 30, 2026. Refer to "NOTE 11 – SHAREHOLDERS' EQUITY" to Customers' unaudited consolidated financial statements for additional information.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity for a financial institution is a measure of that institution's ability to meet depositors' needs for funds, to satisfy or fund loan and lease commitments and for other operating purposes. Ensuring adequate liquidity is an objective of the asset/liability management process. Customers coordinates its management of liquidity with its interest rate sensitivity and capital position, and strives to maintain a strong liquidity position that is sufficient to meet Customers' short-term and long-term needs, commitments and contractual obligations.

Customers is involved with financial instruments and other commitments with off-balance sheet risks. Financial instruments with off-balance sheet risks are incurred in the normal course of business to meet the financing needs of the Bank's customers. These financial instruments include commitments to extend credit, including unused portions of lines of credit, and standby letters of credit. Those instruments involve, to varying degrees, elements of credit risk in excess of the amount recognized on the consolidated balance sheet.

With commitments to extend credit, exposure to credit loss in the event of non-performance by the other party to the financial instrument is represented by the contractual amount of those instruments. The same credit policies are used in making commitments and conditional obligations as for on-balance sheet instruments. Because they involve credit risk similar to extending a loan and lease, these financial instruments are subject to the Bank's credit policy and other underwriting standards.

Customers recognized a provision for credit losses on unfunded lending-related commitments of $0.6 million and $1.0 million during the three and six months ended June 30, 2026, respectively, resulting in an ACL of $10.0 million as of June 30, 2026. Customers had an ACL on unfunded lending-related commitments of $9.0 million as of December 31, 2025.

Customers' contractual obligations and other commitments representing required and potential cash outflows include operating leases, demand deposits, time deposits, federal funds purchased, short-term and long-term advances from FHLB, unsecured senior notes, subordinated debt, loan and other commitments as of June 30, 2026. Refer to "NOTE 8 – LEASES", "NOTE 9 – DEPOSITS", "NOTE 10 – BORROWINGS" and "NOTE 13 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK" to Customers' unaudited consolidated financial statements for additional information.

At June 30, 2026, Customers had $4.2 billion of cash on hand and $3.3 billion of investment securities. Customers' investment portfolio, including debt securities available for sale and held to maturity provides periodic cash flows through regular maturities and amortization and can be used as collateral to secure additional funding. We maintain a strong liquidity position, with $11.1 billion of liquidity immediately available consisting of cash on hand and available borrowing capacity from the FHLB and the FRB, which covered approximately 115% of uninsured deposits and approximately 146% of uninsured deposits less collateralized and affiliate deposits at June 30, 2026. Our loan to deposit ratio was 83% at June 30, 2026. Customers' principal sources of funds are deposits, borrowings, principal and interest payments on loans and leases, other funds from operations, and proceeds from common and preferred stock issuances. Borrowing arrangements are maintained with the FHLB and the FRB to meet short-term liquidity needs. Longer-term borrowing arrangements are also maintained with the FHLB and the FRB. As of June 30, 2026, Customers' borrowing capacity with the FHLB was $5.7 billion, of which $2.1 billion was utilized in borrowings and $1.9 billion of available capacity was utilized to collateralize deposits. As of December 31, 2025, Customers' borrowing capacity with the FHLB was $4.6 billion, of which $1.3 billion was utilized in borrowings and $1.8 billion of available capacity was utilized to collateralize deposits. As of June 30, 2026 and December 31, 2025, Customers' borrowing capacity with the FRB was $5.3 billion. None of this capacity was utilized as of June 30, 2026 and December 31, 2025.

