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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): October 26, 2023

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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>Trading Symbols</u>	<u>Name of Each Exchange on which Registered</u>
Voting Common Stock, par value \$1.00 per share		CUBI	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series E, par value \$1.00 per share		CUBI/PE	New York Stock Exchange
Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series F, par value \$1.00 per share		CUBI/PF	New York Stock Exchange
5.375% Subordinated Notes due 2034		CUBB	New York Stock Exchange

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

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

**Item 2.02. Results of Operations and Financial Condition**

On October 26, 2023, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter ended September 30, 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 October 26, 2023
<a href="#">Exhibit 99.2</a>	Slide presentation dated October 2023

**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: October 26, 2023

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EXHIBIT INDEX

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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 Third Quarter 2023

### Third Quarter 2023 Highlights

- Q3 2023 net income available to common shareholders was \$83.0 million, or \$2.58 per diluted share; ROAA was 1.57% and ROCE was 23.97%.
- Q3 2023 core earnings\* were \$83.3 million, or \$2.59 per diluted share; Core ROAA\* was 1.57% and Core ROCE\* was 24.06%.
- CET 1 capital ratio of 11.3%<sup>1</sup> at September 30, 2023, compared to 10.3% at June 30, 2023, achieving goal of 11.0% - 11.5% one quarter earlier than expected.
- Q3 2023 net interest margin, tax equivalent (NIM) was 3.70%, an increase of 55 basis points over Q2 2023 NIM of 3.15%, largely resulting from higher than expected discount accretion on the Venture Banking portfolio acquired in Q2 2023.
- Total deposits grew by \$244.9 million in Q3 2023 over Q2 2023 with a significant positive mix shift. Q3 2023 core deposit growth of \$1.3 billion drove the repayment of maturing wholesale CDs of \$937 million and callable FHLB advances of \$510 million. Q3 2023 non-interest bearing deposits increased \$268.5 million, or 6%, over Q2 2023.
- Total estimated insured deposits were 78%<sup>2</sup> of total deposits at September 30, 2023, with immediately available liquidity covering uninsured deposits by approximately 239%.
- Q3 2023 adjusted pre-tax pre-provision net income\* was \$128.6 million; adjusted pre-tax pre-provision ROAA\* was 2.32%; and adjusted pre-tax pre-provision ROCE\* was 36.04%.
- Q3 2023 provision for credit losses on loans and leases of \$17.1 million was lower compared to Q2 2023 largely driven by lower balances in loans held for investment.
- Non-performing assets were \$30.0 million, or 0.14% of total assets, at September 30, 2023 compared to 0.13% at June 30, 2023. Allowance for credit losses on loans and leases equaled 466% of non-performing loans at September 30, 2023, compared to 494% at June 30, 2023.
- Q3 2023 book value per share and tangible book value per share\* both grew by \$3.31, or 7.9% over Q2 2023, driven by strong quarterly earnings combined with decreased AOCI losses of \$18.4 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 September 30, 2023 are estimates.

<sup>2</sup>Uninsured deposits (estimate) of \$4.8 billion to be reported on the Bank's call report, less state and municipal deposits of \$591.3 million collateralized by standby letters of credit from the FHLB and from our affiliates of \$99.2 million.

## CEO Commentary

**West Reading, PA, October 26, 2023** - “We are pleased to share our third quarter results as we continued to execute on our strategic priorities and delivered another strong quarter for shareholders,” said Customers Bancorp Chairman and CEO Jay Sidhu. “While the banking industry has broadly stabilized following the events earlier this year, the headwinds of higher funding costs and net interest margin compression have not subsided for most banks. We demonstrated the sustainability of our differentiated deposit strategy by growing core deposits by \$1.3 billion in the third quarter resulting in \$245 million in total deposit growth. The remaining liquidity inflows, and a modest amount of balance sheet cash, were used to payoff maturing wholesale CDs of \$937 million and \$510 million in callable FHLB advances. The core deposit growth was broad-based with 13 different channels contributing \$25 million or more and benefited from the onboarding of deposits from our new Venture Banking clients. Non-interest bearing deposits as a percentage of deposits increased modestly to 26%. Our net interest margin continued to expand in the quarter in contrast to the industry headwinds. Elevated payoffs and maturities in the acquired Venture Banking portfolio resulted in outsized discount accretion which contributed to our net interest income. Capital levels continued to increase substantially during the quarter as evidenced by a 50 basis point increase in our TCE ratio\* and a 100 basis point increase in our CET1 ratio to end the quarter at 11.3%. We remain well-positioned to continue strengthening our deposit franchise, improve our profitability, and increase our capital ratios,” stated Jay Sidhu.

“Our Q3 2023 GAAP earnings were \$83.0 million, or \$2.58 per diluted share, well above consensus estimates. At September 30, 2023, our deposit base was well diversified, with approximately 78%<sup>2</sup> of total deposits insured. We maintain a strong liquidity position, with \$9.7 billion of liquidity immediately available, which covers approximately 239% of uninsured deposits and our loan to deposit ratio was 75%. We continue to be selective on new loan production given the uncertain environment and our commitment to improve our capital ratios and are focusing new loan production where we have a holistic and primary relationship. We are seeing attractive new origination opportunities and we remain firmly committed to serving our clients. We have ample liquidity and capital to support their needs. At September 30, 2023, we had \$3.4 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 remaining roughly flat at just 0.14% of total assets and reserve levels are robust at over 465% of total non-performing loans at the end of Q3 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 through the remainder of 2023 and into 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 the quarter 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 ahead,” Jay Sidhu continued.

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<sup>1</sup> Regulatory capital ratios as of September 30, 2023 are estimates.

<sup>2</sup> Uninsured deposits (estimate) of \$4.8 billion to be reported on the Bank's call report, less state and municipal deposits of \$591.3 million collateralized by standby letters of credit from the FHLB and from our affiliates of \$99.2 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
Loan yield
Cost of deposits
Efficiency ratio
Core efficiency ratio*

### Balance Sheet Trends:

Total assets
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)	
	September 30, 2023	June 30, 2023			
	\$	\$	\$	\$	%
Net income available for common shareholders	82,953	44,007	38,946	88.5	%
Diluted earnings per share	2.58	1.39	1.19	85.6	%
Core earnings*	83,294	52,163	31,131	59.7	%
Core earnings per share*	2.59	1.65	0.94	57.0	%
Return on average assets ("ROAA")	1.57%	0.88%	0.69		
Core ROAA*	1.57%	1.03%	0.54		
Return on average common equity ("ROCE")	23.97%	13.22%	10.75		
Core ROCE*	24.06%	15.67%	8.39		
Adjusted pre-tax pre-provision net income*	\$ 128,564	\$ 96,833	\$ 31,731	32.8	%
Net interest margin, tax equivalent	3.70%	3.15%	0.55		
Loan yield	7.87%	6.83%	1.04		
Cost of deposits	3.24%	3.11%	0.13		
Efficiency ratio	41.01%	49.25%	(8.24)		
Core efficiency ratio*	41.04%	47.84%	(6.80)		
Total assets	\$ 21,857,152	\$ 22,028,565	\$ (171,413)	(0.8)	%
Total loans and leases	\$ 13,713,482	\$ 13,910,907	\$ (197,425)	(1.4)	%
Non-interest bearing demand deposits	\$ 4,758,682	\$ 4,490,198	\$ 268,484	6.0	%
Total deposits	\$ 18,195,364	\$ 17,950,431	\$ 244,933	1.4	%
Common Equity	\$ 1,423,813	\$ 1,318,858	\$ 104,955	8.0	%
Tangible Common Equity*	\$ 1,420,184	\$ 1,315,229	\$ 104,955	8.0	%
Common Equity to Total Assets	6.5%	6.0%	0.5		
Tangible Common Equity to Tangible Assets*	6.5%	6.0%	0.5		
Book Value per common share	\$ 45.47	\$ 42.16	\$ 3.31	7.9	%
Tangible Book Value per common share*	\$ 45.36	\$ 42.04	\$ 3.32	7.9	%
Common equity Tier 1 capital ratio <sup>(1)</sup>	11.3%	10.3%	1.0		
Total risk based capital ratio <sup>(1)</sup>	14.3%	13.2%	1.1		

