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

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**FORM 8-K**

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

Date of Report (date of earliest event reported): January 25, 2024

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

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**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)

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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))
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<u>Title of Each Class</u>	<u>Securities registered pursuant to Section 12(g) of the Act:</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 January 25, 2024, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter ended December 31, 2023, 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>
<a href="#">Exhibit 99.1</a>	Press Release dated January 25, 2024
<a href="#">Exhibit 99.2</a>	Slide presentation dated January 2024

**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: January 25, 2024

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EXHIBIT INDEX

Exhibit No.	Description
<a href="#">99.1</a>	Press Release dated January 25, 2024
<a href="#">99.2</a>	Slide presentation dated January 2024



Customers Bancorp, Inc. (NYSE:CUBI)  
701 Reading Avenue  
West Reading, PA 19611

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

## Customers Bancorp Reports Results for Fourth Quarter and Full Year 2023

### Fourth Quarter 2023 Highlights

- Q4 2023 net income available to common shareholders was \$58.2 million, or \$1.79 per diluted share; ROAA was 1.16% and ROCE was 15.93%.
- Q4 2023 core earnings\* were \$61.6 million, or \$1.90 per diluted share; Core ROAA\* was 1.22% and Core ROCE\* was 16.87%.
- CET 1 capital ratio of 12.2%<sup>1</sup> at December 31, 2023, compared to 11.3% at September 30, 2023, surpassing 11.0% - 11.5% target.
- TCE / TA ratio\* of 7.0% at December 31, 2023, compared to 6.5% at September 30, 2023, achieving stated target.
- Q4 2023 net interest margin, tax equivalent ("NIM") was 3.31%, compared to Q3 2023 NIM of 3.70%. Q3 2023 NIM included the benefit of outsized discount accretion of roughly 50 basis points. Normalizing for this outsized accretion, Q4 2023 NIM expanded by 11 basis points.
- Total deposits decreased by \$275.1 million in Q4 2023 from Q3 2023 with a significant positive mix shift. Q4 2023 core deposit growth of \$1.1 billion funded in part the repayment of maturing wholesale CDs of \$0.7 billion and the planned outflow of student-related deposit accounts serviced by BMTX of \$0.6 billion.
- Total estimated insured deposits were 77%<sup>2</sup> of total deposits at December 31, 2023, with immediately available liquidity covering uninsured deposits by approximately 202%.
- Non-performing assets were \$27.2 million, or 0.13% of total assets, at December 31, 2023 compared to 0.14% at September 30, 2023. Allowance for credit losses on loans and leases equaled 499% of non-performing loans at December 31, 2023, compared to 466% at September 30, 2023.
- Q4 2023 provision for credit losses on loans and leases of \$13.4 million was lower than Q3 2023 largely driven by lower balances in loans held for investment.
- Q4 2023 book value per share and tangible book value per share\* both grew by approximately \$2.26, or 5.0% over Q3 2023, driven by strong quarterly earnings combined with decreased AOCI losses of \$13.2 million over the same time period.

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\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

<sup>1</sup>Regulatory capital ratios as of December 31, 2023 are estimates.

<sup>2</sup>Uninsured deposits (estimate) of \$5.4 billion to be reported on the Bank's call report, less deposits of \$1.1 billion collateralized by standby letters of credit from the FHLB and from our affiliates of \$118.0 million.

## Full Year 2023 Highlights

- 2023 net income available to common shareholders was \$235.4 million, or \$7.32 per diluted share; ROAA was 1.16% and ROCE was 17.33%.
- 2023 core earnings\* were \$248.2 million, or \$7.72 per diluted share; Core ROAA\* was 1.22% and Core ROCE\* was 18.27%.
- Record 2023 net interest income of \$687.4 million.
- CET 1 capital ratio of 12.2%<sup>1</sup> at December 31, 2023, compared to 9.6% at December 31, 2022, surpassing 11.0% - 11.5% target.
- TCE / TA ratio\* of 7.0% at December 31, 2023, compared to 6.0% at December 31, 2022.
- 2023 NIM was 3.29%, an increase of 10 basis points over 2022 NIM of 3.19%.
- Non-performing assets were \$27.2 million, or 0.13% of total assets, at December 31, 2023 compared to \$30.8 million, or 0.15% of total assets, at December 31, 2022. Allowance for credit losses on loans and leases equaled 499% of non-performing loans at December 31, 2023, compared to 426% at December 31, 2022.
- Book value per share and tangible book value per share\* grew year over year by approximately \$8.65 or 22.1%, driven by strong 2023 annual earnings combined with the decreased AOCI losses of \$26.5 million over the same time period. Tangible book value per share\* has grown at a 15% compound annual growth rate (CAGR) over the past 5 years, significantly higher than the regional bank peer median<sup>2</sup> of 4%.
- Repurchased 1,379,883 common shares at a weighted-average price of \$28.58 for \$39.8 million in 2023.

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<sup>2</sup>Uninsured deposits (estimate) of \$5.4 billion to be reported on the Bank's call report, less deposits of \$1.1 billion collateralized by standby letters of credit from the FHLB and from our affiliates of \$118.0 million.

<sup>3</sup>Regional bank peers based on selected 2023 proxy peers with a reporting date on or before January 24, 2024 before market close.

## CEO Commentary

**West Reading, PA, January 25, 2024** - “We are pleased to share our fourth quarter and full year 2023 results as we continued to execute on our strategic priorities and delivered again for shareholders,” said Customers Bancorp Chairman and CEO Jay Sidhu. “While the banking industry has stabilized following the challenges in early 2023, higher interest rates and less liquidity in the banking system remain headwinds for all banks. We again demonstrated the sustainability of our differentiated deposit franchise by growing core deposits by \$1.1 billion in the fourth quarter which funded in part the repayment of maturing wholesale CDs of \$743 million and the planned outflow of student-related deposit accounts serviced by BMTX totaling approximately \$637 million. Additional liquidity inflows primarily from sales of investment securities were used to payoff \$340 million in callable FHLB advances. The core deposit growth was again broad-based with more than 20 different channels increasing balances and roughly half contributing \$25 million or more. Non-interest bearing deposits as a percentage of total deposits remained relatively flat at 25%. Excluding the outsized accretion we experienced in the third quarter, our net interest margin continued to expand in the fourth quarter in contrast to the industry trends. Capital levels continued to increase substantially as evidenced by two consecutive quarters with a 50 basis point increase in our TCE / TA ratio\* and a 90 basis point increase in our CET 1 ratio. In the last three quarters, we have increased our TCE / TA ratio\* by 110 basis points to 7.0% and our CET 1 ratio by 260 basis points to 12.2%. We remain well-positioned to continue strengthening our deposit franchise, improve our profitability, and maintain our capital ratios,” stated Jay Sidhu.

“Our Q4 2023 GAAP earnings were \$58.2 million, or \$1.79 per diluted share, and core earnings were \$61.6 million, or \$1.90 per diluted share, considerably above consensus estimates. At December 31, 2023, our deposit base was well diversified, with approximately 77%<sup>2</sup> of total deposits insured. We maintain a strong liquidity position, with \$8.5 billion of liquidity immediately available, which covers approximately 202% of uninsured deposits<sup>2</sup> and our loan to deposit ratio was 74%. We continue to focus loan production where we have a holistic and primary relationship. We are seeing attractive new origination opportunities. We have ample liquidity and capital, which we plan to deploy in 2024, to support the needs of our customers. At December 31, 2023, we had \$3.8 billion of cash on hand, which we believe is prudent balance sheet and liquidity management in the current environment. Asset quality remains exceptional with our NPA ratio down slightly at just 0.13% of total assets and reserve levels are robust at over 499% of total non-performing loans at the end of Q4 2023. Our exposure to higher risk commercial real estate such as the office and retail sectors is minimal, each representing only 1% of the loan portfolio. Continued execution on our strategic priorities has positioned us favorably for success in 2024 from a capital, credit, liquidity, interest rate risk and earnings perspective. We will remain disciplined, but opportunistic, with our balance sheet capacity to minimize risk and maintain robust capital levels. We are extremely proud of the progress we made in 2023 and are confident in our risk management capabilities and ability to provide excellent service to our clients in all operating environments. We are excited and optimistic about the opportunities in 2024 and beyond,” Jay Sidhu continued.

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\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

<sup>1</sup> Regulatory capital ratios as of December 31, 2023 are estimates.

<sup>2</sup> Uninsured deposits (estimate) of \$5.4 billion to be reported on the Bank's call report, less deposits of \$1.1 billion collateralized by standby letters of credit from the FHLB and from our affiliates of \$118.0 million.

## Financial Highlights

(Dollars in thousands, except per share data)

### Profitability Metrics:

Net income available for common shareholders  
Diluted earnings per share  
Core earnings\*  
Core earnings per share\*  
Return on average assets ("ROAA")  
Core ROAA\*  
Return on average common equity ("ROCE")  
Core ROCE\*  
Adjusted pre-tax pre-provision net income\*  
Net interest margin, tax equivalent  
Yield on loans (Loan yield)  
Cost of deposits  
Efficiency ratio  
Core efficiency ratio\*  
Non-interest expense to average total assets  
Core non-interest expense to average total assets\*

### Balance Sheet Trends:

Total assets  
Total cash and investment securities  
Total loans and leases  
Non-interest bearing demand deposits  
Total deposits

### Capital Metrics:

Common Equity  
Tangible Common Equity\*  
Common Equity to Total Assets  
Tangible Common Equity to Tangible Assets\*  
Book Value per common share  
Tangible Book Value per common share\*  
Common equity Tier 1 capital ratio <sup>(1)</sup>  
Total risk based capital ratio <sup>(1)</sup>

	At or Three Months Ended		Increase (Decrease)	
	December 31, 2023	September 30, 2023		
\$	58,223	\$ 82,953	\$	(24,730)
\$	1.79	\$ 2.58	\$	(0.79)
\$	61,633	\$ 83,294	\$	(21,661)
\$	1.90	\$ 2.59	\$	(0.69)
	1.16 %	1.57 %		(0.41)
	1.22 %	1.57 %		(0.35)
	15.93 %	23.97 %		(8.04)
	16.87 %	24.06 %		(7.19)
\$	101,884	\$ 128,564	\$	(26,680)
	3.31 %	3.70 %		(0.39)
	7.30 %	7.87 %		(0.57)
	3.39 %	3.24 %		0.15
	49.08 %	41.01 %		8.07
	46.70 %	41.04 %		5.66
	1.75 %	1.62 %		0.13
	1.67 %	1.62 %		0.05
\$	21,316,265	\$ 21,857,152	\$	(540,887)
\$	7,355,156	\$ 7,371,551	\$	(16,395)
\$	13,202,084	\$ 13,713,482	\$	(511,398)
\$	4,422,494	\$ 4,758,682	\$	(336,188)
\$	17,920,236	\$ 18,195,364	\$	(275,128)
\$	1,500,600	\$ 1,423,813	\$	76,787
\$	1,496,971	\$ 1,420,184	\$	76,787
	7.0 %	6.5 %		0.5
	7.0 %	6.5 %		0.5
\$	47.73	\$ 45.47	\$	2.26
\$	47.61	\$ 45.36	\$	2.25
	12.2 %	11.3 %		0.9
	15.3 %	14.3 %		1.0

(1) Regulatory capital ratios as of December 31, 2023 are estimates.

\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.



## Financial Highlights

	At or Three Months Ended			Twelve Months Ended				
	December 31, 2023	December 31, 2022	Increase (Decrease)	December 31, 2023	December 31, 2022	Increase (Decrease)		
<i>(Dollars in thousands, except per share data)</i>								
<b>Profitability Metrics:</b>								
Net income available for common shareholders	\$ 58,223	\$ 25,623	\$ 32,600	127.2 %	\$ 235,448	\$ 218,402	\$ 17,046	7.8 %
Diluted earnings per share	\$ 1.79	\$ 0.77	\$ 1.02	132.5 %	\$ 7.32	\$ 6.51	\$ 0.81	12.4 %
Core earnings*	\$ 61,633	\$ 39,368	\$ 22,265	56.6 %	\$ 248,233	\$ 256,415	\$ (8,182)	(3.2)%
Core earnings per share*	\$ 1.90	\$ 1.19	\$ 0.71	59.7 %	\$ 7.72	\$ 7.63	\$ 0.09	1.2 %
Return on average assets ("ROAA")	1.16 %	0.55 %	0.61		1.16 %	1.13 %	0.03	
Core ROAA*	1.22 %	0.81 %	0.41		1.22 %	1.32 %	(0.10)	
Return on average common equity ("ROCE")	15.93 %	8.05 %	7.88		17.33 %	17.40 %	(0.07)	
Core ROCE*	16.87 %	12.36 %	4.51		18.27 %	20.43 %	(2.16)	
Adjusted pre-tax pre-provision net income*	\$ 101,884	\$ 81,377	\$ 20,507	25.2 %	\$ 416,563	\$ 400,712	\$ 15,851	4.0 %
Net interest margin, tax equivalent	3.31 %	2.67 %	0.64		3.29 %	3.19 %	0.10	
Yield on loans (Loan yield)	7.30 %	5.64 %	1.66		7.16 %	5.00 %	2.16	
Cost of deposits	3.39 %	2.73 %	0.66		3.27 %	1.31 %	1.96	
Efficiency ratio	49.08 %	49.20 %	(0.12)		46.49 %	44.81 %	1.68	
Core efficiency ratio*	46.70 %	49.12 %	(2.42)		45.45 %	43.02 %	2.43	
Non-interest expense to average total assets	1.75 %	1.50 %	0.25		1.64 %	1.51 %	0.13	
Core non-interest expense to average total assets*	1.67 %	1.50 %	0.17		1.62 %	1.50 %	0.12	
<b>Balance Sheet Trends:</b>								
Total assets	\$ 21,316,265	\$ 20,896,112	\$ 420,153	2.0 %				
Total cash and investment securities	\$ 7,355,156	\$ 4,283,565	\$ 3,071,591	71.7 %				
Total loans and leases	\$ 13,202,084	\$ 15,794,671	\$ (2,592,587)	(16.4)%				
Non-interest bearing demand deposits	\$ 4,422,494	\$ 1,885,045	\$ 2,537,449	134.6 %				
Total deposits	\$ 17,920,236	\$ 18,156,953	\$ (236,717)	(1.3)%				
<b>Capital Metrics:</b>								
Common Equity	\$ 1,500,600	\$ 1,265,167	\$ 235,433	18.6 %				
Tangible Common Equity*	\$ 1,496,971	\$ 1,261,538	\$ 235,433	18.7 %				
Common Equity to Total Assets	7.0 %	6.0 %	1.0					
Tangible Common Equity to Tangible Assets*	7.0 %	6.0 %	1.0					
Book Value per common share	\$ 47.73	\$ 39.08	\$ 8.65	22.1 %				
Tangible Book Value per common share*	\$ 47.61	\$ 38.97	\$ 8.64	22.2 %				
Common equity Tier 1 capital ratio <sup>(1)</sup>	12.2 %	9.6 %	2.6					
Total risk based capital ratio <sup>(1)</sup>	15.3 %	12.2 %	3.1					

(1) Regulatory capital ratios as of December 31, 2023 are estimates.

\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

## Key Balance Sheet Trends

### Loans and Leases

The following table presents the composition of total loans and leases as of the dates indicated:

<i>(Dollars in thousands)</i>	December 31, 2023	% of Total	September 30, 2023	% of Total	December 31, 2022	% of Total
<b>Loans and Leases Held for Investment</b>						
Commercial:						
Commercial & industrial:						
Specialty lending	\$ 5,006,693	38.9 %	\$ 5,422,161	40.0 %	\$ 5,412,887	35.0 %
Other commercial & industrial	1,087,582	8.5	1,115,364	8.2	1,135,336	7.4
Loans to mortgage companies	1,014,742	7.9	1,042,549	7.7	1,447,919	9.4
Multifamily	2,138,622	16.6	2,130,213	15.7	2,213,019	14.3
Commercial real estate owner occupied	797,319	6.2	794,815	5.9	885,339	5.7
Loans receivable, PPP	74,735	0.6	137,063	1.0	998,153	6.5
Commercial real estate non-owner occupied	1,177,650	9.2	1,178,203	8.7	1,290,730	8.3
Construction	166,393	1.2	252,588	1.8	162,009	1.0
Total commercial loans and leases	11,463,736	89.1	12,072,956	89.0	13,545,392	87.6
Consumer:						
Residential	484,435	3.8	483,133	3.6	497,952	3.3
Manufactured housing	38,670	0.3	40,129	0.3	45,076	0.3
Installment:						
Personal	555,533	4.3	629,843	4.6	964,641	6.2
Other	319,393	2.5	337,053	2.5	413,298	2.7
Total installment loans	874,926	6.8	966,896	7.1	1,377,939	8.9
Total consumer loans	1,398,031	10.9	1,490,158	11.0	1,920,967	12.4
<b>Total loans and leases held for investment</b>	<b>\$ 12,861,767</b>	<b>100.0 %</b>	<b>\$ 13,563,114</b>	<b>100.0 %</b>	<b>\$ 15,466,359</b>	<b>100.0 %</b>
<b>Loans Held for Sale</b>						
Commercial:						
Multifamily	\$ —	— %	\$ —	— %	\$ 4,079	1.2 %
Commercial real estate non-owner occupied	—	—	—	—	—	—
Total commercial loans and leases	—	—	—	—	4,079	1.2
Consumer:						
Residential	1,215	0.3	1,005	0.7	829	0.3
Installment:						
Personal	151,040	44.4	124,848	83.0	133,801	40.8
Other	188,062	55.3	24,515	16.3	189,603	57.8
Total installment loans	339,102	99.7	149,363	99.3	323,404	98.6
Total consumer loans	340,317	100.0	150,368	100.0	324,233	98.8
<b>Total loans held for sale</b>	<b>\$ 340,317</b>	<b>100.0 %</b>	<b>\$ 150,368</b>	<b>100.0 %</b>	<b>\$ 328,312</b>	<b>100.0 %</b>
<b>Total loans and leases portfolio</b>	<b>\$ 13,202,084</b>		<b>\$ 13,713,482</b>		<b>\$ 15,794,671</b>	

### Loans and Leases Held for Investment

Loans and leases held for investment were \$12.9 billion at December 31, 2023, down \$701.3 million, or 5.2%, from September 30, 2023. Specialty lending decreased \$415.5 million, or 7.7% quarter-over-quarter, to \$5.0 billion. Construction loans decreased \$86.2 million, or 34.1% quarter-over-quarter, to \$166.4 million. Loans to mortgage companies decreased \$27.8 million, or 2.7% quarter-over-quarter due to lower mortgage activity. Consumer installment loans held for investment decreased \$92.0 million, or 9.5% quarter-over-quarter, to \$874.9 million due to the continued build out of the held-for-sale strategy and de-risking of the held-for-investment loan portfolio in 2023.

