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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): April 27, 2022



(Exact name of registrant as specified in its charter)
Customers Bancorp, Inc.

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

001-35542
(Commission File number)

27-2290659
(IRS Employer
Identification No.)

**701 Reading Avenue
West Reading PA 19611**
(Address of principal executive offices, including zip code)

(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)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instructions A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

| Securities registered pursuant to Section 12(g) of the Act: | | |
|---|------------------------|--|
| <u>Title of Each Class</u> | <u>Trading Symbols</u> | <u>Name of Each Exchange on which Registered</u> |
| Voting Common Stock, par value \$1.00 per share | CUBI | New York Stock Exchange |
| Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series E, par value \$1.00 per share | CUBI/PE | New York Stock Exchange |
| Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series F, par value \$1.00 per share | CUBI/PF | New York Stock Exchange |
| 5.375% Subordinated Notes due 2034 | CUBB | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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. ☐

Item 2.02. Results of Operations and Financial Condition

On April 27, 2022, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter ended March 31, 2022, a copy of which is included as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

The Company has posted to its website a slide presentation which is attached hereto as Exhibit 99.2 to this Current Report on Form 8-K and incorporated into this Item 7.01 by reference.

The information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 attached hereto and incorporated by reference into Item 2.02 and Item 7.01, respectively, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, such information, including the exhibits attached hereto, shall not be deemed incorporated by reference into any of the Company's reports or filings with the SEC, whether made before or after the date hereof, except as expressly set forth by specific reference in such report or filing. The information in this Current Report on Form 8-K, including the exhibits attached hereto, shall not be deemed an admission as to the materiality of any information in this Current Report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

| <u>Exhibit</u> | <u>Description</u> |
|------------------------------|-------------------------------------|
| Exhibit 99.1 | Press Release dated April 27, 2022 |
| Exhibit 99.2 | Slide presentation dated April 2022 |

SIGNATURE

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, hereunto duly authorized.

CUSTOMERS BANCORP, INC.

By: /s/ Carla A. Leibold

Name: Carla A. Leibold

Title: Executive Vice President - Chief Financial Officer

Date: April 27, 2022

EXHIBIT INDEX

| Exhibit No. | Description |
|----------------------|-------------------------------------|
| 99.1 | Press Release dated April 27, 2022 |
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Exhibit 99.1



Customers Bancorp, Inc.
701 Reading Avenue
West Reading, PA 19611

Contact:
David W. Patti, Communications Director 610-451-9452

Customers Bancorp Reports First Quarter 2022 Results

Q1 2022 Net Income of \$74.9 million, or \$2.18 Per Diluted Share, Up 126% Over Q1 2021

Q1 2022 ROAA of 1.63% and ROCE of 24.3%

Q1 2022 Loan Growth of \$1.1 billion (Excluding PPP Loans and Loans to Mortgage Companies), Up 12% Over Q4 2021 and 33% Year-Over-Year

Deposit Growth of \$3.9 billion, Up 32% Year-Over-Year

- Q1 2022 net income available to common shareholders was \$74.9 million, or \$2.18 per diluted share, up 126% over Q1 2021.
- Q1 2022 core earnings (a non-GAAP measure) were \$75.2 million, or \$2.19 per diluted share, up 7% over Q1 2021.
- Q1 2022 core earnings excluding Paycheck Protection Program ("PPP") (a non-GAAP measure) were \$50.5 million, or \$1.47 per diluted share, up 12% over Q1 2021.
- Q1 2022 ROAA was 1.63% and Core ROAA (a non-GAAP measure) was 1.63%. Q1 2021 ROAA was 0.80% and Core ROAA (a non-GAAP measure) was 1.61%.
- Q1 2022 ROCE was 24.3% and Core ROCE (a non-GAAP measure) was 24.4%. Q1 2021 ROCE was 14.7% and Core ROCE (a non-GAAP measure) was 31.0%.
- Adjusted pre-tax pre-provision net income (a non-GAAP measure) for Q1 2022 was \$112.4 million, an increase of 29% over Q1 2021. Q1 2022 adjusted pre-tax pre-provision ROAA (a non-GAAP measure) was 2.38% compared to 1.90% for Q1 2021.
- Q1 2022 commercial and industrial (C&I) loan growth of \$574.8 million (up 17%), multifamily loan growth of \$218.7 million (up 15%), and consumer loan growth of \$269.5 million (up 13%) over Q4 2021.
- Q1 2022 net interest margin (a non-GAAP measure) increased 60 basis points from Q1 2021 to 3.60%. Q1 2022 net interest margin, excluding the impact of PPP loans (a non-GAAP measure) increased 33 basis points from Q1 2021 to 3.32%.
- Total deposits increased \$3.9 billion, or 32% year-over-year, which included a \$4.3 billion, or 72%, increase in demand deposits. This increase included CBIT-related deposits with a balance of \$1.8 billion at March 31, 2022. This balance has increased to approximately \$2.3 billion at April 15, 2022 and includes 74 new

customers onboarded in Q1 2022. The total cost of deposits dropped 20 basis points from the year-ago quarter.

- Q1 2022 efficiency ratio was 39.42% compared to 48.89% for Q1 2021. Q1 2022 core efficiency ratio was 39.62% compared to 41.13% in Q1 2021 (non-GAAP measures).
- Q1 2022 provision for credit losses on loans and leases was \$15.3 million compared to \$13.9 million in Q4 2021. At March 31, 2022, the coverage of credit loss reserves for loans and leases held for investment, excluding PPP loans (a non-GAAP measure), was 1.44% compared to 1.53% at December 31, 2021.
- Non-performing assets were \$43.9 million, or 0.23% of total assets, at March 31, 2022 compared to \$49.3 million, or 0.26% of total assets, at March 31, 2021. Allowance for credit losses equaled 333% of non-performing loans at March 31, 2022, compared to 264% at March 31, 2021.
- Well positioned for strong core sustainable growth in 2022 and 2023 and expect to meet or beat projections of core earnings (excluding PPP) between \$4.75 - \$5.00 in 2022 and well over \$6.00 in 2023.

West Reading, PA, April 27, 2022 - Customers Bancorp, Inc. (NYSE: CUBI), the parent company of Customers Bank (collectively "Customers" or "CUBI"), today reported first quarter 2022 ("Q1 2022") net income to common shareholders of \$74.9 million, or \$2.18 per diluted share, up from first quarter 2021 ("Q1 2021") net income to common shareholders of \$33.2 million, or \$1.01 per diluted share. Q1 2022 core earnings were \$75.2 million, or \$2.19 per diluted share, up from Q1 2021 core earnings of \$70.3 million, or \$2.14 per diluted share (non-GAAP measures). Q1 2022 core earnings (excluding PPP) were \$50.5 million, or \$1.47 per diluted share, up from Q1 2021 core earnings (excluding PPP) of \$45.2 million, or \$1.38 per diluted share (non-GAAP measures). Adjusted pre-tax pre-provision net income was \$112.4 million for Q1 2022 compared to \$86.8 million for Q1 2021 (non-GAAP measures). Net interest margin, tax equivalent ("NIM") was 3.60% for Q1 2022, up from 3.00% for Q1 2021 (non-GAAP measures). Excluding PPP, NIM was 3.32% for Q1 2022 up from 2.99% for Q1 2021 (non-GAAP measures).

"We are extremely pleased with our first quarter results and are excited that 2022 is off to a great start," remarked Customers Bancorp Chairman and CEO, Jay Sidhu. "In a quarter impacted by geopolitical conflict, rising interest rates, yield curve inversion, inflationary pressures, and the ongoing effects of the pandemic, we continue to responsibly deliver remarkable organic loan growth. Our core loans increased \$559 million in Q1 2022, up 5% from Q4 2021 (20% on an annualized basis), and well above our \$500 million average quarterly target, despite lower balances in loans to mortgage companies of \$532 million given yield-curve related and seasonal declines. Putting PPP aside, we increased total revenues in the core bank, reduced expenses, improved our efficiency ratio and continue to deliver positive operating leverage. Asset quality remains exceptional and credit reserves are strong. Continuing the momentum from record 2021 performance and strong first quarter results, our loan and deposit pipelines remain at record highs, as the 2021 market expansion and new verticals continue to perform as or better than expected, a

testament to our customer centric business model supported by best-in-class service and technology. This leaves us very well positioned to support future growth. We remain very excited and optimistic about our future," Mr. Jay Sidhu continued.

Full Launch of Customers Bank Instant Token (CBIT™)

"We were thrilled to report the full launch of CBIT on the TassatPay™ payments platform in January 2022, following a successful soft launch in Q4 2021, and are very pleased with our progress to date. In Q1 2022, we onboarded 74 new CBIT-related customers to the Digital Bank, beating our internal target of at least 25 new customers. We expect digital asset-related deposits to grow significantly in 2022 as our pipelines remain strong, giving us an opportunity to further transform our deposits into a high quality, low-to-no cost, stable and growing deposit franchise. We believe our technology, compliance and customer service and support systems are among the best in the country," commented Mr. Sam Sidhu, President and CEO of Customers Bank.

At March 31, 2022, \$1.8 billion in core low-to-no cost demand deposits have been attracted to the Bank through this system. This balance has increased to approximately \$2.3 billion at April 15, 2022.

Paycheck Protection Program (PPP)

We funded, either directly or indirectly, about 256,000 PPP loans totaling \$5.2 billion in 2021, bringing total PPP loans funded to approximately 358,000 and \$10.3 billion. We also earned close to \$350 million of deferred origination fees from the SBA through the PPP loans, which is significantly accretive to our earnings and capital levels as these loans are forgiven by the government. In Q1 2022, we recognized \$30 million of these fees in earnings, bringing total fees recognized to date to \$292 million, resulting in approximately \$58 million to be recognized throughout 2022 and 2023. "As we've stated previously, it is difficult to predict the timing of PPP forgiveness. After a slow start, forgiveness levels picked up late in the quarter, resulting in higher deferred fee recognition in Q1 2022 than expected. We continue to expect most of the fees to be recognized in 2022, with approximately two-thirds of the remaining fees to be recognized in the second half of this year," commented Customers Bancorp CFO, Carla Leibold.

Key Balance Sheet Trends

Commercial and industrial loans and leases increased \$1.8 billion, or 81.1% year-over-year, to \$3.9 billion, consumer installment loans increased \$492.7 million, or 35.1% year-over-year, to \$1.9 billion, residential loans increased \$173.8 million, or 58.8% year-over-year, to \$469.4 million, commercial real estate owner occupied loans increased \$111.8 million, or 18.9% year-over-year, to \$701.9 million and multi-family loans increased \$45.5 million, or 2.7% year-over-year, to \$1.7 billion. These increases in loans and leases were partially offset by a decrease in commercial real estate non-owner occupied loans of \$54.5 million to \$1.1 billion.

Total loans and leases, including PPP loans, decreased \$2.1 billion, or 13.0%, to \$14.1 billion at March 31, 2022 compared to the year-ago period. As expected, commercial loans to mortgage companies declined \$1.6 billion to \$1.8 billion compared to the year-ago period. PPP loans declined \$3.0 billion to \$2.2 billion at March 31, 2022 compared to the year-ago period, primarily driven by \$6.0 billion in forgiveness, repayments and associated net deferred fees from the latest

and earlier rounds of PPP loans, net of \$3.0 billion in originations and purchases in the latest round. Excluding PPP loans and commercial loans to mortgage companies, total loans and leases increased \$2.5 billion, or 33.5%, as the loan mix continued to improve year-over-year.

"Looking ahead, we see continued responsible growth primarily in core C&I, including specialty finance lines of business, multi-family and residential loans offsetting the continued yield curve related decreases in loans to mortgage companies. The increase in core C&I loans, primarily driven by our specialty finance lines of business, is expected to dampen the seasonal volatility created by our loans to mortgage companies in future periods," stated Mr. Jay Sidhu.

Total deposits increased \$3.9 billion, or 31.6%, to \$16.4 billion at March 31, 2022 compared to the year-ago period. Total demand deposits increased \$4.3 billion, or 72.2%, to \$10.2 billion. Money market deposits increased \$574.6 million, or 13.0%, to \$5.0 billion. These increases were offset, in part, by decreases in savings deposits of \$681.1 million, or 45.9%, to \$0.8 billion and time deposits of \$219.7 million, or 33.0%, to \$446.2 million as we continue our efforts to run-off higher cost rate sensitive deposits. The total cost of deposits declined by 20 basis points to 0.33% in Q1 2022 from 0.53% in the year-ago quarter. "Our current spot cost of deposits was approximately 32 basis points at March 31, 2022, a dramatic improvement over the prior year. Given the transformational improvements in the quality of our deposit franchise over the past year, we feel very well positioned against future interest rate hikes from a deposit repricing standpoint," stated Mr. Jay Sidhu.

Other borrowings increased \$99.1 million to \$223.2 million at March 31, 2022 compared to the year-ago period from the issuance of our 2.875% fixed-to-floating rate senior notes, the proceeds of which were used to redeem all outstanding shares of our Series C and Series D Preferred Stock in Q3 2021.

Very Strong Growth in Tangible Common Equity and Tangible Book Value Per Share

Customers experienced significant improvements in regulatory capital ratios in Q1 2022 as compared to a year ago. Customers Bancorp's tangible common equity (a non-GAAP measure) increased by \$268.6 million to \$1.2 billion at March 31, 2022 from \$967.3 million at March 31, 2021, and the tangible book value per common share (a non-GAAP measure) increased to \$37.50 at March 31, 2022 from \$30.01 at March 31, 2021, an increase of 25.0%. Customers remains well capitalized by all regulatory measures.

At the Customers Bancorp level, the total risk based capital ratio (estimate) and tangible common equity to tangible assets ratio ("TCE ratio"), excluding PPP loans (a non-GAAP measure), were 12.9% and 7.3%, respectively, at March 31, 2022.

Loan Portfolio Management During the COVID-19 Crisis

Over the last decade, we have developed a suite of commercial and retail loan products with one particularly important common denominator: relatively low credit risk assumption. The Bank's C&I, loans to mortgage companies, specialty finance lines of business, and multi-family loans for example, are characterized by conservative underwriting standards and low loss rates.

Because of this emphasis, the Bank's credit quality to date has been healthy despite a highly adverse economic environment. Maintaining strong asset quality also requires a highly active portfolio monitoring process. In addition to frequent client outreach and monitoring at the individual loan level, we employ a bottom-up data driven approach to analyze the commercial portfolio.

Strong commercial loan portfolio with very low concentration in COVID-19 impacted industries and CRE

- All commercial loans previously on deferments became current by December 31, 2021 and remain current at March 31, 2022. Commercial deferments peaked at about \$1.2 billion in July 2020.
- Exposure to industry segments and CRE significantly impacted by COVID-19 initially is not substantial.

Consumer installment, mortgage and home equity loan portfolios continue to perform well

- Total consumer-related deferments declined to \$3.3 million at March 31, 2022, down from \$6.1 million at December 31, 2021.
- Total consumer installment loans were approximately 10% of total assets at March 31, 2022 and were supported by an allowance for credit losses of \$107.9 million.
- At March 31, 2022, our consumer installment portfolio had the following: average FICO score of 730, average debt-to-income of 16.5% and average borrower income of \$101 thousand.