(1) Regulatory capital ratios as of September 30, 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			Nine Months Ended				
	September 30, 2023	September 30, 2022	Increase (Decrease)	September 30, 2023	September 30, 2022	Increase (Decrease)		
<b>Profitability Metrics:</b>								
Net income available for common shareholders	\$ 82,953	\$ 61,364	\$ 21,589	35.2 %	\$ 177,225	\$ 192,779	\$ (15,554)	(8.1)%
Diluted earnings per share	\$ 2.58	\$ 1.85	\$ 0.73	39.5 %	\$ 5.53	\$ 5.72	\$ (0.19)	(3.3)%
Core earnings*	\$ 83,294	\$ 82,270	\$ 1,024	1.2 %	\$ 186,600	\$ 217,047	\$ (30,447)	(14.0)%
Core earnings per share*	\$ 2.59	\$ 2.48	\$ 0.11	4.4 %	\$ 5.82	\$ 6.44	\$ (0.62)	(9.6)%
Return on average assets ("ROAA")	1.57 %	1.24 %	0.33		1.17 %	1.34 %	(0.17)	
Core ROAA*	1.57 %	1.64 %	(0.07)		1.22 %	1.50 %	(0.28)	
Return on average common equity ("ROCE")	23.97 %	19.33 %	4.64		17.84 %	20.58 %	(2.74)	
Core ROCE*	24.06 %	25.91 %	(1.85)		18.79 %	23.17 %	(4.38)	
Adjusted pre-tax pre-provision net income*	\$ 128,564	\$ 100,994	\$ 27,570	27.3 %	\$ 314,679	\$ 319,335	\$ (4,656)	(1.5)%
Net interest margin, tax equivalent	3.70 %	3.16 %	0.54		3.28 %	3.38 %	(0.10)	
Loan yield	7.87 %	5.08 %	2.79		7.12 %	4.77 %	2.35	
Cost of deposits	3.24 %	1.48 %	1.76		3.23 %	0.80 %	2.43	
Efficiency ratio	41.01 %	50.00 %	(8.99)		45.62 %	43.46 %	2.16	
Core efficiency ratio*	41.04 %	42.57 %	(1.53)		45.03 %	41.23 %	3.80	
<b>Balance Sheet Trends:</b>								
Total assets	\$ 21,857,152	\$ 20,367,621	\$ 1,489,531	7.3 %				
Total loans and leases	\$ 13,713,482	\$ 15,336,688	\$ (1,623,206)	(10.6)%				
Non-interest bearing demand deposits	\$ 4,758,682	\$ 2,993,793	\$ 1,764,889	59.0 %				
Total deposits	\$ 18,195,364	\$ 17,522,438	\$ 672,926	3.8 %				
<b>Capital Metrics:</b>								
Common Equity	\$ 1,423,813	\$ 1,249,137	\$ 174,676	14.0 %				
Tangible Common Equity*	\$ 1,420,184	\$ 1,245,508	\$ 174,676	14.0 %				
Common Equity to Total Assets	6.5 %	6.1 %	0.4					
Tangible Common Equity to Tangible Assets*	6.5 %	6.1 %	0.4					
Book Value per common share	\$ 45.47	\$ 38.46	\$ 7.01	18.2 %				
Tangible Book Value per common share*	\$ 45.36	\$ 38.35	\$ 7.01	18.3 %				
Common equity Tier 1 capital ratio <sup>(1)</sup>	11.3 %	9.8 %	1.5					
Total risk based capital ratio <sup>(1)</sup>	14.3 %	12.5 %	1.8					

(1) Regulatory capital ratios as of September 30, 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:

*(Dollars in thousands)*

	September 30, 2023	% of Total	June 30, 2023	% of Total	September 30, 2022	% of Total
<b>Loans and Leases Held for Investment</b>						
Commercial:						
Commercial & industrial:						
Specialty lending	\$ 5,422,161	40.0 %	\$ 5,534,832	40.0 %	\$ 5,103,974	33.3 %
Other commercial & industrial	1,115,364	8.2	1,052,145	7.6	1,064,332	7.0
Multifamily	2,130,213	15.7	2,151,734	15.6	2,263,268	14.8
Loans to mortgage companies	1,042,549	7.7	1,108,598	8.0	1,708,587	11.1
Commercial real estate owner occupied	794,815	5.9	842,042	6.1	726,670	4.7
Loans receivable, PPP	137,063	1.0	188,763	1.4	1,154,632	7.5
Commercial real estate non-owner occupied	1,178,203	8.7	1,211,091	8.8	1,263,211	8.2
Construction	252,588	1.8	212,214	1.5	136,133	0.9
Total commercial loans and leases	12,072,956	89.0	12,301,419	89.0	13,420,807	87.5
Consumer:						
Residential	483,133	3.6	487,199	3.5	465,772	3.1
Manufactured housing	40,129	0.3	41,664	0.3	46,990	0.3
Installment:						
Personal	629,843	4.6	752,470	5.4	1,056,432	6.9
Other	337,053	2.5	250,047	1.8	341,463	2.2
Total installment loans	966,896	7.1	1,002,517	7.2	1,397,895	9.1
Total consumer loans	1,490,158	11.0	1,531,380	11.0	1,910,657	12.5
<b>Total loans and leases held for investment</b>	<b>\$ 13,563,114</b>	<b>100.0 %</b>	<b>\$ 13,832,799</b>	<b>100.0 %</b>	<b>\$ 15,331,464</b>	<b>100.0 %</b>
<b>Loans Held for Sale</b>						
Commercial:						
Multifamily	\$ —	— %	\$ —	— %	\$ 4,108	78.6 %
Commercial real estate non-owner occupied	—	—	—	—	—	—
Total commercial loans and leases	—	—	—	—	4,108	78.6
Consumer:						
Residential	1,005	0.7	1,234	1.6	1,116	21.4
Installment:						
Personal	124,848	83.0	76,874	98.4	—	—
Other	24,515	16.3	—	—	—	—
Total installment loans	149,363	99.3	76,874	98.4	—	—
Total consumer loans	150,368	100.0	78,108	100.0	1,116	21.4
<b>Total loans held for sale</b>	<b>\$ 150,368</b>	<b>100.0 %</b>	<b>\$ 78,108</b>	<b>100.0 %</b>	<b>\$ 5,224</b>	<b>100.0 %</b>
<b>Total loans and leases portfolio</b>	<b>\$ 13,713,482</b>		<b>\$ 13,910,907</b>		<b>\$ 15,336,688</b>	

### Loans and Leases Held for Investment

Loans and leases held for investment were \$13.6 billion at September 30, 2023, down \$269.7 million, or 1.9%, from June 30, 2023, consistent with our stated goal of purposely moderating loan growth and exiting non-strategic relationships. Loans held for investment decreased modestly in every category, except for relatively small increases in construction loans and in other commercial and industrial ("C&I") loans quarter-over-quarter. Other C&I loans increased \$63.2 million, or 6.0% quarter-over-quarter, to \$1.1 billion. Loans to mortgage companies decreased \$66.0 million, or 6.0% quarter-over-quarter due to lower mortgage activity. Consumer installment loans held for investment decreased \$35.6 million, or 3.6% quarter-over-quarter, to \$1.0 billion as we continue to execute on our held-for-sale strategy and de-risk the held-for-investment loan portfolio in 2023.

Loans and leases held for investment of \$13.6 billion at September 30, 2023 was down \$1.8 billion, or 11.5%, year-over-year, largely driven by reduced balances in PPP loans of \$1.0 billion, loans to mortgage companies of \$666.0 million and consumer installment loans of \$431.0 million, offset in part by net growth in the lower risk variable rate specialty lending verticals of \$318.2 million. Consumer installment loans held for investment decreased \$431.0 million, or 30.8% year-over-year, to \$966.9 million as we continue to execute on our held-for-sale strategy and de-risk the held-for-investment loan portfolio in 2023.

#### Loans Held for Sale

Loans held for sale increased \$72.3 million quarter-over-quarter, and were \$150.4 million at September 30, 2023 as we continue to build out our 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		
	September 30, 2023	June 30, 2023	Increase (Decrease)	September 30, 2023	September 30, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Allowance for credit losses on loans and leases	\$ 139,213	\$ 139,656	\$ (443)	\$ 139,213	\$ 130,197	\$ 9,016
Provision (benefit) for credit losses on loans and leases	\$ 17,055	\$ 22,363	\$ (5,308)	\$ 17,055	\$ (7,836)	\$ 24,891
Net charge-offs from loans held for investment	\$ 17,498	\$ 15,564	\$ 1,934	\$ 17,498	\$ 18,497	\$ (999)
Annualized net charge-offs to average loans and leases	0.50 %	0.42 %		0.50 %	0.47 %	
Coverage of credit loss reserves for loans and leases held for investment	1.10 %	1.09 %		1.10 %	0.95 %	

Net charge-offs were relatively stable with \$17.5 million in Q3 2023, compared to \$15.6 million in Q2 2023 and \$18.5 million in Q3 2022.

#### Provision (benefit) for Credit Losses

	Three Months Ended			Three Months Ended		
	September 30, 2023	June 30, 2023	Increase (Decrease)	September 30, 2023	September 30, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Provision (benefit) for credit losses on loans and leases	\$ 17,055	\$ 22,363	\$ (5,308)	\$ 17,055	\$ (7,836)	\$ 24,891
Provision (benefit) for credit losses on available for sale debt securities	801	1,266	(465)	801	(158)	959
Provision for credit losses	17,856	23,629	(5,773)	17,856	(7,994)	25,850
Provision (benefit) for credit losses on unfunded commitments	48	(304)	352	48	254	(206)
Total provision for credit losses	\$ 17,904	\$ 23,325	\$ (5,421)	\$ 17,904	\$ (7,740)	\$ 25,644

The provision for credit losses on loans and leases in Q3 2023 was \$17.1 million, compared to \$22.4 million in Q2 2023 and a benefit to provision of \$7.8 million in Q3 2022. The lower provision in Q3 2023 was primarily due to lower balances in loans held for investment. The benefit to provision in Q3 2022 was primarily due to the sale of \$500.0 million of unsecured consumer installment loans, partially offset by loan growth and the recognition of weaker macroeconomic forecasts. The sale transaction resulted in approximately \$36.8 million of release in allowance for credit losses, which was included in core earnings\* in Q3 2022.

The provision for credit losses on available for sale investment securities in Q3 2023 was \$0.8 million, compared to provision of \$1.3 million in Q2 2023 and a benefit to provision of \$0.2 million in Q3 2022.