Loans and leases held for investment of \$12.9 billion at December 31, 2023 was down \$2.6 billion, or 16.8%, year-over-year, largely driven by reduced balances in PPP loans of \$923.4 million, consumer installment loans of \$503.0 million, or 36.5% year-over-year, loans to mortgage companies of \$433.2 million and specialty lending of \$406.2 million.

### Loans Held for Sale

Loans held for sale increased \$189.9 million quarter-over-quarter, and were \$340.3 million at December 31, 2023 due to the continued build out of the held-for-sale strategy in 2023.

### Allowance for Credit Losses on Loans and Leases

The following table presents the allowance for credit losses on loans and leases as of the dates and for the periods presented:

	At or Three Months Ended			At or Three Months Ended		
	December 31, 2023	September 30, 2023	Increase (Decrease)	December 31, 2023	December 31, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Allowance for credit losses on loans and leases	\$ 135,311	\$ 139,213	\$ (3,902)	\$ 135,311	\$ 130,924	\$ 4,387
Provision (benefit) for credit losses on loans and leases	\$ 13,420	\$ 17,055	\$ (3,635)	\$ 13,420	\$ 27,891	\$ (14,471)
Net charge-offs from loans held for investment	\$ 17,322	\$ 17,498	\$ (176)	\$ 17,322	\$ 27,164	\$ (9,842)
Annualized net charge-offs to average loans and leases	0.51 %	0.50 %		0.51 %	0.70 %	
Coverage of credit loss reserves for loans and leases held for investment	1.13 %	1.10 %		1.13 %	0.93 %	

Net charge-offs were relatively stable with \$17.3 million in Q4 2023, compared to \$17.5 million in Q3 2023 and decreased compared to \$27.2 million in Q4 2022.

### Provision (benefit) for Credit Losses

	Three Months Ended			Three Months Ended		
	December 31, 2023	September 30, 2023	Increase (Decrease)	December 31, 2023	December 31, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Provision for credit losses on loans and leases	\$ 13,420	\$ 17,055	\$ (3,635)	\$ 13,420	\$ 27,891	\$ (14,471)
Provision (benefit) for credit losses on available for sale debt securities	103	801	(698)	103	325	(222)
Provision for credit losses	13,523	17,856	(4,333)	13,523	28,216	(14,693)
Provision (benefit) for credit losses on unfunded commitments	(136)	48	(184)	(136)	153	(289)
Total provision for credit losses	\$ 13,387	\$ 17,904	\$ (4,517)	\$ 13,387	\$ 28,369	\$ (14,982)

The provision for credit losses on loans and leases in Q4 2023 was \$13.4 million, compared to \$17.1 million in Q3 2023 and \$27.9 million in Q4 2022. The lower provision in Q4 2023 was primarily due to lower balances in loans held for investment.

The provision for credit losses on available for sale investment securities in Q4 2023 was \$0.1 million, compared to provision of \$0.8 million in Q3 2023 and \$0.3 million in Q4 2022.

## Asset Quality

The following table presents asset quality metrics as of the dates indicated:

<i>(Dollars in thousands)</i>	December 31, 2023		September 30, 2023		Increase (Decrease)		December 31, 2023		December 31, 2022		Increase (Decrease)	
<b>Non-performing assets ("NPAs"):</b>												
Nonaccrual / non-performing loans ("NPLs")	\$	27,110	\$	29,867	\$	(2,757)	\$	27,110	\$	30,737	\$	(3,627)
Non-performing assets	\$	27,209	\$	29,970	\$	(2,761)	\$	27,209	\$	30,783	\$	(3,574)
NPLs to total loans and leases		0.21 %		0.22 %				0.21 %		0.19 %		
Reserves to NPLs		499.12 %		466.11 %				499.12 %		425.95 %		
NPAs to total assets		0.13 %		0.14 %				0.13 %		0.15 %		
<b>Loans and leases <sup>(1)</sup> risk ratings:</b>												
Commercial loans and leases <sup>(2)</sup>												
Pass	\$	9,955,243	\$	10,503,731	\$	(548,488)	\$	9,955,243	\$	10,793,980	\$	(838,737)
Special Mention		196,182		189,329		6,853		196,182		138,829		57,353
Substandard		339,664		280,267		59,397		339,664		291,118		48,546
Total commercial loans and leases		10,491,089		10,973,327		(482,238)		10,491,089		11,223,927		(732,838)
Consumer loans												
Performing		1,379,603		1,473,493		(93,890)		1,379,603		1,899,376		(519,773)
Non-performing		18,428		16,665		1,763		18,428		21,591		(3,163)
Total consumer loans		1,398,031		1,490,158		(92,127)		1,398,031		1,920,967		(522,936)
Loans and leases receivable <sup>(1)</sup>	\$	11,889,120	\$	12,463,485	\$	(574,365)	\$	11,889,120	\$	13,144,894	\$	(1,255,774)

(1) Risk ratings are assigned to loans and leases held for investment, and excludes loans held for sale and loans receivable, mortgage warehouse, at fair value.

(2) Excludes loan receivable, PPP, as eligible PPP loans are fully guaranteed by the Small Business Administration.

Over the last decade, the Bank has developed a suite of commercial loan products with one particularly important common denominator: relatively low credit risk assumption. The Bank's C&I, loans to mortgage companies, corporate and specialty lending lines of business, and multifamily 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 incredibly healthy despite an 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, management employs a bottom-up data driven approach to analyze the commercial portfolio.

Total consumer installment loans held for investment at December 31, 2023 were less than 5% of total assets and approximately 7% of total loans and leases held for investment, and were supported by an allowance for credit losses of \$56.4 million. At December 31, 2023, the consumer installment portfolio had the following characteristics: average original FICO score of 734, average debt-to-income of 19% and average borrower income of \$107 thousand.

Non-performing loans at December 31, 2023 remained relatively stable at 0.21% of total loans and leases, compared to 0.22% at September 30, 2023 and 0.19% at December 31, 2022.

### Investment Securities

The investment securities portfolio, including debt securities classified as available for sale ("AFS") and held to maturity ("HTM") provides periodic cash flows through regular maturities and amortization, can be used as collateral to secure additional funding, and is an important component of the Bank's liquidity position.

The following table presents the composition of the investment securities portfolio as of the dates indicated:

<i>(Dollars in thousands)</i>	December 31, 2023		September 30, 2023		December 31, 2022	
Debt securities, available for sale	\$	2,376,860	\$	2,746,729	\$	2,961,015
Equity securities		28,780		26,478		26,485
Investment securities, at fair value		2,405,640		2,773,207		2,987,500
Debt securities, held to maturity		1,103,170		1,178,370		840,259
Total investment securities portfolio	\$	3,508,810	\$	3,951,577	\$	3,827,759

Critically important to performance during the recent banking crisis are the characteristics of a bank's securities portfolio. While there may be virtually no credit risk in some of these portfolios, holding longer term and lower yielding securities is creating challenges for many banks. Customers' securities portfolio is highly liquid, short in duration, and high in yield. At December 31, 2023, the AFS debt securities portfolio had a spot yield of 5.12%, an effective duration of approximately 1.5 years, and approximately 41% are variable rate. Additionally, 59% of the AFS securities portfolio was AAA rated at December 31, 2023.

At December 31, 2023, the HTM debt securities portfolio represented only 5.2% of total assets at December 31, 2023, had a spot yield of 4.31% and an effective duration of approximately 3.0 years. Additionally, at December 31, 2023, approximately 39% of the HTM securities were AAA rated and 52% were credit enhanced asset backed securities with no current expectation of credit losses.

## Deposits

The following table presents the composition of our deposit portfolio as of the dates indicated:

<i>(Dollars in thousands)</i>	<b>December 31, 2023</b>	<b>% of Total</b>	<b>September 30, 2023</b>	<b>% of Total</b>	<b>December 31, 2022</b>	<b>% of Total</b>
Demand, non-interest bearing	\$ 4,422,494	24.7 %	\$ 4,758,682	26.2 %	\$ 1,885,045	10.4 %
Demand, interest bearing	5,580,527	31.1	5,824,410	32.0	8,476,027	46.7
Total demand deposits	<u>10,003,021</u>	<u>55.8</u>	<u>10,583,092</u>	<u>58.2</u>	<u>10,361,072</u>	<u>57.1</u>
Savings	1,402,941	7.8	1,118,353	6.1	811,798	4.5
Money market	3,226,395	18.0	2,499,593	13.7	2,734,217	15.1
Time deposits	3,287,879	18.4	3,994,326	22.0	4,249,866	23.3
Total deposits	<u>\$ 17,920,236</u>	<u>100.0 %</u>	<u>\$ 18,195,364</u>	<u>100.0 %</u>	<u>\$ 18,156,953</u>	<u>100.0 %</u>

Total deposits decreased \$275.1 million, or 1.5%, to \$17.9 billion at December 31, 2023 as compared to the prior quarter. Money market deposits increased \$726.8 million, or 29.1%, to \$3.2 billion and savings deposits increased \$284.6 million, or 25.4%, to \$1.4 billion. These increases were offset by decreases in time deposits of \$706.4 million, or 17.7%, to \$3.3 billion, non-interest bearing demand deposits of \$336.2 million, or 7.1%, to \$4.4 billion and interest bearing demand deposits of \$243.9 million, or 4.2%, to \$5.6 billion. There was also an outflow of student-related deposit accounts serviced by BMTX of \$0.6 billion, including the planned transfer of approximately \$430.0 million to a new partner bank on December 1st and expected seasonal outflows of \$0.2 billion. The total average cost of deposits increased by 15 basis points to 3.39% in Q4 2023 from 3.24% in the prior quarter largely driven by the increase in market interest rates and a shift in deposit mix during the fourth quarter including the outflow of student-related deposits serviced by BMTX. Total estimated uninsured deposits was \$4.2 billion<sup>1</sup>, or 23% of total deposits (inclusive of accrued interest) at December 31, 2023. Customers is also highly focused on total deposits with contractual term to manage its liquidity profile and the funding of loans and securities.

Total deposits decreased \$236.7 million, or 1.3%, to \$17.9 billion at December 31, 2023 as compared to a year ago. Non-interest bearing demand deposits increased \$2.5 billion, or 134.6%, to \$4.4 billion, savings deposits increased \$591.1 million, or 72.8%, to \$1.4 billion and money market deposits increased \$492.2 million, or 18.0%, to \$3.2 billion. These increases were offset by decreases in interest bearing demand deposits of \$2.9 billion, or 34.2%, to \$5.6 billion and time deposits of \$962.0 million, or 22.6% to \$3.3 billion. The total average cost of deposits increased by 66 basis points to 3.39% in Q4 2023 from 2.73% in the prior year primarily due to higher market interest rates and a shift in deposit mix.

<sup>1</sup> Uninsured deposits (estimate) of \$5.4 billion to be reported on the Bank's call report, less deposits of \$1.1 billion collateralized by standby letters of credit from the FHLB and from our affiliates of \$118.0 million.

## Borrowings

The following table presents the composition of our borrowings as of the dates indicated:

(Dollars in thousands)

	December 31, 2023	September 30, 2023	December 31, 2022
FHLB advances	\$ 1,203,207	\$ 1,529,839	\$ 800,000
Senior notes	123,840	123,775	123,580
Subordinated debt	182,230	182,161	181,952
Total borrowings	<u>\$ 1,509,277</u>	<u>\$ 1,835,775</u>	<u>\$ 1,105,532</u>

Total borrowings decreased \$326.5 million, or 17.8%, to \$1.5 billion at December 31, 2023 as compared to the prior quarter. This decrease primarily resulted from the repayment of \$340.0 million in callable FHLB advances. As of December 31, 2023, Customers' immediately available borrowing capacity with the FRB and FHLB was approximately \$6.9 billion, of which \$1.2 billion of available capacity was utilized in borrowings and \$1.1 billion was utilized to collateralize deposits.

Total borrowings increased \$403.7 million, or 36.5%, to \$1.5 billion at December 31, 2023 as compared to a year ago. This increase primarily resulted from an increase in FHLB advances to ensure ample cash on hand given the heightened liquidity risk in the banking system, particularly among regional banks since early March 2023, net of repayments of \$340.0 million and \$510.0 million in callable FHLB advances in Q4 2023 and Q3 2023, respectively.

## Capital

The following table presents certain capital amounts and ratios as of the dates indicated:

(Dollars in thousands except per share data)

### Customers Bancorp, Inc.

	December 31, 2023	September 30, 2023	December 31, 2022
Common Equity	\$ 1,500,600	\$ 1,423,813	\$ 1,265,167
Tangible Common Equity*	\$ 1,496,971	\$ 1,420,184	\$ 1,261,538
Common Equity to Total Assets	7.0 %	6.5 %	6.0 %
Tangible Common Equity to Tangible Assets*	7.0 %	6.5 %	6.0 %
Book Value per common share	\$ 47.73	\$ 45.47	\$ 39.08
Tangible Book Value per common share*	\$ 47.61	\$ 45.36	\$ 38.97
Common equity Tier 1 ("CET 1") capital ratio <sup>(1)</sup>	12.2 %	11.3 %	9.6 %
Total risk based capital ratio <sup>(1)</sup>	15.3 %	14.3 %	12.2 %

(1) Regulatory capital ratios as of December 31, 2023 are estimates.

\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

Customers Bancorp's common equity increased \$76.8 million to \$1.5 billion, and tangible common equity\* increased \$76.8 million to \$1.5 billion, at December 31, 2023 compared to the prior quarter, respectively, primarily from earnings of \$58.2 million and decreased unrealized losses on investment securities of \$13.2 million (net of taxes) deferred in accumulated other comprehensive income ("AOCI"). Similarly, book value per common share increased to \$47.73 from \$45.47, and tangible book value per common share\* increased to \$47.61 from \$45.36, at December 31, 2023 and September 30, 2023, respectively.

Customers Bancorp's common equity increased \$235.4 million to \$1.5 billion, and tangible common equity\* increased \$235.4 million to \$1.5 billion, at December 31, 2023 compared to a year ago, respectively, primarily from earnings of \$235.4 million and decreased unrealized losses on investment securities in AOCI of \$26.5 million (net of taxes), partially offset by \$39.8 million of common share repurchases. Similarly, book value per common share increased to \$47.73 from \$39.08, and tangible book value per common share\* increased to \$47.61 from \$38.97, at December 31, 2023 and December 31, 2022, respectively.

At the Customers Bancorp level, the CET 1 capital ratio (estimate), total risk based capital ratio (estimate), common equity to total assets ratio and tangible common equity to tangible assets ratio\* ("TCE / TA ratio") were 12.2%, 15.3%, 7.0%, and 7.0%, respectively, at December 31, 2023.

At the Customers Bank level, capital levels remained strong and well above regulatory minimums. At December 31, 2023, Tier 1 capital (estimate) and total risk based capital (estimate) were 13.7% and 15.3%, respectively.

“Even though we remain well capitalized by all regulatory measures, we are committed to maintaining our CET 1 ratio around 11.5% and growing our TCE / TA ratio\* to 7.5% in 2024,” stated Jay Sidhu.

## Key Profitability Trends

### Net Interest Income

Net interest income totaled \$172.5 million in Q4 2023, a decrease of \$27.3 million from Q3 2023, primarily due to lower interest income from the acquired Venture Banking portfolio that had outsized discount accretion in Q3 2023.

“We experienced continued momentum in net interest income in the fourth quarter, despite elective reductions in loan balances. Loan balance reductions were in part due to exiting certain credits with less attractive pricing and clients without holistic banking relationships. Excluding the outsized accretion recognized in the third quarter on the acquired loan portfolio from the FDIC, our fourth quarter net interest income was in-line relative to the third quarter,” stated Customers Bancorp President Sam Sidhu.

Net interest income totaled \$172.5 million in Q4 2023, an increase of \$37.4 million from Q4 2022. This increase was due to higher interest income of \$76.3 million on variable rate lower credit risk specialty lending verticals, which included the acquired Venture Banking portfolio, investment securities and interest earning deposits, offset in part by higher interest expenses on deposits and other borrowings of \$38.9 million primarily resulting from increased market interest rates and higher average balances of other borrowings. Interest-earning asset growth was primarily driven by an increase in interest earning deposits, offset in part by decreases in PPP loans, as the PPP program was substantially completed in Q1 2023, consumer installment loans and commercial loans to mortgage companies. Total consumer installment loans decreased in Q4 2023 as compared to Q4 2022, as installment loans held for investment decreased primarily for risk management purposes and the implementation of a held-for-sale strategy.

### Non-Interest Income

The following table presents details of non-interest income for the periods indicated:

	Three Months Ended			Three Months Ended		
	December 31, 2023	September 30, 2023	Increase (Decrease)	December 31, 2023	December 31, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Commercial lease income	\$ 9,035	\$ 8,901	\$ 134	\$ 9,035	\$ 8,135	\$ 900
Loan fees	5,926	6,029	(103)	5,926	4,017	1,909
Bank-owned life insurance	2,160	1,973	187	2,160	1,975	185
Mortgage warehouse transactional fees	927	1,018	(91)	927	1,295	(368)
Gain (loss) on sale of SBA and other loans	(91)	(348)	257	(91)	—	(91)
Net gain (loss) on sale of investment securities	(145)	(429)	284	(145)	(16,937)	16,792
Legal settlement gain	—	—	—	—	7,519	(7,519)
Other	860	631	229	860	1,341	(481)
Total non-interest income	\$ 18,672	\$ 17,775	\$ 897	\$ 18,672	\$ 7,345	\$ 11,327

Non-interest income totaled \$18.7 million for Q4 2023, an increase of \$0.9 million compared to Q3 2023. The increase was primarily due to decreases in losses on sales of loans and investment securities, and increases in death benefits paid by insurance carriers under bank-owned life insurance policies and commercial lease income.