Key Profitability Trends

Net Interest Income

Net interest income totaled \$164.7 million in Q1 2022, a decrease of \$29.0 million from Q4 2021, primarily due to lower PPP interest income of \$45.2 million resulting from reduced recognition of deferred fees of \$41.8 million driven by lower loan forgiveness in Q1 2022. This decrease was offset in part by increased net interest income earned by the core bank, including increased interest income on investment securities and core loans (a non-GAAP measure) of \$5.1 million and \$4.4 million, respectively, mostly due to higher average balances, dividend income of \$5.2 million primarily resulting from an equity investment distribution, and lower expenses paid on deposits of \$1.7 million resulting from continuing efforts to run-off higher cost rate sensitive deposits. Excluding PPP loans, average interest-earning assets increased \$1.3 billion. Interest-earning asset growth was driven by increases in investment securities, commercial and industrial loans, multi-family loans, consumer installment loans and residential loans, offset in part by decreases in interest earning deposits and commercial loans to mortgage companies. Compared to Q4 2021, total loan yields decreased 81 basis points to 4.67% primarily resulting from a lower average balance of PPP loans at lower yields in Q1 2022 driven by PPP loan forgiveness and lower deferred fee recognition. Excluding PPP loans, the Q1 2022 total loan yield was relatively unchanged from Q4 2021. Total deposits and borrowing costs decreased by 3 basis points to 0.43% primarily due to growth in non-interest-bearing deposits and a 4 basis point decrease in the cost of interest-bearing deposits to 0.46%. The Q1 2022 NIM (excluding PPP) (a non-GAAP measure) of 3.32% included a benefit of 13 basis points from the dividend income received in Q1 2022 of \$5.2 million.

Provision for Credit Losses

The provision for credit losses on loans and leases in Q1 2022 was \$15.3 million, compared to \$13.9 million in Q4 2021. The provision in Q1 2022 was primarily to support the continued growth in CB Direct consumer installment loan originations, as well as growth in residential and multi-family loans. The allowance for credit losses on loans and leases represented 1.44% of total loans and leases receivable, excluding PPP loans (a non-GAAP measure) at March 31, 2022, compared to 1.53% at December 31, 2021 and 1.71% at March 31, 2021. Non-performing loans at March 31, 2022 were 0.31% of total loans and leases, compared to 0.30% at March 31, 2021. The provision for credit losses for available-for-sale investment securities in Q1 2022 was \$0.7 million.

Non-Interest Income

Non-interest income totaled \$21.2 million for Q1 2022, an increase of \$4.2 million compared to Q4 2021. The increase was primarily due to \$6.4 million of death benefits from bank-owned life insurance policies, offset in part by an increase in losses realized from the sale of investment securities of \$1.0 million, lower gains realized from the sale of SBA loans of \$0.3 million, and no consumer loan sales in Q1 2022 compared to gains of \$0.7 million realized from the sale of consumer loans in Q4 2021.

Non-Interest Expense

The management of non-interest expenses remains a priority for us. However, this will not be at the expense of not making adequate investments with new technologies to support efficient and responsible growth.

Non-interest expenses totaled \$73.8 million in Q1 2022, a decrease of \$7.7 million compared to Q4 2021. The decrease was primarily attributable to lower salaries and employee benefits of \$3.3 million mostly due to higher incentives recorded in Q4 2021 resulting from record 2021 financial performance, \$2.0 million in lower loan servicing costs primarily due to lower PPP loan forgiveness and lower occupancy costs of \$1.3 million primarily associated with the relocation of the Bank headquarters and a \$1.3 million decrease in charitable contributions and corporate sponsorships. These decreases were offset in part by a \$1.4 million increase in technology, processing and deposit servicing-related expenses.

Taxes

Income tax expense from continuing operations increased by \$6.3 million to \$19.3 million in Q1 2022 from \$13.0 million in Q4 2021 primarily due to a decrease in excess tax benefits from stock option exercises recorded in Q4 2021 and a reduction in investment tax credits, partially offset by a reduction in pre-tax income. The effective tax rate from continuing operations for Q1 2022 was 20%. Customers expects the full-year 2022 effective tax rate from continuing operations to be approximately 21% to 23%.

BM Technologies, Inc. (BMTX)

We previously entered into a Deposit Servicing Agreement with BMTX, which was profitable at the time as we were in the early stage of building out our commercial and digital deposit franchise. However, with the advent of CBIT, which went into full launch in January 2022, we now have a low-to-no cost core deposit aggregation strategy that is expected to be far more profitable. We are preparing for the expiration of the Deposit Servicing Agreement scheduled to expire on December 31, 2022, which cost us approximately \$60 million (\$48 million after taxes) in 2021 and will not be renewed. The expiration of the Deposit Servicing Agreement is expected to be accretive to our 2023 earnings by \$60 million (pre-tax). At March 31, 2022, \$2.2 billion of deposits were serviced by BMTX, which we expect to leave the Bank by December 31, 2022.

Outlook

"Looking ahead, we continue to project sustainable and responsible organic core growth and are very optimistic about the prospects of our company. We are focused on improving the quality of our balance sheet and deposit franchise and are not focused on growth just for the sake of growth. We continue to expect, on average, \$500 million of quarterly loan growth and significant digital asset-related deposit growth by year-end 2022. Through a combination of revenue growth and prudent expense management we expect our efficiency ratio to be at or below 40% by early 2023. Customers Bancorp stock at the close of business on April 22, 2022 was trading at \$42.84, less than 7 times analyst estimated EPS for 2023 and only 1.1 times tangible book value at March 31, 2022. We continue to expect to meet or beat projections of our core earnings (excluding PPP) between \$4.75 - \$5.00 in 2022 and well over \$6.00 in 2023, two to three years ahead of our previous guidance of \$6.00 by 2025/2026," concluded Mr. Jay Sidhu.

Webcast

Date: Thursday, April 28, 2022
Time: 9:00 AM EDT

The live audio webcast, presentation slides, and earnings press release will be made available at <https://www.customersbank.com/investor-relations/> and at the Customers Bancorp 1st Quarter Earnings Webcast.

You may submit questions in advance of the live webcast by emailing our Communications Director, David Patti at dpatti@customersbank.com; questions may also be asked during the webcast through the webcast application.

The webcast will be archived for viewing on the Customers Bank Investor Relations page and available beginning approximately two hours after the conclusion of the live event.

Institutional Background

Customers Bancorp, Inc. (NYSE:CUBI) is a bank holding company located in West Reading, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank, a full-service bank with \$19.2 billion in assets at March 31, 2022. A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking and lending services to small and medium-sized businesses, professionals, individuals and families. Services and products are available wherever permitted by law through mobile-first apps, online portals, and a network of offices and branches. Customers Bank provides blockchain-based digital payments via the Customers Bank Instant Token (CBIT™) which allows clients to make instant payments in U.S. dollars, 24 hours a day, 7 days a week, 365 days a year.

“Safe Harbor” Statement

In addition to historical information, this press release may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the 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: the impact of the ongoing pandemic on the U.S. economy and customer behavior, 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 continued success and acceptance of our blockchain payments system, 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; 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, 2021, 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.

Q1 2022 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended March 31, 2022 and the preceding four quarters:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

(Dollars in thousands, except per share data and stock price data)

GAAP Profitability Metrics:

Net income available to common shareholders
(from continuing and discontinued operations)

Per share amounts:

Earnings per share - basic

Earnings per share - diluted

Book value per common share ⁽¹⁾

CUBI stock price ⁽¹⁾

CUBI stock price as % of book value ⁽¹⁾

Average shares outstanding - basic

Average shares outstanding - diluted

Shares outstanding ⁽¹⁾

Return on average assets ("ROAA")

Return on average common equity ("ROCE")

Efficiency ratio

Non-GAAP Profitability Metrics ⁽²⁾:

Core earnings

Adjusted pre-tax pre-provision net income

Per share amounts:

Core earnings per share - diluted

Tangible book value per common share ⁽¹⁾

CUBI stock price as % of tangible book value ⁽¹⁾

Core ROAA

Core ROCE

Adjusted ROAA - pre-tax and pre-provision

Adjusted ROCE - pre-tax and pre-provision

Net interest margin, tax equivalent

Net interest margin, tax equivalent, excluding PPP loans

Core efficiency ratio

Asset Quality:

Net charge-offs

Annualized net charge-offs to average total loans and leases

Non-performing loans ("NPLs") to total loans and leases ⁽¹⁾

Reserves to NPLs ⁽¹⁾

Non-performing assets ("NPAs") to total assets

Customers Bank Capital Ratios ⁽³⁾:

Common equity Tier 1 capital to risk-weighted assets

Tier 1 capital to risk-weighted assets

Total capital to risk-weighted assets

Tier 1 capital to average assets (leverage ratio)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|------------|------------|------------|------------|------------|
| \$ 74,896 \$ 98,647 \$ 110,241 \$ 58,042 \$ 33,204 | | | | | |
| \$ 2.27 \$ 3.02 \$ 3.40 \$ 1.80 \$ 1.04 | | | | | |
| \$ 2.18 \$ 2.87 \$ 3.25 \$ 1.72 \$ 1.01 | | | | | |
| \$ 37.61 \$ 37.32 \$ 35.24 \$ 31.94 \$ 30.13 | | | | | |
| \$ 52.14 \$ 65.37 \$ 43.02 \$ 38.99 \$ 31.82 | | | | | |
| 139 % 175 % 122 % 122 % 106 % | | | | | |
| 32,957,033 32,625,960 32,449,853 32,279,625 31,883,946 | | | | | |
| 34,327,065 34,320,327 33,868,553 33,741,468 32,841,711 | | | | | |
| 32,957,847 32,913,267 32,537,976 32,353,256 32,238,762 | | | | | |
| 1.63 % 2.08 % 2.33 % 1.27 % 0.80 % | | | | | |
| 24.26 % 33.18 % 40.82 % 23.22 % 14.66 % | | | | | |
| 39.42 % 38.70 % 33.42 % 46.59 % 48.89 % | | | | | |
| \$ 75,190 \$ 100,095 \$ 113,876 \$ 59,303 \$ 70,308 | | | | | |
| \$ 112,363 \$ 129,335 \$ 167,215 \$ 86,467 \$ 86,769 | | | | | |
| \$ 2.19 \$ 2.92 \$ 3.36 \$ 1.76 \$ 2.14 | | | | | |
| \$ 37.50 \$ 37.21 \$ 35.12 \$ 31.82 \$ 30.01 | | | | | |
| 139 % 176 % 122 % 123 % 106 % | | | | | |
| 1.63 % 2.11 % 2.35 % 1.30 % 1.61 % | | | | | |
| 24.36 % 33.67 % 42.16 % 23.72 % 31.03 % | | | | | |
| 2.38 % 2.67 % 3.36 % 1.80 % 1.90 % | | | | | |
| 35.79 % 42.82 % 60.81 % 33.27 % 36.80 % | | | | | |
| 3.60 % 4.14 % 4.59 % 2.98 % 3.00 % | | | | | |
| 3.32 % 3.12 % 3.24 % 3.30 % 2.99 % | | | | | |
| 39.62 % 38.73 % 30.36 % 44.33 % 41.13 % | | | | | |
| \$ 7,226 \$ 7,582 \$ 7,104 \$ 6,591 \$ 12,521 | | | | | |
| 0.21 % 0.21 % 0.17 % 0.16 % 0.33 % | | | | | |
| 0.31 % 0.34 % 0.34 % 0.27 % 0.30 % | | | | | |
| 333.15 % 277.72 % 252.68 % 269.96 % 264.21 % | | | | | |
| 0.23 % 0.25 % 0.27 % 0.24 % 0.26 % | | | | | |
| 11.60 % 11.83 % 12.77 % 12.40 % 11.75 % | | | | | |
| 11.60 % 11.83 % 12.77 % 12.40 % 11.75 % | | | | | |
| 13.03 % 13.11 % 14.16 % 13.77 % 13.11 % | | | | | |
| 8.21 % 7.93 % 8.66 % 9.07 % 9.35 % | | | | | |

(continued)

(1) Metric is a spot balance for the last day of each quarter presented.

(2) Customers' reasons for the use of these non-GAAP measures and a detailed reconciliation between the non-GAAP measures and the comparable GAAP amounts are included at the end of this document.

(3) Regulatory capital ratios are estimated for Q1 2022 and actual for the remaining periods. In accordance with regulatory capital rules, Customers elected to apply the CECL capital transition provisions which delayed the effects of CECL on regulatory capital for two years until January 1, 2022, followed by a three-year transition period. The cumulative CECL capital transition impact as of December 31, 2021 which amounted to \$61.6 million will be phased in at 25% per year beginning on January 1, 2022 through December 31, 2024. As of March 31, 2022, our regulatory capital ratios reflected 75%, or \$46.2 million, benefit associated with the CECL transition provisions.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED
(Dollars in thousands, except per share data)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|------------|------------|------------|------------|------------|
| Interest income: | | | | | |
| Loans and leases | \$ 157,175 | \$ 198,000 | \$ 233,097 | \$ 153,608 | \$ 152,117 |
| Investment securities | 20,295 | 15,202 | 8,905 | 8,327 | 7,979 |
| Other | 6,006 | 835 | 849 | 946 | 1,019 |
| Total interest income | 183,476 | 214,037 | 242,851 | 162,881 | 161,115 |
| Interest expense: | | | | | |
| Deposits | 13,712 | 15,415 | 15,915 | 15,653 | 15,658 |
| FHLB advances | — | 51 | 5 | 963 | 5,192 |
| Subordinated debt | 2,689 | 2,688 | 2,689 | 2,689 | 2,689 |
| FRB PPP liquidity facility, federal funds purchased and other borrowings | 2,376 | 2,189 | 4,350 | 4,819 | 4,845 |
| Total interest expense | 18,777 | 20,343 | 22,959 | 24,124 | 28,384 |
| Net interest income | 164,699 | 193,694 | 219,892 | 138,757 | 132,731 |
| Provision (benefit) for credit losses | 15,997 | 13,890 | 13,164 | 3,291 | (2,919) |
| Net interest income after provision (benefit) for credit losses | 148,702 | 179,804 | 206,728 | 135,466 | 135,650 |
| Non-interest income: | | | | | |
| Interchange and card revenue | 76 | 84 | 83 | 84 | 85 |
| Deposit fees | 940 | 1,026 | 994 | 891 | 863 |
| Commercial lease income | 5,895 | 5,378 | 5,213 | 5,311 | 5,205 |
| Bank-owned life insurance | 8,326 | 1,984 | 1,988 | 2,765 | 1,679 |
| Mortgage warehouse transactional fees | 2,015 | 2,262 | 3,100 | 3,265 | 4,247 |
| Gain (loss) on sale of SBA and other loans | 1,507 | 2,493 | 5,359 | 1,900 | 1,575 |
| Loan fees | 2,545 | 2,513 | 1,909 | 1,670 | 1,436 |
| Mortgage banking income (loss) | 481 | 262 | 425 | 386 | 463 |
| Gain (loss) on sale of investment securities | (1,063) | (49) | 6,063 | 1,812 | 23,566 |
| Unrealized gain (loss) on investment securities | (276) | — | — | 1,746 | 974 |
| Loss on sale of foreign subsidiaries | — | — | — | (2,840) | — |
| Unrealized gain (loss) on derivatives | 964 | 586 | 524 | (439) | 2,537 |
| Loss on cash flow hedge derivative terminations | — | — | — | — | (24,467) |
| Other | (212) | 452 | (72) | 271 | 305 |
| Total non-interest income | 21,198 | 16,991 | 25,586 | 16,822 | 18,468 |
| Non-interest expense: | | | | | |
| Salaries and employee benefits | 26,607 | 29,940 | 26,268 | 28,023 | 23,971 |
| Technology, communication and bank operations | 24,068 | 22,657 | 21,281 | 19,618 | 19,988 |
| Professional services | 6,956 | 7,058 | 6,871 | 6,882 | 5,877 |
| Occupancy | 3,050 | 4,336 | 2,704 | 2,482 | 2,621 |
| Commercial lease depreciation | 4,942 | 4,625 | 4,493 | 4,415 | 4,291 |
| FDIC assessments, non-income taxes and regulatory fees | 2,383 | 2,427 | 2,313 | 2,602 | 2,719 |
| Loan servicing | 2,371 | 4,361 | 4,265 | 1,700 | 437 |
| Merger and acquisition related expenses | — | — | — | — | 418 |
| Loan workout | (38) | 226 | 198 | 102 | (261) |
| Advertising and promotion | 315 | 344 | 302 | 313 | 561 |
| Deposit relationship adjustment fees | — | — | 6,216 | — | — |
| Other | 3,153 | 5,574 | 5,098 | 4,686 | 1,305 |
| Total non-interest expense | 73,807 | 81,548 | 80,009 | 70,823 | 61,927 |
| Income before income tax expense | 96,093 | 115,247 | 152,305 | 81,465 | 92,191 |
| Income tax expense | 19,332 | 12,993 | 36,263 | 20,124 | 17,560 |
| Net income from continuing operations | \$ 76,761 | \$ 102,254 | \$ 116,042 | \$ 61,341 | \$ 74,631 |