The table below summarizes Customers' cash flows for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,			
(dollars in thousands)	2026	2025	Change	% Change
Net cash provided by (used in) operating activities	$ 142,374	$ 256,275	$ (113,901)	(44.4)%
Net cash provided by (used in) investing activities	(1,923,315)	(619,202)	(1,304,113)	210.6 %
Net cash provided by (used in) financing activities	1,548,330	80,507	1,467,823	NM
Net increase (decrease) in cash and cash equivalents	$ (232,611)	$ (282,420)	$ 49,809	(17.6)%

Cash flows provided by (used in) operating activities

Cash provided by operating activities of $142.4 million for the six months ended June 30, 2026 resulted from proceeds from sales and repayments of loans held for sale of $380.4 million, net income of $141.2 million and net non-cash operating adjustments of $66.1 million, partially offset by origination and purchases of loans held for sale of $356.6 million, an increase in accrued interest receivable and other assets of $44.7 million and a decrease in accrued interest payable and other liabilities of $44.0 million.

Cash provided by operating activities of $256.3 million for the six months ended June 30, 2025 resulted from proceeds from sales and repayments of loans held for sale of $466.2 million, net non-cash operating adjustments of $104.2 million, net income of $73.9 million, an increase in accrued interest payable and other liabilities of $26.4 million and a decrease in accrued interest receivable and other assets of $3.5 million, partially offset by origination and purchases of loans held for sale of $417.8 million.

Cash flows provided by (used in) investing activities

Cash used in investing activities of $1.9 billion for the six months ended June 30, 2026 primarily resulted from net increase in loans and leases, excluding mortgage finance loans of $1.1 billion, purchases of investment securities available for sale of $1.0 billion, purchases of loans of $200.0 million, purchases of leased assets under lessor operating leases of $30.0 million and net origination of mortgage finance loans of $29.6 million, partially offset by proceeds from maturities, calls, and principal repayments of investment securities available for sale of $273.9 million and held to maturity of $109.4 million, proceeds from sales of investment securities available for sale of $71.0 million and proceeds from sales of loans and leases of $44.6 million.

Cash used in investing activities of $619.2 million for the six months ended June 30, 2025 primarily resulted from purchases of investment securities available for sale of $506.8 million, net increase in loans and leases, excluding mortgage finance loans of $461.0 million, net origination of mortgage finance loans of $193.4 million, purchases of loans of $182.0 million, purchases of leased assets under lessor operating leases of $39.8 million and purchases of investment securities held to maturity of $14.0 million, partially offset by proceeds from sales of investment securities available for sale of $450.4 million, proceeds from maturities, calls, and principal repayments of investment securities available for sale of $167.5 million and held to maturity of $155.6 million.

Cash flows provided by (used in) financing activities

Cash provided by financing activities of $1.5 billion for the six months ended June 30, 2026 primarily resulted from net increase in deposits of $977.3 million and proceeds from long-term borrowed funds from the FHLB and the FRB of $920.0 million, partially offset by repayments of long-term borrowed funds from the FHLB and the FRB of $180.0 million, repayments of the Bank subordinated long-term debt of $110.0 million and purchases of treasury stock of $49.4 million.

Cash provided by financing activities of $80.5 million for the six months ended June 30, 2025 primarily resulted from proceeds from long-term borrowed funds from the FHLB and the FRB of $160.0 million and a net increase in deposits of $101.6 million, partially offset by repayments of long-term borrowed funds from the FHLB and the FRB of $100.0 million, redemption of preferred stock of $57.5 million, payments of employee taxes withheld from share-based awards of $12.3 million, dividends paid on preferred stock of $6.8 million and purchases of treasury stock of $5.6 million. Refer to “NOTE 11 — SHAREHOLDERS’ EQUITY” to Customers’ unaudited consolidated financial statements for additional information on preferred stock and treasury stock.

CAPITAL ADEQUACY

The Bank and the Bancorp are subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can result in certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on Customers’ financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and the Bancorp must meet specific capital guidelines that involve quantitative measures of their assets, liabilities and certain off-balance sheet items, as calculated under the regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

Quantitative measures established by regulation to ensure capital adequacy require the Bank and the Bancorp to maintain minimum amounts and ratios (set forth in the following table) of common equity Tier 1, Tier 1, and total capital to risk-weighted assets, and Tier 1 capital to average assets (as defined in the regulations). At June 30, 2026 and December 31, 2025, the Bank and the Bancorp met all capital adequacy requirements to which they were subject.