Non-interest income totaled \$18.7 million for Q4 2023, an increase of \$11.3 million compared to Q4 2022. The increase was primarily due to a decrease of \$16.8 million in net loss realized from the sales of investment securities, and an increase in loan fees of \$1.9 million resulting from increased servicing-related revenue and unused line of credit fees, partially offset by a \$7.5 million gain from a court-approved settlement with a third party PPP service provider in Q4 2022.



## Non-Interest Expense

The following table presents details of non-interest expense for the periods indicated:

	Three Months Ended			Three Months Ended		
	December 31, 2023	September 30, 2023	Increase (Decrease)	December 31, 2023	December 31, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Salaries and employee benefits	\$ 33,965	\$ 33,845	\$ 120	\$ 33,965	\$ 29,194	\$ 4,771
Technology, communication and bank operations	16,887	15,667	1,220	16,887	18,604	(1,717)
Commercial lease depreciation	7,357	7,338	19	7,357	6,518	839
Professional services	9,820	8,569	1,251	9,820	6,825	2,995
Loan servicing	3,779	3,858	(79)	3,779	4,460	(681)
Occupancy	2,320	2,471	(151)	2,320	3,672	(1,352)
FDIC assessments, non-income taxes and regulatory fees	13,977	8,551	5,426	13,977	2,339	11,638
Advertising and promotion	850	650	200	850	1,111	(261)
Legal settlement expense	—	4,096	(4,096)	—	—	—
Other	4,812	4,421	391	4,812	5,696	(884)
Total non-interest expense	\$ 93,767	\$ 89,466	\$ 4,301	\$ 93,767	\$ 78,419	\$ 15,348

Non-interest expenses totaled \$93.8 million in Q4 2023, an increase of \$4.3 million compared to Q3 2023. The increase was primarily attributable to increases of \$5.4 million in FDIC assessments, non-income taxes and regulatory fees resulting from higher FDIC assessments including the special assessment of \$3.7 million, \$1.3 million in professional fees and \$1.2 million in technology, communication and bank operations mostly due to higher processing and software fees offset by lower servicing fees paid to BMTX. These increases were partially offset by \$4.1 million of expenses from a settlement with a third party PPP service provider in Q3 2023. Q4 2023 core non-interest expenses\* were \$89.4 million, flat over Q3 2023.

Non-interest expenses totaled \$93.8 million in Q4 2023, an increase of \$15.3 million compared to Q4 2022. The increase was primarily attributable to increases of \$11.6 million in FDIC assessments, non-income taxes and regulatory fees resulting primarily from higher FDIC assessments including the special assessment of \$3.7 million, \$4.8 million in salaries and employee benefits primarily due to higher headcount, annual merit increases and severance, and \$3.0 million in professional fees. These increases were partially offset by decreases of \$1.7 million in deposit servicing-related expenses mostly due to lower servicing fees and the discontinuation of interchange maintenance fees paid to BMTX offset by higher fees for processing and software as a service, and \$1.4 million in occupancy mostly due to lower lease and maintenance expenses.

## Taxes

Income tax expense decreased by \$1.7 million to \$21.8 million in Q4 2023 from \$23.5 million in Q3 2023 primarily due to lower pre-tax income, partially offset by lower income tax credits.

Income tax expense increased by \$14.7 million to \$21.8 million in Q4 2023 from \$7.1 million in Q4 2022 primarily due to higher pre-tax income and lower income tax credits.

The effective tax rate for Q4 2023 was 26%, and 24% for the full year 2023. Customers expects the full-year 2024 effective tax rate to be approximately 22% to 24%.

## Outlook

"Looking forward, our strategy and risk management principles will remain unchanged. We're focused on managing risk, strengthening our deposit franchise, further improving our profitability and maintaining our higher capital ratios. Our deposits are expected to grow modestly with continued improvement in the quality of deposits, reducing higher cost wholesale deposits with lower cost core deposits. We see attractive opportunities to deploy securities cash flows and cash into franchise-enhancing loan growth in 2024. Core EPS (excluding PPP)\* significantly exceeded our target of \$6.00 per diluted share and core return on common equity\* was well in excess of our target of 15%. We also achieved the tangible book value per share\* target of \$45.00, inclusive of the impact of AOCI, a full quarter early, ending at \$47.61. The management of non-interest expenses remains a priority for us. However, this will not deter us from making investments in deposit teams and new technologies to support efficient and responsible growth in the future. Operating efficiency has and will continue to be a differentiator of our business model, and we will continue to only make investments that generate long-term positive operating leverage and enable the organization to operate at a mid-40's efficiency ratio. We remain committed to maintaining a CET 1 ratio around 11.5% in 2024, and growing our TCE / TA ratio\* to 7.5%. We are committed to preserving superior credit quality, managing interest rate risk, maintaining robust liquidity, operating with higher capital ratios and generating positive operating leverage," concluded Sam Sidhu.

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\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

## Webcast

Date: Friday, January 26, 2024  
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 4th Quarter Earnings Webcast.

You may submit questions in advance of the live webcast by emailing our Communications Director, David Patti at [dpatti@customersbank.com](mailto: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 one of the nation's top-performing banking companies with about \$21 billion in assets, making it one of the 80 largest bank holding companies in the US. Through its primary subsidiary, Customers Bank, commercial and consumer clients benefit from a full suite of technology-enabled tailored product experiences delivered by best-in-class customer service. In addition to traditional lines such as C&I lending, commercial real estate lending, and multifamily lending, Customers Bank also provides a number of national corporate banking services to Specialty Lending clients. Major accolades include:

- #5 in top-performing banks with assets between \$10 billion and \$50 billion in 2022 per American Banker list;
- #34 out of the 100 largest publicly traded banks in 2023 per Forbes; and
- #64 on Fortune Magazine's 2022 list of the 100 fastest growing companies in America.

A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender. Learn more: [www.customersbank.com](http://www.customersbank.com).

## "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: a continuation of the recent turmoil in the banking industry, responsive measures taken by us and regulatory authorities to mitigate and manage related risks, regulatory actions taken that address related issues and the costs and obligations associated therewith, such as the FDIC special assessments, the impact of COVID-19 and its variants 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, higher inflation and its impacts, 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, 2022, 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.

## Q4 2023 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended December 31, 2023 and the preceding four quarters, and full year 2023 and 2022:

### CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

#### EARNINGS SUMMARY - UNAUDITED

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
<i>(Dollars in thousands, except per share data and stock price data)</i>							
<b>GAAP Profitability Metrics:</b>							
Net income available to common shareholders	\$ 58,223	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 235,448	\$ 218,402
Per share amounts:							
Earnings per share - basic	\$ 1.86	\$ 2.65	\$ 1.41	\$ 1.58	\$ 0.79	\$ 7.49	\$ 6.69
Earnings per share - diluted	\$ 1.79	\$ 2.58	\$ 1.39	\$ 1.55	\$ 0.77	\$ 7.32	\$ 6.51
Book value per common share <sup>(1)</sup>	\$ 47.73	\$ 45.47	\$ 42.16	\$ 41.08	\$ 39.08	\$ 47.73	\$ 39.08
CUBI stock price <sup>(1)</sup>	\$ 57.62	\$ 34.45	\$ 30.26	\$ 18.52	\$ 28.34	\$ 57.62	\$ 28.34
CUBI stock price as % of book value <sup>(1)</sup>	121 %	76 %	72 %	45 %	73 %	121 %	73 %
Average shares outstanding - basic	31,385,043	31,290,581	31,254,125	31,819,203	32,413,459	31,435,647	32,632,751
Average shares outstanding - diluted	32,521,787	32,175,084	31,591,142	32,345,017	33,075,422	32,158,788	33,547,706
Shares outstanding <sup>(1)</sup>	31,440,906	31,311,254	31,282,318	31,239,750	32,373,697	31,440,906	32,373,697
Return on average assets ("ROAA")	1.16 %	1.57 %	0.88 %	1.03 %	0.55 %	1.16 %	1.13 %
Return on average common equity ("ROCE")	15.93 %	23.97 %	13.22 %	16.00 %	8.05 %	17.33 %	17.40 %
Net interest margin, tax equivalent	3.31 %	3.70 %	3.15 %	2.96 %	2.67 %	3.29 %	3.19 %
Efficiency ratio	49.08 %	41.01 %	49.25 %	47.71 %	49.20 %	46.49 %	44.81 %
<b>Non-GAAP Profitability Metrics <sup>(2)</sup>:</b>							
Core earnings	\$ 61,633	\$ 83,294	\$ 52,163	\$ 51,143	\$ 39,368	\$ 248,233	\$ 256,415
Adjusted pre-tax pre-provision net income	\$ 101,884	\$ 128,564	\$ 96,833	\$ 89,282	\$ 81,377	\$ 416,563	\$ 400,712
Per share amounts:							
Core earnings per share - diluted	\$ 1.90	\$ 2.59	\$ 1.65	\$ 1.58	\$ 1.19	\$ 7.72	\$ 7.63
Tangible book value per common share <sup>(1)</sup>	\$ 47.61	\$ 45.36	\$ 42.04	\$ 40.96	\$ 38.97	\$ 47.61	\$ 38.97
CUBI stock price as % of tangible book value <sup>(1)</sup>	121 %	76 %	72 %	45 %	73 %	121 %	73 %
Core ROAA	1.22 %	1.57 %	1.03 %	1.05 %	0.81 %	1.22 %	1.32 %
Core ROCE	16.87 %	24.06 %	15.67 %	16.28 %	12.36 %	18.27 %	20.43 %
Adjusted ROAA - pre-tax and pre-provision	1.90 %	2.32 %	1.79 %	1.72 %	1.56 %	1.94 %	1.99 %
Adjusted ROCE - pre-tax and pre-provision	26.82 %	36.04 %	28.01 %	27.33 %	24.59 %	29.58 %	31.16 %
Net interest margin, tax equivalent, excluding PPP loans	3.33 %	3.75 %	3.20 %	2.80 %	2.87 %	3.28 %	3.16 %
Core efficiency ratio	46.70 %	41.04 %	47.84 %	47.09 %	49.12 %	45.45 %	43.02 %
<b>Asset Quality:</b>							
Net charge-offs	\$ 17,322	\$ 17,498	\$ 15,564	\$ 18,651	\$ 27,164	\$ 69,035	\$ 66,368
Annualized net charge-offs to average total loans and leases	0.51 %	0.50 %	0.42 %	0.49 %	0.70 %	0.48 %	0.45 %
Non-performing loans ("NPLs") to total loans and leases <sup>(1)</sup>	0.21 %	0.22 %	0.20 %	0.21 %	0.19 %	0.21 %	0.19 %
Reserves to NPLs <sup>(1)</sup>	499.12 %	466.11 %	494.46 %	405.56 %	425.95 %	499.12 %	425.95 %
Non-performing assets ("NPAs") to total assets	0.13 %	0.14 %	0.13 %	0.15 %	0.15 %	0.13 %	0.15 %
<b>Customers Bank Capital Ratios <sup>(2)</sup>:</b>							
Common equity Tier 1 capital to risk-weighted assets	13.7 %	12.97 %	11.96 %	11.31 %	11.21 %	13.7 %	11.21 %
Tier 1 capital to risk-weighted assets	13.7 %	12.97 %	11.96 %	11.31 %	11.21 %	13.7 %	11.21 %
Total capital to risk-weighted assets	15.3 %	14.45 %	13.38 %	12.64 %	12.40 %	15.3 %	12.40 %
Tier 1 capital to average assets (leverage ratio)	8.7 %	8.25 %	8.00 %	8.09 %	8.15 %	8.7 %	8.15 %

(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 Q4 2023 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 December 31, 2023, our regulatory capital ratios reflected 50%, or \$30.8 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)

						Twelve Months Ended	
	Q4	Q3	Q2	Q1	Q4	December 31,	
	2023	2023	2023	2023	2022	2023	2022
<b>Interest income:</b>							
Loans and leases	\$ 239,453	\$ 271,107	\$ 241,745	\$ 244,212	\$ 217,471	\$ 996,517	\$ 743,949
Investment securities	51,074	54,243	48,026	47,316	42,953	200,659	119,236
Interest earning deposits	44,104	43,800	27,624	10,395	6,754	125,923	10,952
Loans held for sale	8,707	4,664	11,149	11,701	1,269	36,221	1,364
Other	2,577	2,526	1,616	1,321	1,200	8,040	9,872
Total interest income	345,915	376,340	330,160	314,945	269,647	1,367,360	885,373
<b>Interest expense:</b>							
Deposits	150,307	145,825	136,375	143,930	124,366	576,437	226,239
FHLB advances	18,868	26,485	24,285	10,370	4,464	80,008	11,464
FRB advances	—	—	—	6,286	—	6,286	—
Subordinated debt	2,688	2,689	2,689	2,689	2,688	10,755	10,755
Other borrowings	1,546	1,568	1,540	1,771	2,992	6,425	13,195
Total interest expense	173,409	176,567	164,889	165,046	134,510	679,911	261,653
Net interest income	172,506	199,773	165,271	149,899	135,137	687,449	623,720
Provision for credit losses	13,523	17,856	23,629	19,603	28,216	74,611	60,066
Net interest income after provision for credit losses	158,983	181,917	141,642	130,296	106,921	612,838	563,654
<b>Non-interest income:</b>							
Commercial lease income	9,035	8,901	8,917	9,326	8,135	36,179	27,719
Loan fees	5,926	6,029	4,271	3,990	4,017	20,216	12,188
Bank-owned life insurance	2,160	1,973	4,997	2,647	1,975	11,777	15,697
Mortgage warehouse transactional fees	927	1,018	1,376	1,074	1,295	4,395	6,738
Gain (loss) on sale of SBA and other loans	(91)	(348)	(761)	—	—	(1,200)	3,155
Loss on sale of capital call lines of credit	—	—	(5,037)	—	—	(5,037)	—
Loss on sale of consumer installment loans	—	—	—	—	—	—	(23,465)
Net gain (loss) on sale of investment securities	(145)	(429)	—	—	(16,937)	(574)	(23,164)
Legal settlement gain	—	—	—	—	7,519	—	7,519
Other	860	631	2,234	1,084	1,341	4,809	5,885
Total non-interest income	18,672	17,775	15,997	18,121	7,345	70,565	32,272
<b>Non-interest expense:</b>							
Salaries and employee benefits	33,965	33,845	33,120	32,345	29,194	133,275	112,365
Technology, communication and bank operations	16,887	15,667	16,407	16,589	18,604	65,550	84,998
Commercial lease depreciation	7,357	7,338	7,328	7,875	6,518	29,898	22,978
Professional services	9,820	8,569	9,192	7,596	6,825	35,177	27,465
Loan servicing	3,779	3,858	4,777	4,661	4,460	17,075	15,023
Occupancy	2,320	2,471	2,519	2,760	3,672	10,070	13,606
FDIC assessments, non-income taxes and regulatory fees	13,977	8,551	9,780	2,728	2,339	35,036	8,869
Advertising and promotion	850	650	546	1,049	1,111	3,095	2,541
Legal settlement expense	—	4,096	—	—	—	4,096	—
Other	4,812	4,421	5,628	4,530	5,696	19,391	16,784
Total non-interest expense	93,767	89,466	89,297	80,133	78,419	352,663	304,629
Income before income tax expense	83,888	110,226	68,342	68,284	35,847	330,740	291,297
Income tax expense	21,796	23,470	20,768	14,563	7,136	80,597	63,263
<b>Net income</b>	62,092	86,756	47,574	53,721	28,711	250,143	228,034
<b>Preferred stock dividends</b>	3,869	3,803	3,567	3,456	3,088	14,695	9,632
<b>Net income available to common shareholders</b>	\$ 58,223	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 235,448	\$ 218,402
Basic earnings per common share	\$ 1.86	\$ 2.65	\$ 1.41	\$ 1.58	\$ 0.79	\$ 7.49	\$ 6.69
Diluted earnings per common share	1.79	2.58	1.39	1.55	0.77	7.32	6.51

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET - UNAUDITED**

(Dollars in thousands)