(continued)

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED (CONTINUED)

(Dollars in thousands, except per share data)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|------------------|------------------|-------------------|------------------|------------------|
| Loss from discontinued operations before income taxes | \$ — | \$ — | \$ — | \$ — | \$ (20,354) |
| Income tax expense (benefit) from discontinued operations | — | 1,585 | — | — | 17,682 |
| Net loss from discontinued operations | — | (1,585) | — | — | (38,036) |
| Net income | 76,761 | 100,669 | 116,042 | 61,341 | 36,595 |
| Preferred stock dividends | 1,865 | 2,022 | 2,981 | 3,299 | 3,391 |
| Loss on redemption of preferred stock | — | — | 2,820 | — | — |
| Net income available to common shareholders | \$ 74,896 | \$ 98,647 | \$ 110,241 | \$ 58,042 | \$ 33,204 |
| Basic earnings per common share from continuing operations | \$ 2.27 | \$ 3.07 | \$ 3.40 | \$ 1.80 | \$ 2.23 |
| Basic earnings per common share | 2.27 | 3.02 | 3.40 | 1.80 | 1.04 |
| Diluted earnings per common share from continuing operations | 2.18 | 2.92 | 3.25 | 1.72 | 2.17 |
| Diluted earnings per common share | 2.18 | 2.87 | 3.25 | 1.72 | 1.01 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET - UNAUDITED
(Dollars in thousands)

| | March 31, 2022 | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 |
|---|----------------------|----------------------|-----------------------|----------------------|----------------------|
| ASSETS | | | | | |
| Cash and due from banks | \$ 55,515 | \$ 35,238 | \$ 51,169 | \$ 36,837 | \$ 3,123 |
| Interest earning deposits | 219,085 | 482,794 | 1,000,885 | 393,663 | 512,241 |
| Cash and cash equivalents | 274,600 | 518,032 | 1,052,054 | 430,500 | 515,364 |
| Investment securities, at fair value | 4,169,853 | 3,817,150 | 1,866,697 | 1,526,792 | 1,441,904 |
| Loans held for sale | 3,003 | 16,254 | 29,957 | 34,540 | 46,106 |
| Loans receivable, mortgage warehouse, at fair value | 1,755,758 | 2,284,325 | 2,557,624 | 2,855,284 | 3,407,622 |
| Loans receivable, PPP | 2,195,902 | 3,250,008 | 4,957,357 | 6,305,056 | 5,178,089 |
| Loans and leases receivable | 10,118,855 | 9,018,298 | 7,970,599 | 7,772,142 | 7,536,489 |
| Allowance for credit losses on loans and leases | (145,847) | (137,804) | (131,496) | (125,436) | (128,736) |
| Total loans and leases receivable, net of allowance for credit losses on loans and leases | 13,924,688 | 14,414,827 | 15,354,084 | 16,807,046 | 15,993,464 |
| FHLB, Federal Reserve Bank, and other restricted stock | 54,553 | 64,584 | 57,184 | 39,895 | 69,420 |
| Accrued interest receivable | 94,669 | 92,239 | 93,514 | 90,009 | 83,186 |
| Bank premises and equipment, net | 8,233 | 8,890 | 9,944 | 10,391 | 10,943 |
| Bank-owned life insurance | 332,239 | 333,705 | 331,423 | 329,421 | 281,923 |
| Goodwill and other intangibles | 3,678 | 3,736 | 3,794 | 3,853 | 3,911 |
| Other assets | 298,212 | 305,611 | 310,271 | 362,661 | 371,439 |
| Total assets | \$ 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Demand, non-interest bearing deposits | \$ 4,594,428 | \$ 4,459,790 | \$ 4,954,331 | \$ 2,699,869 | \$ 2,687,628 |
| Interest bearing deposits | 11,821,132 | 12,318,134 | 12,016,694 | 11,174,070 | 9,784,812 |
| Total deposits | 16,415,560 | 16,777,924 | 16,971,025 | 13,873,939 | 12,472,440 |
| Federal funds purchased | 700,000 | 75,000 | — | — | 365,000 |
| FHLB advances | — | 700,000 | — | — | 850,000 |
| Other borrowings | 223,230 | 223,086 | 223,151 | 124,240 | 124,138 |
| Subordinated debt | 181,742 | 181,673 | 181,603 | 181,534 | 181,464 |
| FRB PPP liquidity facility | — | — | — | 3,865,865 | 3,284,156 |
| Accrued interest payable and other liabilities | 265,770 | 251,128 | 448,844 | 338,801 | 351,741 |
| Total liabilities | 17,786,302 | 18,208,811 | 17,824,623 | 18,384,379 | 17,628,939 |
| Preferred stock | 137,794 | 137,794 | 137,794 | 217,471 | 217,471 |
| Common stock | 34,882 | 34,722 | 33,818 | 33,634 | 33,519 |
| Additional paid in capital | 542,402 | 542,391 | 525,894 | 519,294 | 515,318 |
| Retained earnings | 780,628 | 705,732 | 607,085 | 496,844 | 438,802 |
| Accumulated other comprehensive income (loss), net | (62,548) | (4,980) | 1,488 | 5,266 | 5,391 |
| Treasury stock, at cost | (55,752) | (49,442) | (21,780) | (21,780) | (21,780) |
| Total shareholders' equity | 1,377,406 | 1,366,217 | 1,284,299 | 1,250,729 | 1,188,721 |
| Total liabilities and shareholders' equity | \$ 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED
(Dollars in thousands)

| | | Three Months Ended | | | | | |
|---|---|--------------------|---------------------------|-------------------|---------------------------|-----------------|---------------------------|
| | | March 31, 2022 | | December 31, 2021 | | March 31, 2021 | |
| | | Average Balance | Average Yield or Cost (%) | Average Balance | Average Yield or Cost (%) | Average Balance | Average Yield or Cost (%) |
| Assets | Interest earning deposits | \$ 826,240 | 0.16% | \$ 1,568,510 | 0.15% | \$ 1,177,315 | 0.10% |
| | Investment securities ⁽¹⁾ | 4,036,966 | 2.01% | 2,621,844 | 2.32% | 1,357,558 | 2.35% |
| | Loans and leases: | | | | | | |
| | Commercial loans to mortgage companies | 1,836,647 | 3.09% | 2,289,061 | 3.02% | 3,122,098 | 3.09% |
| | Multi-family loans | 1,531,846 | 3.64% | 1,327,732 | 3.72% | 1,689,174 | 3.80% |
| | Commercial & industrial loans and leases ⁽²⁾ | 4,124,408 | 3.60% | 3,514,186 | 3.71% | 2,848,328 | 3.97% |
| | Loans receivable, PPP | 2,641,318 | 5.66% | 3,898,607 | 8.35% | 4,623,213 | 3.41% |
| | Non-owner occupied commercial real estate loans | 1,312,210 | 3.77% | 1,334,184 | 3.80% | 1,348,938 | 3.85% |
| | Residential mortgages | 416,417 | 3.58% | 314,551 | 3.68% | 373,497 | 3.78% |
| | Installment loans | 1,794,145 | 9.03% | 1,657,049 | 8.96% | 1,323,863 | 9.04% |
| | Total loans and leases ⁽³⁾ | 13,656,991 | 4.67% | 14,335,370 | 5.48% | 15,329,111 | 4.02% |
| | Other interest-earning assets | 52,111 | NM ⁽⁷⁾ | 50,709 | 1.81% | 79,960 | 3.64% |
| | Total interest-earning assets | 18,572,308 | 4.00% | 18,576,433 | 4.57% | 17,943,944 | 3.64% |
| | Non-interest-earning assets | 557,022 | | 637,808 | | 581,777 | |
| | Total assets | \$ 19,129,330 | | \$ 19,214,241 | | \$ 18,525,721 | |
| Liabilities | Interest checking accounts | 5,769,372 | 0.54% | 5,258,982 | 0.58% | 2,691,723 | 0.84% |
| | Money market deposit accounts | 4,880,051 | 0.39% | 5,293,529 | 0.43% | 4,435,930 | 0.55% |
| | Other savings accounts | 880,113 | 0.36% | 1,189,899 | 0.45% | 1,414,350 | 0.69% |
| | Certificates of deposit | 450,644 | 0.47% | 541,528 | 0.51% | 666,239 | 0.97% |
| | Total interest-bearing deposits ⁽⁴⁾ | 11,980,180 | 0.46% | 12,283,938 | 0.50% | 9,208,242 | 0.69% |
| | Federal funds purchased | 88,611 | 0.33% | 815 | 0.15% | 16,333 | 0.07% |
| | FRB PPP liquidity facility | — | —% | — | —% | 3,941,718 | 0.35% |
| | Borrowings | 532,610 | 3.80% | 465,600 | 4.20% | 1,155,493 | 3.27% |
| | Total interest-bearing liabilities | 12,601,401 | 0.60% | 12,750,353 | 0.63% | 14,321,786 | 0.80% |
| | Non-interest-bearing deposits ⁽⁴⁾ | 4,900,983 | | 4,817,835 | | 2,819,871 | |
| | Total deposits and borrowings | 17,502,384 | 0.43% | 17,568,188 | 0.46% | 17,141,657 | 0.67% |
| | Other non-interest-bearing liabilities | 237,131 | | 328,782 | | 247,798 | |
| | Total liabilities | 17,739,515 | | 17,896,970 | | 17,389,455 | |
| | Shareholders' equity | 1,389,815 | | 1,317,271 | | 1,136,266 | |
| | Total liabilities and shareholders' equity | \$ 19,129,330 | | \$ 19,214,241 | | \$ 18,525,721 | |
| Interest spread | | 3.57% | | 4.11% | | 2.97% | |
| Net interest margin | | 3.59% | | 4.14% | | 3.00% | |
| Net interest margin tax equivalent ⁽⁵⁾ | | 3.60% | | 4.14% | | 3.00% | |
| Net interest margin tax equivalent excl. PPP ⁽⁶⁾ | | 3.32% | | 3.12% | | 2.99% | |

(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 0.33%, 0.36% and 0.53% for the three months ended March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended March 31, 2022, December 31, 2021 and March 31, 2021, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis, as described in note (5) for the three months ended March 31, 2022, December 31, 2021 and March 31, 2021, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(7) Not meaningful.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
PERIOD END LOAN AND LEASE COMPOSITION - UNAUDITED
(Dollars in thousands)

| | March 31, 2022 | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 |
|---|-------------------|----------------------|-----------------------|------------------|-------------------|
| Commercial: | | | | | |
| Multi-family | \$ 1,705,027 | \$ 1,486,308 | \$ 1,387,166 | \$ 1,497,485 | \$ 1,659,529 |
| Loans to mortgage companies | 1,830,121 | 2,362,438 | 2,628,483 | 2,922,217 | 3,463,490 |
| Commercial & industrial | 3,921,439 | 3,346,670 | 2,604,367 | 2,293,723 | 2,164,784 |
| Commercial real estate owner occupied | 701,893 | 654,922 | 656,044 | 653,649 | 590,093 |
| Loans receivable, PPP | 2,195,902 | 3,250,008 | 4,957,357 | 6,305,056 | 5,178,089 |
| Commercial real estate non-owner occupied | 1,140,311 | 1,121,238 | 1,144,643 | 1,206,646 | 1,194,832 |
| Construction | 161,024 | 198,981 | 198,607 | 179,198 | 156,837 |
| Total commercial loans and leases | 11,655,717 | 12,420,565 | 13,574,667 | 15,057,974 | 14,407,654 |
| Consumer: | | | | | |
| Residential | 469,426 | 350,984 | 260,820 | 273,493 | 295,654 |
| Manufactured housing | 50,669 | 52,861 | 55,635 | 57,904 | 59,977 |
| Installment | 1,897,706 | 1,744,475 | 1,624,415 | 1,577,651 | 1,405,021 |
| Total consumer loans | 2,417,801 | 2,148,320 | 1,940,870 | 1,909,048 | 1,760,652 |
| Total loans and leases | \$ 14,073,518 | \$ 14,568,885 | \$ 15,515,537 | \$ 16,967,022 | \$ 16,168,306 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
PERIOD END DEPOSIT COMPOSITION - UNAUDITED
(Dollars in thousands)

| | March 31, 2022 | December 31, 2021 | September 30, 2021 | June 30, 2021 | March 31, 2021 |
|------------------------------|-------------------|----------------------|-----------------------|------------------|-------------------|
| Demand, non-interest bearing | \$ 4,594,428 | \$ 4,459,790 | \$ 4,954,331 | \$ 2,699,869 | \$ 2,687,628 |
| Demand, interest bearing | 5,591,468 | 6,488,406 | 5,023,081 | 4,206,355 | 3,228,941 |
| Total demand deposits | 10,185,896 | 10,948,196 | 9,977,412 | 6,906,224 | 5,916,569 |
| Savings | 802,395 | 973,317 | 1,310,343 | 1,431,756 | 1,483,482 |
| Money market | 4,981,077 | 4,349,073 | 5,090,121 | 4,908,809 | 4,406,508 |
| Time deposits | 446,192 | 507,338 | 593,149 | 627,150 | 665,881 |
| Total deposits | \$ 16,415,560 | \$ 16,777,924 | \$ 16,971,025 | \$ 13,873,939 | \$ 12,472,440 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