Generally, to comply with the regulatory definition of adequately capitalized, or well capitalized, respectively, or to comply with the Basel III capital requirements, an institution must at least maintain the common equity Tier 1, Tier 1, and total risk-based capital ratios and the Tier 1 leverage ratio in excess of the related minimum ratios set forth in the following table:

			Minimum Capital Levels to be Classified as:					
	Actual		Adequately Capitalized		Well Capitalized		Basel III Compliant	
(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2026:								
Common equity Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,257,930	12.857 %	$ 790,286	4.500 %	N/A	N/A	$ 1,229,333	7.000 %
Customers Bank	$ 2,376,363	13.552 %	$ 789,061	4.500 %	$ 1,139,755	6.500 %	$ 1,227,428	7.000 %
Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,257,930	12.857 %	$ 1,053,714	6.000 %	N/A	N/A	$ 1,492,762	8.500 %
Customers Bank	$ 2,376,363	13.552 %	$ 1,052,081	6.000 %	$ 1,402,775	8.000 %	$ 1,490,448	8.500 %
Total capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,601,025	14.811 %	$ 1,404,952	8.000 %	N/A	N/A	$ 1,844,000	10.500 %
Customers Bank	$ 2,547,717	14.530 %	$ 1,402,775	8.000 %	$ 1,753,469	10.000 %	$ 1,841,142	10.500 %
Tier 1 capital (to average assets)								
Customers Bancorp, Inc.	$ 2,257,930	8.868 %	$ 1,018,411	4.000 %	N/A	N/A	$ 1,018,411	4.000 %
Customers Bank	$ 2,376,363	9.342 %	$ 1,017,523	4.000 %	$ 1,271,904	5.000 %	$ 1,017,523	4.000 %
As of December 31, 2025:								
Common equity Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,164,010	12.992 %	$ 749,547	4.500 %	N/A	N/A	$ 1,165,962	7.000 %
Customers Bank	$ 2,203,933	13.252 %	$ 748,412	4.500 %	$ 1,081,040	6.500 %	$ 1,164,197	7.000 %
Tier 1 capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,164,010	12.992 %	$ 999,396	6.000 %	N/A	N/A	$ 1,415,811	8.500 %
Customers Bank	$ 2,203,933	13.252 %	$ 997,883	6.000 %	$ 1,330,510	8.000 %	$ 1,413,667	8.500 %
Total capital (to risk-weighted assets)								
Customers Bancorp, Inc.	$ 2,563,309	15.389 %	$ 1,332,528	8.000 %	N/A	N/A	$ 1,748,943	10.500 %
Customers Bank	$ 2,431,744	14.621 %	$ 1,330,510	8.000 %	$ 1,663,138	10.000 %	$ 1,746,295	10.500 %
Tier 1 capital (to average assets)								
Customers Bancorp, Inc.	$ 2,164,010	8.724 %	$ 992,221	4.000 %	N/A	N/A	$ 992,221	4.000 %
Customers Bank	$ 2,203,933	8.895 %	$ 991,061	4.000 %	$ 1,238,827	5.000 %	$ 991,061	4.000 %

The Basel III Capital Rules require that we maintain a 2.500% capital conservation buffer with respect to each of common equity Tier 1, Tier 1 and total capital to risk-weighted assets, which provides for capital levels that exceed the minimum risk-based capital adequacy requirements. A financial institution with a conservation buffer of less than the required amount is subject to limitations on capital distributions, including dividend payments and stock repurchases, and certain discretionary bonus payments to executive officers. As of June 30, 2026, the Bank and the Bancorp were in compliance with the Basel III requirements.