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
<b>ASSETS</b>					
Cash and due from banks	\$ 45,210	\$ 68,288	\$ 54,127	\$ 77,251	\$ 58,025
Interest earning deposits	3,801,136	3,351,686	3,101,097	1,969,434	397,781
Cash and cash equivalents	3,846,346	3,419,974	3,155,224	2,046,685	455,806
Investment securities, at fair value	2,405,640	2,773,207	2,824,638	2,926,969	2,987,500
Investment securities held to maturity	1,103,170	1,178,370	1,258,560	870,294	840,259
Loans held for sale	340,317	150,368	78,108	424,057	328,312
Loans receivable, mortgage warehouse, at fair value	897,912	962,566	1,006,268	1,247,367	1,323,312
Loans receivable, PPP	74,735	137,063	188,763	246,258	998,153
Loans and leases receivable	11,889,120	12,463,485	12,637,768	13,145,352	13,144,894
Allowance for credit losses on loans and leases	(135,311)	(139,213)	(139,656)	(130,281)	(130,924)
Total loans and leases receivable, net of allowance for credit losses on loans and leases	12,726,456	13,423,901	13,693,143	14,508,696	15,335,435
FHLB, Federal Reserve Bank, and other restricted stock	109,548	126,098	126,240	124,733	74,196
Accrued interest receivable	114,766	123,984	119,501	123,754	123,374
Bank premises and equipment, net	7,371	7,789	8,031	8,581	9,025
Bank-owned life insurance	292,193	291,670	290,322	339,607	338,441
Goodwill and other intangibles	3,629	3,629	3,629	3,629	3,629
Other assets	366,829	358,162	471,169	374,609	400,135
<b>Total assets</b>	<b>\$ 21,316,265</b>	<b>\$ 21,857,152</b>	<b>\$ 22,028,565</b>	<b>\$ 21,751,614</b>	<b>\$ 20,896,112</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Demand, non-interest bearing deposits	\$ 4,422,494	\$ 4,758,682	\$ 4,490,198	\$ 3,487,517	\$ 1,885,045
Interest bearing deposits	13,497,742	13,436,682	13,460,233	14,236,100	16,271,908
Total deposits	17,920,236	18,195,364	17,950,431	17,723,617	18,156,953
FHLB advances	1,203,207	1,529,839	2,046,142	2,052,143	800,000
Other borrowings	123,840	123,775	123,710	123,645	123,580
Subordinated debt	182,230	182,161	182,091	182,021	181,952
Accrued interest payable and other liabilities	248,358	264,406	269,539	249,168	230,666
<b>Total liabilities</b>	<b>19,677,871</b>	<b>20,295,545</b>	<b>20,571,913</b>	<b>20,330,594</b>	<b>19,493,151</b>
Preferred stock	137,794	137,794	137,794	137,794	137,794
Common stock	35,459	35,330	35,301	35,258	35,012
Additional paid in capital	564,538	559,346	555,737	552,255	551,721
Retained earnings	1,159,582	1,101,359	1,018,406	974,399	924,134
Accumulated other comprehensive income (loss), net	(136,569)	(149,812)	(168,176)	(156,276)	(163,096)
Treasury stock, at cost	(122,410)	(122,410)	(122,410)	(122,410)	(82,604)
<b>Total shareholders' equity</b>	<b>1,638,394</b>	<b>1,561,607</b>	<b>1,456,652</b>	<b>1,421,020</b>	<b>1,402,961</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 21,316,265</b>	<b>\$ 21,857,152</b>	<b>\$ 22,028,565</b>	<b>\$ 21,751,614</b>	<b>\$ 20,896,112</b>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED

(Dollars in thousands)

	Three Months Ended								
	December 31, 2023			September 30, 2023			December 31, 2022		
	Average Balance	Interest Income or Expense	Average Yield or Cost (%)	Average Balance	Interest Income or Expense	Average Yield or Cost (%)	Average Balance	Interest Income or Expense	Average Yield or Cost (%)
<b>Assets</b>									
Interest earning deposits	\$ 3,191,677	\$ 44,104	5.48%	\$ 3,211,753	\$ 43,800	5.41%	\$ 693,563	\$ 6,754	3.86%
Investment securities <sup>(1)</sup>	4,007,418	51,074	5.10%	4,240,116	54,243	5.12%	4,061,555	42,953	4.23%
Loans and leases:									
Commercial & industrial:									
Specialty lending loans and leases <sup>(2)</sup>	5,574,149	130,838	9.31%	5,717,252	157,671	10.94%	5,529,567	90,885	6.52%
Other commercial & industrial loans <sup>(2)</sup>	1,550,201	27,214	6.96%	1,613,614	28,012	6.89%	1,670,000	22,796	5.42%
Commercial loans to mortgage companies	997,353	13,726	5.46%	1,159,698	16,916	5.79%	1,376,760	17,701	5.10%
Multifamily loans	2,131,750	22,347	4.16%	2,141,384	21,292	3.94%	2,235,885	22,481	3.99%
Loans receivable, PPP	115,851	839	2.87%	166,164	604	1.44%	1,065,919	7,249	2.70%
Non-owner occupied commercial real estate loans	1,392,684	20,686	5.89%	1,425,831	21,208	5.90%	1,430,420	18,536	5.14%
Residential mortgages	526,422	5,942	4.48%	528,022	5,965	4.48%	524,344	5,462	4.13%
Installment loans	1,198,043	26,568	8.80%	1,147,069	24,103	8.34%	1,555,108	33,630	8.58%
Total loans and leases <sup>(3)</sup>	13,486,453	248,160	7.30%	13,899,034	275,771	7.87%	15,388,003	218,740	5.64%
Other interest-earning assets	116,756	2,577	8.75%	134,416	2,526	7.45%	67,907	1,200	7.01%
<b>Total interest-earning assets</b>	<b>20,802,304</b>	<b>345,915</b>	<b>6.61%</b>	<b>21,485,319</b>	<b>376,340</b>	<b>6.96%</b>	<b>20,211,028</b>	<b>269,647</b>	<b>5.30%</b>
Non-interest-earning assets	449,969			492,691			506,334		
<b>Total assets</b>	<b>\$ 21,252,273</b>			<b>\$ 21,978,010</b>			<b>\$ 20,717,362</b>		
<b>Liabilities</b>									
Interest checking accounts	\$ 5,656,212	\$ 62,041	4.35%	\$ 5,758,215	\$ 58,637	4.04%	\$ 8,536,962	\$ 70,041	3.26%
Money market deposit accounts	2,802,309	29,990	4.25%	2,181,184	22,983	4.18%	3,094,206	21,220	2.72%
Other savings accounts	1,218,118	13,849	4.51%	1,077,298	11,582	4.27%	669,466	3,368	2.00%
Certificates of deposit	3,625,311	44,427	4.86%	4,466,522	52,623	4.67%	3,259,801	29,737	3.62%
Total interest-bearing deposits <sup>(4)</sup>	13,301,950	150,307	4.48%	13,483,219	145,825	4.29%	15,560,435	124,366	3.17%
Federal funds purchased	—	—	—%	—	—	—%	151,467	1,437	3.76%
Borrowings	1,816,047	23,102	5.05%	2,328,955	30,742	5.24%	819,032	8,707	4.22%
<b>Total interest-bearing liabilities</b>	<b>15,117,997</b>	<b>173,409</b>	<b>4.55%</b>	<b>15,812,174</b>	<b>176,567</b>	<b>4.43%</b>	<b>16,530,934</b>	<b>134,510</b>	<b>3.23%</b>
Non-interest-bearing deposits <sup>(4)</sup>	4,270,557			4,347,977			2,514,316		
Total deposits and borrowings	19,388,554		3.55%	20,160,151		3.48%	19,045,250		2.80%
Other non-interest-bearing liabilities	276,198			306,822			271,129		
<b>Total liabilities</b>	<b>19,664,752</b>			<b>20,466,973</b>			<b>19,316,379</b>		
Shareholders' equity	1,587,521			1,511,037			1,400,983		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 21,252,273</b>			<b>\$ 21,978,010</b>			<b>\$ 20,717,362</b>		
Net interest income		172,506			199,773			135,137	
Tax-equivalent adjustment		398			405			342	
Net interest earnings		\$ 172,904			\$ 200,178			\$ 135,479	
<b>Interest spread</b>			<b>3.06%</b>			<b>3.48%</b>			<b>2.50%</b>
<b>Net interest margin</b>			<b>3.30%</b>			<b>3.70%</b>			<b>2.66%</b>
<b>Net interest margin tax equivalent</b>			<b>3.31%</b>			<b>3.70%</b>			<b>2.67%</b>
<b>Net interest margin tax equivalent excl. PPP <sup>(5)</sup></b>			<b>3.33%</b>			<b>3.75%</b>			<b>2.87%</b>

(continued)



**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED (CONTINUED)**

*(Dollars in thousands)*

- (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 3.39%, 3.24% and 2.73% for the three months ended December 31, 2023, September 30, 2023 and December 31, 2022, respectively.
- (5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended December 31, 2023, September 30, 2023 and December 31, 2022, presented to approximate interest income as a taxable asset and 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.

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

	Twelve Months Ended					
	December 31, 2023			December 31, 2022		
	Average Balance	Interest Income or Expense	Average Yield or Cost (%)	Average Balance	Interest Income or Expense	Average Yield or Cost (%)
<b>Assets</b>						
Interest earning deposits	\$ 2,375,488	\$ 125,923	5.30%	\$ 620,071	\$ 10,952	1.77%
Investment securities <sup>(1)</sup>	4,057,564	200,659	4.95%	3,992,934	119,236	2.99%
Loans and leases:						
Commercial & industrial:						
Specialty lending loans and leases <sup>(2)</sup>	5,704,220	513,976	9.01%	4,357,995	218,189	5.01%
Other commercial & industrial loans <sup>(2)</sup>	1,634,937	106,824	6.53%	1,540,435	69,564	4.52%
Commercial loans to mortgage companies	1,179,141	67,660	5.74%	1,682,471	64,413	3.83%
Multifamily loans	2,165,067	85,204	3.94%	1,957,672	73,987	3.78%
Loans receivable, PPP	341,987	26,627	7.79%	1,724,659	79,381	4.60%
Non-owner occupied commercial real estate loans	1,423,929	81,970	5.76%	1,356,086	59,087	4.36%
Residential mortgages	533,213	23,240	4.36%	492,870	19,048	3.86%
Installment loans	1,437,078	127,237	8.85%	1,798,977	161,644	8.99%
Total loans and leases <sup>(3)</sup>	14,419,572	1,032,738	7.16%	14,911,165	745,313	5.00%
Other interest-earning assets	118,574	8,040	6.78%	64,204	9,872	NM <sup>(6)</sup>
<b>Total interest-earning assets</b>	<b>20,971,198</b>	<b>1,367,360</b>	<b>6.52%</b>	<b>19,588,374</b>	<b>885,373</b>	<b>4.52%</b>
Non-interest-earning assets	515,185			521,370		
<b>Total assets</b>	<b>\$ 21,486,383</b>			<b>\$ 20,109,744</b>		
<b>Liabilities</b>						
Interest checking accounts	\$ 6,048,797	\$ 241,025	3.98%	\$ 6,853,533	\$ 125,100	1.83%
Money market deposit accounts	2,358,437	93,434	3.96%	4,615,574	57,765	1.25%
Other savings accounts	1,029,951	41,556	4.03%	716,838	6,727	0.94%
Certificates of deposit	4,401,855	200,422	4.55%	1,352,787	36,647	2.71%
Total interest-bearing deposits <sup>(4)</sup>	13,839,040	576,437	4.17%	13,538,732	226,239	1.67%
Federal funds purchased	3,781	188	4.97%	349,581	5,811	1.66%
Borrowings	2,073,553	103,286	4.98%	792,563	29,603	3.74%
<b>Total interest-bearing liabilities</b>	<b>15,916,374</b>	<b>679,911</b>	<b>4.27%</b>	<b>14,680,876</b>	<b>261,653</b>	<b>1.78%</b>
Non-interest-bearing deposits <sup>(4)</sup>	3,801,053			3,780,185		
Total deposits and borrowings	19,717,427		3.45%	18,461,061		1.42%
Other non-interest-bearing liabilities	272,599			255,911		
<b>Total liabilities</b>	<b>19,990,026</b>			<b>18,716,972</b>		
<b>Shareholders' equity</b>	<b>1,496,357</b>			<b>1,392,772</b>		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 21,486,383</b>			<b>\$ 20,109,744</b>		
Net interest income		687,449			623,720	
Tax-equivalent adjustment		1,568			1,185	
Net interest earnings		<b>\$ 689,017</b>			<b>\$ 624,905</b>	
<b>Interest spread</b>			<b>3.07%</b>			<b>3.10%</b>
<b>Net interest margin</b>			<b>3.28%</b>			<b>3.18%</b>
<b>Net interest margin tax equivalent</b>			<b>3.29%</b>			<b>3.19%</b>
<b>Net interest margin tax equivalent excl. PPP <sup>(5)</sup></b>			<b>3.28%</b>			<b>3.16%</b>

(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 3.27% and 1.31% for the twelve months ended December 31, 2023 and 2022, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the twelve months ended December 31, 2023 and 2022, presented to approximate interest income as a taxable asset and 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.

(6) Not meaningful.

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

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
<b>Loans and leases held for investment</b>					
Commercial:					
Commercial & industrial:					
Specialty lending	\$ 5,006,693	\$ 5,422,161	\$ 5,534,832	\$ 5,519,176	\$ 5,412,887
Other commercial & industrial	1,087,582	1,115,364	1,052,145	1,168,161	1,135,336
Loans to mortgage companies	1,014,742	1,042,549	1,108,598	1,374,894	1,447,919
Multifamily	2,138,622	2,130,213	2,151,734	2,195,211	2,213,019
Commercial real estate owner occupied	797,319	794,815	842,042	895,314	885,339
Loans receivable, PPP	74,735	137,063	188,763	246,258	998,153
Commercial real estate non-owner occupied	1,177,650	1,178,203	1,211,091	1,245,248	1,290,730
Construction	166,393	252,588	212,214	188,123	162,009
Total commercial loans and leases	<u>11,463,736</u>	<u>12,072,956</u>	<u>12,301,419</u>	<u>12,832,385</u>	<u>13,545,392</u>
Consumer:					
Residential	484,435	483,133	487,199	494,815	497,952
Manufactured housing	38,670	40,129	41,664	43,272	45,076
Installment:					
Personal	555,533	629,843	752,470	849,420	964,641
Other	319,393	337,053	250,047	419,085	413,298
Total installment loans	<u>874,926</u>	<u>966,896</u>	<u>1,002,517</u>	<u>1,268,505</u>	<u>1,377,939</u>
Total consumer loans	<u>1,398,031</u>	<u>1,490,158</u>	<u>1,531,380</u>	<u>1,806,592</u>	<u>1,920,967</u>
Total loans and leases held for investment	<u>\$ 12,861,767</u>	<u>\$ 13,563,114</u>	<u>\$ 13,832,799</u>	<u>\$ 14,638,977</u>	<u>\$ 15,466,359</u>
<b>Loans held for sale</b>					
Commercial:					
Multifamily	\$ —	\$ —	\$ —	\$ 4,051	\$ 4,079
Commercial real estate non-owner occupied	—	—	—	16,000	—
Total commercial loans and leases	—	—	—	20,051	4,079
Consumer:					
Residential	1,215	1,005	1,234	821	829
Installment:					
Personal	151,040	124,848	76,874	307,336	133,801
Other	188,062	24,515	—	95,849	189,603
Total installment loans	<u>339,102</u>	<u>149,363</u>	<u>76,874</u>	<u>403,185</u>	<u>323,404</u>
Total consumer loans	<u>340,317</u>	<u>150,368</u>	<u>78,108</u>	<u>404,006</u>	<u>324,233</u>
Total loans held for sale	<u>\$ 340,317</u>	<u>\$ 150,368</u>	<u>\$ 78,108</u>	<u>\$ 424,057</u>	<u>\$ 328,312</u>
Total loans and leases portfolio	<u>\$ 13,202,084</u>	<u>\$ 13,713,482</u>	<u>\$ 13,910,907</u>	<u>\$ 15,063,034</u>	<u>\$ 15,794,671</u>

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

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
Demand, non-interest bearing	\$ 4,422,494	\$ 4,758,682	\$ 4,490,198	\$ 3,487,517	\$ 1,885,045
Demand, interest bearing	5,580,527	5,824,410	5,551,037	5,791,302	8,476,027
Total demand deposits	<u>10,003,021</u>	<u>10,583,092</u>	<u>10,041,235</u>	<u>9,278,819</u>	<u>10,361,072</u>
Savings	1,402,941	1,118,353	1,048,229	924,359	811,798
Money market	3,226,395	2,499,593	2,004,264	2,019,633	2,734,217
Time deposits	3,287,879	3,994,326	4,856,703	5,500,806	4,249,866
Total deposits	<u>\$ 17,920,236</u>	<u>\$ 18,195,364</u>	<u>\$ 17,950,431</u>	<u>\$ 17,723,617</u>	<u>\$ 18,156,953</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

(Dollars in thousands)	As of December 31, 2023					As of September 30, 2023					As of December 31, 2022				
	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
<b>Loan type</b>															
Commercial & industrial, including specialty lending <sup>(1)</sup>	\$ 6,211,105	\$ 4,436	\$ 23,503	0.07 %	529.82 %	\$ 6,617,508	\$ 5,767	\$ 24,986	0.09 %	433.26 %	\$ 6,672,830	\$ 1,761	\$ 17,582	0.03 %	998.41 %
Multifamily	2,138,622	—	16,343	— %	— %	2,130,213	—	15,870	— %	— %	2,213,019	1,143	14,541	0.05 %	1272.18 %
Commercial real estate owner occupied	797,319	5,869	9,882	0.74 %	168.38 %	794,815	7,442	10,363	0.94 %	139.25 %	885,339	2,768	6,454	0.31 %	233.16 %
Commercial real estate non-owner occupied	1,177,650	—	16,859	— %	— %	1,178,203	—	15,819	— %	— %	1,290,730	—	11,219	— %	— %
Construction	166,393	—	1,482	— %	— %	252,588	—	3,130	— %	— %	162,009	—	1,913	— %	— %
<b>Total commercial loans and leases receivable</b>	<b>10,491,089</b>	<b>10,305</b>	<b>68,069</b>	<b>0.10 %</b>	<b>660.54 %</b>	<b>10,973,327</b>	<b>13,209</b>	<b>70,168</b>	<b>0.12 %</b>	<b>531.21 %</b>	<b>11,223,927</b>	<b>5,672</b>	<b>51,709</b>	<b>0.05 %</b>	<b>911.65 %</b>
Residential	484,435	6,802	6,586	1.40 %	96.82 %	483,133	6,559	6,802	1.36 %	103.70 %	497,952	6,922	6,094	1.39 %	88.04 %
Manufactured housing	38,670	2,331	4,239	6.03 %	181.85 %	40,129	2,582	4,080	6.43 %	158.02 %	45,076	2,410	4,430	5.35 %	183.82 %
Installment	874,926	7,211	56,417	0.82 %	782.37 %	966,896	7,299	58,163	0.75 %	796.86 %	1,377,939	9,527	68,691	0.69 %	721.01 %
<b>Total consumer loans receivable</b>	<b>1,398,031</b>	<b>16,344</b>	<b>67,242</b>	<b>1.17 %</b>	<b>411.42 %</b>	<b>1,490,158</b>	<b>16,440</b>	<b>69,045</b>	<b>1.10 %</b>	<b>419.98 %</b>	<b>1,920,967</b>	<b>18,859</b>	<b>79,215</b>	<b>0.98 %</b>	<b>420.04 %</b>
<b>Loans and leases receivable <sup>(1)</sup></b>	<b>11,889,120</b>	<b>26,649</b>	<b>135,311</b>	<b>0.22 %</b>	<b>507.75 %</b>	<b>12,463,485</b>	<b>29,649</b>	<b>139,213</b>	<b>0.24 %</b>	<b>469.54 %</b>	<b>13,144,894</b>	<b>24,531</b>	<b>130,924</b>	<b>0.19 %</b>	<b>533.71 %</b>
Loans receivable, PPP	74,735	—	—	— %	— %	137,063	—	—	— %	— %	998,153	—	—	— %	— %
Loans receivable, mortgage warehouse, at fair value	897,912	—	—	— %	— %	962,566	—	—	— %	— %	1,325,312	—	—	— %	— %
Total loans held for sale	340,317	461	—	0.14 %	— %	150,368	218	—	0.14 %	— %	328,312	6,206	—	1.89 %	— %
<b>Total portfolio</b>	<b>\$ 13,202,084</b>	<b>\$ 27,110</b>	<b>\$ 135,311</b>	<b>0.21 %</b>	<b>499.12 %</b>	<b>\$ 13,713,482</b>	<b>\$ 29,867</b>	<b>\$ 139,213</b>	<b>0.22 %</b>	<b>466.11 %</b>	<b>\$ 15,794,671</b>	<b>\$ 30,737</b>	<b>\$ 130,924</b>	<b>0.19 %</b>	<b>425.95 %</b>