| (Dollars in thousands) | As of March 31, 2022 | | | | | As of December 31, 2021 | | | | | As of March 31, 2021 | | | | |
|---|----------------------|-------------------|-----------------------------|---------------------------|------------------------------|-------------------------|-------------------|-----------------------------|---------------------------|------------------------------|----------------------|-------------------|-----------------------------|---------------------------|------------------------------|
| | Total loans | Non accrual /NPLs | Allowance for credit losses | Total NPLs to total loans | Total reserves to total NPLs | Total loans | Non accrual /NPLs | Allowance for credit losses | Total NPLs to total loans | Total reserves to total NPLs | Total loans | Non accrual /NPLs | Allowance for credit losses | Total NPLs to total loans | Total reserves to total NPLs |
| Loans receivable | | | | | | | | | | | | | | | |
| Multi-family | \$ 1,705,027 | \$ 17,869 | \$ 7,437 | 1.05 % | 41.62 % | \$ 1,486,308 | \$ 22,654 | \$ 4,477 | 1.52 % | 19.76 % | \$ 1,640,278 | \$ 20,530 | \$ 8,026 | 1.25 % | 39.09 % |
| Commercial & industrial ⁽¹⁾ | 3,995,802 | 5,490 | 10,765 | 0.14 % | 196.08 % | 3,424,783 | 6,096 | 12,702 | 0.18 % | 208.37 % | 2,220,652 | 7,544 | 7,503 | 0.34 % | 99.46 % |
| Commercial real estate owner occupied | 701,893 | 2,191 | 3,841 | 0.31 % | 175.31 % | 654,922 | 2,475 | 3,213 | 0.38 % | 129.82 % | 590,093 | 3,242 | 5,935 | 0.55 % | 183.07 % |
| Commercial real estate non-owner occupied | 1,140,311 | 1,302 | 5,955 | 0.11 % | 457.37 % | 1,121,238 | 2,815 | 6,210 | 0.25 % | 220.60 % | 1,194,832 | 2,356 | 11,621 | 0.20 % | 493.25 % |
| Construction | 161,024 | — | 939 | — % | — % | 198,981 | — | 692 | — % | — % | 156,837 | — | 4,103 | — % | — % |
| Total commercial loans and leases receivable | 7,704,057 | 26,852 | 28,937 | 0.35 % | 107.76 % | 6,886,232 | 34,040 | 27,294 | 0.49 % | 80.18 % | 5,802,692 | 33,672 | 37,188 | 0.58 % | 110.44 % |
| Residential | 466,423 | 8,124 | 4,685 | 1.74 % | 57.67 % | 334,730 | 7,727 | 2,383 | 2.31 % | 30.84 % | 293,805 | 9,353 | 3,209 | 3.18 % | 34.31 % |
| Manufactured housing | 50,669 | 3,430 | 4,342 | 6.77 % | 126.59 % | 52,861 | 3,563 | 4,278 | 6.74 % | 120.07 % | 59,977 | 2,871 | 4,799 | 4.79 % | 167.15 % |
| Installment | 1,897,706 | 4,865 | 107,883 | 0.26 % | 2217.53 % | 1,744,475 | 3,783 | 103,849 | 0.22 % | 2745.15 % | 1,380,015 | 2,185 | 83,540 | 0.16 % | 3823.34 % |
| Total consumer loans receivable | 2,414,798 | 16,419 | 116,910 | 0.68 % | 712.04 % | 2,132,066 | 15,073 | 110,510 | 0.71 % | 733.17 % | 1,733,797 | 14,409 | 91,548 | 0.83 % | 635.35 % |
| Loans and leases receivable ⁽¹⁾ | 10,118,855 | 43,271 | 145,847 | 0.43 % | 337.05 % | 9,018,298 | 49,113 | 137,804 | 0.54 % | 280.59 % | 7,536,489 | 48,081 | 128,736 | 0.64 % | 267.75 % |
| Loans receivable, PPP | 2,195,902 | — | — | — % | — % | 3,250,008 | — | — | — % | — % | 5,178,089 | — | — | — % | — % |
| Loans receivable, mortgage warehouse, at fair value | 1,755,758 | — | — | — % | — % | 2,284,325 | — | — | — % | — % | 3,407,622 | — | — | — % | — % |
| Total loans held for sale | 3,003 | 507 | — | 16.88 % | — % | 16,254 | 507 | — | 3.12 % | — % | 46,106 | 643 | — | 1.39 % | — % |
| Total portfolio | \$ 14,073,518 | \$ 43,778 | \$ 145,847 | 0.31 % | 333.15 % | \$ 14,568,885 | \$ 49,620 | \$ 137,804 | 0.34 % | 277.72 % | \$ 16,168,306 | \$ 48,724 | \$ 128,736 | 0.30 % | 264.21 % |

(1) Excluding loans receivable, PPP from total loans and leases receivable is a non-GAAP measure. Management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities. Please refer to the reconciliation schedules that follow this table.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
NET CHARGE-OFFS/(RECOVERIES) - UNAUDITED

(Dollars in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|
| <u>Loan type</u> | | | | | |
| Multi-family | \$ (337) | \$ — | \$ — | \$ — | \$ 1,132 |
| Commercial & industrial | (59) | 240 | 116 | (283) | 375 |
| Commercial real estate owner occupied | (7) | 66 | 50 | (1) | 134 |
| Commercial real estate non-owner occupied | (8) | (14) | 943 | (59) | (10) |
| Construction | (113) | (3) | (3) | (114) | (5) |
| Residential | (2) | (6) | 54 | (12) | 40 |
| Installment | 7,752 | 7,299 | 5,944 | 7,060 | 10,855 |
| Total net charge-offs (recoveries) from loans held for investment | <u>\$ 7,226</u> | <u>\$ 7,582</u> | <u>\$ 7,104</u> | <u>\$ 6,591</u> | <u>\$ 12,521</u> |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED

We believe that the non-GAAP measurements disclosed within this document are useful for investors, regulators, management and others to evaluate our core results of operations and financial condition relative to other financial institutions. These non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. These non-GAAP financial measures exclude from corresponding GAAP measures the impact of certain elements that we do not believe are representative of our ongoing financial results, which we believe enhance an overall understanding of our performance and increases comparability of our period to period results. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The non-GAAP measures presented are not necessarily comparable to non-GAAP measures that may be presented by other financial institutions. Although non-GAAP financial measures are frequently used in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under GAAP.

The following tables present reconciliations of GAAP to non-GAAP measures disclosed within this document.

Core Earnings - Customers Bancorp

(dollars in thousands except per share data)

GAAP net income to common shareholders

Reconciling items (after tax):

Net loss from discontinued operations

Severance expense

Merger and acquisition related expenses

Legal reserves

(Gains) losses on investment securities

Loss on sale of foreign subsidiaries

Loss on cash flow hedge derivative terminations

Derivative credit valuation adjustment

Deposit relationship adjustment fees

Loss on redemption of preferred stock

Core earnings

| | Q1 2022 | | Q4 2021 | | Q3 2021 | | Q2 2021 | | Q1 2021 | |
|---|-----------|-----------|------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| | USD | Per share | USD | Per share | USD | Per share | USD | Per share | USD | Per share |
| | \$ 74,896 | \$ 2.18 | \$ 98,647 | \$ 2.87 | \$ 110,241 | \$ 3.25 | \$ 58,042 | \$ 1.72 | \$ 33,204 | \$ 1.01 |
| Net loss from discontinued operations | — | — | 1,585 | 0.05 | — | — | — | — | 38,036 | 1.16 |
| Severance expense | — | — | — | — | — | — | 1,517 | 0.04 | — | — |
| Merger and acquisition related expenses | — | — | — | — | — | — | — | — | 320 | 0.01 |
| Legal reserves | — | — | — | — | 897 | 0.03 | — | — | — | — |
| (Gains) losses on investment securities | 1,030 | 0.03 | 43 | 0.00 | (4,591) | (0.14) | (2,694) | (0.08) | (18,773) | (0.57) |
| Loss on sale of foreign subsidiaries | — | — | — | — | — | — | 2,150 | 0.06 | — | — |
| Loss on cash flow hedge derivative terminations | — | — | — | — | — | — | — | — | 18,716 | 0.57 |
| Derivative credit valuation adjustment | (736) | (0.02) | (180) | (0.01) | (198) | (0.01) | 288 | 0.01 | (1,195) | (0.04) |
| Deposit relationship adjustment fees | — | — | — | — | 4,707 | 0.14 | — | — | — | — |
| Loss on redemption of preferred stock | — | — | — | — | 2,820 | 0.08 | — | — | — | — |
| Core earnings | \$ 75,190 | \$ 2.19 | \$ 100,095 | \$ 2.92 | \$ 113,876 | \$ 3.36 | \$ 59,303 | \$ 1.76 | \$ 70,308 | \$ 2.14 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Core Earnings, excluding PPP - Customers Bancorp
(dollars in thousands except per share data)

| | Q1 2022 | | Q4 2021 | | Q3 2021 | | Q2 2021 | | Q1 2021 | |
|---|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| | USD | Per share | USD | Per share | USD | Per share | USD | Per share | USD | Per share |
| GAAP net income to common shareholders | \$ 74,896 | \$ 2.18 | \$ 98,647 | \$ 2.87 | \$ 110,241 | \$ 3.25 | \$ 58,042 | \$ 1.72 | \$ 33,204 | \$ 1.01 |
| Less: PPP net income (after tax) | 24,713 | 0.72 | 64,323 | 1.87 | 81,337 | 2.40 | 24,312 | 0.72 | 25,079 | 0.76 |
| GAAP net income to common shareholders, excluding PPP | 50,183 | 1.46 | 34,324 | 1.00 | 28,904 | 0.85 | 33,730 | 1.00 | 8,125 | 0.25 |
| Reconciling items (after tax): | | | | | | | | | | |
| Net loss from discontinued operations | — | — | 1,585 | 0.05 | — | — | — | — | 38,036 | 1.16 |
| Severance expense | — | — | — | — | — | — | 1,517 | 0.04 | — | — |
| Merger and acquisition related expenses | — | — | — | — | — | — | — | — | 320 | 0.01 |
| Legal reserves | — | — | — | — | 897 | 0.03 | — | — | — | — |
| (Gains) losses on investment securities | 1,030 | 0.03 | 43 | 0.00 | (4,591) | (0.14) | (2,694) | (0.08) | (18,773) | (0.57) |
| Loss on sale of foreign subsidiaries | — | — | — | — | — | — | 2,150 | 0.06 | — | — |
| Loss on cash flow hedge derivative terminations | — | — | — | — | — | — | — | — | 18,716 | 0.57 |
| Derivative credit valuation adjustment | (736) | (0.02) | (180) | (0.01) | (198) | (0.01) | 288 | 0.01 | (1,195) | (0.04) |
| Deposit relationship adjustment fees | — | — | — | — | 4,707 | 0.14 | — | — | — | — |
| Loss on redemption of preferred stock | — | — | — | — | 2,820 | 0.08 | — | — | — | — |
| Core earnings, excluding PPP | \$ 50,477 | \$ 1.47 | \$ 35,772 | \$ 1.04 | \$ 32,539 | \$ 0.96 | \$ 34,991 | \$ 1.04 | \$ 45,229 | \$ 1.38 |

Core Return on Average Assets - Customers Bancorp
(dollars in thousands except per share data)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| GAAP net income | \$ 76,761 | \$ 100,669 | \$ 116,042 | \$ 61,341 | \$ 36,595 |
| Reconciling items (after tax): | | | | | |
| Net loss from discontinued operations | — | 1,585 | — | — | 38,036 |
| Severance expense | — | — | — | 1,517 | — |
| Merger and acquisition related expenses | — | — | — | — | 320 |
| Legal reserves | — | — | 897 | — | — |
| (Gains) losses on investment securities | 1,030 | 43 | (4,591) | (2,694) | (18,773) |
| Loss on sale of foreign subsidiaries | — | — | — | 2,150 | — |
| Loss on cash flow hedge derivative terminations | — | — | — | — | 18,716 |
| Derivative credit valuation adjustment | (736) | (180) | (198) | 288 | (1,195) |
| Deposit relationship adjustment fees | — | — | 4,707 | — | — |
| Core net income | \$ 77,055 | \$ 102,117 | \$ 116,857 | \$ 62,602 | \$ 73,699 |
| Average total assets | \$ 19,129,330 | \$ 19,214,241 | \$ 19,739,340 | \$ 19,306,948 | \$ 18,525,721 |
| Core return on average assets | 1.63 % | 2.11 % | 2.35 % | 1.30 % | 1.61 % |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Adjusted Net Income and Adjusted ROAA - Pre-Tax Pre-Provision - Customers Bancorp
(dollars in thousands except per share data)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| GAAP net income | \$ 76,761 | \$ 100,669 | \$ 116,042 | \$ 61,341 | \$ 36,595 |
| Reconciling items: | | | | | |
| Income tax expense | 19,332 | 12,993 | 36,263 | 20,124 | 17,560 |
| Provision (benefit) for credit losses | 15,997 | 13,890 | 13,164 | 3,291 | (2,919) |
| Provision (benefit) for credit losses on unfunded commitments | (109) | 352 | 669 | 45 | (1,286) |
| Severance expense | — | — | — | 2,004 | — |
| Net loss from discontinued operations | — | 1,585 | — | — | 38,036 |
| Merger and acquisition related expenses | — | — | — | — | 418 |
| Legal reserves | — | — | 1,185 | — | — |
| (Gains) losses on investment securities | 1,339 | 49 | (6,063) | (3,558) | (24,540) |
| Loss on sale of foreign subsidiaries | — | — | — | 2,840 | — |
| Loss on cash flow hedge derivative terminations | — | — | — | — | 24,467 |
| Derivative credit valuation adjustment | (957) | (203) | (261) | 380 | (1,562) |
| Deposit relationship adjustment fees | — | — | 6,216 | — | — |
| Adjusted net income - pre-tax pre-provision | \$ 112,363 | \$ 129,335 | \$ 167,215 | \$ 86,467 | \$ 86,769 |
| Average total assets | \$ 19,129,330 | \$ 19,214,241 | \$ 19,739,340 | \$ 19,306,948 | \$ 18,525,721 |
| Adjusted ROAA - pre-tax pre-provision | 2.38 % | 2.67 % | 3.36 % | 1.80 % | 1.90 % |

Core Return on Average Common Equity - Customers Bancorp
(dollars in thousands except per share data)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|--------------|--------------|--------------|--------------|------------|
| GAAP net income to common shareholders | \$ 74,896 | \$ 98,647 | \$ 110,241 | \$ 58,042 | \$ 33,204 |
| Reconciling items (after tax): | | | | | |
| Net loss from discontinued operations | — | 1,585 | — | — | 38,036 |
| Severance expense | — | — | — | 1,517 | — |
| Merger and acquisition related expenses | — | — | — | — | 320 |
| Legal reserves | — | — | 897 | — | — |
| (Gains) losses on investment securities | 1,030 | 43 | (4,591) | (2,694) | (18,773) |
| Loss on sale of foreign subsidiaries | — | — | — | 2,150 | — |
| Loss on cash flow hedge derivative terminations | — | — | — | — | 18,716 |
| Derivative credit valuation adjustment | (736) | (180) | (198) | 288 | (1,195) |
| Deposit relationship adjustment fees | — | — | 4,707 | — | — |
| Loss on redemption of preferred stock | — | — | 2,820 | — | — |
| Core earnings | \$ 75,190 | \$ 100,095 | \$ 113,876 | \$ 59,303 | \$ 70,308 |
| Average total common shareholders' equity | \$ 1,252,022 | \$ 1,179,478 | \$ 1,071,566 | \$ 1,002,624 | \$ 918,795 |
| Core return on average common equity | 24.36 % | 33.67 % | 42.16 % | 23.72 % | 31.03 % |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Adjusted ROCE - Pre-Tax Pre-Provision - Customers Bancorp
(dollars in thousands except per share data)

GAAP net income to common shareholders

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|--------------|--------------|--------------|--------------|------------|
| | \$ 74,896 | \$ 98,647 | \$ 110,241 | \$ 58,042 | \$ 33,204 |
| Reconciling items: | | | | | |
| Income tax expense | 19,332 | 12,993 | 36,263 | 20,124 | 17,560 |
| Provision (benefit) for credit losses | 15,997 | 13,890 | 13,164 | 3,291 | (2,919) |
| Provision (benefit) for credit losses on unfunded commitments | (109) | 352 | 669 | 45 | (1,286) |
| Net loss from discontinued operations | — | 1,585 | — | — | 38,036 |
| Severance expense | — | — | — | 2,004 | — |
| Merger and acquisition related expenses | — | — | — | — | 418 |
| Legal reserves | — | — | 1,185 | — | — |
| (Gains) losses on investment securities | 1,339 | 49 | (6,063) | (3,558) | (24,540) |
| Loss on sale of foreign subsidiaries | — | — | — | 2,840 | — |
| Loss on cash flow hedge derivative terminations | — | — | — | — | 24,467 |
| Derivative credit valuation adjustment | (957) | (203) | (261) | 380 | (1,562) |
| Deposit relationship adjustment fees | — | — | 6,216 | — | — |
| Loss on redemption of preferred stock | — | — | 2,820 | — | — |
| Pre-tax pre-provision adjusted net income available to common shareholders | \$ 110,498 | \$ 127,313 | \$ 164,234 | \$ 83,168 | \$ 83,378 |
| Average total common shareholders' equity | \$ 1,252,022 | \$ 1,179,478 | \$ 1,071,566 | \$ 1,002,624 | \$ 918,795 |
| Adjusted ROCE - pre-tax pre-provision | 35.79 % | 42.82 % | 60.81 % | 33.27 % | 36.80 % |