Effect of Government Monetary Policies

Our earnings are and will be affected by domestic economic conditions and the monetary and fiscal policies of the United States government and its agencies. An important function of the Federal Reserve Board is to regulate the money supply and interest rates. Among the instruments used to implement those objectives are open market operations in United States government securities and changes in reserve requirements against member bank deposits. These instruments are used in varying combinations to influence overall growth and distribution of bank loans and leases, investments, and deposits, and their use may also affect rates charged on loans and leases or paid for deposits.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity

The largest part of Customers' net income is net interest income, and the majority of its financial instruments are interest rate sensitive assets and liabilities with various term structures and maturities. One of the primary goals of management is to optimize net interest income while minimizing interest rate risk. Interest rate risk is derived from timing differences in the repricing of assets and liabilities, loan prepayments, deposit withdrawals and differences in lending and funding rates. Customers' asset/liability committee actively looks to monitor and control the economic impact of changes in interest rates on the mix of interest rate sensitive assets and interest rate sensitive liabilities.

Customers uses two complementary methods to effectively measure and manage interest rate risk. The two types of simulation analysis used to determine the impact of changes in interest rates under various hypothetical interest rate scenarios are income scenario modeling and estimates of economic value (EVE). The combination of these two methods supplies a reasonably comprehensive summary of the levels of interest rate risk of Customers' exposure to time factors and changes in interest rate environments.

Income scenario modeling is used to measure interest rate sensitivity and manage interest rate risk over a near term horizon. Income scenario considers not only the impact of changing market interest rates upon forecasted net interest income but also other factors such as yield curve relationships, the volume and mix of assets and liabilities, customer preferences and general market conditions.

Through the use of income scenario modeling, Customers has estimated the net interest income for the twelve months ending June 30, 2027 and December 31, 2026, based upon the assets, liabilities and off-balance sheet financial instruments including derivatives in existence at June 30, 2026 and December 31, 2025.

Customers has also estimated changes to that projected twelve-month net interest income based upon implied forward interest rates rising or falling immediately ("rate shocks"). For upward rate shocks modeling a rising rate environment at June 30, 2026 and December 31, 2025, Customers used a parallel and sustained shift in interest rates, in which the base market interest rate forecast was immediately increased by 100, 200, and 300 basis points. For downward rate shocks modeling a falling rate environment at June 30, 2026 and December 31, 2025, Customers used a parallel and sustained shift in interest rates, in which the base market interest rate forecast was immediately decreased by 100, 200 and 300 basis points. The following table reflects the estimated percentage change in projected twelve-month net interest income under the rate shocks versus the base projected net interest income for the twelve months ending June 30, 2027 and December 31, 2026, resulting from changes in interest rates:

Net change in net interest income

	% change from base	
Rate Shocks	June 30, 2026	December 31, 2025
Up 3%	5.9%	4.4%
Up 2%	4.3%	3.0%
Up 1%	2.3%	1.3%
Down 1%	(0.6)%	(0.8)%
Down 2%	(2.0)%	(2.7)%
Down 3%	(3.7)%	(4.4)%

EVE considers a longer-term horizon and estimates the hypothetical discounted net present value of asset and liability cash flows. Discount rates are based upon market prices for comparable assets and liabilities. Upward and downward rate shocks are used to measure sensitivity of EVE in relation to a constant rate environment using implied forward interest rates. For upward rate shocks modeling a rising rate environment at June 30, 2026 and December 31, 2025, current market interest rates were shocked by a parallel and sustained shift in interest rates, in which the base market interest rate forecast was immediately increased by 100, 200, and 300 basis points. For downward rate shocks modeling a falling rate environment at June 30, 2026 and December 31, 2025, current market interest rates were shocked by a parallel and sustained shift in interest rates, in which the base market interest rate forecast was immediately decreased by 100, 200 and 300 basis points. This method of measurement primarily evaluates the longer term repricing risks and embedded options in Customers Bank's balance sheet. The following table reflects the estimated change in EVE at June 30, 2026 and December 31, 2025, resulting from shocks to interest rates:

	% change from base	
Rate Shocks	June 30, 2026	December 31, 2025
Up 3%	(11.1)%	(9.5)%
Up 2%	(7.0)%	(5.8)%
Up 1%	(3.2)%	(2.4)%
Down 1%	2.6%	2.4%
Down 2%	5.9%	5.7%
Down 3%	9.4%	10.1%

Management believes that the assumptions and combination of methods used in evaluating interest rate risk are reasonable. However, the interest rate sensitivity of our assets, liabilities and off-balance sheet financial instruments, as well as the estimated effect of changes in interest rates on estimated net interest income, could vary substantially if different assumptions are used or actual experience differs from the assumptions used in the model.