(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)

<i>Loan type</i>	Q4	Q3	Q2	Q1	Q4	Twelve Months Ended December 31,	
	2023	2023	2023 <sup>(1)</sup>	2023	2022	2023	2022
Commercial & industrial, including specialty lending	\$ 5,282	\$ 2,974	\$ 258	\$ (71)	\$ 12,960	\$ 8,443	\$ 15,066
Multifamily	127	1,999	1,448	—	—	3,574	1,653
Commercial real estate owner occupied	—	39	(34)	—	(2)	5	(51)
Commercial real estate non-owner occupied	(288)	—	266	4,234	972	4,212	5,954
Construction	—	—	—	(116)	(10)	(116)	(236)
Residential	(1)	13	24	(2)	7	34	(47)
Installment	12,202	12,473	13,602	14,606	13,237	52,883	44,029
<b>Total net charge-offs (recoveries) from loans held for investment</b>	<b>\$ 17,322</b>	<b>\$ 17,498</b>	<b>\$ 15,564</b>	<b>\$ 18,651</b>	<b>\$ 27,164</b>	<b>\$ 69,035</b>	<b>\$ 66,368</b>

(1) Excludes \$6.2 million of charge-offs for certain PCD loans acquired from the FDIC that were immediately applied against \$8.7 million of allowance for credit losses on PCD loans recognized upon the acquisition of the loan portfolio on June 15, 2023. Subsequent recoveries and charge-offs of these PCD loans will be included in the period in which they occur.

**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)	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022		Twelve Months Ended December 31,			
											2023		2022	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 58,223	\$ 1.79	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 235,448	\$ 7.32	\$ 218,402	\$ 6.51
Reconciling items (after tax):														
Severance expense	473	0.01	—	—	141	0.00	637	0.02	—	—	1,251	0.04	1,058	0.03
Impairments on fixed assets and leases	—	—	—	—	12	0.00	86	0.00	—	—	98	0.00	1,051	0.03
Loss on sale of consumer installment loans	—	—	—	—	—	—	—	—	—	—	—	—	18,221	0.54
Loss on sale of capital call lines of credit	—	—	—	—	3,914	0.12	—	—	—	—	3,914	0.12	—	—
(Gains) losses on investment securities	(85)	0.00	492	0.02	49	0.00	(49)	0.00	13,543	0.41	407	0.01	18,926	0.56
Derivative credit valuation adjustment	267	0.01	(151)	0.00	(101)	0.00	204	0.01	202	0.01	219	0.01	(1,243)	(0.04)
Tax on surrender of bank-owned life insurance policies	—	—	—	—	4,141	0.13	—	—	—	—	4,141	0.13	—	—
FDIC special assessment	2,755	0.08	—	—	—	—	—	—	—	—	2,755	0.09	—	—
Core earnings	\$ 61,633	\$ 1.90	\$ 83,294	\$ 2.59	\$ 52,163	\$ 1.65	\$ 51,143	\$ 1.58	\$ 39,368	\$ 1.19	\$ 248,233	\$ 7.72	\$ 256,415	\$ 7.63

**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 <i>(Dollars in thousands, except per share data)</i>	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022		Twelve Months Ended December 31,					
											2023		2022			
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 58,223	\$ 1.79	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 235,448	\$ 7.32	\$ 218,402	\$ 6.51		
Less: PPP net income (loss) (after tax)	(5,264)	(0.16)	(11,168)	(0.35)	(2,068)	(0.07)	9,606	0.30	(5,956)	(0.18)	(8,894)	(0.28)	37,669	1.12		
Net income to common shareholders, excluding PPP	63,487	1.95	94,121	2.93	46,075	1.46	40,659	1.26	31,579	0.95	244,342	7.60	180,733	5.39		
Reconciling items (after tax):																
Severance expense	473	0.01	—	—	141	0.00	637	0.02	—	—	1,251	0.04	1,058	0.03		
Impairments on fixed assets and leases	—	—	—	—	12	0.00	86	0.00	—	—	98	0.00	1,051	0.03		
Loss on sale of consumer installment loans	—	—	—	—	—	—	—	—	—	—	—	—	18,221	0.54		
Loss on sale of capital call lines of credit	—	—	—	—	3,914	0.12	—	—	—	—	3,914	0.12	—	—		
(Gains) losses on investment securities	(85)	0.00	492	0.02	49	0.00	(49)	0.00	13,543	0.41	407	0.01	18,926	0.56		
Derivative credit valuation adjustment	267	0.01	(151)	0.00	(101)	0.00	204	0.01	202	0.01	219	0.01	(1,243)	(0.04)		
Tax on surrender of bank-owned life insurance policies	—	—	—	—	4,141	0.13	—	—	—	—	4,141	0.13	—	—		
FDIC special assessment	2,755	0.08	—	—	—	—	—	—	—	—	2,755	0.09	—	—		
Core earnings, excluding PPP	\$ 66,897	\$ 2.06	\$ 94,462	\$ 2.94	\$ 54,231	\$ 1.72	\$ 41,537	\$ 1.28	\$ 45,324	\$ 1.37	\$ 257,127	\$ 7.99	\$ 218,746	\$ 6.51		

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

Core Return on Average Assets - Customers Bancorp <i>(Dollars in thousands, except per share data)</i>	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022		Twelve Months Ended December 31,					
											2023		2022			
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income	\$ 62,092		\$ 86,756		\$ 47,574		\$ 53,721		\$ 28,711		\$ 250,143		\$ 228,034			
Reconciling items (after tax):																
Severance expense	473		—		141		637		—		1,251		1,058			
Impairments on fixed assets and leases	—		—		12		86		—		98		1,051			
Loss on sale of consumer installment loans	—		—		—		—		—		—		18,221			
Loss on sale of capital call lines of credit	—		—		3,914		—		—		3,914		—			
(Gains) losses on investment securities	(85)		492		49		(49)		13,543		407		18,926			
Derivative credit valuation adjustment	267		(151)		(101)		204		202		219		(1,243)			
Tax on surrender of bank-owned life insurance policies	—		—		4,141		—		—		4,141		—			
FDIC special assessment	2,755		—		—		—		—		2,755		—			
Core net income	\$ 65,502		\$ 87,097		\$ 55,730		\$ 54,599		\$ 42,456		\$ 262,928		\$ 266,047			
Average total assets	\$ 21,252,273		\$ 21,978,010		\$ 21,654,735		\$ 21,052,920		\$ 20,717,362		\$ 21,486,383		\$ 20,109,744			
Core return on average assets		1.22 %		1.57 %		1.03 %		1.05 %		0.81 %		1.22 %		1.32 %		

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
GAAP net income	\$ 62,092	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 250,143	\$ 228,034
Less: PPP net income (loss) (after tax)	(5,264)	(11,168)	(2,068)	9,606	(5,956)	(8,894)	37,669
Net income, excluding PPP	67,356	97,924	49,642	44,115	34,667	259,037	190,365
Reconciling items (after tax):							
Severance expense	473	—	141	637	—	1,251	1,058
Impairments on fixed assets and leases	—	—	12	86	—	98	1,051
Loss on sale of consumer installment loans	—	—	—	—	—	—	18,221
Loss on sale of capital call lines of credit	—	—	3,914	—	—	3,914	—
(Gains) losses on investment securities	(85)	492	49	(49)	13,543	407	18,926
Derivative credit valuation adjustment	267	(151)	(101)	204	202	219	(1,243)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	—	—	4,141	—
FDIC special assessment	2,755	—	—	—	—	2,755	—
Core net income, excluding PPP	\$ 70,766	\$ 98,265	\$ 57,798	\$ 44,993	\$ 48,412	\$ 271,822	\$ 228,378
Average total assets	\$ 21,252,273	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 21,486,383	\$ 20,109,744
Core return on average assets, excluding PPP	1.32 %	1.77 %	1.07 %	0.87 %	0.93 %	1.27 %	1.14 %

**Adjusted Net Income and Adjusted ROAA - Pre-Tax Pre-Provision - Customers Bancorp**
*(Dollars in thousands, except per share data)*

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
GAAP net income	\$ 62,092	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 250,143	\$ 228,034
Reconciling items:							
Income tax expense	21,796	23,470	20,768	14,563	7,136	80,597	63,263
Provision (benefit) for credit losses	13,523	17,856	23,629	19,603	28,216	74,611	60,066
Provision (benefit) for credit losses on unfunded commitments	(136)	48	(304)	280	153	(112)	906
Severance expense	639	—	182	809	—	1,630	1,363
Impairments on fixed assets and leases	—	—	15	109	—	124	1,362
Loss on sale of consumer installment loans	—	—	—	—	—	—	23,465
Loss on sale of capital call lines of credit	—	—	5,037	—	—	5,037	—
(Gains) losses on investment securities	(114)	626	62	(62)	16,909	512	23,874
Derivative credit valuation adjustment	361	(192)	(130)	259	252	298	(1,621)
FDIC special assessment	3,723	—	—	—	—	3,723	—
Adjusted net income - pre-tax pre-provision	\$ 101,884	\$ 128,564	\$ 96,833	\$ 89,282	\$ 81,377	\$ 416,563	\$ 400,712
Average total assets	\$ 21,252,273	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 21,486,383	\$ 20,109,744
Adjusted ROAA - pre-tax pre-provision	1.90 %	2.32 %	1.79 %	1.72 %	1.56 %	1.94 %	1.99 %



**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, excluding PPP - Customers Bancorp**
*(Dollars in thousands, except per share data)*

						Twelve Months Ended December 31,	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	2023	2022
GAAP net income	\$ 62,092	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 250,143	\$ 228,034
Less: PPP net income (loss) (after tax)	(5,264)	(11,168)	(2,068)	9,606	(5,956)	(8,894)	37,669
Net income, excluding PPP	67,356	97,924	49,642	44,115	34,667	259,037	190,365
Reconciling items:							
Income tax expense	21,796	23,470	20,768	14,563	7,136	80,597	63,263
Provision (benefit) for credit losses	13,523	17,856	23,629	19,603	28,216	74,611	60,066
Provision (benefit) for credit losses on unfunded commitments	(136)	48	(304)	280	153	(112)	906
Severance expense	639	—	182	809	—	1,630	1,363
Impairments on fixed assets and leases	—	—	15	109	—	124	1,362
Loss on sale of consumer installment loans	—	—	—	—	—	—	23,465
Loss on sale of capital call lines of credit	—	—	5,037	—	—	5,037	—
(Gains) losses on investment securities	(114)	626	62	(62)	16,909	512	23,874
Derivative credit valuation adjustment	361	(192)	(130)	259	252	298	(1,621)
FDIC special assessment	3,723	—	—	—	—	3,723	—
Adjusted net income - pre-tax pre-provision, excluding PPP	\$ 107,148	\$ 139,732	\$ 98,901	\$ 79,676	\$ 87,333	\$ 425,457	\$ 363,043
Average total assets	\$ 21,252,273	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 21,486,383	\$ 20,109,744
Adjusted ROAA - pre-tax pre-provision, excluding PPP	2.00 %	2.52 %	1.83 %	1.53 %	1.67 %	1.98 %	1.81 %

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

						Twelve Months Ended December 31,	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	2023	2022
GAAP net income to common shareholders	\$ 58,223	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 235,448	\$ 218,402
Reconciling items (after tax):							
Severance expense	473	—	141	637	—	1,251	1,058
Impairments on fixed assets and leases	—	—	12	86	—	98	1,051
Loss on sale of consumer installment loans	—	—	—	—	—	—	18,221
Loss on sale of capital call lines of credit	—	—	3,914	—	—	3,914	—
(Gains) losses on investment securities	(85)	492	49	(49)	13,543	407	18,926
Derivative credit valuation adjustment	267	(151)	(101)	204	202	219	(1,243)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	—	—	4,141	—
FDIC special assessment	2,755	—	—	—	—	2,755	—
Core earnings	\$ 61,633	\$ 83,294	\$ 52,163	\$ 51,143	\$ 39,368	\$ 248,233	\$ 256,415
Average total common shareholders' equity	\$ 1,449,728	\$ 1,373,244	\$ 1,335,408	\$ 1,273,780	\$ 1,263,190	\$ 1,358,564	\$ 1,254,979
Core return on average common equity	16.87 %	24.06 %	15.67 %	16.28 %	12.36 %	18.27 %	20.43 %

**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)*

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
GAAP net income to common shareholders	\$ 58,223	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 235,448	\$ 218,402
Reconciling items:							
Income tax expense	21,796	23,470	20,768	14,563	7,136	80,597	63,263
Provision (benefit) for credit losses	13,523	17,856	23,629	19,603	28,216	74,611	60,066
Provision (benefit) for credit losses on unfunded commitments	(136)	48	(304)	280	153	(112)	906
Severance expense	639	—	182	809	—	1,630	1,363
Impairments on fixed assets and leases	—	—	15	109	—	124	1,362
Loss on sale of consumer installment loans	—	—	—	—	—	—	23,465
Loss on sale of capital call lines of credit	—	—	5,037	—	—	5,037	—
(Gains) losses on investment securities	(114)	626	62	(62)	16,909	512	23,874
Derivative credit valuation adjustment	361	(192)	(130)	259	252	298	(1,621)
FDIC special assessment	3,723	—	—	—	—	3,723	—
Pre-tax pre-provision adjusted net income available to common shareholders	\$ 98,015	\$ 124,761	\$ 93,266	\$ 85,826	\$ 78,289	\$ 401,868	\$ 391,080
Average total common shareholders' equity	\$ 1,449,728	\$ 1,373,244	\$ 1,335,408	\$ 1,273,780	\$ 1,263,190	\$ 1,358,564	\$ 1,254,979
Adjusted ROCE - pre-tax pre-provision	26.82 %	36.04 %	28.01 %	27.33 %	24.59 %	29.58 %	31.16 %

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
GAAP net interest income	\$ 172,506	\$ 199,773	\$ 165,271	\$ 149,899	\$ 135,137	\$ 687,449	\$ 623,720
PPP net interest (income) expense	596	1,381	765	(14,106)	2,791	(11,364)	(60,402)
Tax-equivalent adjustment	398	405	390	375	342	1,568	1,185
Net interest income, tax equivalent, excluding PPP	\$ 173,500	\$ 201,559	\$ 166,426	\$ 136,168	\$ 138,270	\$ 677,653	\$ 564,503
GAAP average total interest earning assets	\$ 20,802,304	\$ 21,485,319	\$ 21,073,680	\$ 20,514,677	\$ 20,211,028	\$ 20,971,198	\$ 19,588,374
Average PPP loans	(115,851)	(166,164)	(207,127)	(889,235)	(1,065,919)	(341,987)	(1,724,659)
Adjusted average total interest earning assets, excluding PPP	\$ 20,686,453	\$ 21,319,155	\$ 20,866,553	\$ 19,625,442	\$ 19,145,109	\$ 20,629,211	\$ 17,863,715
Net interest margin, tax equivalent, excluding PPP	3.33 %	3.75 %	3.20 %	2.80 %	2.87 %	3.28 %	3.16 %

**Loan Yield, excluding PPP**
*(Dollars in thousands except per share data)*

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
Interest income on loans and leases	\$ 248,160	\$ 275,771	\$ 252,894	\$ 255,913	\$ 218,740	\$ 1,032,738	\$ 745,313
PPP interest income	(839)	(604)	(1,633)	(23,551)	(7,249)	(26,627)	(79,381)
Interest income on core loans (Loans and leases, excluding PPP)	\$ 247,321	\$ 275,167	\$ 251,261	\$ 232,362	\$ 211,491	\$ 1,006,111	\$ 665,932
Average total loans and leases	\$ 13,486,453	\$ 13,899,034	\$ 14,842,432	\$ 15,477,973	\$ 15,388,003	\$ 14,419,572	\$ 14,911,165
Average PPP loans	(115,851)	(166,164)	(207,127)	(889,235)	(1,065,919)	(341,987)	(1,724,659)
Adjusted average total loans and leases	\$ 13,370,602	\$ 13,732,870	\$ 14,635,305	\$ 14,588,738	\$ 14,322,084	\$ 14,077,585	\$ 13,186,506
Loan yield, excluding PPP	7.34 %	7.95 %	6.89 %	6.46 %	5.86 %	7.15 %	5.05 %