## Asset Quality

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

<i>(Dollars in thousands)</i>	September 30, 2023	June 30, 2023	Increase (Decrease)	September 30, 2023	September 30, 2022	Increase (Decrease)
<b>Non-performing assets ("NPAs"):</b>						
Nonaccrual / non-performing loans ("NPLs")	\$ 29,867	\$ 28,244	\$ 1,623	\$ 29,867	\$ 27,919	\$ 1,948
Non-performing assets	\$ 29,970	\$ 28,380	\$ 1,590	\$ 29,970	\$ 27,965	\$ 2,005
NPLs to total loans and leases	0.22 %	0.20 %		0.22 %	0.18 %	
Reserves to NPLs	466.11 %	494.46 %		466.11 %	466.34 %	
NPAs to total assets	0.14 %	0.13 %		0.14 %	0.14 %	
<b>Loans and leases <sup>(1)</sup> risk ratings:</b>						
Commercial loans and leases <sup>(2)</sup>						
Pass	\$ 10,503,731	\$ 10,667,619	\$ (163,888)	\$ 10,503,731	\$ 10,262,647	\$ 241,084
Special Mention	189,329	166,468	22,861	189,329	104,560	84,769
Substandard	280,267	272,301	7,966	280,267	329,878	(49,611)
Total commercial loans and leases	10,973,327	11,106,388	(133,061)	10,973,327	10,697,085	276,242
Consumer loans						
Performing	1,473,493	1,508,208	(34,715)	1,473,493	1,893,977	(420,484)
Non-performing	16,665	23,172	(6,507)	16,665	16,680	(15)
Total consumer loans	1,490,158	1,531,380	(41,222)	1,490,158	1,910,657	(420,499)
Loans and leases receivable <sup>(1)</sup>	\$ 12,463,485	\$ 12,637,768	\$ (174,283)	\$ 12,463,485	\$ 12,607,742	\$ (144,257)

(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, we have 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, we employ a bottom-up data driven approach to analyze the commercial portfolio.

Total consumer installment loans held for investment at September 30, 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 \$58.2 million. At September 30, 2023, our consumer installment portfolio had the following characteristics: average original FICO score of 734, average debt-to-income of 19% and average borrower income of \$106 thousand.

Non-performing loans at September 30, 2023 remained relatively stable at 0.22% of total loans and leases, compared to 0.20% at June 30, 2023 and 0.18% at September 30, 2022.

## Investment Securities

Our 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 our liquidity position.

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

<i>(Dollars in thousands)</i>	September 30, 2023	June 30, 2023	September 30, 2022
Debt securities, available for sale	\$ 2,746,729	\$ 2,797,940	\$ 2,918,830
Equity securities	26,478	26,698	24,864
Investment securities, at fair value	2,773,207	2,824,638	2,943,694
Debt securities, held to maturity	1,178,370	1,258,560	886,294
Total investment securities portfolio	\$ 3,951,577	\$ 4,083,198	\$ 3,829,988

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. Our securities portfolio is highly liquid, short in duration, and high in yield. At September 30, 2023, our AFS debt securities portfolio had a spot yield of 5.43%, an effective duration of approximately 1.6 years, and approximately 48% are variable rate. Additionally, 64% of our AFS securities portfolio was AAA rated at September 30, 2023.

At September 30, 2023, our HTM debt securities portfolio represented only 5.4% of our total assets at September 30, 2023, had a spot yield of 4.34% and an effective duration of approximately 3.0 years. Additionally, at September 30, 2023, approximately 38% of our HTM securities were AAA rated and 55% 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>	September 30, 2023	% of Total	June 30, 2023	% of Total	September 30, 2022	% of Total
Demand, non-interest bearing	\$ 4,758,682	26.2 %	\$ 4,490,198	25.0 %	\$ 2,993,793	17.1 %
Demand, interest bearing	5,824,410	32.0	5,551,037	30.9	7,124,663	40.7
Total demand deposits	<u>10,583,092</u>	<u>58.2</u>	<u>10,041,235</u>	<u>55.9</u>	<u>10,118,456</u>	<u>57.8</u>
Savings	1,118,353	6.1	1,048,229	5.8	592,002	3.4
Money market	2,499,593	13.7	2,004,264	11.2	4,913,967	28.0
Time deposits	3,994,326	22.0	4,856,703	27.1	1,898,013	10.8
Total deposits	<u>\$ 18,195,364</u>	<u>100.0 %</u>	<u>\$ 17,950,431</u>	<u>100.0 %</u>	<u>\$ 17,522,438</u>	<u>100.0 %</u>

Total deposits increased \$244.9 million, or 1.4%, to \$18.2 billion at September 30, 2023 as compared to the prior quarter. Importantly, non-interest bearing demand deposits increased \$268.5 million, or 6.0%, to \$4.8 billion. Money market deposits increased \$495.3 million, or 24.7%, to \$2.5 billion, interest bearing demand deposits increased \$273.4 million, or 4.9%, to \$5.8 billion, and savings deposits increased \$70.1 million, or 6.7%, to \$1.1 billion. These increases were offset in part by a decrease in time deposits of \$862.4 million, or 17.8%, to \$4.0 billion. The total average cost of deposits increased by 13 basis points to 3.24% in Q3 2023 from 3.11% in the prior quarter largely driven by the increase in market interest rates during the third quarter. Total estimated uninsured deposits was \$4.1 billion<sup>1</sup>, or 22% of total deposits (inclusive of accrued interest) at September 30, 2023. We are also highly focused on total deposits with contractual term to manage our liquidity profile and the funding of loans and securities.

Total deposits increased \$672.9 million, or 3.8%, to \$18.2 billion at September 30, 2023 as compared to a year ago. Non-interest bearing demand deposits increased \$1.8 billion, or 59.0%, to \$4.8 billion, time deposits increased \$2.1 billion to \$4.0 billion and savings deposits increased \$526.4 million, or 88.9%, to \$1.1 billion. These increases were offset in part by decreases in money market deposits of \$2.4 billion, or 49.1%, to \$2.5 billion and interest bearing demand deposits of \$1.3 billion, or 18.3%, to \$5.8 billion. The total average cost of deposits increased by 176 basis points to 3.24% in Q3 2023 from 1.48% in the prior year primarily due to higher market interest rates and a shift in deposit mix.

### Borrowings

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

<i>(Dollars in thousands)</i>	September 30, 2023	June 30, 2023	September 30, 2022
Federal funds purchased	\$ —	\$ —	\$ 365,000
FHLB advances	1,529,839	2,046,142	500,000
Senior notes	123,775	123,710	123,515
Subordinated debt	182,161	182,091	181,882
Total borrowings	<u>\$ 1,835,775</u>	<u>\$ 2,351,943</u>	<u>\$ 1,170,397</u>

<sup>1</sup> Uninsured deposits (estimate) of \$4.8 billion to be reported on the Bank's call report, less state and municipal deposits of \$591.3 million collateralized by standby letters of credit from the FHLB and from our affiliates of \$99.2 million.

Total borrowings decreased \$516.2 million, or 21.9%, to \$1.8 billion at September 30, 2023 as compared to the prior quarter. This decrease primarily resulted from the repayment of \$510 million in callable FHLB advances. As of September 30, 2023, Customers' borrowing capacity with the FRB and FHLB was approximately \$8.4 billion, of which \$1.5 billion of available capacity was utilized in borrowings and \$599.4 million was utilized to collateralize state and municipal deposits.

Total borrowings increased \$665.4 million, or 56.9%, to \$1.8 billion at September 30, 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 \$510 million in callable FHLB advances in Q3 2023 and federal funds purchased.

### Capital

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

(Dollars in thousands except per share data)

	September 30, 2023		June 30, 2023		September 30, 2022
<b>Customers Bancorp, Inc.</b>					
Common Equity	\$ 1,423,813	\$	1,318,858	\$	1,249,137
Tangible Common Equity*	\$ 1,420,184	\$	1,315,229	\$	1,245,508
Common Equity to Total Assets	6.5 %		6.0 %		6.1 %
Tangible Common Equity to Tangible Assets*	6.5 %		6.0 %		6.1 %
Book Value per common share	\$ 45.47	\$	42.16	\$	38.46
Tangible Book Value per common share*	\$ 45.36	\$	42.04	\$	38.35
Common equity Tier 1 (CET 1) capital ratio <sup>(1)</sup>	11.3 %		10.3 %		9.8 %
Total risk based capital ratio <sup>(1)</sup>	14.3 %		13.2 %		12.5 %

(1) Regulatory capital ratios as of September 30, 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 \$105.0 million to \$1.4 billion, and tangible common equity\* increased \$105.0 million to \$1.4 billion, at September 30, 2023 compared to the prior quarter, respectively, primarily from earnings of \$83.0 million and decreased unrealized losses on investment securities of \$18.4 million (net of taxes) deferred in accumulated other comprehensive income ("AOCI"). Similarly, book value per common share increased to \$45.47 from \$42.16, and tangible book value per common share\* increased to \$45.36 from \$42.04, at September 30, 2023 and June 30, 2023, respectively.

Customers Bancorp's common equity increased \$174.7 million to \$1.4 billion, and tangible common equity\* increased \$174.7 million to \$1.4 billion, at September 30, 2023 compared to a year ago, respectively, primarily from earnings of \$202.8 million and decreased unrealized losses on investment securities in AOCI of \$6.3 million (net of taxes), partially offset by \$45.1 million of common share repurchases. Similarly, book value per common share increased to \$45.47 from \$38.46, and tangible book value per common share\* increased to \$45.36 from \$38.35, at September 30, 2023 and September 30, 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 ratio") were 11.3%, 14.3%, 6.5%, and 6.5%, respectively, at September 30, 2023.

At the Customers Bank level, capital levels remained strong and well above regulatory minimums. At September 30, 2023, Tier 1 capital (estimate) and total risk based capital (estimate) were 13.0% and 14.5%, respectively.

"Even though we remain well capitalized by all regulatory measures, we are committed to maintaining our CET 1 capital ratio between 11.0% - 11.5% at year-end 2023. In this environment, we will continue to be selective on new loan production to ensure the strength of our balance sheet and further improve our strong capital ratios," stated Jay Sidhu.

## Key Profitability Trends

### Net Interest Income

Net interest income totaled \$199.8 million in Q3 2023, an increase of \$34.5 million from Q2 2023, primarily due to higher interest income from variable rate lower credit risk specialty lending verticals of \$35.9 million, which included the acquired Venture Banking portfolio, interest earning deposits of \$16.2 million maintained in response to heightened liquidity risk in the banking system, particularly among regional banks since early March 2023, and investment securities of \$6.2 million, reflecting higher average balance and market interest rates. These increases were partially offset by lower interest income on consumer installment loans of \$13.0 million reflecting the impact of the sales transactions that occurred late in Q2 2023. In addition, interest expense on deposits and other borrowings increased by \$11.7 million in Q3 2023 largely resulting from higher market interest rates.