Net Interest Margin, Tax Equivalent - Customers Bancorp
(dollars in thousands except per share data)

GAAP net interest income

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | \$ 164,699 | \$ 193,694 | \$ 219,892 | \$ 138,757 | \$ 132,731 |
| Tax-equivalent adjustment | 239 | 276 | 290 | 289 | 292 |
| Net interest income tax equivalent | \$ 164,938 | \$ 193,970 | \$ 220,182 | \$ 139,046 | \$ 133,023 |
| Average total interest earning assets | \$ 18,572,308 | \$ 18,576,433 | \$ 19,033,826 | \$ 18,698,996 | \$ 17,943,944 |
| Net interest margin, tax equivalent | 3.60 % | 4.14 % | 4.59 % | 2.98 % | 3.00 % |

Net Interest Margin, Tax Equivalent, excluding PPP - Customers Bancorp
(dollars in thousands except per share data)

GAAP net interest income

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| | \$ 164,699 | \$ 193,694 | \$ 219,892 | \$ 138,757 | \$ 132,731 |
| PPP net interest income | (34,615) | (78,647) | (112,005) | (35,785) | (34,842) |
| Tax-equivalent adjustment | 239 | 276 | 290 | 289 | 292 |
| Net interest income, tax equivalent, excluding PPP | \$ 130,323 | \$ 115,323 | \$ 108,177 | \$ 103,261 | \$ 98,181 |
| GAAP average total interest earning assets | \$ 18,572,308 | \$ 18,576,433 | \$ 19,033,826 | \$ 18,698,996 | \$ 17,943,944 |
| Average PPP loans | (2,641,318) | (3,898,607) | (5,778,367) | (6,133,184) | (4,623,213) |
| Adjusted average total interest earning assets | \$ 15,930,990 | \$ 14,677,826 | \$ 13,255,459 | \$ 12,565,812 | \$ 13,320,731 |
| Net interest margin, tax equivalent, excluding PPP | 3.32 % | 3.12 % | 3.24 % | 3.30 % | 2.99 % |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Interest Income on Core Loans (Total Loans and Leases, excluding PPP)
(dollars in thousands except per share data)

Interest income on loans and leases

PPP interest income

Interest Income on Core Loans (Loans and leases, excluding PPP)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|----------|------------|------------|------------|------------|
| \$ | 157,175 | \$ 198,000 | \$ 233,097 | \$ 153,608 | \$ 152,117 |
| | (36,894) | (82,086) | (117,102) | (41,137) | (38,832) |
| \$ | 120,281 | \$ 115,914 | \$ 115,995 | \$ 112,471 | \$ 113,285 |

Core Efficiency Ratio - Customers Bancorp
(dollars in thousands except per share data)

GAAP net interest income

GAAP non-interest income

(Gains) losses on investment securities

Derivative credit valuation adjustment

Loss on cash flow hedge derivative terminations

Loss on sale of foreign subsidiaries

Core non-interest income

Core revenue

GAAP non-interest expense

Severance expense

Legal reserves

Merger and acquisition related expenses

Deposit relationship adjustment fees

Core non-interest expense

Core efficiency ratio ⁽¹⁾

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|---------|------------|------------|------------|------------|
| \$ | 164,699 | \$ 193,694 | \$ 219,892 | \$ 138,757 | \$ 132,731 |
| \$ | 21,198 | \$ 16,991 | \$ 25,586 | \$ 16,822 | \$ 18,468 |
| | 1,339 | 49 | (6,063) | (3,558) | (24,540) |
| | (957) | (203) | (261) | 380 | (1,562) |
| | — | — | — | — | 24,467 |
| | — | — | — | 2,840 | — |
| | 21,580 | 16,837 | 19,262 | 16,484 | 16,833 |
| \$ | 186,279 | \$ 210,531 | \$ 239,154 | \$ 155,241 | \$ 149,564 |
| \$ | 73,807 | \$ 81,548 | \$ 80,009 | \$ 70,823 | \$ 61,927 |
| | — | — | — | (2,004) | — |
| | — | — | (1,185) | — | — |
| | — | — | — | — | (418) |
| | — | — | (6,216) | — | — |
| \$ | 73,807 | \$ 81,548 | \$ 72,608 | \$ 68,819 | \$ 61,509 |
| | 39.62 % | 38.73 % | 30.36 % | 44.33 % | 41.13 % |

(1) Core efficiency ratio calculated as core non-interest expense divided by core revenue.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)

(Dollars in thousands, except per share data)

Tangible Common Equity to Tangible Assets - Customers Bancorp

(dollars in thousands except per share data)

GAAP total shareholders' equity

Reconciling items:

Preferred stock

Goodwill and other intangibles

Tangible common equity

GAAP total assets

Reconciling items:

Goodwill and other intangibles

Tangible assets

Tangible common equity to tangible assets

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|------------|---------------|---------------|---------------|---------------|
| \$ | 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| | (137,794) | (137,794) | (137,794) | (217,471) | (217,471) |
| | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| \$ | 1,235,934 | \$ 1,224,687 | \$ 1,142,711 | \$ 1,029,405 | \$ 967,339 |
| \$ | 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| \$ | 19,160,030 | \$ 19,571,292 | \$ 19,105,128 | \$ 19,631,255 | \$ 18,813,749 |
| | 6.45 % | 6.26 % | 5.98 % | 5.24 % | 5.14 % |

Tangible Book Value per Common Share - Customers Bancorp

(dollars in thousands except share and per share data)

GAAP total shareholders' equity

Reconciling Items:

Preferred stock

Goodwill and other intangibles

Tangible common equity

Common shares outstanding

Tangible book value per common share

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|------------|--------------|--------------|--------------|--------------|
| \$ | 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| | (137,794) | (137,794) | (137,794) | (217,471) | (217,471) |
| | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| \$ | 1,235,934 | \$ 1,224,687 | \$ 1,142,711 | \$ 1,029,405 | \$ 967,339 |
| | 32,957,847 | 32,913,267 | 32,537,976 | 32,353,256 | 32,238,762 |
| \$ | 37.50 | \$ 37.21 | \$ 35.12 | \$ 31.82 | \$ 30.01 |

Core Loans (Total Loans and Leases, excluding PPP)

(dollars in thousands except per share data)

Total loans and leases

Loans receivable, PPP

Core Loans (Loans and leases, excluding PPP)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|-------------|---------------|---------------|---------------|---------------|
| \$ | 14,073,518 | \$ 14,568,885 | \$ 15,515,537 | \$ 16,967,022 | \$ 16,168,306 |
| | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| \$ | 11,877,616 | \$ 11,318,877 | \$ 10,558,180 | \$ 10,661,966 | \$ 10,990,217 |

Total Assets, excluding PPP

(dollars in thousands except per share data)

Total assets

Loans receivable, PPP

Total assets, excluding PPP

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|-------------|---------------|---------------|---------------|---------------|
| \$ | 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| \$ | 16,967,806 | \$ 16,325,020 | \$ 14,151,565 | \$ 13,330,052 | \$ 13,639,571 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP
(dollars in thousands except per share data)

Loans and leases receivable

Loans receivable, PPP

Loans and leases held for investment, excluding PPP

Allowance for credit losses on loans and leases

Coverage of credit loss reserves for loans and leases held for investment, excluding PPP

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|-------------|---------------|---------------|---------------|---------------|
| \$ | 12,314,757 | \$ 12,268,306 | \$ 12,927,956 | \$ 14,077,198 | \$ 12,714,578 |
| | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| \$ | 10,118,855 | \$ 9,018,298 | \$ 7,970,599 | \$ 7,772,142 | \$ 7,536,489 |
| \$ | 145,847 | \$ 137,804 | \$ 131,496 | \$ 125,436 | \$ 128,736 |
| | 1.44 % | 1.53 % | 1.65 % | 1.61 % | 1.71 % |

Tangible Common Equity to Tangible Assets, excluding PPP - Customers Bancorp
(dollars in thousands except per share data)

GAAP total shareholders' equity

Reconciling items:

Preferred stock

Goodwill and other intangibles

Tangible common equity

GAAP total assets

Loans receivable, PPP

Total assets, excluding PPP

Reconciling items:

Goodwill and other intangibles

Tangible assets, excluding PPP

Tangible common equity to tangible assets, excluding PPP

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|-------------|---------------|---------------|---------------|---------------|
| \$ | 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| | (137,794) | (137,794) | (137,794) | (217,471) | (217,471) |
| | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| \$ | 1,235,934 | \$ 1,224,687 | \$ 1,142,711 | \$ 1,029,405 | \$ 967,339 |
| \$ | 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| \$ | 16,967,806 | \$ 16,325,020 | \$ 14,151,565 | \$ 13,330,052 | \$ 13,639,571 |
| | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| \$ | 16,964,128 | \$ 16,321,284 | \$ 14,147,771 | \$ 13,326,199 | \$ 13,635,660 |
| | 7.29 % | 7.50 % | 8.08 % | 7.72 % | 7.09 % |

Deferments to total loans and leases, excluding PPP
(dollars in thousands except per share data)

Total loans and leases

Loans receivable, PPP

Total loans and leases, excluding PPP

Commercial deferments

Consumer deferments

Total deferments

Commercial deferments to total loans and leases, excluding PPP

Consumer deferments to total loans and leases, excluding PPP

Total deferments to total loans and leases, excluding PPP

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|----|-------------|---------------|---------------|---------------|---------------|
| \$ | 14,073,518 | \$ 14,568,885 | \$ 15,515,537 | \$ 16,967,022 | \$ 16,168,306 |
| | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| \$ | 11,877,616 | \$ 11,318,877 | \$ 10,558,180 | \$ 10,661,966 | \$ 10,990,217 |
| \$ | — | \$ — | \$ 73,400 | \$ 89,800 | \$ 176,100 |
| | 3,262 | 6,060 | 6,708 | 8,400 | 13,000 |
| \$ | 3,262 | \$ 6,060 | \$ 80,108 | \$ 98,200 | \$ 189,100 |
| | — % | — % | 0.7 % | 0.8 % | 1.6 % |
| | 0.0 % | 0.1 % | 0.1 % | 0.1 % | 0.1 % |
| | 0.0 % | 0.1 % | 0.8 % | 0.9 % | 1.7 % |



Let's take on tomorrow.

"A Digital-Forward Super-Community Bank"
Investor Presentation: Q1 2022

April 2022

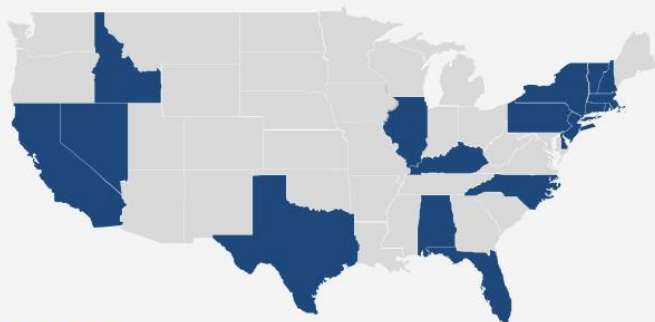
Forward-Looking Statements



In addition to historical information, this presentation may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the 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: The impact of the ongoing pandemic on the U.S. economy and customer behavior, the impact that changes in 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 continued success and acceptance of our blockchain payments system; the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that effect market interest rates and the money supply; the 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; and the effects of 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, 2021, 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. This does not constitute an offer to sell, or a solicitation of an offer to buy, any security in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.



Customers Bancorp Snapshot



Lines of Business

Community Banking

- C&I
- CRE
- Multi-Family
- SBA
- SMB Lending
- Residential Mortgage

Specialty Banking

- Mortgage Banking Lending
- Lender Finance
- Fund Finance
- Real Estate Specialty Finance
- Equipment Finance
- Healthcare Lending
- Technology and Venture Capital Banking
- Financial Institutions Group

Digital Banking

- | | |
|---|--|
| Consumer | Commercial |
| <ul style="list-style-type: none"> ○ Checking & Savings ○ Personal Installment ○ Student Loan Refinancing ○ Medical/Dental ○ Credit Card | <ul style="list-style-type: none"> ○ Instant Payments ○ Digital Asset Banking ○ SMB Bundle ○ Credit Card |
| BaaS | |
| <ul style="list-style-type: none"> ○ MPL Program | |

Customers Bancorp, Inc. NYSE: CUBI

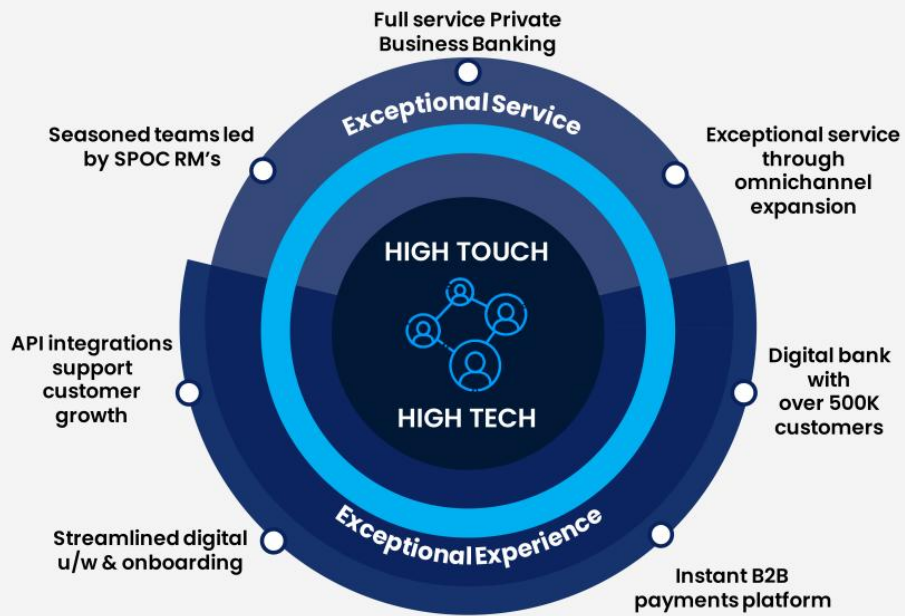
| | |
|--|------------------|
| Headquarters | West Reading, PA |
| Offices ⁽¹⁾ | 40 |
| FTE Employees | 665 |
| Market Capitalization ⁽²⁾ As of 04/22/2022 | \$1.4B |
| Total Assets | \$19.2B |
| Tangible Book Value ⁽³⁾ | \$37.50 |

Data as of 03/31/2022, unless otherwise noted.

- (1) Offices includes branches, executive offices, Private Banking Offices and Loan Production Offices.
 (2) Calculated based on shares outstanding of 33.0M.
 (3) Non-GAAP Measure, refer to Appendix for reconciliation.



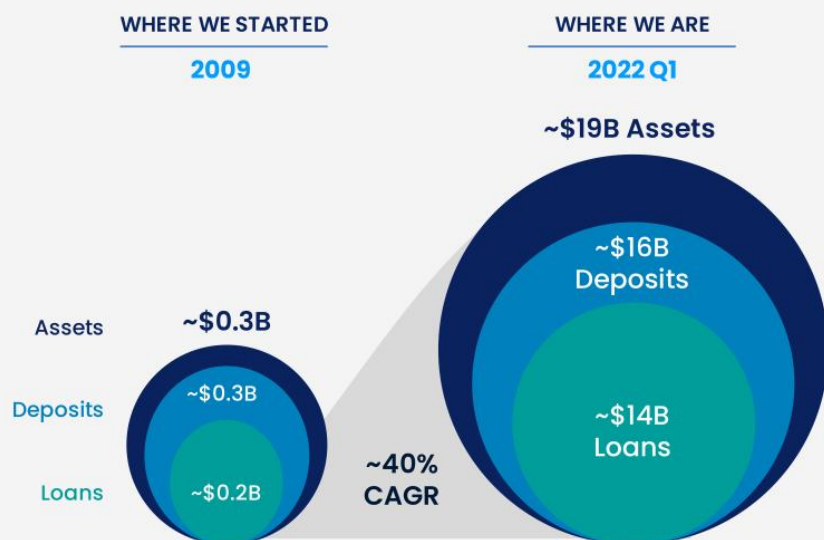
The customer is at the center of everything we do



- Single Point of Contact for customers (SPOC)
- Technology led customer experience
- Customer retention & referrals at an all time high
- Industry leading employee retention



Our vision for growth has remained a part of our story since the beginning



- A Digital-Forward Super-Community Bank
- Growth story remains committed to maintaining best in class credit quality
- Unique specialty lending strategy customizable to client needs
- Technology enhanced products and processes enable scalable loan and deposit growth





**customers
bank**

Let's take on tomorrow.