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

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

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
<b>Core Efficiency Ratio - Customers Bancorp</b> (Dollars in thousands, except per share data)							
GAAP net interest income	\$ 172,506	\$ 199,773	\$ 165,271	\$ 149,899	\$ 135,137	\$ 687,449	\$ 623,720
GAAP non-interest income	\$ 18,672	\$ 17,775	\$ 15,997	\$ 18,121	\$ 7,345	\$ 70,565	\$ 32,272
Loss on sale of consumer installment loans	—	—	—	—	—	—	23,465
Loss on sale of capital call lines of credit	—	—	5,037	—	—	5,037	—
(Gains) losses on investment securities	(114)	626	62	(62)	16,909	512	23,874
Derivative credit valuation adjustment	361	(192)	(130)	259	252	298	(1,621)
Core non-interest income	18,919	18,209	20,966	18,318	24,506	76,412	77,990
Core revenue	\$ 191,425	\$ 217,982	\$ 186,237	\$ 168,217	\$ 159,643	\$ 763,861	\$ 701,710
GAAP non-interest expense	\$ 93,767	\$ 89,466	\$ 89,297	\$ 80,133	\$ 78,419	\$ 352,663	\$ 304,629
Severance expense	(639)	—	(182)	(809)	—	(1,630)	(1,363)
Impairments on fixed assets and leases	—	—	(15)	(109)	—	(124)	(1,362)
FDIC special assessment	(3,723)	—	—	—	—	(3,723)	—
Core non-interest expense	\$ 89,405	\$ 89,466	\$ 89,100	\$ 79,215	\$ 78,419	\$ 347,186	\$ 301,904
Core efficiency ratio <sup>(1)</sup>	46.70 %	41.04 %	47.84 %	47.09 %	49.12 %	45.45 %	43.02 %

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
<b>Core non-interest expense to average total assets - Customers Bancorp</b> (Dollars in thousands, except per share data)							
GAAP non-interest expense	\$ 93,767	\$ 89,466	\$ 89,297	\$ 80,133	\$ 78,419	\$ 352,663	\$ 304,629
Severance expense	(639)	—	(182)	(809)	—	(1,630)	(1,363)
Impairments on fixed assets and leases	—	—	(15)	(109)	—	(124)	(1,362)
FDIC special assessment	(3,723)	—	—	—	—	(3,723)	—
Core non-interest expense	\$ 89,405	\$ 89,466	\$ 89,100	\$ 79,215	\$ 78,419	\$ 347,186	\$ 301,904
Average total assets	\$ 21,252,273	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 21,486,383	\$ 20,109,744
Core non-interest expense to average total assets	1.67 %	1.62 %	1.65 %	1.53 %	1.50 %	1.62 %	1.50 %

**Tangible Common Equity to Tangible Assets - Customers Bancorp**

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Twelve Months Ended December 31,	
						2023	2022
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961		
Reconciling items:							
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)		
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)		
Tangible common equity	\$ 1,496,971	\$ 1,420,184	\$ 1,315,229	\$ 1,279,597	\$ 1,261,538		
GAAP total assets	\$ 21,316,265	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112		
Reconciling items:							
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)		
Tangible assets	\$ 21,312,636	\$ 21,853,523	\$ 22,024,936	\$ 21,747,985	\$ 20,892,483		
Tangible common equity to tangible assets	7.0 %	6.5 %	6.0 %	5.9 %	6.0 %		

**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, excluding PPP - Customers Bancorp**

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
Tangible common equity	\$ 1,496,971	\$ 1,420,184	\$ 1,315,229	\$ 1,279,597	\$ 1,261,538
GAAP total assets	\$ 21,316,265	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112
Loans receivable, PPP	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
Total assets, excluding PPP	\$ 21,241,530	\$ 21,720,089	\$ 21,839,802	\$ 21,505,356	\$ 19,897,959
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
Tangible assets, excluding PPP	\$ 21,237,901	\$ 21,716,460	\$ 21,836,173	\$ 21,501,727	\$ 19,894,330
Tangible common equity to tangible assets, excluding PPP	7.0 %	6.5 %	6.0 %	6.0 %	6.3 %

**Tangible Book Value per Common Share - Customers Bancorp**

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

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961
Reconciling Items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
Tangible common equity	\$ 1,496,971	\$ 1,420,184	\$ 1,315,229	\$ 1,279,597	\$ 1,261,538
Common shares outstanding	31,440,906	31,311,254	31,282,318	31,239,750	32,373,697
Tangible book value per common share	\$ 47.61	\$ 45.36	\$ 42.04	\$ 40.96	\$ 38.97

**Tangible Book Value per Common Share - Customers Bancorp**

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

	Q4 2023	Q4 2022	Q4 2021	Q4 2020	Q4 2019	Q4 2018
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,402,961	\$ 1,366,217	\$ 1,117,086	\$ 1,052,795	\$ 956,816
Reconciling Items:						
Preferred stock	(137,794)	(137,794)	(137,794)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(3,629)	(3,629)	(3,736)	(14,298)	(15,195)	(16,499)
Tangible common equity	\$ 1,496,971	\$ 1,261,538	\$ 1,224,687	\$ 885,317	\$ 820,129	\$ 722,846
Common shares outstanding	31,440,906	32,373,697	32,913,267	31,705,088	31,336,791	31,003,028
Tangible book value per common share	\$ 47.61	\$ 38.97	\$ 37.21	\$ 27.92	\$ 26.17	\$ 23.32

**Core Loans (Total Loans and Leases, excluding PPP)**

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total loans and leases	\$ 13,202,084	\$ 13,713,482	\$ 13,910,907	\$ 15,063,034	\$ 15,794,671
Loans receivable, PPP	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
Core Loans (Total loans and leases, excluding PPP)	\$ 13,127,349	\$ 13,576,419	\$ 13,722,144	\$ 14,816,776	\$ 14,796,518

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

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

(Dollars in thousands, except per share data)

**Core Loans Held for Investment**

(Total Loans and Leases Held for Investment, excluding PPP)

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total loans and leases, held for investment	\$ 12,861,767	\$ 13,563,114	\$ 13,832,799	\$ 14,638,977	\$ 15,466,359
Loans receivable, PPP	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
Core Loans Held for Investment	<u>\$ 12,787,032</u>	<u>\$ 13,426,051</u>	<u>\$ 13,644,036</u>	<u>\$ 14,392,719</u>	<u>\$ 14,468,206</u>

**Total Assets, excluding PPP**

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total assets	\$ 21,316,265	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112
Loans receivable, PPP	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
Total assets, excluding PPP	<u>\$ 21,241,530</u>	<u>\$ 21,720,089</u>	<u>\$ 21,839,802</u>	<u>\$ 21,505,356</u>	<u>\$ 19,897,959</u>

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

(Dollars in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Loans and leases receivable	\$ 11,963,855	\$ 12,600,548	\$ 12,826,531	\$ 13,391,610	\$ 14,143,047
Loans receivable, PPP	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
Loans and leases held for investment, excluding PPP	<u>\$ 11,889,120</u>	<u>\$ 12,463,485</u>	<u>\$ 12,637,768</u>	<u>\$ 13,145,352</u>	<u>\$ 13,144,894</u>
Allowance for credit losses on loans and leases	<u>\$ 135,311</u>	<u>\$ 139,213</u>	<u>\$ 139,656</u>	<u>\$ 130,281</u>	<u>\$ 130,924</u>
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	1.14 %	1.12 %	1.11 %	0.99 %	1.00 %



**Let's take on tomorrow.**

"A Forward-Thinking Bank with Strong Risk Management"

Investor Presentation: Q4 2023  
January 2024

## 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: a continuation of the recent turmoil in the banking industry, responsive measures taken by us and regulatory authorities to mitigate and manage related risks, regulatory actions taken that address related issues and the costs and obligations associated therewith, such as the FDIC special assessments, the impact of COVID-19 and its variants 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, higher inflation and its impacts, 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, 2022, 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.





Let's take on tomorrow.






## A Forward-Thinking Bank with Strong Risk Management



<b>Q4'23 Earnings Review</b>	Core EPS <sup>1</sup> of \$1.90 exceeded consensus estimates through continued deposit transformation, higher margin, and well-controlled expenses
<b>Strength of the Franchise</b>	<p>\$1.1 billion of core deposit<sup>2</sup> growth offset \$0.6 billion of planned BMTX student-related deposit outflows and the repayment of \$0.7 billion of wholesale CDs</p> <p>Deposit growth was granular and broad-based across the franchise</p> <p>Non-interest bearing deposits account for 25% of total deposits; wholesale CDs now represent only 17% of total deposits</p>
<b>Strong Capital and Liquidity</b>	<p>TCE/TA<sup>1</sup> increased to 7.0% achieving our previously announced goal</p> <p>CET1<sup>3</sup> increased to 12.2% exceeding our previously announced goal</p> <p>Immediately available liquidity greater than 200% of uninsured deposits<sup>4</sup></p>
<b>Maintaining Superior Credit Quality</b>	<p>NPA ratio low at just 0.13% and credit outlook remains stable</p> <p>Minimal exposure to higher-risk CRE asset classes (office and retail CRE each represent only ~1% of HFI loan portfolio)</p>
<b>Management Outlook</b>	<p>Significantly exceeded full year core EPS guidance</p> <p>Continued optimism for balance sheet improvement, strong capital levels, and superior profitability</p>

1. Non-GAAP measure, refer to appendix for reconciliation  
2. Total deposits excluding wholesale CDs and BMTX student-related deposits  
3. Capital ratios are estimated pending final regulatory report  
4. Uninsured deposits of \$5.4 billion (estimate) to be reported on Customers Bank's call report less \$1.1 billion of collateralized deposits and \$0.1 billion of affiliate deposits



What We Promised in 2018		What We Accomplished (Q4'23)
Higher Capital Ratios	TCE/TA: 7.0%+	7.0% <sup>1</sup> 
Grow TBVPS <sup>1</sup>	9% CAGR between 2009 and 2018	15% CAGR <sup>1,2</sup> 
NIM Expansion	NIM: 2.75%	3.31% NIM 
Improve ROAA	ROAA: 1.25%	1.22% Core ROAA <sup>1</sup> 
Improve ROCE	ROCE: double-digit	18.3% Core ROCE <sup>1</sup> 
Risk Management	Board is actively engaged with risk focused culture and detailed oversight	Among strongest in industry in liquidity, interest rate risk management and capital build while maintaining superior credit quality 
EPS (Jan. 2020)	Core EPS within 3 years (2023) of \$4.00 and \$6.00 by 2025	\$7.72 FY 2023 Core EPS <sup>1</sup> 

1. Non-GAAP measure  
 2. Q4'18-Q4'23



Let's take on tomorrow.

## Our Priorities Remain Unchanged



Moderate growth by focusing on holistic and strategic relationships and building a strong franchise

Focus on further strengthening our balance sheet, improving liquidity, capital ratios and margins

Not deviate from strong risk management principles:

- ✓ Superior credit quality
- ✓ Sound interest rate risk management
- ✓ Maintain robust liquidity
- ✓ Strong capital ratios
- ✓ Positive operating leverage



Let's take on tomorrow.

## 2024 Areas of Focus

- 1 Continue deposit transformation and grow loan portfolio
- 2 Maintain strong margin through deployment of securities cash flow, excess cash and deposit growth into higher yielding loans
- 3 Further improve efficiency through focus on operational excellence and expanding fee income opportunities
- 4 Maintain strong capital base and liquidity while growing loans 10-15%
- 5 Preserve strong credit quality with focus on holistic and primary relationships
- 6 Client-centric culture resulting in high client satisfaction rates

# Financial Highlights - GAAP

Q4'23   FY'23	Q4'23 (vs. Q3'23)		
Highlights	Profitability	Balance Sheet	Credit
<p><b>Diluted EPS</b></p> <p>\$1.79   \$7.32</p>	<p>3.31%</p> <p>vs. 3.70%</p> <p><b>NIM</b></p>	<p>\$21.3B</p> <p>-2%</p> <p><b>Total Assets</b></p>	<p>0.13%</p> <p>-1 bps</p> <p><b>NPA Ratio</b></p>
<p><b>Net Income</b></p> <p>\$58.2M   \$235.4M</p>	<p>1.16%</p> <p>vs. 1.57%</p> <p><b>ROAA</b></p>	<p>\$13.2B</p> <p>-4%</p> <p><b>Total Loans and Leases</b></p>	<p>\$27.1M</p> <p>-9%</p> <p><b>NPLs</b></p>
<p><b>ROCE</b></p> <p>15.9%   17.3%</p>		<p>\$17.9B</p> <p>-2%</p> <p><b>Total Deposits</b></p>	<p>499%</p> <p>vs. 466%</p> <p><b>Reserves to NPLs</b></p>

## Financial Highlights - Core

Q4'23   FY'23	Q4'23 (vs. Q3'23)		
Highlights	Profitability	Balance Sheet	Credit
<b>Core EPS<sup>1,2</sup></b> <b>\$1.90   \$7.72</b>	<b>3.31%</b> vs. 3.70% <b>NIM</b>	<b>\$21.3B</b> -2% <b>Total Assets</b>	<b>0.13%</b> -1 bps <b>NPA Ratio</b>
<b>Core Net Income<sup>1,2</sup></b> <b>\$61.6M   \$248.2M</b>	<b>1.22%</b> vs. 1.57% <b>Core ROAA<sup>1,2</sup></b>	<b>\$13.2B</b> -4% <b>Total Loans and Leases</b>	<b>\$27.1M</b> -9% <b>NPLs</b>
<b>Core ROCE<sup>1,2</sup></b> <b>16.9%   18.3%</b>	<b>1.90%</b> vs. 2.32% <b>Core PTPP ROAA<sup>1,2</sup></b>	<b>\$17.9B</b> -2% <b>Total Deposits</b>	<b>499%</b> vs. 466% <b>Reserves to NPLs</b>

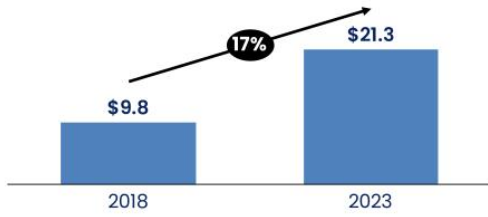
1. Excludes pre-tax items: special one-time FDIC assessment fee of \$3.7 million, severance expense of \$0.6 million, derivative credit valuation adjustment of \$0.4 million offset by gain on investment securities of \$0.1 million

2. Non-GAAP measure, refer to appendix for reconciliation

# Customers Bank has Demonstrated Sustainable Organic Growth While Significantly Improving Our Liquidity Position...

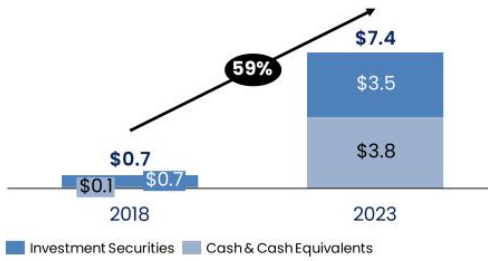
### Total Assets

\$ billions



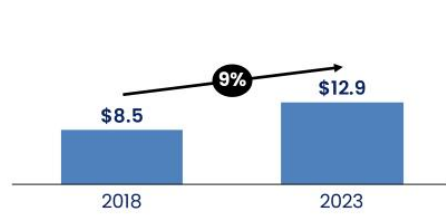
### Cash and Investment Securities

\$ billions



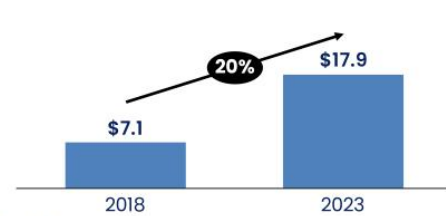
### Gross Loans - HFI

\$ billions



### Total Deposits

\$ billions



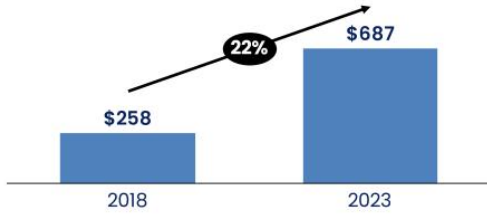
### Loans - HFI to Deposits

120%

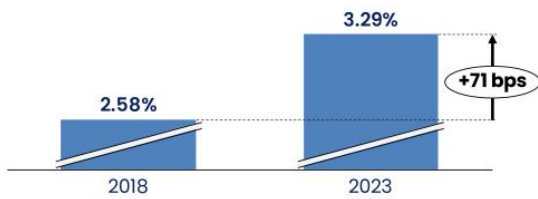
72%

# ...and Increasing Our EPS by 4x and ROCE by 2x Over the Last Five Years

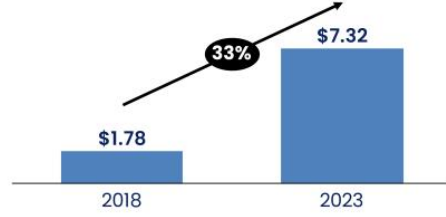
**NII**  
\$ millions



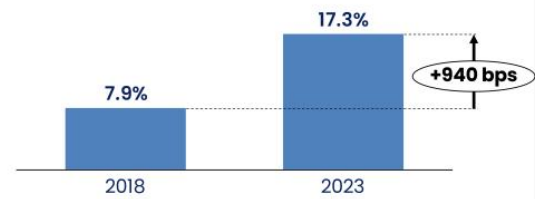
**NIM**  
percent



**Diluted EPS**  
per share

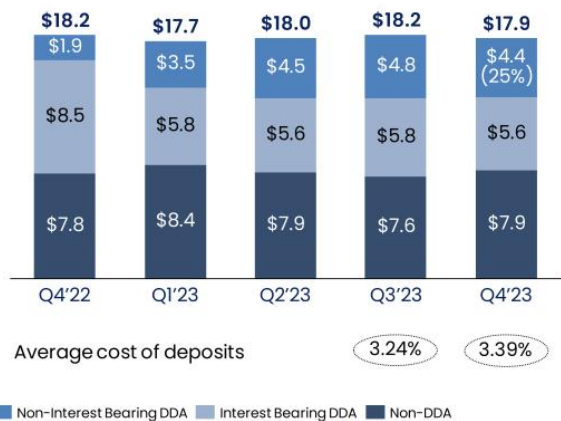


**ROCE**  
percent



## Successfully Executing on Deposit Franchise Transformation

### Total Deposits \$ billions



- Total deposits declined by \$275 million QoQ while paying down \$743 million in wholesale CDs
- \$1.1 billion of core deposit<sup>1</sup> growth in Q4'23 and \$3.1 billion over the last three quarters
- Third consecutive quarter of approximately \$1.0 billion core deposit<sup>1</sup> growth
- CUBI's estimated insured deposits<sup>2</sup> as a percentage of total deposits were 77% among the best of regional bank peers<sup>3</sup>