“We experienced robust net interest income growth in the third quarter due to strong core business performance and outsized discount accretion recognized on the acquired loan portfolio from the FDIC. To provide some context on the outsized discount accretion, Venture Banking loans have more frequent financing needs than traditional commercial loans given ongoing capital raises and other activities of the companies. These activities were essentially paused between March and our acquisition of the loan portfolio in June. When our new Venture Banking team members were fully onboarded in July, they began addressing this backlog in earnest. We estimate approximately \$27 million of interest income in Q3 2023 was attributable to outsized discount accretion,” stated Customers Bancorp President Sam Sidhu.

Net interest income totaled \$199.8 million in Q3 2023, an increase of \$40.7 million from Q3 2022. This increase was due to higher interest income of \$140.4 million resulting from increased average balance of interest earning assets of \$1.5 billion, higher market interest rates on variable rate loans, investments and interest earning deposits, and discount accretion on the acquired Venture Banking portfolio, offset in part by higher interest expenses on deposits and other borrowings of \$99.7 million primarily resulting from increased market interest rates and higher average balances of other borrowings. Interest-earning asset growth was primarily driven by increases in interest earning deposits and investments, C&I loans and leases, mostly in the variable rate lower credit risk specialty lending verticals, 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 Q3 2023 as compared to Q3 2022, as installment loans held for investment decreased primarily for risk management purposes and implementation of our 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		
	September 30, 2023	June 30, 2023	Increase (Decrease)	September 30, 2023	September 30, 2022	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Commercial lease income	\$ 8,901	\$ 8,917	\$ (16)	\$ 8,901	\$ 7,097	\$ 1,804
Loan fees	6,029	4,271	1,758	6,029	3,008	3,021
Bank-owned life insurance	1,973	4,997	(3,024)	1,973	3,449	(1,476)
Mortgage warehouse transactional fees	1,018	1,376	(358)	1,018	1,545	(527)
Gain (loss) on sale of SBA and other loans	(348)	(761)	413	(348)	106	(454)
Loss on sale of capital call lines of credit	—	(5,037)	5,037	—	—	—
Loss on sale of consumer installment loans	—	—	—	—	(23,465)	23,465
Net gain (loss) on sale of investment securities	(429)	—	(429)	(429)	(2,135)	1,706
Other	631	2,234	(1,603)	631	1,378	(747)
Total non-interest income	\$ 17,775	\$ 15,997	\$ 1,778	\$ 17,775	\$ (9,017)	\$ 26,792

Non-interest income totaled \$17.8 million for Q3 2023, an increase of \$1.8 million compared to Q2 2023. The increase was primarily due to a loss of \$5.0 million realized from the sale of non-strategic short-term syndicated capital call lines of credit within our Specialty Lending vertical that the Bank exited completely in Q2 2023 offset in part by decreases in death benefits paid by insurance carriers under bank-owned life insurance policies of \$3.0 million.

Non-interest income totaled \$17.8 million for Q3 2023, an increase of \$26.8 million compared to Q3 2022. The increase was primarily due to a loss of \$23.5 million realized from the sale of \$500 million of consumer installment loans in Q3 2022 and an increase in loan fees of \$3.0 million resulting from increased servicing-related revenue and unused line of credit fees.

#### Non-Interest Expense

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

<i>(Dollars in thousands)</i>	Three Months Ended			Three Months Ended		
	September 30, 2023	June 30, 2023	Increase (Decrease)	September 30, 2023	September 30, 2022	Increase (Decrease)
Salaries and employee benefits	\$ 33,845	\$ 33,120	\$ 725	\$ 33,845	\$ 31,230	\$ 2,615
Technology, communication and bank operations	15,667	16,407	(740)	15,667	19,588	(3,921)
Commercial lease depreciation	7,338	7,328	10	7,338	5,966	1,372
Professional services	8,569	9,192	(623)	8,569	6,269	2,300
Loan servicing	3,858	4,777	(919)	3,858	3,851	7
Occupancy	2,471	2,519	(48)	2,471	2,605	(134)
FDIC assessments, non-income taxes and regulatory fees	8,551	9,780	(1,229)	8,551	2,528	6,023
Advertising and promotion	650	546	104	650	762	(112)
Legal settlement expense	4,096	—	4,096	4,096	—	4,096
Other	4,421	5,628	(1,207)	4,421	3,399	1,022
Total non-interest expense	\$ 89,466	\$ 89,297	\$ 169	\$ 89,466	\$ 76,198	\$ 13,268

The management of non-interest expenses remains a priority for us. However, this will not deter us from making investments in new technologies to support efficient and responsible growth in the future.

Non-interest expenses totaled \$89.5 million in Q3 2023, an increase of \$0.2 million compared to Q2 2023. The increase was primarily attributable to \$4.1 million of expenses from a settlement with a third party PPP service provider and an increase of \$0.7 million in salaries and employee benefits resulting from the onboarding of the Venture Banking team. These increases were partially offset by decreases of \$1.2 million in FDIC assessments, non-income taxes and regulatory fees, \$1.2 million in other expenses primarily due to lower provision for operating losses, \$0.9 million in loan servicing from loan portfolios serviced by third parties, \$0.7 million in technology, communication and bank operations mostly due to lower fees paid to BM Technologies and \$0.6 million in professional fees.

Non-interest expenses totaled \$89.5 million in Q3 2023, an increase of \$13.3 million compared to Q3 2022. The increase was primarily attributable to \$4.1 million of expenses from a settlement with a third party PPP service provider, and increases of \$6.0 million in FDIC assessments, non-income taxes and regulatory fees resulting from higher FDIC assessment rates, \$2.6 million in salaries and employee benefits primarily due to headcount, annual merit increases, incentives and stock awards, \$2.3 million in professional fees mostly for technology, compliance and risk management, \$1.4 million in commercial lease depreciation from growth and \$1.0 million in other expenses. These increases were partially offset by a decrease of \$3.9 million in deposit servicing-related expenses mostly due to lower servicing fees and the discontinuation of interchange maintenance fees paid to BM Technologies offset by higher fees paid for software as a service.

#### Taxes

Income tax expense increased by \$2.7 million to \$23.5 million in Q3 2023 from \$20.8 million in Q2 2023 primarily due to higher pre-tax income, partially offset by tax expense of \$4.1 million on surrendered bank-owned life insurance policies recognized in Q2 2023 and increased income tax credits.

Income tax expense increased by \$5.6 million to \$23.5 million in Q3 2023 from \$17.9 million in Q3 2022 primarily due to higher pre-tax income, partially offset by increased income tax credits.

The effective tax rate for Q3 2023 was 21%. Customers expects the full-year 2023 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, improving our profitability and increasing our capital ratios. Our deposits will be relatively flat with continued improvement in the quality of deposits, reducing higher cost wholesale deposits with lower cost core deposits. Following the robust 3.70% NIM in Q3 2023 which was boosted by the outsized discount accretion, we expect a normalization of NIM to roughly 3.20%-3.25% in Q4 2023. Core EPS (excluding PPP)\* remains on track for, and will likely well exceed, our target of \$6.00 per diluted share with a core return on common equity\* of over 15%. 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. We remain committed to maintaining a CET 1 ratio between 11.0%-11.5% at year-end 2023 and have also achieved the tangible book value per share target of \$45.00, inclusive of the impact of AOCI, a full quarter early. We are committed to preserving superior credit quality, managing interest rate risk, maintaining robust liquidity, further improving our 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, October 27, 2023  
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 3rd 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 \$22.0 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 2023 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, 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.

### Q3 2023 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended September 30, 2023 and the preceding four quarters:

#### CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

#### EARNINGS SUMMARY - UNAUDITED

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months Ended September 30,	
						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	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 61,364	\$ 177,225	\$ 192,779
Per share amounts:							
Earnings per share - basic	\$ 2.65	\$ 1.41	\$ 1.58	\$ 0.79	\$ 1.89	\$ 5.63	\$ 5.89
Earnings per share - diluted	\$ 2.58	\$ 1.39	\$ 1.55	\$ 0.77	\$ 1.85	\$ 5.53	\$ 5.72
Book value per common share <sup>(1)</sup>	\$ 45.47	\$ 42.16	\$ 41.08	\$ 39.08	\$ 38.46	\$ 45.47	\$ 38.46
CUBI stock price <sup>(1)</sup>	\$ 34.45	\$ 30.26	\$ 18.52	\$ 28.34	\$ 29.48	\$ 34.45	\$ 29.48
CUBI stock price as % of book value <sup>(1)</sup>	76 %	72 %	45 %	73 %	77 %	76 %	77 %
Average shares outstanding - basic	31,290,581	31,254,125	31,819,203	32,413,459	32,455,814	31,452,700	32,706,652
Average shares outstanding - diluted	32,175,084	31,591,142	32,345,017	33,075,422	33,226,607	32,036,459	33,706,864
Shares outstanding <sup>(1)</sup>	31,311,254	31,282,318	31,239,750	32,373,697	32,475,502	31,311,254	32,475,502
Return on average assets ("ROAA")	1.57 %	0.88 %	1.03 %	0.55 %	1.24 %	1.17 %	1.34 %
Return on average common equity ("ROCE")	23.97 %	13.22 %	16.00 %	8.05 %	19.33 %	17.84 %	20.58 %
Net interest margin, tax equivalent	3.70 %	3.15 %	2.96 %	2.67 %	3.16 %	3.28 %	3.38 %
Efficiency ratio	41.01 %	49.25 %	47.71 %	49.20 %	50.00 %	45.62 %	43.46 %
<b>Non-GAAP Profitability Metrics <sup>(2)</sup>:</b>							
Core earnings	\$ 83,294	\$ 52,163	\$ 51,143	\$ 39,368	\$ 82,270	\$ 186,600	\$ 217,047
Adjusted pre-tax pre-provision net income	\$ 128,564	\$ 96,833	\$ 89,282	\$ 81,377	\$ 100,994	\$ 314,679	\$ 319,335
Per share amounts:							
Core earnings per share - diluted	\$ 2.59	\$ 1.65	\$ 1.58	\$ 1.19	\$ 2.48	\$ 5.82	\$ 6.44
Tangible book value per common share <sup>(1)</sup>	\$ 45.36	\$ 42.04	\$ 40.96	\$ 38.97	\$ 38.35	\$ 45.36	\$ 38.35
CUBI stock price as % of tangible book value <sup>(1)</sup>	76 %	72 %	45 %	73 %	77 %	76 %	77 %
Core ROAA	1.57 %	1.03 %	1.05 %	0.81 %	1.64 %	1.22 %	1.50 %
Core ROCE	24.06 %	15.67 %	16.28 %	12.36 %	25.91 %	18.79 %	23.17 %
Adjusted ROAA - pre-tax and pre-provision	2.32 %	1.79 %	1.72 %	1.56 %	1.95 %	1.95 %	2.14 %
Adjusted ROCE - pre-tax and pre-provision	36.04 %	28.01 %	27.33 %	24.59 %	31.01 %	30.59 %	33.40 %
Net interest margin, tax equivalent, excluding PPP loans	3.75 %	3.20 %	2.80 %	2.87 %	3.18 %	3.27 %	3.27 %
Core efficiency ratio	41.04 %	47.84 %	47.09 %	49.12 %	42.57 %	45.03 %	41.23 %
<b>Asset Quality:</b>							
Net charge-offs	\$ 17,498	\$ 15,564	\$ 18,651	\$ 27,164	\$ 18,497	\$ 51,713	\$ 39,204
Annualized net charge-offs to average total loans and leases	0.50 %	0.42 %	0.49 %	0.70 %	0.47 %	0.47 %	0.36 %
Non-performing loans ("NPLs") to total loans and leases <sup>(1)</sup>	0.22 %	0.20 %	0.21 %	0.19 %	0.18 %	0.22 %	0.18 %
Reserves to NPLs <sup>(1)</sup>	466.11 %	494.46 %	405.56 %	425.95 %	466.34 %	466.11 %	466.34 %
Non-performing assets ("NPAs") to total assets	0.14 %	0.13 %	0.15 %	0.15 %	0.14 %	0.14 %	0.14 %
<b>Customers Bank Capital Ratios <sup>(2)</sup>:</b>							
Common equity Tier 1 capital to risk-weighted assets	13.0 %	11.96 %	11.31 %	11.21 %	11.42 %	13.0 %	11.42 %
Tier 1 capital to risk-weighted assets	13.0 %	11.96 %	11.31 %	11.21 %	11.42 %	13.0 %	11.42 %
Total capital to risk-weighted assets	14.5 %	13.38 %	12.64 %	12.40 %	12.65 %	14.5 %	12.65 %
Tier 1 capital to average assets (leverage ratio)	8.3 %	8.00 %	8.09 %	8.15 %	8.10 %	8.3 %	8.10 %

(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 Q3 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 September 30, 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)*

						Nine Months Ended	
	Q3	Q2	Q1	Q4	Q3	September 30,	
	2023	2023	2023	2022	2022	2023	2022
<b>Interest income:</b>							
Loans and leases	\$ 271,107	\$ 241,745	\$ 244,212	\$ 217,471	\$ 200,438	\$ 757,064	\$ 526,478
Investment securities	54,243	48,026	47,316	42,953	30,546	149,585	76,283
Interest earning deposits	43,800	27,624	10,395	6,754	2,949	81,819	4,198
Loans held for sale	4,664	11,149	11,701	1,269	19	27,514	95
Other	2,526	1,616	1,321	1,200	1,964	5,463	8,672
Total interest income	<u>376,340</u>	<u>330,160</u>	<u>314,945</u>	<u>269,647</u>	<u>235,916</u>	<u>1,021,445</u>	<u>615,726</u>
<b>Interest expense:</b>							
Deposits	145,825	136,375	143,930	124,366	65,380	426,130	101,873
FHLB advances	26,485	24,285	10,370	4,464	4,684	61,140	7,000
FRB advances	—	—	6,286	—	—	6,286	—
Subordinated debt	2,689	2,689	2,689	2,688	2,689	8,067	8,067
Other borrowings	1,568	1,540	1,771	2,992	4,131	4,879	10,203
Total interest expense	<u>176,567</u>	<u>164,889</u>	<u>165,046</u>	<u>134,510</u>	<u>76,884</u>	<u>506,502</u>	<u>127,143</u>
Net interest income	<u>199,773</u>	<u>165,271</u>	<u>149,899</u>	<u>135,137</u>	<u>159,032</u>	<u>514,943</u>	<u>488,583</u>
Provision (benefit) for credit losses	17,856	23,629	19,603	28,216	(7,994)	61,088	31,850
Net interest income after provision (benefit) for credit losses	<u>181,917</u>	<u>141,642</u>	<u>130,296</u>	<u>106,921</u>	<u>167,026</u>	<u>453,855</u>	<u>456,733</u>
<b>Non-interest income:</b>							
Commercial lease income	8,901	8,917	9,326	8,135	7,097	27,144	19,584
Loan fees	6,029	4,271	3,990	4,017	3,008	14,290	8,171
Bank-owned life insurance	1,973	4,997	2,647	1,975	3,449	9,617	13,722
Mortgage warehouse transactional fees	1,018	1,376	1,074	1,295	1,545	3,468	5,443
Gain (loss) on sale of SBA and other loans	(348)	(761)	—	—	106	(1,109)	3,155
Loss on sale of capital call lines of credit	—	(5,037)	—	—	—	(5,037)	—
Loss on sale of consumer installment loans	—	—	—	—	(23,465)	—	(23,465)
Net gain (loss) on sale of investment securities	(429)	—	—	(16,937)	(2,135)	(429)	(6,227)
Legal settlement gain	—	—	—	7,519	—	—	—
Other	631	2,234	1,084	1,341	1,378	3,949	4,544
Total non-interest income	<u>17,775</u>	<u>15,997</u>	<u>18,121</u>	<u>7,345</u>	<u>(9,017)</u>	<u>51,893</u>	<u>24,927</u>
<b>Non-interest expense:</b>							
Salaries and employee benefits	33,845	33,120	32,345	29,194	31,230	99,310	83,171
Technology, communication and bank operations	15,667	16,407	16,589	18,604	19,588	48,663	66,394
Commercial lease depreciation	7,338	7,328	7,875	6,518	5,966	22,541	16,460
Professional services	8,569	9,192	7,596	6,825	6,269	25,357	20,640
Loan servicing	3,858	4,777	4,661	4,460	3,851	13,296	10,563
Occupancy	2,471	2,519	2,760	3,672	2,605	7,750	9,934
FDIC assessments, non-income taxes and regulatory fees	8,551	9,780	2,728	2,339	2,528	21,059	6,530
Advertising and promotion	650	546	1,049	1,111	762	2,245	1,430
Legal settlement expense	4,096	—	—	—	—	4,096	—
Other	4,421	5,628	4,530	5,696	3,399	14,579	11,088
Total non-interest expense	<u>89,466</u>	<u>89,297</u>	<u>80,133</u>	<u>78,419</u>	<u>76,198</u>	<u>258,896</u>	<u>226,210</u>
Income before income tax expense	<u>110,226</u>	<u>68,342</u>	<u>68,284</u>	<u>35,847</u>	<u>81,811</u>	<u>246,852</u>	<u>255,450</u>
Income tax expense	23,470	20,768	14,563	7,136	17,899	58,801	56,127
Net income	<u>86,756</u>	<u>47,574</u>	<u>53,721</u>	<u>28,711</u>	<u>63,912</u>	<u>188,051</u>	<u>199,323</u>
Preferred stock dividends	3,803	3,567	3,456	3,088	2,548	10,826	6,544
Net income available to common shareholders	<u>\$ 82,953</u>	<u>\$ 44,007</u>	<u>\$ 50,265</u>	<u>\$ 25,623</u>	<u>\$ 61,364</u>	<u>\$ 177,225</u>	<u>\$ 192,779</u>
Basic earnings per common share	\$ 2.65	\$ 1.41	\$ 1.58	\$ 0.79	\$ 1.89	\$ 5.63	\$ 5.89
Diluted earnings per common share	2.58	1.39	1.55	0.77	1.85	5.53	5.72

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

(Dollars in thousands)