Environmental, Social & Governance Report – 2021 Milestones



In total, **Customers Bank** contributed over \$4 million in 2021 through CRA-eligible donations, charitable donations, community sponsorships, and tax credit programs.

In addition to these contributions, **Customers Bank** made ~\$50 million of CRA-qualified investments (mutual funds and small business investment companies) to support affordable housing and economic development within the bank's footprint.

Customers Bank ultimately participated in over 350,000 Paycheck Protection Program (PPP) loans worth more than \$10 billion as an originator, funder, servicer, or lending partner. It is estimated that this work may have saved as many as 1 million jobs and tens of thousands of business establishments.

Pennsylvania Housing Finance Agency (PHFA) recognized **Customers Bank** as a top-10 producing lending partner across the state in 2021 for completing 241 mortgages totaling ~\$35 million

Customers Bank in 2021 financed over \$40 million of hydroelectric, solar and low emission domestic natural gas energy projects.

Customers Bank's SBA/Government Guaranteed Lending team ranked 36th in the nation in 2021 with ~\$56 million in loans to qualifying small businesses.

The **Board** created the **Environmental Social & Governance Committee** charging the members to drive a positive impact within the communities we serve and through the people and organizations with whom we do business.

Customers Bank was ranked as #1 "medium sized" employer in the Philadelphia region on the basis of its wellness program, culture and leadership commitment, foundational components, strategic planning, communication and marketing, programming and interventions, and reporting and analysis.

Highlights – GAAP



| Q1'22 (vs. Q1'21) | | Q1'22 (vs. Q1'21) | | |
|--|--|--|---|--|
| Highlights | | Profitability | Balance Sheet | Credit |
| Diluted EPS \$2.18 +116% | | 3.59% vs. 3.00% NIM | \$19.2B +2% Total Assets | 0.23% -3 bps NPA Ratio |
| Net Income¹ \$74.9M +126% | | 1.63% vs. 0.80% ROAA | \$14.1B -13% Total Loans and Leases | 1.18% +18 bps Reserve Coverage |
| ROCE 24.3% vs. 14.7% | | NA Adjusted PTPP ROAA² | \$16.4B +32% Total Deposits | 333.2% vs. 264.2% Reserves to NPLs |

1. Net income to common shareholders

2. ROAA is the GAAP metric which is already provided.

Highlights - Adjusted



| Q1'22 (vs. Q1'21) | | Q1'22 (vs. Q1'21) | | |
|--|--|--|--|--|
| Highlights | | Profitability | Balance Sheet | Credit |
| Core EPS¹ Core EPS ex PPP^{1,2} \$2.19 \$1.47 +2% +7% | | 3.32% vs. 2.99% NIM^{1,2} | \$17.0B +24% Core Assets^{1,2} | 0.23% -3 bps NPA Ratio |
| Core Earnings¹ \$75.2M +7% | | 1.63% vs. 1.61% Core ROAA¹ | \$11.9B +8% Total Loans and Leases^{1,2} | 1.44% -27 bps Reserve Coverage^{1,2} |
| Core ROCE¹ 24.4% vs. 31.0% | | 2.38% vs. 1.90% Adjusted PTPP ROAA¹ | \$16.4B +32% Total Deposits | 333.2% vs. 264.2% Reserves to NPLs |

1. Non-GAAP Measure, refer to appendix slides for reconciliation.
 2. Ex PPP

Business Line Accomplishments and Strategic Priorities



Community

Specialty

Digital

2022 PRIORITIES

Geographic expansion

- Continue to recruit regional C&I teams in adjacent and expansion markets

Continued Growth of Existing Verticals

- Achieve double digit loan growth across all verticals (ex MWH)

SBA Growth

- Grow originations by at least 50%

Specialty Lending Expansion

- Continue to recruit specialty lending teams and add to existing teams to support future growth
- Evaluate new banking verticals including Digital Asset Lending
- New lending verticals are expected to surpass \$1B in outstanding in 2022

Continued Growth of Existing Verticals

- Achieve double digit loan growth across all verticals (ex MWH)

Consumer:

- Continue to index portfolio mix to direct originations
- Expand cross-sell with products

Commercial:

- Continue to scale CBIT customers and significantly grow deposits
- Digital SMB bundle product pilot launch in H1'22 to cross-sell to digital SMB customers

Banking-as-a-Service

- Achieve \$5M+ of run rate revenue in H2'22

2022 Q1 ACCOMPLISHMENTS

Geographic expansion

- Strengthened presence and reputation in local markets laying the foundation for continued production growth and team recruitment

Continued Growth of Existing Verticals

- Net loan growth of 9% QoQ from Mid-Atlantic region C&I
- Successful re-launch of relationship focused multifamily program resulting in loan growth of \$200M+ for the quarter

SBA Growth

- SBA production growth of 14% QoQ
- Originated over \$5M in Q1'22 through digital lending program

Specialty Lending Expansion

- New lending verticals have achieved outstanding balance of ~\$434M
- Onboarded new leader to launch a technology enhanced Small Ticket/SMB Vendor Finance product within our Equipment Finance business
- Digital Asset Lending initiative progressing with initial loans expected to be originated in Q2/Q3'22

Continued Growth of Existing Verticals

- Industry leading growth in existing verticals
 - Lender Finance (+32% QoQ)
 - Funds Finance (+41% QoQ)
 - RE Specialty Finance (+11% QoQ)
 - Equipment Finance (+6% QoQ)

Consumer:

- Crossed over \$2.0B in lifetime direct personal loans originations

Commercial:

- Onboarded 74 new CBIT customers continuing to enhance the existing platform nodes
- On track for Digital SMB bundle product pilot launch in Q2/Q3'22

Banking-as-a-Service

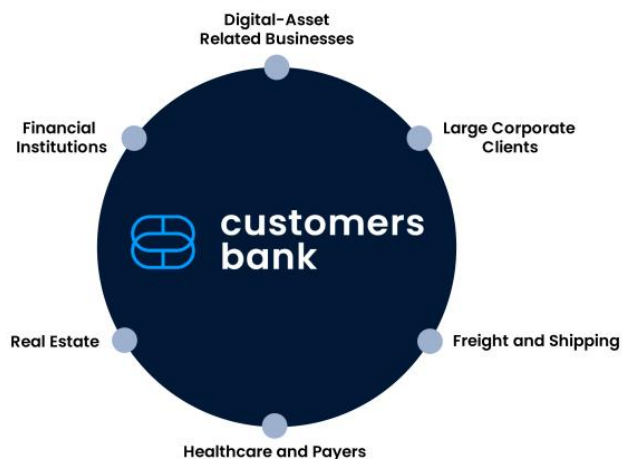
- Expect to launch our initial MPL program in early Q3'22

A Blockchain-based, instant payments platform generating \$2.3B¹ in low cost deposits



Introducing: Customers Bank Instant Token (CBIT™)

An Instant Payments Tool to Serve Diverse Potential Commercial Clients in 2022 and Beyond



1. As of April 15, 2022

Overview

- API connected platform with customers
- Onboarded 74 new customers in Q1'22 bring total customers to 100
- Compliance-first, best-in-class onboarding process. Successfully onboarded customers with transaction volume of billions of dollars in Q1'22
- CBIT adoption central to our strategy. Digital banking team closely integrated with all the other business unit heads
- Attracted ~\$2.3B billion of total deposits as of April 15, 2022

Deposit Inflow as a Result of CBIT Launch



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Balance Sheet: Loan Growth & Mix



Loans ex PPP¹

\$ billions

Community C&I Multifamily
Specialty C&I Consumer²
Investment CRE Mortgage warehouse



- Loan growth ex PPP¹: +\$559M QoQ, 5% QoQ, 8% YoY
- Loan growth ex PPP ex MWH¹: +\$1,091M QoQ, 12% QoQ, 33% YoY
- Specialty C&I: +\$567M QoQ, 22% QoQ, 122% YoY

¹ Non-GAAP Measure, refer to appendix slides for reconciliation.

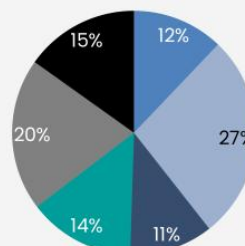
² Includes consumer installment (\$1.9B), Mortgage loans (\$450M), Manufactured housing (\$51M) and Home Equity Loans (\$19M)

³ Includes mortgages, manufactured housing, Home Equity loans

Loan mix ex PPP¹

percent

Community C&I Multifamily
Specialty C&I Consumer²
Investment CRE Mortgage warehouse



As of Q1'22

80% Commercial Loans

- Significant improvement in loan mix with greater proportion of lower credit risk verticals
- Pipeline remains extremely strong especially in C&I
- Loan mix ex PPP¹: Consumer installment (16%), Consumer mortgages³ (4%)

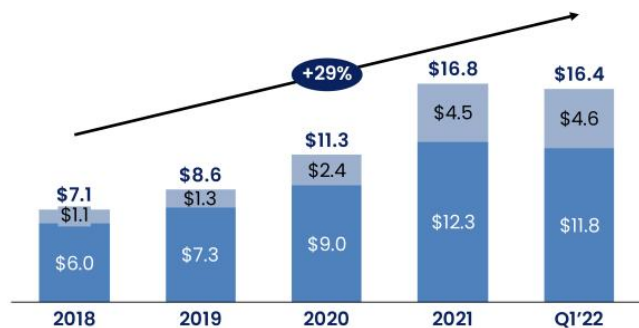
Balance Sheet: Deposit Growth & Mix



Deposits

\$ billions

■ Non-interest bearing deposits
■ Interest bearing deposits

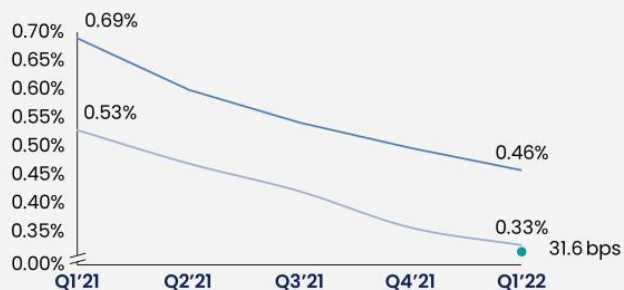


- Proportion of non-interest bearing deposits has increased from 16% in 2018 to 28% in Q1'22
- Continued execution of our initiative to reduce reliance on
 - Collateralized deposits (decline of ~\$123M QoQ and \$310M since Q3'21)
 - Ascent market rate sensitive balances (decline of \$194mm QoQ and \$497M since Q3'21)

Deposit costs

percent

— Cost of interest bearing deposits ● Spot cost of deposits
— Total deposit costs



- Total cost of deposits has declined significantly YoY due to
 - Decrease in funding cost of interest bearing deposits by 23 bps
 - Increase in average balance of non-interest bearing deposits by \$2.1B

Income Statement: Growth in Net Interest Income & Margin

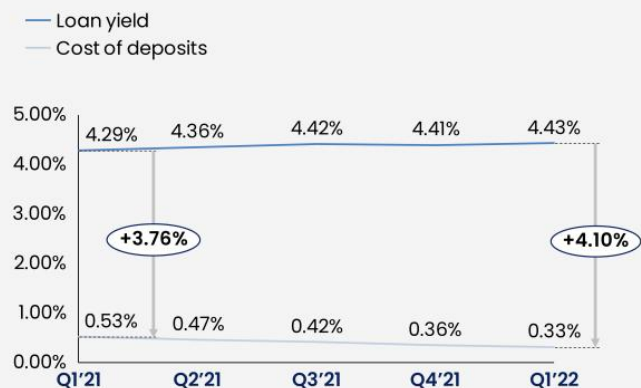


NII ex PPP¹
\$ millions



- Strong NII growth- 33% YoY, 13% QoQ
- NII benefited from \$5.2M dividend distribution in Q1'22
- NII growth driven by strong loan growth in C&I and increase in spread over Q1'21

Loan yield¹ and cost of deposits
percent



- Spread between loan yield and cost of deposits increased from 3.76% to 4.10%
- Cost of deposits decline driven by
 - Improvement in non-interest-bearing deposits mix (Q1'21-22% to Q1'22-28%)
 - decrease in interest bearing deposit cost (Q1'21-0.69% to Q1'22-0.46%)

Paycheck Protection Program: Loans and Fees



PPP loans¹
\$ billions

■ Rounds 1 & 2 ■ Round 3



- Greater than \$1B of PPP loans were repaid/forgiven in Q1'22

Fee income recognized from PPP¹
\$ millions



- ~\$350 million of origination fee income from the program
- ~\$58M of deferred origination fees to be recognized mostly in 2022 and an immaterial amount in 2023 (expect ~2/3rds of remaining fees in H2'22)

1. As of 03/31/2022 includes all PPP loans facilitated by Customers Bank (originated and purchased).

Liquidity and Investment Securities Mix



Liquidity

\$ billions

- Cash and Cash equivalents
- Investment securities portfolio



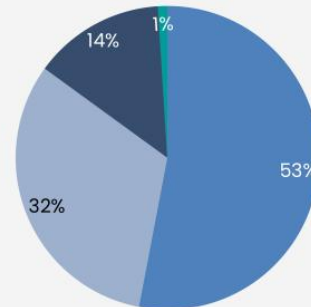
- Overall liquidity has more than doubled over the last year

1. Includes CLOs

Investment Securities mix

As of Mar 31, 2022, percent

- MBS & CMO
- ABS¹
- Corporates
- Other



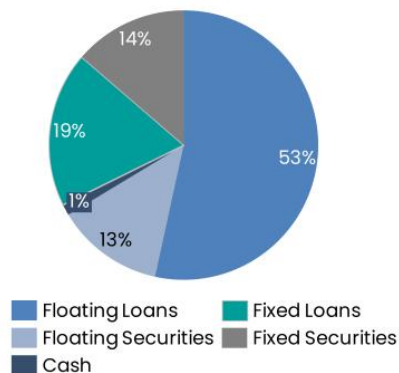
- Majority of investment securities are deployed in MBS & CMO and ABS¹
- Ample liquidity to fund future loan growth
- Portfolio yield: 2.21 % (as of Q1'22)
 - Short duration of ~2.12 years
 - ~50% of Investment securities portfolio is floating rate

Interest Rate Sensitive Earning Asset Mix



Interest earning assets mix¹

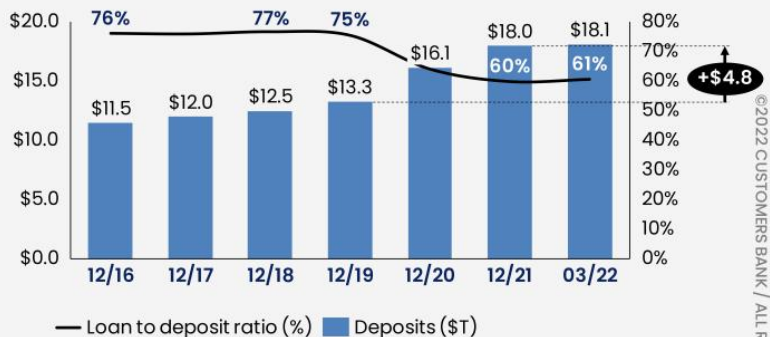
Q4'21, percent



- ~68% of interest earning assets are market sensitive
- Expected to benefit from rising rate environment

Loan and deposits for US Commercial Banks² and Industry deposits

2016-2021



- Expected deposit beta of 45%-55% in +100 bps interest rate shock
- Banking system wide deposits have increased by over \$4.8 trillion since 2019

1. Floating rate loans and securities are defined as assets with resets less than one year and include fixed loans maturing within one year (including PPP loans). ~13% of floating loans are floored warehouse loans
 2. Ending balance as of beginning of the month. As per FRED.