1. Total deposits excluding wholesale CDs and BMTX student-related deposits  
 2. Uninsured deposits of \$5.4 billion (estimate) to be reported on Customers Bank's call report less \$1.1 billion of collateralized deposits and \$0.1 billion of affiliate deposits; similar adjustment made to peers when publicly disclosed otherwise unadjusted reported figures used  
 3. Selected 2023 proxy peers as disclosed in appendix



# Robust Deposit Pipeline will Continue to Transform Funding Base

## Core Deposits<sup>1</sup>

\$ billions



## Wholesale CDs

\$ billions

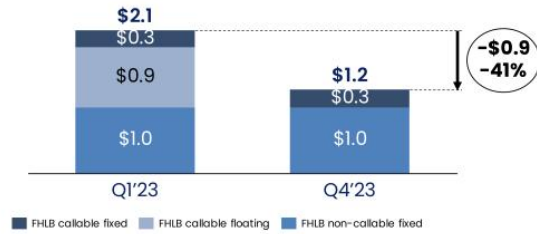


## Meaningful progress on reducing wholesale funding<sup>2</sup>

- Total deposit pipeline remains at \$1.5 billion despite significant core deposit growth in 2023
- \$2.2 billion in wholesale CD maturities in 2024

## FHLB Advances

\$ billions



1. Total deposits excluding wholesale CDs and BMTX student-related deposits  
2. Wholesale CDs and FHLB advances

## Net Interest Margin Continues to Demonstrate Positive Trends

### Net Interest Income

\$ millions

- Net interest income continues in an upward trajectory<sup>1</sup> despite modest interest-earning asset balance declines

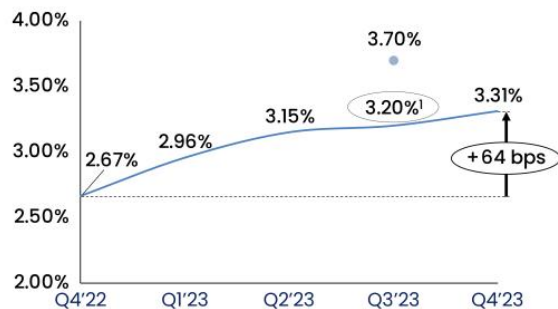


1. Adjusted for \$27 million of outsized accretion related to FDIC transaction in Q3'23

### NIM

percent

- Margin exceeded management guidance of 3.20–3.25% target for Q4'23

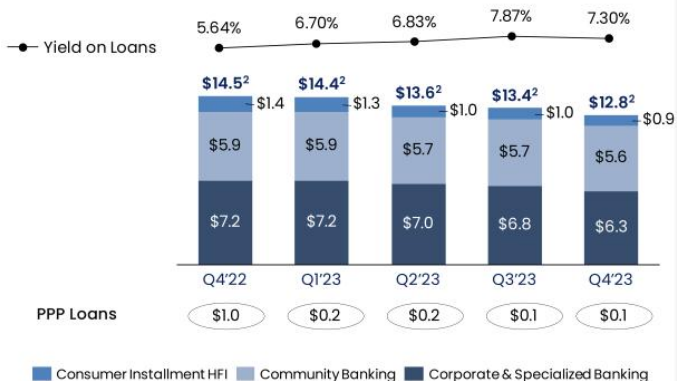


# Strategic Portfolio Remix Complete and Continuing to Maintain Strong Liquidity Position

## Loans – HFI

\$ billions

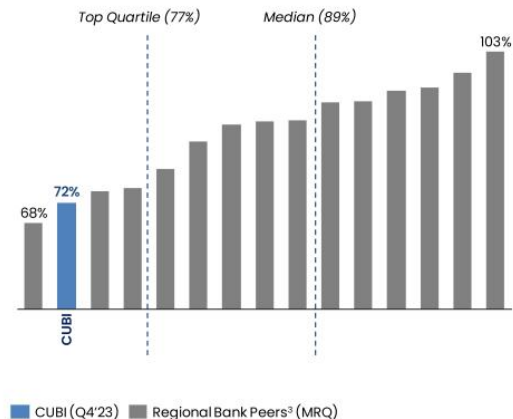
- Anticipate deploying securities cash flow, excess cash, and core deposit<sup>1</sup> growth into higher yielding loans at ~300 basis points additional spread in 2024



## Loans – HFI / Deposits

percent

- Loan to deposit ratio is 72%, 17 percentage points lower than regional bank peer median



1. Total deposits excluding wholesale CDs and BMTX student-related deposits  
 2. HFI loans excluding PPP; non-GAAP measure, refer to appendix for reconciliation  
 3. Selected 2023 proxy peers as disclosed in appendix

## Customers Operates with Industry-Leading Efficiency

### Core Non-Interest Expense<sup>1</sup>

\$ millions

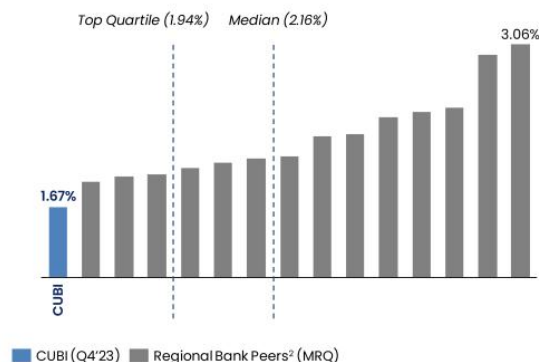
- Disciplined expense management resulting in flat core non-interest expense<sup>1</sup> for the last three quarters
- Meaningful opportunity to generate positive operating leverage at current expense levels



### Core Non-Interest Expense<sup>1</sup> / Average Assets

percent

- CUBI's core non-interest expense<sup>1</sup> as percent of average assets is the lowest among regional bank peers<sup>2</sup>



1. Non-GAAP measure, refer to appendix for reconciliation  
2. Selected 2023 proxy peers as disclosed in appendix

3.0 STRONG CAPITAL AND LIQUIDITY

# Robust Liquidity Position with Greater than 200% Coverage of Uninsured Deposits

## Immediately Available Liquidity

\$ billions

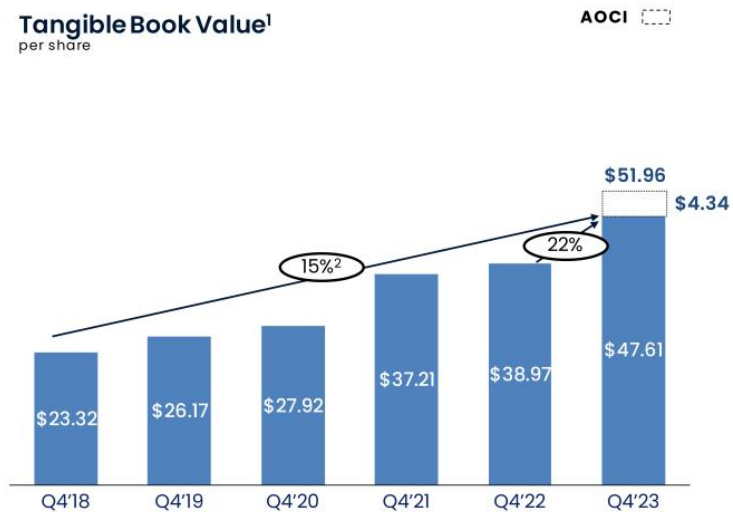


- Sold \$295 million of AFS securities in Q4'23 at roughly book value
- Redeemed \$340 million of callable FHLB advances in Q4'23
- CUBI's ratio of immediately available liquidity to uninsured deposits<sup>1</sup> estimated to be approximately 202%
- Total overall liquidity of \$11.4 billion as of Q4'23

1. Uninsured deposits of \$5.4 billion (estimate) to be reported on Customers Bank's call report less \$1.1 billion of collateralized deposits and \$0.1 billion of affiliate deposits

## 22% Growth in Tangible Book Value in 2023; TBV has More Than Doubled Over the Last 5 Years

### Tangible Book Value<sup>1</sup> per share



- 22% growth in TBV<sup>1</sup> in 2023

- 5-year CAGR in TBV<sup>1</sup> has been 15%<sup>2</sup> despite AOCI headwinds compared to 4% for regional bank peers<sup>3</sup>

- TBV<sup>1</sup> has more than doubled in the last 5 years

- AOCI recovery of \$13.2 million and \$0.42 TBV<sup>1</sup> per share in Q4'23

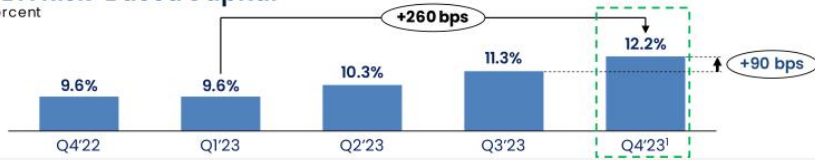
- Estimated AOCI recovery of ~\$1.50 TBV<sup>1</sup> per share in 2024

1. Non-GAAP measure, refer to appendix for reconciliation  
 2. CAGR from Q4'18 to Q4'23 inclusive of impact of AOCI mark-to-market  
 3. Selected 2023 proxy peers as disclosed in appendix

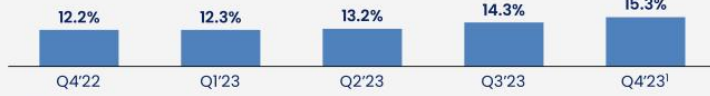
3.0 STRONG CAPITAL AND LIQUIDITY

Achieved 12.2% CET1 and TCE/TA of 7.0%

CET1 Risk-Based Capital  
percent



Total Risk-Based Capital  
percent



TCE/TA<sup>2,3</sup>  
percent



- Increase of approximately 90 bps in CET1 during Q4'23 and 260 bps since Q1'23
- CET1 adjusted for AOCI is 11.2% - top quartile for banks with \$10-\$100 billion in assets
- Increase of approximately 50 bps in TCE/TA<sup>3</sup> during Q4'23 and 110 bps since Q1'23 through organic capital generation on flat balance sheet

1. Capital ratios are estimated pending final regulatory report  
2. TCE/TA negatively impacted by 64 bps in Q4'23 due to AOCI  
3. Non-GAAP measure, refer to appendix for reconciliation

## Credit Quality Remains Strong

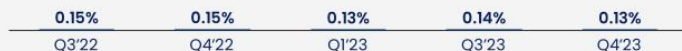
### NPLs

\$ millions



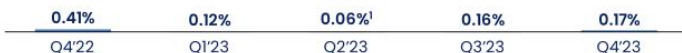
### NPAs as Percent of Total Assets

percent



### Commercial NCOs

percent



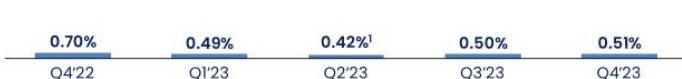
### Consumer NCOs

percent



### Total NCOs

percent



Note: Prior period amounts have been recast to conform with the current reporting

1. Excludes \$6.2 million charge-offs against \$8.7 million ACL on PCD loans upon FDIC loan pool acquisition

2. Excludes construction loans

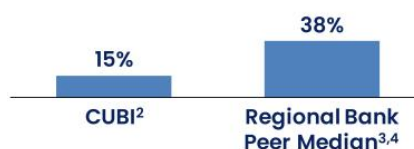
3. As of Q4'23 for CUBI and MRQ for regional bank peers

4. Selected 2023 proxy peers as disclosed in appendix

- NPLs and NPA ratio stable over the last five quarters
- Office and retail CRE each represent only ~1% of HFI loan portfolio
- Consumer installment HFI represents only ~7% of HFI loan portfolio

### CRE (excluding Multifamily)<sup>2</sup>

Loan mix, Q4'23





## 2024 Management Outlook

	Metrics	Outlook for FY 2024
Financial Targets	ROAA	1.15% – 1.25%
	Efficiency Ratio	Mid – 40's
	Net Interest Margin	3.20% – 3.40%
Growth Outlook	Deposit Growth	10% – 15% core deposit <sup>1</sup> growth; low single-digit total deposit growth
	Loan Growth	10% – 15% driven by redeploying excess liquidity (cash and securities) into loans
	PPNR Growth <sup>2</sup>	10% – 15%
Operating Assumptions	CET1	~11.5%
	TCE / TA <sup>3</sup>	~7.5%
	Tax Rate	22% – 24%

1. Total deposits excluding wholesale CDs and BMTX student-related deposits

2. 2023 baseline adjusted PPNR of \$367.0 million (adjusted for \$11.4 million of PPP net interest income in FY23 and \$27.0 million of outsized discount accretion related to acquired loan portfolio from the FDIC transaction in Q3'23)

3. Non-GAAP measure

## Concluding Perspectives

<b>Improving Deposit Franchise</b>	<p>\$3.1 billion of core deposit<sup>1</sup> growth with corresponding reduction in wholesale funding over the last three quarters</p> <p>Robust core deposit pipeline remains at approximately \$1.5 billion</p>
<b>NIM Expansion</b>	<p>Net interest margin of 3.31% exceeded our Q4'23 guidance and is at sustainable levels</p>
<b>Strengthening Capital Base</b>	<p>Strong capital levels with 7.0% TCE/TA<sup>2</sup> and 12.2% CET1<sup>3</sup></p> <p>Improved TCE/TA<sup>2</sup> by 50 bps and CET1<sup>3</sup> by 90 bps in a single quarter</p>
<b>Maintaining Strong Risk Management</b>	<p>Robust liquidity position with coverage of over 200% of uninsured deposits<sup>4</sup></p> <p>Diversified loan and deposit franchises built to perform across all macroeconomic environments; credit continues to perform well</p>
<b>Strategic Outlook</b>	<p>Extremely well-positioned to take market share</p> <p>Client-centric culture continues to drive franchise value</p> <p>Deposit remix has significant runway with meaningful financial benefits</p> <p>Poised to deploy securities and cash into higher yielding loans</p> <p>Operating platform designed to generate positive operating leverage and drive superior efficiency and profitability</p>

1. Total deposits excluding wholesale CDs and BMTX student-related deposits

2. Non-GAAP measure, refer to appendix for reconciliation

3. Capital ratios are estimated pending final regulatory report

4. Uninsured deposits of \$5.4 billion (estimate) to be reported on Customers Bank's call report less \$1.1 billion of collateralized deposits and \$0.1 billion of affiliate deposits



## ANALYST COVERAGE

### **B.Riley Securities, Inc.**

Hal Goetsch

### **D.A. Davidson Companies**

Peter Winter

### **Hovde Group**

David Bishop

### **Jefferies Group LLC**

Casey Haire

### **Keefe, Bruyette & Woods Inc.**

Michael Perito

### **Maxim Group Inc.**

Michael Diana

### **Piper Sandler Companies**

Frank Schiraldi

### **Raymond James**

Steve Moss

### **Stephens Inc.**

Matt Breese

### **Wedbush Securities Inc.**

David Chiaverini

2023 New Analyst Coverage

## APPENDIX



# Customers Bancorp Overview

*A Forward-Thinking Bank with Strong Risk Management*



Corporate & Specialized Banking ●  
Community Banking ●

	Corporate & Specialized Banking	Community Banking	Digital Banking
<b>Description</b>	<p>National corporate businesses where Customers has differentiated capabilities, often enhanced through technology, to create value for clients</p> <p>Serving sophisticated corporate businesses above the complexity level of most community banks but with a higher level of service and attention than large regionals provide</p>	<p>Deep relationship-based community banking predominantly in the Northeast with selected presence in the Carolinas, Florida and Texas</p> <p>Serving small and medium-sized businesses, and individuals, with a comprehensive suite of loan and deposit products</p>	<p><b>Consumer</b> Suite of loan and deposit products delivered digitally to clients; increasingly generating fee and “fee-like” revenue with limited credit risk through our HFS strategy</p> <p><b>Commercial</b> Transaction banking (treasury and payment services) with associated deposits</p>
<b>Products</b>	<p>Lender finance, capital call lines, venture banking, mortgage warehouse, equipment finance, healthcare, real estate specialty finance</p> <p>Operating deposit accounts</p>	<p>Regional C&amp;I, owner-occupied CRE, SBA, multifamily, non-owner-occupied CRE, mortgage</p> <p>Operating deposit accounts (commercial and consumer)</p>	<p>Consumer installment lending</p> <p>Payments</p> <p>Online savings</p>

## Customers Bancorp, Inc. NYSE: CUBI

Headquarters	West Reading, PA
Offices <sup>1</sup>	54
FTE Employees	714
Market Capitalization As of January 24, 2024	\$1.7B
Total Assets	\$21.3B
Tangible Book Value <sup>2</sup>	\$47.61
Share price As of January 24, 2024	\$53.07

Data as of December 31, 2023, unless otherwise noted

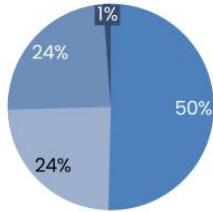
- (1) Offices includes branches, executive offices, Private Banking Offices and Loan Production Offices  
(2) Non-GAAP measure, refer to appendix for reconciliation

# Securities Portfolio Generating Attractive Returns with Minimal Credit and Duration Risk

## Investment Securities – AFS

percent, Q4'23

- Spot yield: 5.12%
- Effective duration: ~1.5 years
- Floating rate securities: ~41%
- Credit rating: 59% AAA with only 2% at BB and below



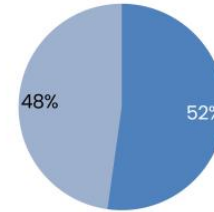
Total: \$2.4 billion



## Investment Securities – HTM

percent, Q4'23

- Spot yield: 4.31%
- Effective duration: ~3.0 years
- Floating rate securities: ~25%
- Credit rating: 39% AAA with no rated securities non-investment grade
- ABS: ~\$0.6 billion of credit enhanced asset backed securities from sale of consumer installment loan portfolio in Q3'22 and Q2'23