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>ASSETS</b>					
Cash and due from banks	\$ 68,288	\$ 54,127	\$ 77,251	\$ 58,025	\$ 41,520
Interest earning deposits	3,351,686	3,101,097	1,969,434	397,781	362,945
Cash and cash equivalents	3,419,974	3,155,224	2,046,685	455,806	404,465
Investment securities, at fair value	2,773,207	2,824,638	2,926,969	2,987,500	2,943,694
Investment securities held to maturity	1,178,370	1,258,560	870,294	840,259	886,294
Loans held for sale	150,368	78,108	424,057	328,312	5,224
Loans receivable, mortgage warehouse, at fair value	962,566	1,006,268	1,247,367	1,323,312	1,569,090
Loans receivable, PPP	137,063	188,763	246,258	998,153	1,154,632
Loans and leases receivable	12,463,485	12,637,768	13,145,352	13,144,894	12,607,742
Allowance for credit losses on loans and leases	(139,213)	(139,656)	(130,281)	(130,924)	(130,197)
Total loans and leases receivable, net of allowance for credit losses on loans and leases	13,423,901	13,693,143	14,508,696	15,335,435	15,201,267
FHLB, Federal Reserve Bank, and other restricted stock	126,098	126,240	124,733	74,196	64,112
Accrued interest receivable	123,984	119,501	123,754	123,374	107,621
Bank premises and equipment, net	7,789	8,031	8,581	9,025	6,610
Bank-owned life insurance	291,670	290,322	339,607	338,441	336,130
Goodwill and other intangibles	3,629	3,629	3,629	3,629	3,629
Other assets	358,162	471,169	374,609	400,135	408,575
<b>Total assets</b>	<b>\$ 21,857,152</b>	<b>\$ 22,028,565</b>	<b>\$ 21,751,614</b>	<b>\$ 20,896,112</b>	<b>\$ 20,367,621</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
Demand, non-interest bearing deposits	\$ 4,758,682	\$ 4,490,198	\$ 3,487,517	\$ 1,885,045	\$ 2,993,793
Interest bearing deposits	13,436,682	13,460,233	14,236,100	16,271,908	14,528,645
Total deposits	18,195,364	17,950,431	17,723,617	18,156,953	17,522,438
Federal funds purchased	—	—	—	—	365,000
FHLB advances	1,529,839	2,046,142	2,052,143	800,000	500,000
Other borrowings	123,775	123,710	123,645	123,580	123,515
Subordinated debt	182,161	182,091	182,021	181,952	181,882
Accrued interest payable and other liabilities	264,406	269,539	249,168	230,666	287,855
<b>Total liabilities</b>	<b>20,295,545</b>	<b>20,571,913</b>	<b>20,330,594</b>	<b>19,493,151</b>	<b>18,980,690</b>
Preferred stock	137,794	137,794	137,794	137,794	137,794
Common stock	35,330	35,301	35,258	35,012	34,948
Additional paid in capital	559,346	555,737	552,255	551,721	549,066
Retained earnings	1,101,359	1,018,406	974,399	924,134	898,511
Accumulated other comprehensive income (loss), net	(149,812)	(168,176)	(156,276)	(163,096)	(156,126)
Treasury stock, at cost	(122,410)	(122,410)	(122,410)	(82,604)	(77,262)
<b>Total shareholders' equity</b>	<b>1,561,607</b>	<b>1,456,652</b>	<b>1,421,020</b>	<b>1,402,961</b>	<b>1,386,931</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 21,857,152</b>	<b>\$ 22,028,565</b>	<b>\$ 21,751,614</b>	<b>\$ 20,896,112</b>	<b>\$ 20,367,621</b>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED

(Dollars in thousands)

	Three Months Ended								
	September 30, 2023			June 30, 2023			September 30, 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	\$ 3,211,753	\$ 43,800	5.41%	\$ 2,150,154	\$ 27,624	5.15%	\$ 528,001	\$ 2,949	2.22%
Investment securities <sup>(1)</sup>	4,240,116	54,243	5.12%	3,949,732	48,026	4.86%	3,770,922	30,546	3.24%
Loans and leases:									
Commercial & industrial:									
Specialty lending loans and leases <sup>(2)</sup>	5,717,252	157,671	10.94%	5,832,485	121,779	8.37%	5,064,730	64,753	5.07%
Other commercial & industrial loans <sup>(2)</sup>	1,613,614	28,012	6.89%	1,672,667	26,028	6.24%	1,585,136	18,794	4.70%
Commercial loans to mortgage companies	1,159,698	16,916	5.79%	1,300,496	19,606	6.05%	1,623,624	17,092	4.18%
Multifamily loans	2,141,384	21,292	3.94%	2,181,617	21,095	3.88%	2,206,953	20,427	3.67%
Loans receivable, PPP	166,164	604	1.44%	207,127	1,633	3.16%	1,349,403	14,666	4.31%
Non-owner occupied commercial real estate loans	1,425,831	21,208	5.90%	1,428,086	19,877	5.58%	1,372,244	15,595	4.51%
Residential mortgages	528,022	5,965	4.48%	535,739	5,735	4.28%	513,694	5,008	3.87%
Installment loans	1,147,069	24,103	8.34%	1,684,215	37,141	8.84%	1,938,199	44,122	9.03%
Total loans and leases <sup>(3)</sup>	13,899,034	275,771	7.87%	14,842,432	252,894	6.83%	15,653,983	200,457	5.08%
Other interest-earning assets	134,416	2,526	7.45%	131,362	1,616	4.93%	68,549	1,964	11.37%
<b>Total interest-earning assets</b>	<b>21,485,319</b>	<b>376,340</b>	<b>6.96%</b>	<b>21,073,680</b>	<b>330,160</b>	<b>6.28%</b>	<b>20,021,455</b>	<b>235,916</b>	<b>4.68%</b>
Non-interest-earning assets	492,691			581,055			492,911		
<b>Total assets</b>	<b>\$ 21,978,010</b>			<b>\$ 21,654,735</b>			<b>\$ 20,514,366</b>		
<b>Liabilities</b>									
Interest checking accounts	\$ 5,758,215	\$ 58,637	4.04%	\$ 5,309,775	\$ 49,862	3.77%	\$ 6,669,787	\$ 33,685	2.00%
Money market deposit accounts	2,181,184	22,983	4.18%	1,978,546	19,678	3.99%	5,789,991	24,348	1.67%
Other savings accounts	1,077,298	11,582	4.27%	997,205	9,839	3.96%	625,908	1,818	1.15%
Certificates of deposit	4,466,522	52,623	4.67%	5,020,205	56,996	4.55%	1,141,970	5,529	1.92%
Total interest-bearing deposits <sup>(4)</sup>	13,483,219	145,825	4.29%	13,305,731	136,375	4.11%	14,227,656	65,380	1.82%
Federal funds purchased	—	—	—%	—	—	—%	513,011	2,871	2.22%
Borrowings	2,328,955	30,742	5.24%	2,357,981	28,514	4.85%	874,497	8,633	3.92%
<b>Total interest-bearing liabilities</b>	<b>15,812,174</b>	<b>176,567</b>	<b>4.43%</b>	<b>15,663,712</b>	<b>164,889</b>	<b>4.22%</b>	<b>15,615,164</b>	<b>76,884</b>	<b>1.95%</b>
Non-interest-bearing deposits <sup>(4)</sup>	4,347,977			4,258,711			3,245,963		
Total deposits and borrowings	20,160,151		3.48%	19,922,423		3.32%	18,861,127		1.62%
Other non-interest-bearing liabilities	306,822			259,111			255,735		
<b>Total liabilities</b>	<b>20,466,973</b>			<b>20,181,534</b>			<b>19,116,862</b>		
Shareholders' equity	1,511,037			1,473,201			1,397,504		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 21,978,010</b>			<b>\$ 21,654,735</b>			<b>\$ 20,514,366</b>		
Net interest income		199,773			165,271			159,032	
Tax-equivalent adjustment		405			390			334	
Net interest earnings		\$ 200,178			\$ 165,661			\$ 159,366	
<b>Interest spread</b>			<b>3.48%</b>			<b>2.96%</b>			<b>3.06%</b>
<b>Net interest margin</b>			<b>3.70%</b>			<b>3.14%</b>			<b>3.16%</b>
<b>Net interest margin tax equivalent</b>			<b>3.70%</b>			<b>3.15%</b>			<b>3.16%</b>
<b>Net interest margin tax equivalent excl. PPP <sup>(5)</sup></b>			<b>3.75%</b>			<b>3.20%</b>			<b>3.18%</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 3.24%, 3.11% and 1.48% for the three months ended September 30, 2023, June 30, 2023 and September 30, 2022, respectively.
- (5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended September 30, 2023, June 30, 2023 and September 30, 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)*

	Nine Months Ended					
	September 30, 2023			September 30, 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	\$ 2,100,435	\$ 81,819	5.21%	\$ 595,305	\$ 4,197	0.94%
Investment securities <sup>(1)</sup>	4,074,464	149,585	4.90%	3,969,809	76,283	2.56%
Loans and leases:						
Commercial & industrial:						
Specialty lending loans and leases <sup>(2)</sup>	5,748,053	383,138	8.91%	3,963,180	127,304	4.29%
Other commercial & industrial loans <sup>(2)</sup>	1,663,494	79,610	6.40%	1,496,772	46,768	4.18%
Commercial loans to mortgage companies	1,240,403	53,934	5.81%	1,785,495	46,713	3.50%
Multifamily loans	2,176,294	62,857	3.86%	1,863,915	51,506	3.69%
Loans receivable, PPP	418,194	25,788	8.24%	1,946,651	72,132	4.95%
Non-owner occupied commercial real estate loans	1,434,459	61,284	5.71%	1,331,037	40,551	4.07%
Residential mortgages	535,502	17,298	4.32%	482,263	13,586	3.77%
Installment loans	1,517,632	100,669	8.87%	1,881,160	128,013	9.10%
Total loans and leases <sup>(3)</sup>	14,734,031	784,578	7.12%	14,750,473	526,573	4.77%
Other interest-earning assets	119,187	5,463	6.13%	62,955	8,673	NM <sup>(6)</sup>
<b>Total interest-earning assets</b>	<b>21,028,117</b>	<b>1,021,445</b>	<b>6.49%</b>	<b>19,378,542</b>	<b>615,726</b>	<b>4.25%</b>
Non-interest-earning assets	537,160			526,437		
<b>Total assets</b>	<b>\$ 21,565,277</b>			<b>\$ 19,904,979</b>		
<b>Liabilities</b>						
Interest checking accounts	\$ 6,181,097	\$ 178,984	3.87%	\$ 6,286,224	\$ 55,059	1.17%
Money market deposit accounts	2,208,853	63,444	3.84%	5,128,270	36,545	0.95%
Other savings accounts	966,539	27,707	3.83%	732,801	3,359	0.61%
Certificates of deposit	4,663,548	155,995	4.47%	710,130	6,910	1.30%
Total interest-bearing deposits <sup>(4)</sup>	14,020,037	426,130	4.06%	12,857,425	101,873	1.06%
Federal funds purchased	5,055	188	4.97%	416,344	4,374	1.40%
Borrowings	2,160,332	80,184	4.96%	783,644	20,896	3.57%
<b>Total interest-bearing liabilities</b>	<b>16,185,424</b>	<b>506,502</b>	<b>4.18%</b>	<b>14,057,413</b>	<b>127,143</b>	<b>1.21%</b>
Non-interest-bearing deposits <sup>(4)</sup>	3,642,832			4,206,778		
Total deposits and borrowings	19,828,256		3.42%	18,264,191		0.93%
Other non-interest-bearing liabilities	271,387			250,783		
<b>Total liabilities</b>	<b>20,099,643</b>			<b>18,514,974</b>		
Shareholders' equity	1,465,634			1,390,005		
<b>Total liabilities and shareholders' equity</b>	<b>\$ 21,565,277</b>			<b>\$ 19,904,979</b>		
Net interest income		514,943			488,583	
Tax-equivalent adjustment		1,170			843	
Net interest earnings		\$ 516,113			\$ 489,426	
<b>Interest spread</b>			<b>3.08%</b>			<b>3.32%</b>
<b>Net interest margin</b>			<b>3.27%</b>			<b>3.37%</b>
<b>Net interest margin tax equivalent</b>			<b>3.28%</b>			<b>3.38%</b>
<b>Net interest margin tax equivalent excl. PPP <sup>(5)</sup></b>			<b>3.27%</b>			<b>3.27%</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 3.23% and 0.80% for the nine months ended September 30, 2023 and 2022, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the nine months ended September 30, 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)*