Item 4. Controls and Procedures

(a) Management's Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, Customers Bancorp carried out an evaluation, under the supervision and with the participation of Customers Bancorp's management, including Customers Bancorp's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of Customers Bancorp's disclosure controls and procedures as defined in the Exchange Act Rules 13a-15(e) and 15d-15(e). Based upon the evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Customers Bancorp's disclosure controls and procedures were effective as of June 30, 2026.

(b) Changes in Internal Control Over Financial Reporting. During the quarter ended June 30, 2026, there have been no changes in Customers Bancorp's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, Customers Bancorp's internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

For information on Customers' legal proceedings, refer to "NOTE 17 – LOSS CONTINGENCIES" to the unaudited consolidated financial statements.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in "Risk Factors" included within the 2025 Form 10-K. There are no material changes from the risk factors included within the 2025 Form 10-K. The risks described within the 2025 Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial also may materially adversely affect our business, financial condition and/or operating results. Refer to "Item 2 – Management's Discussion and Analysis of Financial Condition and Results of Operations – Cautionary Note Regarding Forward-Looking Statements."

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On February 11, 2026, the Board of Directors of Customers Bancorp authorized a new common stock repurchase program, the 2026 Share Repurchase Program, to repurchase up to $100.0 million of the Company's common stock. The term of the 2026 Share Repurchase Program will extend for one year from February 12, 2026, unless earlier terminated. Purchases of shares under the 2026 Share Repurchase Program may be executed through open market purchases, privately negotiated transactions, through the use of Rule 10b5-1 plans, or otherwise. The exact number of shares, timing for such purchases, and the price and terms at and on which such purchases are to be made will be at the discretion of the Company and will comply with all applicable regulatory limitations. The shares of the Company's common stock repurchased during the three months ended June 30, 2026 pursuant to the 2026 Share Repurchase Program were as follows:

Period	Total number of shares purchased	Average price paid per share [(1)]	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs [(1)]
April 1 - April 30, 2026	14,017	$ 68.09	14,017	$ 56,052,987
May 1 - May 31, 2026	28,787	73.21	28,787	53,945,580
June 1 - June 30, 2026	50,000	74.20	50,000	50,235,405
Total	92,804	$ 72.97	92,804	$ 50,235,405

(1) Average price paid per share excludes commissions and excise tax, which will reduce the approximate dollar value of shares that may yet be purchased under the 2026 Share Repurchase Program.

Dividends on Common Stock

Customers Bancorp historically has not paid any cash dividends on its shares of common stock and does not expect to do so in the foreseeable future.

Any future determination relating to our dividend policy will be made at the discretion of Customers Bancorp's Board of Directors and will depend on a number of factors, including earnings and financial condition, liquidity and capital requirements, the general economic and regulatory climate, ability to service any equity or debt obligations senior to our common stock and other factors deemed relevant by the Board of Directors.