Total: \$1.1 billion

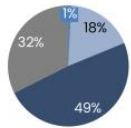


# Consumer Installment Loans – Portfolio Credit Metrics

Weighted average life of ~2.1 years

## FICO Score<sup>1</sup>

Average FICO Score<sup>1</sup> ~734

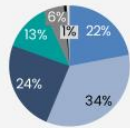


## Geography

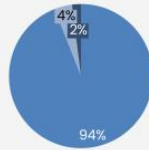


## Debt to Income Ratio<sup>1</sup>

Average DTI ~19%

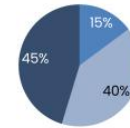


## Profession

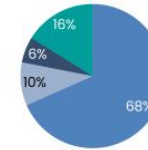


## Borrower Income

Average Borrower Income ~\$107k



## Purpose



Note: Data as of December 31, 2023; includes consumer installment HFS loans  
1. DTI and FICO scores as of time of origination

## Selected 2023 Proxy Peers

- Atlantic Union
- Commerce
- Community Bank System
- FB Financial
- First Busey
- F.N.B.
- Fulton
- Independent
- Northwest
- Old National
- Pinnacle
- Sandy Spring
- United Community
- WesBanco

Note: Excludes the following banks due to lack of available disclosure – Ameris, Associated, Axos, BankUnited, Eastern, First Financial (OH), First Merchants, Provident, Silvergate (removed following its March 8, 2023 announcement that it would wind down operations and liquidate the bank), Towne, United Bancshares, WSFS Financial



## Robust Sources of Liquidity

Liquidity Sources (\$'000's)	4Q 23	4Q 22	YOY Change
Cash and Cash Equivalents	\$3,846,346	\$455,607	\$3,390,539
FHLB Available Borrowing Capacity	\$1,180,972	\$2,265,499	(\$1,084,527)
FRB Available Borrowing Capacity	\$3,436,000	\$2,510,189	\$925,810
Investments (MV AFS + HTM)			
US Gov't & Agency Debt	\$0	\$0	\$0
Agency & Non-Agency MBS & CMO	\$1,739,284	\$1,811,633	(\$72,349)
Corporates	\$583,034	\$595,253	(\$12,219)
ABS <sup>1</sup>	\$1,157,711	\$1,394,388	(\$236,677)
Other AFS	\$28,781	\$26,485	\$2,295
Less: Pledged Securities HTM & AFS	(\$1,554,837)	(\$16,749)	(\$1,538,088)
Net Unpledged Securities	\$1,953,973	\$3,811,010	(\$1,857,037)
Unpledged Mortgage Warehouse Loans <sup>2</sup>	\$1,014,742	\$0	\$1,014,742
	<b>\$11,432,033</b>	<b>\$9,042,505</b>	<b>\$2,389,528</b>

1. Includes CLOs
2. Began pledging mortgage warehouse collateral to FRB in Q1'23

## Allowance for Credit Losses for Loans and Leases

(\$ in thousands)

	December 31, 2023		
	Amortized Cost <sup>2</sup>	Allowance for Credit Losses	Lifetime Loss Rate <sup>1</sup>
<b>Loans and Leases Receivable:</b>			
<b>Commercial:</b>			
Commercial and Industrial, including Specialty Lending	\$ 6,211,105	\$ 23,503	0.38 %
Multifamily	2,138,622	16,343	0.76 %
Commercial Real Estate Owner Occupied	797,319	9,882	1.24 %
Commercial Real Estate Non-Owner Occupied	1,177,650	16,859	1.43 %
Construction	166,393	1,482	0.89 %
<b>Total Commercial Loans and Leases Receivable</b>	<b>\$ 10,491,089</b>	<b>\$ 68,069</b>	<b>0.65 %</b>
<b>Consumer:</b>			
Residential Real Estate	\$ 484,435	\$ 6,586	1.36 %
Manufacturing Housing	38,670	4,239	10.96 %
Installment	874,926	56,417	6.45 %
<b>Total Consumer Loans Receivable</b>	<b>\$ 1,398,031</b>	<b>\$ 67,242</b>	<b>4.81 %</b>
<b>Total Loans and Leases Receivable</b>	<b>\$ 11,889,120</b>	<b>\$ 135,311</b>	<b>1.14 %<sup>3</sup></b>

1. Utilized Moody's December 2023 baseline and adverse forecast scenario with qualitative adjustments for Q4'23 provision
2. Excludes loans to mortgage companies reported at fair value, loans held for sale and PPP loans
3. Non-GAAP measure, refer to appendix for reconciliation

## 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 except per share data)

	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022		Twelve Months Ended December 31,			
											2023		2022	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 58,223	\$ 1.79	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 235,448	\$ 7.32	\$ 218,402	\$ 6.51
Reconciling items (after tax):														
Severance expense	473	0.01	–	–	141	0.00	637	0.02	–	–	1,251	0.04	1,058	0.03
Impairments on fixed assets and leases	–	–	–	–	12	0.00	86	0.00	–	–	98	0.00	1,051	0.03
Loss on sale of consumer installment loans	–	–	–	–	–	–	–	–	–	–	–	–	18,221	0.54
Loss on sale of capital call lines of credit	–	–	–	–	3,914	0.12	–	–	–	–	3,914	0.12	–	–
(Gains) losses on investment securities	(85)	–	492	0.02	49	0.00	(49)	(0.00)	13,543	0.41	407	0.01	18,926	0.56
Derivative credit valuation adjustment	267	0.01	(151)	(0.00)	(101)	(0.00)	204	0.01	202	0.01	219	0.01	(1,243)	(0.04)
Tax on surrender of bank-owned life insurance policies	–	–	–	–	4,141	0.13	–	–	–	–	4,141	0.13	–	–
FDIC special assessment	2,755	0.08	–	–	–	–	–	–	–	–	2,755	0.08	–	–
<b>Core earnings</b>	<b>\$ 61,633</b>	<b>\$ 1.90</b>	<b>\$ 83,294</b>	<b>\$ 2.59</b>	<b>\$ 52,163</b>	<b>\$ 1.65</b>	<b>\$ 51,143</b>	<b>\$ 1.58</b>	<b>\$ 39,368</b>	<b>\$ 1.19</b>	<b>\$ 248,233</b>	<b>\$ 7.72</b>	<b>\$ 256,415</b>	<b>\$ 7.63</b>

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

### Core return on average assets – Customers Bancorp

(\$ in thousands except per share data)

	Twelve Months Ended													
	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022		December 31,			
										2023	2022			
GAAP net income	\$	62,092	\$	86,756	\$	47,574	\$	53,721	\$	28,711	\$	250,143	\$	228,034
Reconciling items (after tax):														
Severance expense		473		—		141		637		—		1,251		1,058
Impairments on fixed assets and leases		—		—		12		86		—		98		1,051
Loss on sale of consumer installment loans		—		—		—		—		—		—		18,221
Loss on sale of capital call lines of credit		—		—		3,914		—		—		3,914		—
(Gains) losses on investment securities		(85)		492		49		(49)		13,543		407		18,926
Derivative credit valuation adjustment		267		(151)		(101)		204		202		219		(1,243)
Tax on surrender of bank-owned life insurance policies		—		—		4,141		—		—		4,141		—
FDIC special assessment		2,755		—		—		—		—		2,755		—
<b>Core net income</b>	<b>\$</b>	<b>65,502</b>	<b>\$</b>	<b>87,097</b>	<b>\$</b>	<b>55,730</b>	<b>\$</b>	<b>54,599</b>	<b>\$</b>	<b>42,456</b>	<b>\$</b>	<b>262,928</b>	<b>\$</b>	<b>266,047</b>
Average total assets	\$	21,252,273	\$	21,978,010	\$	21,654,735	\$	21,052,920	\$	20,717,362	\$	21,486,383	\$	20,109,744
<b>Core return on average assets</b>		<b>1.22%</b>		<b>1.57%</b>		<b>1.03%</b>		<b>1.05%</b>		<b>0.81%</b>		<b>1.22%</b>		<b>1.32%</b>

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

**Core return on average common equity –  
 Customers Bancorp**  
 (\$ in thousands)

	Twelve Months Ended December 31,						
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	2023	2022
GAAP net income to common shareholders	\$ 58,223	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 235,448	\$ 218,402
Reconciling items (after tax):							
Severance expense	473	—	141	637	—	1,251	1,058
Impairments on fixed assets and leases	—	—	12	86	—	98	1,051
Loss on sale of consumer installment loans	—	—	—	—	—	—	18,221
Loss on sale of capital call lines of credit	—	—	3,914	—	—	3,914	—
(Gains) losses on investment securities	(85)	492	49	(49)	13,543	407	18,926
Derivative credit valuation adjustment	267	(151)	(101)	204	202	219	(1,243)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	—	—	4,141	—
FDIC special assessment	2,755	—	—	—	—	2,755	—
<b>Core earnings</b>	<b>\$ 61,633</b>	<b>\$ 83,294</b>	<b>\$ 52,163</b>	<b>\$ 51,143</b>	<b>\$ 39,368</b>	<b>\$ 248,233</b>	<b>\$ 256,415</b>
Average total common shareholders' equity	\$ 1,449,728	\$ 1,373,244	\$ 1,335,408	\$ 1,273,780	\$ 1,263,190	\$ 1,358,564	\$ 1,254,979
<b>Core return on average common equity</b>	<b>16.87%</b>	<b>24.06%</b>	<b>15.67%</b>	<b>16.28%</b>	<b>12.36%</b>	<b>18.27%</b>	<b>20.43%</b>

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

**Adjusted net income and adjusted ROAA - pre-tax pre-provision - Customers Bancorp**

(\$ in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP net income	\$ 62,092	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711
Reconciling Items:					
Income tax expense	21,796	23,470	20,768	14,563	7,136
Provision (benefit) for credit losses	13,523	17,856	23,629	19,603	28,216
Provision (benefit) for credit losses on unfunded commitments	(136)	48	(304)	280	153
Severance expense	639	—	182	809	—
Impairments on fixed assets and leases	—	—	15	109	—
Loss on sale of consumer installment loans	—	—	—	—	—
Loss on sale of capital call lines of credit	—	—	5,037	—	—
(Gains) losses on investment securities	(114)	626	62	(62)	16,909
Derivative credit valuation adjustment	361	(192)	(130)	259	252
FDIC special assessment	3,723	—	—	—	—
<b>Adjusted net income - pre-tax pre-provision</b>	<b>\$ 101,884</b>	<b>\$ 128,564</b>	<b>\$ 96,833</b>	<b>\$ 89,282</b>	<b>\$ 81,377</b>
Average total assets	\$ 21,252,273	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362
<b>Adjusted ROAA - pre-tax pre-provision</b>	<b>1.90 %</b>	<b>2.32 %</b>	<b>1.79 %</b>	<b>1.72 %</b>	<b>1.56 %</b>

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

### Core efficiency ratio - Customers Bancorp

(\$ in thousands, except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP net interest income	\$ 172,506	\$ 199,773	\$ 165,271	\$ 149,899	\$ 135,137
GAAP non-interest income	\$ 18,672	\$ 17,775	\$ 15,997	\$ 18,121	\$ 7,345
Loss on sale of capital call lines of credit	—	—	5,037	—	—
(Gains) losses on investment securities	(114)	626	62	(62)	16,909
Derivative credit valuation adjustment	361	(192)	(130)	259	252
<b>Core non-interest income</b>	<b>\$ 18,919</b>	<b>\$ 18,209</b>	<b>\$ 20,966</b>	<b>\$ 18,318</b>	<b>\$ 24,506</b>
<b>Core revenue</b>	<b>\$ 191,425</b>	<b>\$ 217,982</b>	<b>\$ 186,237</b>	<b>\$ 168,217</b>	<b>\$ 159,643</b>
GAAP non-interest expense	\$ 93,767	\$ 89,466	\$ 89,297	\$ 80,133	\$ 78,419
Severance expense	(639)	—	(182)	(809)	—
Impairments on fixed assets and leases	—	—	(15)	(109)	—
FDIC special assessment	(3,723)	—	—	—	—
<b>Core non-interest expense</b>	<b>\$ 89,405</b>	<b>\$ 89,466</b>	<b>\$ 89,100</b>	<b>\$ 79,215</b>	<b>\$ 78,419</b>
<b>Core efficiency ratio<sup>(1)</sup></b>	<b>46.70%</b>	<b>41.04%</b>	<b>47.84%</b>	<b>47.09%</b>	<b>49.12%</b>

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



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

**Core non-interest expense to average assets -  
Customers Bancorp**

(\$ in thousands except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP non-interest expense	\$ 93,767	\$ 89,466	\$ 89,297	\$ 80,133	\$ 78,419
Severance expense	(639)	—	(182)	(809)	—
Impairments on fixed assets and leases	—	—	(15)	(109)	—
FDIC special assessment	(3,723)	—	—	—	—
<b>Core non-interest expense</b>	<b>\$ 89,405</b>	<b>\$ 89,466</b>	<b>\$ 89,100</b>	<b>\$ 79,215</b>	<b>\$ 78,419</b>
Average total assets	\$ 21,252,273	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362
<b>Core non-interest expense to average assets</b>	<b>1.67%</b>	<b>1.62%</b>	<b>1.65%</b>	<b>1.53%</b>	<b>1.50%</b>

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

### **Tangible common equity to tangible assets – Customers Bancorp**

(\$ in thousands except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
<b>Tangible common equity</b>	<b>\$ 1,496,971</b>	<b>\$ 1,420,184</b>	<b>\$ 1,315,229</b>	<b>\$ 1,279,597</b>	<b>\$ 1,261,538</b>
GAAP Total assets	\$ 21,316,265	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
<b>Tangible assets</b>	<b>\$ 21,312,636</b>	<b>\$ 21,853,523</b>	<b>\$ 22,024,936</b>	<b>\$ 21,747,985</b>	<b>\$ 20,892,483</b>
<b>Tangible common equity to tangible assets</b>	<b>7.0%</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>6.0%</b>

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

### Tangible book value per common share - Customers Bancorp

(\$ in thousands except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961
Reconciling Items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
<b>Tangible common equity</b>	<b>\$ 1,496,971</b>	<b>\$ 1,420,184</b>	<b>\$ 1,315,229</b>	<b>\$ 1,279,597</b>	<b>\$ 1,261,538</b>
Common shares outstanding	31,440,906	31,311,254	31,282,318	31,239,750	32,373,697
<b>Tangible book value per common share</b>	<b>\$ 47.61</b>	<b>\$ 45.36</b>	<b>\$ 42.04</b>	<b>\$ 40.96</b>	<b>\$ 38.97</b>

### Tangible book value per common share - Customers Bancorp

(\$ in thousands except per share data)

	Q4 2023	Q4 2022	Q4 2021	Q4 2020	Q4 2019	Q4 2018
GAAP total shareholders' equity	\$ 1,638,394	\$ 1,402,961	\$ 1,366,217	\$ 1,117,086	\$ 1,052,795	\$ 956,816
Reconciling Items:						
Preferred stock	(137,794)	(137,794)	(137,794)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(3,629)	(3,629)	(3,736)	(14,298)	(15,195)	(16,499)
<b>Tangible common equity</b>	<b>\$ 1,496,971</b>	<b>\$ 1,261,538</b>	<b>\$ 1,224,687</b>	<b>\$ 885,317</b>	<b>\$ 820,129</b>	<b>\$ 722,846</b>
Common shares outstanding	31,440,906	32,373,697	32,913,267	31,705,088	31,336,791	31,003,028
<b>Tangible book value per common share</b>	<b>\$ 47.61</b>	<b>\$ 38.97</b>	<b>\$ 37.21</b>	<b>\$ 27.92</b>	<b>\$ 26.17</b>	<b>\$ 23.32</b>

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

**Total loans and leases, excluding PPP and consumer HFS – Customers Bancorp**

*(\$ in thousands except per share data)*

	Q4 2023		Q3 2023		Q2 2023		Q1 2023		Q4 2022	
Total loans and leases	\$	13,202,084	\$	13,713,482	\$	13,910,907	\$	15,063,034	\$	15,794,671
PPP loans		(74,735)		(137,063)		(188,763)		(246,258)		(998,153)
Consumer HFS		(340,317)		(150,368)		(78,108)		(404,006)		(324,233)
<b>Total loans and leases, excluding PPP and consumer HFS</b>	<b>\$</b>	<b>12,787,032</b>	<b>\$</b>	<b>13,426,051</b>	<b>\$</b>	<b>13,644,036</b>	<b>\$</b>	<b>14,412,770</b>	<b>\$</b>	<b>14,472,285</b>

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

**Core loans held for investment (Total loans and leases HFI, excluding PPP) to total deposits - Customers Bancorp**

(\$ in thousands except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Total loans and leases HFI	\$ 12,861,767	\$ 13,563,114	\$ 13,832,799	\$ 14,638,977	\$ 15,466,359
PPP loans	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
<b>Core loans held for investment (Total loans and leases HFI, excluding PPP)</b>	<b>\$ 12,787,032</b>	<b>\$ 13,426,051</b>	<b>\$ 13,644,036</b>	<b>\$ 14,392,719</b>	<b>\$ 14,468,206</b>

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

**Coverage of credit loss reserves for loans and leases HFI, excluding PPP – Customers Bancorp**

(\$ in thousands except per share data)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Loans and leases receivable	\$ 11,963,855	\$ 12,600,548	\$ 12,826,531	\$ 13,391,610	\$ 14,143,047
Loans receivable, PPP	(74,735)	(137,063)	(188,763)	(246,258)	(998,153)
<b>Loans and leases held for investment, excluding PPP</b>	<b>\$ 11,889,120</b>	<b>\$ 12,463,485</b>	<b>\$ 12,637,768</b>	<b>\$ 13,145,352</b>	<b>\$ 13,144,894</b>
<b>Allowance for credit losses on loans and leases</b>	<b>\$ 135,311</b>	<b>\$ 139,213</b>	<b>\$ 139,656</b>	<b>\$ 130,281</b>	<b>\$ 130,924</b>
<b>Coverage of credit loss reserves for loans and leases held for investment, excluding PPP</b>	<b>1.14 %</b>	<b>1.12 %</b>	<b>1.11 %</b>	<b>0.99 %</b>	<b>1.00 %</b>