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
<b>Loans and leases held for investment</b>					
Commercial:					
Commercial & industrial:					
Specialty lending	\$ 5,422,161	\$ 5,534,832	\$ 5,519,176	\$ 5,412,887	\$ 5,103,974
Other commercial & industrial	1,115,364	1,052,145	1,168,161	1,135,336	1,064,332
Multifamily	2,130,213	2,151,734	2,195,211	2,213,019	2,263,268
Loans to mortgage companies	1,042,549	1,108,598	1,374,894	1,447,919	1,708,587
Commercial real estate owner occupied	794,815	842,042	895,314	885,339	726,670
Loans receivable, PPP	137,063	188,763	246,258	998,153	1,154,632
Commercial real estate non-owner occupied	1,178,203	1,211,091	1,245,248	1,290,730	1,263,211
Construction	252,588	212,214	188,123	162,009	136,133
Total commercial loans and leases	<u>12,072,956</u>	<u>12,301,419</u>	<u>12,832,385</u>	<u>13,545,392</u>	<u>13,420,807</u>
Consumer:					
Residential	483,133	487,199	494,815	497,952	465,772
Manufactured housing	40,129	41,664	43,272	45,076	46,990
Installment:					
Personal	629,843	752,470	849,420	964,641	1,056,432
Other	337,053	250,047	419,085	413,298	341,463
Total installment loans	<u>966,896</u>	<u>1,002,517</u>	<u>1,268,505</u>	<u>1,377,939</u>	<u>1,397,895</u>
Total consumer loans	<u>1,490,158</u>	<u>1,531,380</u>	<u>1,806,592</u>	<u>1,920,967</u>	<u>1,910,657</u>
Total loans and leases held for investment	<u>\$ 13,563,114</u>	<u>\$ 13,832,799</u>	<u>\$ 14,638,977</u>	<u>\$ 15,466,359</u>	<u>\$ 15,331,464</u>
<b>Loans held for sale</b>					
Commercial:					
Multifamily	\$ —	\$ —	\$ 4,051	\$ 4,079	\$ 4,108
Commercial real estate non-owner occupied	—	—	16,000	—	—
Total commercial loans and leases	—	—	20,051	4,079	4,108
Consumer:					
Residential	1,005	1,234	821	829	1,116
Installment:					
Personal	124,848	76,874	307,336	133,801	—
Other	24,515	—	95,849	189,603	—
Total installment loans	<u>149,363</u>	<u>76,874</u>	<u>403,185</u>	<u>323,404</u>	<u>—</u>
Total consumer loans	<u>150,368</u>	<u>78,108</u>	<u>404,006</u>	<u>324,233</u>	<u>1,116</u>
Total loans held for sale	<u>\$ 150,368</u>	<u>\$ 78,108</u>	<u>\$ 424,057</u>	<u>\$ 328,312</u>	<u>\$ 5,224</u>
Total loans and leases portfolio	<u>\$ 13,713,482</u>	<u>\$ 13,910,907</u>	<u>\$ 15,063,034</u>	<u>\$ 15,794,671</u>	<u>\$ 15,336,688</u>

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

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Demand, non-interest bearing	\$ 4,758,682	\$ 4,490,198	\$ 3,487,517	\$ 1,885,045	\$ 2,993,793
Demand, interest bearing	5,824,410	5,551,037	5,791,302	8,476,027	7,124,663
Total demand deposits	<u>10,583,092</u>	<u>10,041,235</u>	<u>9,278,819</u>	<u>10,361,072</u>	<u>10,118,456</u>
Savings	1,118,353	1,048,229	924,359	811,798	592,002
Money market	2,499,593	2,004,264	2,019,633	2,734,217	4,913,967
Time deposits	3,994,326	4,856,703	5,500,806	4,249,866	1,898,013
Total deposits	<u>\$ 18,195,364</u>	<u>\$ 17,950,431</u>	<u>\$ 17,723,617</u>	<u>\$ 18,156,953</u>	<u>\$ 17,522,438</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

(Dollars in thousands)	As of September 30, 2023					As of June 30, 2023					As of September 30, 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>	\$ 6,617,508	\$ 5,767	\$ 24,986	0.09 %	433.26 %	\$ 6,689,307	\$ 4,441	\$ 29,092	0.07 %	655.08 %	\$ 6,307,803	\$ 4,078	\$ 15,131	0.06 %	371.04 %
Multifamily	2,130,213	—	15,870	— %	— %	2,151,734	4,022	15,400	0.19 %	382.89 %	2,263,268	1,158	14,244	0.05 %	1230.05 %
Commercial real estate owner occupied	794,815	7,442	10,363	0.94 %	139.25 %	842,042	3,304	10,215	0.39 %	309.17 %	726,670	2,198	6,220	0.30 %	282.98 %
Commercial real estate non-owner occupied	1,178,203	—	15,819	— %	— %	1,211,091	—	13,495	— %	— %	1,263,211	—	11,332	— %	— %
Construction	252,588	—	3,130	— %	— %	212,214	—	2,639	— %	— %	136,133	—	1,614	— %	— %
<b>Total commercial loans and leases receivable</b>	<b>10,973,327</b>	<b>13,209</b>	<b>70,168</b>	<b>0.12 %</b>	<b>531.21 %</b>	<b>11,106,388</b>	<b>11,767</b>	<b>70,841</b>	<b>0.11 %</b>	<b>602.03 %</b>	<b>10,697,085</b>	<b>7,434</b>	<b>48,541</b>	<b>0.07 %</b>	<b>652.96 %</b>
Residential	483,133	6,559	6,802	1.36 %	103.70 %	487,199	7,306	6,846	1.50 %	93.70 %	465,772	6,438	5,453	1.38 %	84.70 %
Manufactured housing	40,129	2,582	4,080	6.43 %	158.02 %	41,664	2,634	4,338	6.32 %	164.69 %	46,990	2,584	4,482	5.50 %	173.45 %
Installment	966,896	7,299	58,163	0.75 %	796.86 %	1,002,517	6,537	57,631	0.65 %	881.61 %	1,397,895	6,848	71,721	0.49 %	1047.33 %
<b>Total consumer loans receivable</b>	<b>1,490,158</b>	<b>16,440</b>	<b>69,045</b>	<b>1.10 %</b>	<b>419.98 %</b>	<b>1,531,380</b>	<b>16,477</b>	<b>68,815</b>	<b>1.08 %</b>	<b>417.64 %</b>	<b>1,910,657</b>	<b>15,870</b>	<b>81,656</b>	<b>0.83 %</b>	<b>514.53 %</b>
<b>Loans and leases receivable <sup>(1)</sup></b>	<b>12,463,485</b>	<b>29,649</b>	<b>139,213</b>	<b>0.24 %</b>	<b>469.54 %</b>	<b>12,637,768</b>	<b>28,244</b>	<b>139,656</b>	<b>0.22 %</b>	<b>494.46 %</b>	<b>12,607,742</b>	<b>23,304</b>	<b>130,197</b>	<b>0.18 %</b>	<b>558.69 %</b>
Loans receivable, PPP	137,063	—	—	— %	— %	188,763	—	—	— %	— %	1,154,632	—	—	— %	— %
Loans receivable, mortgage warehouse, at fair value	962,566	—	—	— %	— %	1,006,268	—	—	— %	— %	1,569,090	—	—	— %	— %
Total loans held for sale	150,368	218	—	0.14 %	— %	78,108	—	—	— %	— %	5,224	4,615	—	88.34 %	— %
<b>Total portfolio</b>	<b>\$ 13,713,482</b>	<b>\$ 29,867</b>	<b>\$ 139,213</b>	<b>0.22 %</b>	<b>466.11 %</b>	<b>\$ 13,910,907</b>	<b>\$ 28,244</b>	<b>\$ 139,656</b>	<b>0.20 %</b>	<b>494.46 %</b>	<b>\$ 15,336,688</b>	<b>\$ 27,919</b>	<b>\$ 130,197</b>	<b>0.18 %</b>	<b>466.34 %</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>	Q3	Q2	Q1	Q4	Q3	Nine Months Ended September 30,	
	2023	2023 <sup>(1)</sup>	2023	2022	2022	2023	2022
Commercial & industrial, including specialty lending	\$ 2,974	\$ 258	\$ (71)	\$ 12,960	\$ 2,581	\$ 3,161	\$ 2,106
Multifamily	1,999	1,448	—	—	—	3,447	1,653
Commercial real estate owner occupied	39	(34)	—	(2)	—	5	(49)
Commercial real estate non-owner occupied	—	266	4,234	972	4,831	4,500	4,982
Construction	—	—	(116)	(10)	(10)	(116)	(226)
Residential	13	24	(2)	7	(13)	35	(54)
Installment	12,473	13,602	14,606	13,237	11,108	40,681	30,792
<b>Total net charge-offs (recoveries) from loans held for investment</b>	<b>\$ 17,498</b>	<b>\$ 15,564</b>	<b>\$ 18,651</b>	<b>\$ 27,164</b>	<b>\$ 18,497</b>	<b>\$ 51,713</b>	<b>\$ 39,204</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)	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022		Nine Months Ended September 30,			
											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	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85	\$ 177,225	\$ 5.53	\$ 192,779	\$ 5.72
Reconciling items (after tax):														
Severance expense	—	—	141	0.00	637	0.02	—	—	1,058	0.03	778	0.02	1,058	0.03
Impairments on fixed assets and leases	—	—	12	0.00	86	0.00	—	—	126	0.00	98	0.00	1,051	0.03
Loss on sale of consumer installment loans	—	—	—	—	—	—	—	—	18,221	0.55	—	—	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	492	0.02	49	0.00	(49)	0.00	13,543	0.41	1,859	0.06	492	0.02	5,383	0.16
Derivative credit valuation adjustment	(151)	0.00	(101)	0.00	204	0.01	202	0.01	(358)	(0.01)	(48)	0.00	(1,445)	(0.04)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	0.13	—	—	—	—	—	—	4,141	0.13	—	—
Core earnings	\$ 83,294	\$ 2.59	\$ 52,163	\$ 1.65	\$ 51,143	\$ 1.58	\$ 39,368	\$ 1.19	\$ 82,270	\$ 2.48	\$ 186,600	\$ 5.82	\$ 217,047	\$ 6.44