Capital: Strong Capital Position



Total risk based capital

percent



TCE/TA excl PPP²

percent



Tangible book value²

per share



- TRB capital ratio increased 44 bps over Q1'21, driven by PPP revenue and core bank earnings
- TCE/TA excl. PPP² increased 19 bps compared to Q1'21 due to increase in core bank earnings
- Unrealized loss impact in AFS portfolio negatively impact capital and tangible book value per share

1. Total capital ratio is estimated pending final Call report.
2. Non-GAAP Measure, refer to Appendix for reconciliation.

Credit: Credit Quality and Reserves Remain Strong



NPL
\$ millions



NCO
\$ millions

Commercial NCO Consumer NCO



NPA as percent of total assets
percent



- Due to the Bank's history of focusing on lower credit risk businesses, we expect near-term credit outlook to remain stable
- Credit quality remains excellent as evidenced by NPAs/Total Assets of only 0.23% at Q1'22
- The coverage ratio, excluding PPP loans¹ was 1.44% at Q1'22
- Reserves/NPLs was 333.2% at Q1'22

1. Non-GAAP Measure, refer to appendix slides for reconciliation

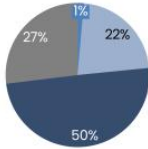
Consumer Installment Loans



FICO Score¹

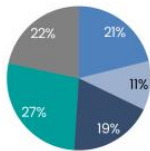
Average FICO Score¹ ~730

660-679 700-749
680-699 750+



Geography

West Southeast
Southwest Northeast
Midwest

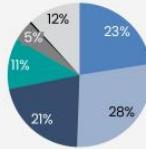


1. FICO score at time of origination.
Note: Data as of March 31, 2022.

Debt to Income ratio

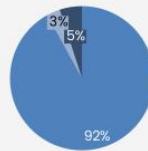
Average DTI ~16.5%

0-9.99% 40-49.99%
10-19.99% > 50%
20-29.99% Unknown
30-39.99%



Profession

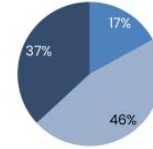
Non COVID-19 Impacted Segments
Non-Professional
Retail & Restaurants



Borrower Income

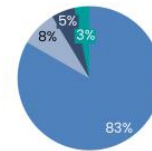
Average borrower income ~\$101k

<\$50K >\$100K
\$50K-\$100K



Purpose

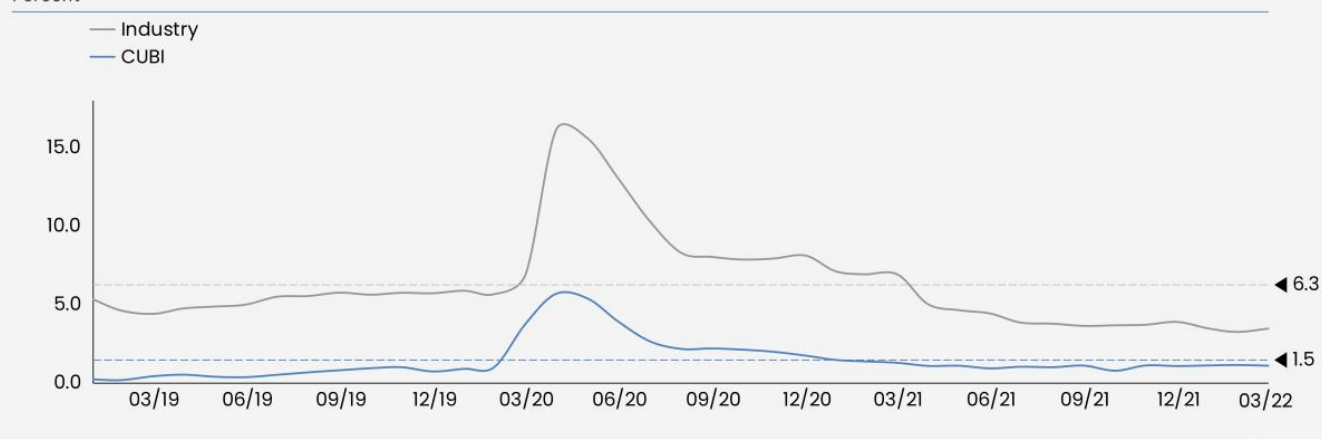
Personal Loan Home Improvement
Specialty Student Loan





CUBI Consumer installment loans impairment remains well below industry levels

Impairment of consumer loans
Percent



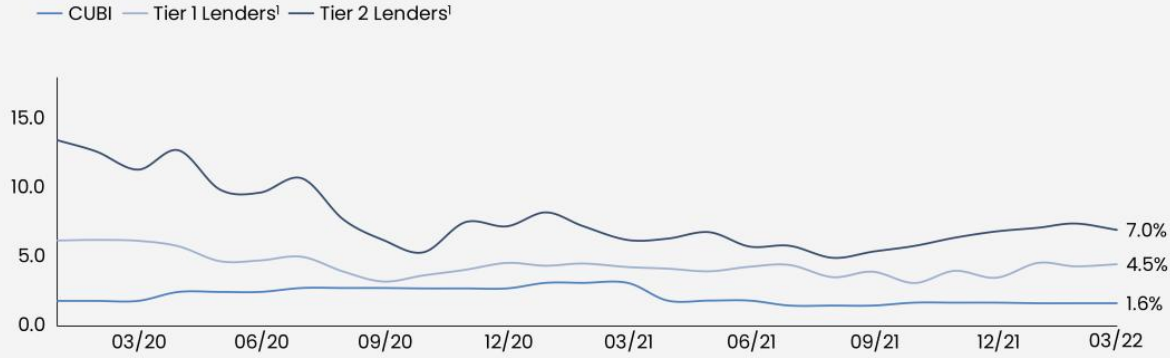
Note: Customers Bancorp's impairment percentages are considered 1 day+ delinquent or in forbearance. Industry chart is from DV01 Insights COVID-19 Performance Report dated March 02, 2022



CUBI's annualized net losses remain significantly lower than tier 1 and tier 2 lenders

Annualized net losses

Percent



1. Reflects the annualized net losses for each respective Tier as calculated and reported by KBRA.
The Tier 1 MPL Index comprises ABS deals backed by loans originated through the SoFi, Marlette, and LendingClub (Super Prime) platforms and generally have weighted average FICOs between 710 and 740. Only deals with 6+ months of seasoning included.
The Tier 2 MPL Index comprises ABS deals backed by loans originated through the Prosper, LendingClub (Prime), Upgrade, and Upstart platforms and generally have weighted average FICOs between 680 and 710. Only deals with 6+ months of seasoning included.



**customers
bank**

Let's take on tomorrow.

Key Investment Highlights



Demonstrated technological capabilities as a high-tech, high-touch bank



Industry leading **loan growth supported by best in class digital banking**



Exceptional **credit quality**



Customer centric culture built around service and experience



Well **positioned for higher interest rate environment** – low to no cost large scale deposit generation capabilities through CBIT and Digital Asset Banking Group



Attractive valuation – Trading at ~1.1X¹ tangible book value and less than 7X¹ 2023 analyst estimated EPS

1. Based on share price as of April 22, 2022 (~\$42.84)



ANALYST COVERAGE

B. Riley Financial, Inc.

Steve Moss

D.A. Davidson Companies

Russell Gunther

Hovde Group

Will Curtiss

Jefferies Group LLC

Casey Haire

Wedbush Securities Inc.

Peter Winter

Keefe, Bruyette & Woods Inc.

Michael Perito

Maxim Group Inc.

Michael Diana

Piper Sandler Companies

Frank Schiraldi

Stephens Inc.

Matt Breese



Credit: Allowance for Credit Losses for Loans and Leases



| (\$ in thousands) | March 31, 2022 | | | Q1 2022 |
|---|----------------------|-----------------------------|--------------------|---------------------------------|
| | Amortized Cost | Allowance for Credit Losses | Lifetime Loss Rate | Annualized Net Charge Off Ratio |
| Loans and Leases Receivable: | | | | |
| <u>Commercial:</u> | | | | |
| Multi-Family | 1,705,027 | 7,437 | 0.44% | 0.08% |
| Commercial and Industrial | 3,995,803 | 10,765 | 0.27% | 0.01% |
| Commercial Real Estate Owner Occupied | 701,893 | 3,841 | 0.55% | 0.00% |
| Commercial Real Estate Non-Owner Occupied | 1,140,311 | 5,955 | 0.52% | 0.00% |
| Construction | 161,024 | 939 | 0.58% | 0.28% |
| Total Commercial Loans and Leases Receivable | \$ 7,704,058 | \$ 28,937 | 0.38% | 0.03% |
| <u>Consumer:</u> | | | | |
| Residential real estate | 466,422 | 4,685 | 1.00% | 0.00% |
| Manufactured housing | 50,669 | 4,342 | 8.57% | 0.00% |
| Installment | 1,897,706 | 107,883 | 5.68% | -1.63% |
| Total Consumer Loans Receivable | \$ 2,414,797 | \$ 116,910 | 4.84% | -1.28% |
| Total Loans and Leases | \$ 10,118,855 | \$ 145,847 | 1.44% | -0.29% |

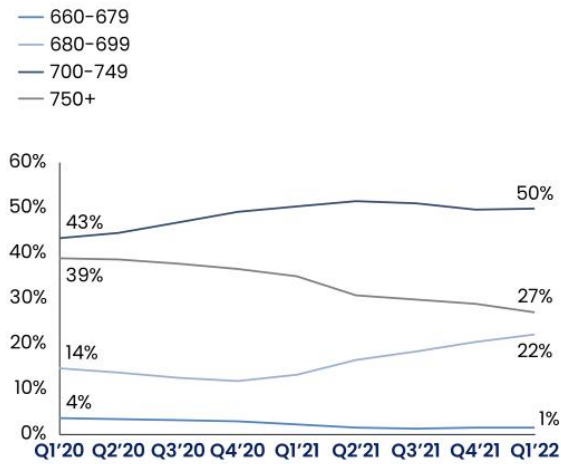
- (1) Utilized Moody's March 2022 Baseline forecast with qualitative adjustments for Q1 2022 provision.
 (2) Excludes Mortgage Warehouse loans reported at fair value, loans held for sale and PPP Loans.



CUBI Consumer Loans – Increase in Direct Installment Loans

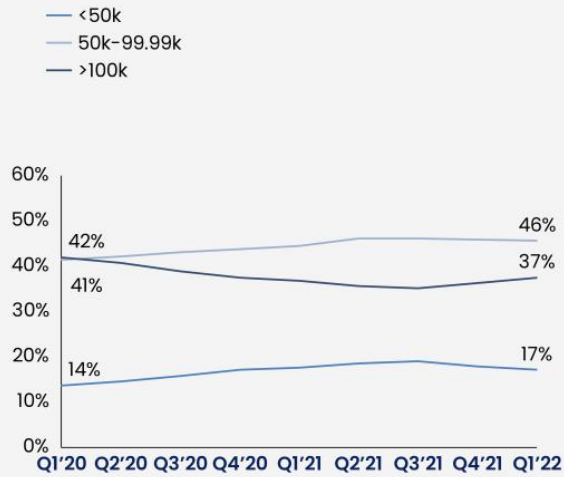
Portfolio characteristics shift without impact to net losses

Portfolio FICO score trends



- No consumer loans with FICO score < 660
- 77% of consumer loans with FICO score greater than 700

Portfolio borrower income trends



- 83% of consumer loans with borrower income greater than 50k
- 37% of consumer loans with borrower income greater than 100k



| Liquidity Sources (\$000's) | 1Q 21 | 2Q 21 | 3Q 21 | 4Q 21 | 1Q 22 | YOY Change |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Cash and Cash Equivalents | \$512,241 | \$393,663 | \$1,000,885 | \$482,794 | \$219,085 | (\$293,156) |
| FHLB Available Borrowing Capacity | \$713,673 | \$1,466,067 | \$2,031,551 | \$1,798,374 | \$3,213,767 | \$2,500,094 |
| FRB Available Borrowing Capacity | \$180,000 | \$197,000 | \$186,000 | \$191,000 | \$214,908 | \$34,908 |
| Investments (MV) | | | | | | |
| US Gov't & Agency | \$20,053 | \$20,114 | \$0 | \$0 | \$0 | (\$20,053) |
| MBS & CMO | \$590,485 | \$661,823 | \$871,191 | \$1,838,872 | \$2,194,557 | \$1,604,072 |
| Municipals | \$18,527 | \$8,554 | \$8,655 | \$8,430 | \$7,741 | (\$10,786) |
| Corporates | \$257,924 | \$350,420 | \$440,892 | \$580,046 | \$593,749 | \$335,825 |
| ABS ⁽¹⁾ | \$550,087 | \$485,881 | \$540,959 | \$1,364,227 | \$1,347,982 | \$797,895 |
| Other AFS | \$4,827 | \$0 | \$5,000 | \$25,575 | \$25,824 | \$20,996 |
| Less: Pledged Securities | (\$17,589) | (\$15,988) | (\$12,440) | (\$11,315) | (\$16,972) | \$618 |
| Net Unpledged Securities | \$1,424,314 | \$1,510,804 | \$1,854,257 | \$3,805,835 | \$4,152,881 | \$2,728,567 |
| Total | \$2,830,229 | \$3,567,534 | \$5,072,693 | \$6,278,003 | \$7,800,641 | \$4,970,412 |

(1) Includes CLOs

Reconciliation of Non-GAAP Measures – Unaudited



Customers believes that the non-GAAP measurements disclosed within this document are useful for investors, regulators, management and others to evaluate our core results of operations and financial condition relative to other financial institutions. These non-GAAP financial measures are frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in Customers' industry. These non-GAAP financial measures exclude from corresponding GAAP measures the impact of certain elements that we do not believe are representative of our ongoing financial results, which we believe enhance an overall understanding of our performance and increases comparability of our period to period results. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The non-GAAP measures presented are not necessarily comparable to non-GAAP measures that may be presented by other financial institutions. Although non-GAAP financial measures are frequently used in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under GAAP.

The following tables present reconciliations of GAAP to non-GAAP measures disclosed within this document.