In addition, as a bank holding company, Customers Bancorp is subject to general regulatory restrictions on the payment of cash dividends. Federal bank regulatory agencies have the authority to prohibit bank holding companies from engaging in unsafe or unsound practices in conducting their business, which, depending on the financial condition and liquidity of the holding company at the time, could include the payment of dividends. Further, various federal and state statutory provisions limit the amount of dividends that bank subsidiaries can pay to their parent holding company without regulatory approval. Generally, subsidiaries are prohibited from paying dividends when doing so would cause them to fall below the regulatory minimum capital levels, and limits exist on paying dividends in excess of net income for specified periods. The ability to pay dividends and the amounts that can be paid is limited to the extent the Bank's capital ratios do not exceed the minimum required levels plus 250 basis points.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the second quarter of 2026, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified any "Rule 10b5-1 trading arrangements" or "non-Rule 10b5-1 trading arrangements," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of Customers Bancorp, incorporated by reference to Exhibit 3.1 to the Customers Bancorp Form 8-K filed with the SEC on April 30, 2012
3.2	Amended and Restated Bylaws of Customers Bancorp, incorporated by reference to Exhibit 3.2 to the Customers Bancorp Form 8-K filed with the SEC on April 30, 2012
3.3	Articles of Amendment to the Amended and Restated Articles of Incorporation of Customers Bancorp, incorporated by reference to Exhibit 3.1 to the Customers Bancorp Form 8-K filed with the SEC on July 2, 2012
3.4	Articles of Amendment to the Amended and Restated Articles of Incorporation of Customers Bancorp, Inc., incorporated by reference to Exhibit 3.1 to the Customers Bancorp's Form 8-K filed with the SEC on June 3, 2019
3.5	Amendment to Amended and Restated Bylaws of Customers Bancorp, Inc., incorporated by reference to Exhibit 3.1 to the Customers Bancorp's Form 8-K filed with the SEC on June 19, 2019
10.1	Supplemental Executive Retirement Plan of Lyle Cunningham, incorporated by reference to Exhibit 10.1 to Customers Bancorp's Form 8-K filed with the SEC on July 8, 2026
10.2	First Amended Employment Agreement, dated as of July 24, 2026, by and between Customers Bancorp, Inc. and Mark R. McCollom, incorporated by reference to Exhibit 10.1 to Customers Bancorp's Form 8-K filed with the SEC on July 27, 2026
31.1	Certification of the Chief Executive Officer Pursuant to Exchange Act Rule 13a-14(a) or Rule15d-14(a)
31.2	Certification of the Chief Financial Officer Pursuant to Exchange Act Rule 13a-14(a) or Rule15d-14(a)
32.1	Certification of the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of Sarbanes-Oxley Act of 2002
101	The following financial statements from the Customers' Quarterly Report on Form 10-Q as of and for the quarterly period ended June 30, 2026, formatted in Inline XBRL include: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Shareholders' Equity, (v) Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Customers Bancorp, Inc.

August 7, 2026	By:	/s/ Samvir S. Sidhu
	Name:	Samvir S. Sidhu
	Title:	President and Chief Executive Officer (Principal Executive Officer)
August 7, 2026	By:	/s/ Mark R. McCollom
	Name:	Mark R. McCollom
	Title:	Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) / 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Samvir S. Sidhu, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Customers Bancorp, Inc. for the period ended June 30, 2026;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Samvir S. Sidhu

Samvir S. Sidhu
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 7, 2026

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) / 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Mark R. McCollom, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Customers Bancorp, Inc. for the period ended June 30, 2026;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mark R. McCollom

Mark R. McCollom
Chief Financial Officer
(Principal Financial Officer)

Date: August 7, 2026

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Customers Bancorp, Inc. (the “Corporation”) on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Samvir S. Sidhu, President and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: August 7, 2026

/s/ Samvir S. Sidhu

Samvir S. Sidhu, President and Chief Executive Officer
(Principal Executive Officer)

This certificate is being made for the exclusive purpose of compliance by the Chief Executive Officer of the Corporation with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be used by any person or for any reason other than as specifically required by law.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Customers Bancorp, Inc. (the “Corporation”) on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mark R. McCollom, Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: August 7, 2026

/s/ Mark R. McCollom

Mark R. McCollom, Chief Financial Officer
(Principal Financial Officer)

This certificate is being made for the exclusive purpose of compliance by the Chief Financial Officer of the Corporation with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002, and may not be used by any person or for any reason other than as specifically required by law.