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Core Earnings- Customers Bancorp

(\$ in thousands, not including per share amounts)

| | Q1 2022 | | Q4 2021 | | Q3 2021 | | Q2 2021 | | Q1 2021 | |
|---|-----------|-----------|------------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| | USD | Per Share | USD | Per Share | USD | Per Share | USD | Per Share | USD | Per Share |
| GAAP net income to common shareholders | \$ 74,896 | \$ 2.18 | \$ 98,647 | \$ 2.87 | \$ 110,241 | \$ 3.25 | \$ 58,042 | \$ 1.72 | \$ 33,204 | \$ 1.01 |
| Reconciling items (after tax): | | | | | | | | | | |
| Net loss from discontinued operations | - | - | 1,585 | 0.05 | - | - | - | - | 38,036 | 1.16 |
| Severance expense | - | - | - | - | - | - | 1,517 | 0.04 | - | - |
| Merger and acquisition related expenses | - | - | - | - | - | - | - | - | 320 | 0.01 |
| Legal reserves | - | - | - | - | 897 | 0.03 | - | - | - | - |
| (Gains) losses on investment securities | 1,030 | 0.03 | 43 | 0.00 | (4,591) | (0.14) | (2,694) | (0.08) | (18,773) | (0.57) |
| Loss on sale of foreign subsidiaries | - | - | - | - | - | - | 2,150 | 0.06 | - | - |
| Loss on cash flow hedge derivative terminations | - | - | - | - | - | - | - | - | 18,716 | 0.57 |
| Derivative credit valuation adjustment | (736) | (0.02) | (180) | (0.01) | (198) | (0.01) | 288 | 0.01 | (1,195) | (0.04) |
| Deposit relationship adjustment fees | - | - | - | - | 4,707 | 0.14 | - | - | - | - |
| Loss on redemption of preferred stock | - | - | - | - | 2,820 | 0.08 | - | - | - | - |
| Core Earnings | \$ 75,190 | \$ 2.19 | \$ 100,095 | \$ 2.92 | \$ 113,876 | \$ 3.36 | \$ 59,303 | \$ 1.76 | \$ 70,308 | \$ 2.14 |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Core Earnings, Excluding PPP – Customers Bancorp

(\$ in thousands, not including per share amounts)

| | Q1 2022 | | Q4 2021 | | Q3 2021 | | Q2 2021 | | Q1 2021 | |
|---|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| | USD | Per Share | USD | Per Share | USD | Per Share | USD | Per Share | USD | Per Share |
| GAAP net income available to shareholders | \$ 74,896 | \$ 2.18 | \$ 98,647 | \$ 2.87 | \$ 110,241 | \$ 3.25 | \$ 58,042 | \$ 1.72 | \$ 33,204 | \$ 1.01 |
| Less: PPP net income (after tax) | 24,713 | 0.72 | 64,323 | 1.87 | 81,337 | 2.40 | 24,312 | 0.72 | 25,079 | 0.76 |
| GAAP net income to common shareholders, excluding PPP | 50,183 | 1.46 | 34,324 | 1.00 | 28,904 | 0.85 | 33,730 | 1.00 | 8,125 | 0.25 |
| Reconciling items (after tax): | | | | | | | | | | |
| Net loss from discontinued operations | - | - | 1,585 | 0.05 | - | - | - | - | 38,036 | 1.16 |
| Severance expense | - | - | - | - | - | - | 1,517 | 0.04 | - | - |
| Merger and acquisition related expenses | - | - | - | - | - | - | - | - | 320 | 0.01 |
| Legal reserves | - | - | - | - | 897 | 0.03 | - | - | - | - |
| (Gains) losses on investment securities | 1,030 | 0.03 | 43 | 0.00 | (4,591) | (0.14) | (2,694) | (0.08) | (18,773) | (0.57) |
| (Gain) losses on sale of foreign subsidiaries | - | - | - | - | - | - | 2,150 | 0.06 | - | - |
| Loss on cash flow hedge derivative terminations | - | - | - | - | - | - | - | - | 18,716 | 0.57 |
| Derivative credit valuation adjustment | (736) | (0.02) | (180) | (0.01) | (198) | (0.01) | 288 | 0.01 | (1,195) | (0.04) |
| Deposit relationship adjustment fees | - | - | - | - | 4,707 | 0.14 | - | - | - | - |
| Loss on redemption of preferred stock | - | - | - | - | 2,820 | 0.08 | - | - | - | - |
| Core Earnings, excluding PPP | \$ 50,477 | \$ 1.47 | \$ 35,772 | \$ 1.04 | \$ 32,539 | \$ 0.96 | \$ 34,991 | \$ 1.04 | \$ 45,229 | \$ 1.38 |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Core Return on Average Assets – Customers Bancorp

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| GAAP net income | \$ 76,761 | \$ 100,669 | \$ 116,042 | \$ 61,341 | \$ 36,595 |
| Reconciling items (after tax): | | | | | |
| Net loss from discontinued operations | - | 1,585 | - | - | 38,036 |
| Severance expense | - | - | - | 1,517 | - |
| Merger and acquisition related expenses | - | - | - | - | 320 |
| Legal reserves | - | - | 897 | - | - |
| (Gains) losses on investment securities | 1,030 | 43 | (4,591) | (2,694) | (18,773) |
| Loss on sale of foreign subsidiaries | - | - | - | 2,150 | - |
| Loss on cash flow hedge derivative terminations | - | - | - | - | 18,716 |
| Derivative credit valuation adjustment | (736) | (180) | (198) | 288 | (1,195) |
| Deposit relationship adjustment fees | - | - | 4,707 | - | - |
| Core net income | \$ 77,055 | \$ 102,117 | \$ 116,857 | \$ 62,602 | \$ 73,699 |
| Average total assets | \$ 19,129,330 | \$ 19,214,241 | \$ 19,739,340 | \$ 19,306,948 | \$ 18,525,721 |
| Core return on average assets | 1.63% | 2.11% | 2.35% | 1.30% | 1.61% |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Adjusted Net Income and Adjusted ROAA – Pre-Tax Pre-Provision – Customers Bancorp

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| GAAP net income | \$ 76,761 | \$ 100,669 | \$ 116,042 | \$ 61,341 | \$ 36,595 |
| Reconciling items: | | | | | |
| Income tax expense | 19,332 | 12,993 | 36,263 | 20,124 | 17,560 |
| Provision (benefit) for credit losses on loans and leases | 15,997 | 13,890 | 13,164 | 3,291 | (2,919) |
| Provision (benefit) for credit losses on unfunded commitments | (109) | 352 | 669 | 45 | (1,286) |
| Severance expense | - | - | - | 2,004 | - |
| Net loss from discontinued operations | - | 1,585 | - | - | 38,036 |
| Merger and acquisition related expenses | - | - | - | - | 418 |
| Legal reserves | - | - | 1,185 | - | - |
| (Gains) losses on investment securities | 1,339 | 49 | (6,063) | (3,558) | (24,540) |
| (Gain) losses on sale of foreign subsidiaries | - | - | - | 2,840 | - |
| (Gains) losses on hedge derivative terminations | - | - | - | - | 24,467 |
| Derivative credit valuation adjustment | (957) | (203) | (261) | 380 | (1,562) |
| Deposit relationship adjustment fees | - | - | 6,216 | - | - |
| Adjusted net income – pre-tax pre-provision | \$ 112,363 | \$ 129,335 | \$ 167,215 | \$ 86,467 | \$ 86,769 |
| Average total assets | \$ 19,129,330 | \$ 19,214,241 | \$ 19,739,340 | \$ 19,306,948 | \$ 18,525,721 |
| Adjusted ROAA – pre-tax pre-provision | 2.38% | 2.67% | 3.36% | 1.80% | 1.90% |

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Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Core Return on Average Common Equity

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|--------------|--------------|--------------|--------------|------------|
| GAAP net income to common shareholders | \$ 74,896 | \$ 98,647 | \$ 110,241 | \$ 58,042 | \$ 33,204 |
| Reconciling items (after tax): | | | | | |
| Net loss from discontinued operations | - | 1,585 | - | - | 38,036 |
| Severance expense | - | - | - | 1,517 | - |
| Merger and acquisition related expenses | - | - | - | - | 320 |
| Legal reserves | - | - | 897 | - | - |
| (Gains) losses on investment securities | 1,030 | 43 | (4,591) | (2,694) | (18,773) |
| Loss on sale of foreign subsidiaries | - | - | - | 2,150 | - |
| Loss on cash flow hedge derivative terminations | - | - | - | - | 18,716 |
| Derivative credit valuation adjustment | (736) | (180) | (198) | 288 | (1,195) |
| Deposit relationship adjustment fees | - | - | 4,707 | - | - |
| Loss on redemption of preferred stock | - | - | 2,820 | - | - |
| Core Earnings | \$ 75,190 | \$ 100,095 | \$ 113,876 | \$ 59,303 | \$ 70,308 |
| Average total common shareholders' equity | \$ 1,252,022 | \$ 1,179,478 | \$ 1,071,566 | \$ 1,002,624 | \$ 918,795 |
| Core return on average common equity | 24.36% | 33.67% | 42.16% | 23.72% | 31.03% |

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Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Tangible Equity

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| GAAP – Total shareholders' equity | \$ 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| Reconciling items: | | | | | |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| Tangible equity | \$ 1,373,728 | \$ 1,362,481 | \$ 1,280,505 | \$ 1,246,876 | \$ 1,184,810 |

Tangible Book Value per Common Share – Customers Bancorp

(\$ in thousands, except per share data)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| GAAP – Total shareholders' equity | \$ 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| Reconciling items: | | | | | |
| Preferred stock | (137,794) | (137,794) | (137,794) | (217,471) | (217,471) |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| Tangible common equity | \$ 1,235,934 | \$ 1,224,687 | \$ 1,142,711 | \$ 1,029,405 | \$ 967,339 |
| Common shares outstanding | 32,957,847 | 32,913,267 | 32,537,976 | 32,353,256 | 32,238,762 |
| Tangible book value per common share | \$ 37.50 | \$ 37.21 | \$ 35.12 | \$ 31.82 | \$ 30.01 |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Tangible Common Equity to Tangible Assets, Excluding PPP – Customers Bancorp

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| GAAP – Total shareholders' equity | \$ 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| Reconciling items: | | | | | |
| Preferred stock | (137,794) | (137,794) | (137,794) | (217,471) | (217,471) |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| Tangible common equity | \$ 1,235,934 | \$ 1,224,687 | \$ 1,142,711 | \$ 1,029,405 | \$ 967,339 |
| GAAP – Total assets | \$ 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| Reconciling items: | | | | | |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| PPP loans | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| Tangible assets | \$ 16,964,128 | \$ 16,321,284 | \$ 14,147,771 | \$ 13,326,199 | \$ 13,635,660 |
| Tangible common equity to tangible assets, excluding PPP | 7.29% | 7.50% | 8.08% | 7.72% | 7.09% |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Tangible Common Equity to Tangible Assets – Customers Bancorp

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---|---------------|---------------|---------------|---------------|---------------|
| GAAP – Total shareholders' equity | \$ 1,377,406 | \$ 1,366,217 | \$ 1,284,299 | \$ 1,250,729 | \$ 1,188,721 |
| Reconciling items: | | | | | |
| Preferred stock | (137,794) | (137,794) | (137,794) | (217,471) | (217,471) |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| Tangible common equity | \$ 1,235,934 | \$ 1,224,687 | \$ 1,142,711 | \$ 1,029,405 | \$ 967,339 |
| GAAP – Total assets | \$ 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| Reconciling items: | | | | | |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| Tangible assets | \$ 19,160,030 | \$ 19,571,292 | \$ 19,105,128 | \$ 19,631,255 | \$ 18,813,749 |
| Tangible common equity to tangible assets | 6.45% | 6.26% | 5.98% | 5.24% | 5.14% |

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Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Total loans and leases, excluding PPP

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Total loans and leases | \$ 14,073,518 | \$ 14,568,885 | \$ 15,515,537 | \$ 16,967,022 | \$ 16,168,306 |
| PPP loans | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| Loans and leases, excluding PPP | \$ 11,877,616 | \$ 11,318,877 | \$ 10,558,180 | \$ 10,661,966 | \$ 10,990,217 |

Total loans and leases, excluding mortgage warehouse and PPP

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total loans and leases | \$ 14,073,518 | \$ 14,568,885 | \$ 15,515,537 | \$ 16,967,022 | \$ 16,168,306 |
| Loans to mortgage companies | (1,830,121) | (2,362,438) | (2,626,483) | (2,922,217) | (3,463,490) |
| PPP loans | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| Loans and leases, excluding mortgage warehouse and PPP | \$ 10,047,495 | \$ 8,956,439 | \$ 7,931,697 | \$ 7,739,749 | \$ 7,526,727 |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Core Assets

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| GAAP – Total assets | \$ 19,163,708 | \$ 19,575,028 | \$ 19,108,922 | \$ 19,635,108 | \$ 18,817,660 |
| Reconciling items: | | | | | |
| Goodwill and other intangibles | (3,678) | (3,736) | (3,794) | (3,853) | (3,911) |
| PPP loans | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| Core assets | \$ 16,964,128 | \$ 16,321,284 | \$ 14,147,771 | \$ 13,326,199 | \$ 13,635,660 |

Coverage of credit loss reserves for loans and leases held for investment, excluding PPP

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| Loans and leases receivable | \$ 12,314,757 | \$ 12,268,306 | \$ 12,927,956 | \$ 14,077,198 | \$ 12,714,578 |
| PPP loans | (2,195,902) | (3,250,008) | (4,957,357) | (6,305,056) | (5,178,089) |
| Loans and leases held for investment, excluding PPP | \$ 10,118,855 | \$ 9,018,298 | \$ 7,970,599 | \$ 7,772,142 | \$ 7,536,489 |
| Allowance for credit losses on loans and leases | \$ 145,847 | \$ 137,804 | \$ 131,496 | \$ 125,436 | \$ 128,736 |
| Coverage of credit loss reserves for loans and leases held for investment, excluding PPP | 1.44% | 1.53% | 1.65% | 1.61% | 1.71% |

Reconciliation of Non-GAAP Measures – Unaudited (Contd.)



Net Interest Income, Excluding PPP – Customers Bancorp

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|------------------------------------|------------|------------|------------|------------|------------|
| GAAP net interest income | \$ 164,699 | \$ 193,694 | \$ 219,892 | \$ 138,757 | \$ 132,731 |
| PPP net interest income | (34,615) | (78,647) | (112,005) | (35,785) | (34,842) |
| Net interest income, excluding PPP | \$ 130,084 | \$ 115,047 | \$ 107,887 | \$ 102,972 | \$ 97,889 |

Net Interest Margin, Tax Equivalent, Excluding PPP – Customers Bancorp

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| GAAP net interest income | \$ 164,699 | \$ 193,694 | \$ 219,892 | \$ 138,757 | \$ 132,731 |
| PPP net interest income | (34,615) | (78,647) | (112,005) | (35,785) | (34,842) |
| Tax-equivalent adjustment | 239 | 276 | 290 | 289 | 292 |
| Net interest income, tax equivalent, excluding PPP | \$ 130,323 | \$ 115,323 | \$ 108,177 | \$ 103,261 | \$ 98,181 |
| GAAP average total interest earning assets | \$ 18,572,308 | \$ 18,576,433 | \$ 19,033,826 | \$ 18,698,996 | \$ 17,943,944 |
| Average PPP loans | (2,641,318) | (3,898,607) | (5,778,367) | (6,133,184) | (4,623,213) |
| Adjusted average total interest earning assets | \$ 15,930,990 | \$ 14,677,826 | \$ 13,255,459 | \$ 12,565,812 | \$ 13,320,731 |
| Net interest margin, tax equivalent, excluding PPP | 3.32% | 3.12% | 3.24% | 3.30% | 2.99% |

Loan Yield, excluding PPP

(\$ in thousands)

| | Q1 2022 | Q4 2021 | Q3 2021 | Q2 2021 | Q1 2021 |
|--|---------------|---------------|---------------|---------------|---------------|
| Total interest on loans and leases | \$ 157,175 | \$ 198,000 | \$ 233,097 | \$ 153,608 | \$ 152,117 |
| Interest on PPP loans | (36,894) | (82,086) | (117,102) | (41,137) | (38,832) |
| Interest on loans and leases, excluding PPP | \$ 120,281 | \$ 115,914 | \$ 115,995 | \$ 112,471 | \$ 113,285 |
| Average loans and leases | \$ 13,656,991 | \$ 14,335,370 | \$ 16,192,744 | \$ 16,482,802 | \$ 15,329,111 |
| Average PPP loans | (2,641,318) | (3,898,607) | (5,778,367) | (6,133,184) | (4,623,213) |
| Adjusted average total interest earning assets | \$ 11,015,673 | \$ 10,436,763 | \$ 10,414,377 | \$ 10,349,618 | \$ 10,705,898 |
| Loan yield, excluding PPP | 4.43% | 4.41% | 4.42% | 4.36% | 4.29% |