**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>	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022		Nine Months Ended September 30,			
											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	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85	\$ 177,225	\$ 5.53	\$ 192,779	\$ 5.72
Less: PPP net income (loss) (after tax)	(11,168)	(0.35)	(2,068)	(0.07)	9,606	0.30	(5,956)	(0.18)	5,846	0.18	(3,630)	(0.11)	43,625	1.29
Net income to common shareholders, excluding PPP	94,121	2.93	46,075	1.46	40,659	1.26	31,579	0.95	55,518	1.67	180,855	5.65	149,154	4.43
Reconciling items (after tax):														
Severance expense	—	—	141	0.00	637	0.02	—	—	1,058	0.03	778	0.02	1,058	0.03
Impairments on fixed assets and leases	—	—	12	0.00	86	0.00	—	—	126	0.00	98	0.00	1,051	0.03
Loss on sale of consumer installment loans	—	—	—	—	—	—	—	—	18,221	0.55	—	—	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	492	0.02	49	0.00	(49)	0.00	13,543	0.41	1,859	0.06	492	0.02	5,383	0.16
Derivative credit valuation adjustment	(151)	0.00	(101)	0.00	204	0.01	202	0.01	(358)	(0.01)	(48)	0.00	(1,445)	(0.04)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	0.13	—	—	—	—	—	—	4,141	0.13	—	—
Core earnings, excluding PPP	\$ 94,462	\$ 2.94	\$ 54,231	\$ 1.72	\$ 41,537	\$ 1.28	\$ 45,324	\$ 1.37	\$ 76,424	\$ 2.30	\$ 190,230	\$ 5.93	\$ 173,422	\$ 5.15

**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>	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022		Nine Months Ended September 30,			
											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	\$ 86,756		\$ 47,574		\$ 53,721		\$ 28,711		\$ 63,912		\$ 188,051		\$ 199,323	
Reconciling items (after tax):														
Severance expense	—		141		637		—		1,058		778		1,058	
Impairments on fixed assets and leases	—		12		86		—		126		98		1,051	
Loss on sale of consumer installment loans	—		—		—		—		18,221		—		18,221	
Loss on sale of capital call lines of credit	—		3,914		—		—		—		3,914		—	
(Gains) losses on investment securities	492		49		(49)		13,543		1,859		492		5,383	
Derivative credit valuation adjustment	(151)		(101)		204		202		(358)		(48)		(1,445)	
Tax on surrender of bank-owned life insurance policies	—		4,141		—		—		—		4,141		—	
Core net income	\$ 87,097		\$ 55,730		\$ 54,599		\$ 42,456		\$ 84,818		\$ 197,426		\$ 223,591	
Average total assets	\$ 21,978,010		\$ 21,654,735		\$ 21,052,920		\$ 20,717,362		\$ 20,514,366		\$ 21,565,277		\$ 19,904,979	
Core return on average assets		1.57 %		1.03 %		1.05 %		0.81 %		1.64 %		1.22 %		1.50 %

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)**
*(Dollars in thousands, except per share data)*

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months Ended September 30,	
						2023	2022
<i>Core Return on Average Assets, excluding PPP - Customers Bancorp</i>							
<i>(Dollars in thousands, except per share data)</i>							
GAAP net income	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 63,912	\$ 188,051	\$ 199,323
Less: PPP net income (loss) (after tax)	(11,168)	(2,068)	9,606	(5,956)	5,846	(3,630)	43,625
Net income, excluding PPP	97,924	49,642	44,115	34,667	58,066	191,681	155,698
Reconciling items (after tax):							
Severance expense	—	141	637	—	1,058	778	1,058
Impairments on fixed assets and leases	—	12	86	—	126	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	492	49	(49)	13,543	1,859	492	5,383
Derivative credit valuation adjustment	(151)	(101)	204	202	(358)	(48)	(1,445)
Tax on surrender of bank-owned life insurance policies	—	4,141	—	—	—	4,141	—
Core net income, excluding PPP	\$ 98,265	\$ 57,798	\$ 44,993	\$ 48,412	\$ 78,972	\$ 201,056	\$ 179,966
Average total assets	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366	\$ 21,565,277	\$ 19,904,979
Core return on average assets, excluding PPP	1.77 %	1.07 %	0.87 %	0.93 %	1.53 %	1.25 %	1.21 %

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

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months Ended September 30,	
						2023	2022
GAAP net income	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 63,912	\$ 188,051	\$ 199,323
Reconciling items:							
Income tax expense	23,470	20,768	14,563	7,136	17,899	58,801	56,127
Provision (benefit) for credit losses	17,856	23,629	19,603	28,216	(7,994)	61,088	31,850
Provision (benefit) for credit losses on unfunded commitments	48	(304)	280	153	254	24	753
Severance expense	—	182	809	—	1,363	991	1,363
Impairments on fixed assets and leases	—	15	109	—	162	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	626	62	(62)	16,909	2,394	626	6,965
Derivative credit valuation adjustment	(192)	(130)	259	252	(461)	(63)	(1,873)
Adjusted net income - pre-tax pre-provision	\$ 128,564	\$ 96,833	\$ 89,282	\$ 81,377	\$ 100,994	\$ 314,679	\$ 319,335
Average total assets	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366	\$ 21,565,277	\$ 19,904,979
Adjusted ROAA - pre-tax pre-provision	2.32 %	1.79 %	1.72 %	1.56 %	1.95 %	1.95 %	2.14 %

**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)*

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months Ended September 30,	
						2023	2022
GAAP net income	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 63,912	\$ 188,051	\$ 199,323
Less: PPP net income (loss) (after tax)	(11,168)	(2,068)	9,606	(5,956)	5,846	(3,630)	43,625
Net income, excluding PPP	97,924	49,642	44,115	34,667	58,066	191,681	155,698
Reconciling items:							
Income tax expense	23,470	20,768	14,563	7,136	17,899	58,801	56,127
Provision (benefit) for credit losses	17,856	23,629	19,603	28,216	(7,994)	61,088	31,850
Provision (benefit) for credit losses on unfunded commitments	48	(304)	280	153	254	24	753
Severance expense	—	182	809	—	1,363	991	1,363
Impairments on fixed assets and leases	—	15	109	—	162	124	1,362
Loss on sale of consumer installment loans	—	—	—	—	23,465	—	23,465
Loss on sale of capital call lines of credit	—	5,037	—	—	—	5,037	—
(Gains) losses on investment securities	626	62	(62)	16,909	2,394	626	6,965
Derivative credit valuation adjustment	(192)	(130)	259	252	(461)	(63)	(1,873)
Adjusted net income - pre-tax pre-provision, excluding PPP	\$ 139,732	\$ 98,901	\$ 79,676	\$ 87,333	\$ 95,148	\$ 318,309	\$ 275,710
Average total assets	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366	\$ 21,565,277	\$ 19,904,979
Adjusted ROAA - pre-tax pre-provision, excluding PPP	2.52 %	1.83 %	1.53 %	1.67 %	1.84 %	1.97 %	1.85 %

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

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months Ended September 30,	
						2023	2022
GAAP net income to common shareholders	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 61,364	\$ 177,225	\$ 192,779
Reconciling items (after tax):							
Severance expense	—	141	637	—	1,058	778	1,058
Impairments on fixed assets and leases	—	12	86	—	126	98	1,051
Loss on sale of consumer installment loans	—	—	—	—	18,221	—	18,221
Loss on sale of capital call lines of credit	—	3,914	—	—	—	3,914	—
(Gains) losses on investment securities	492	49	(49)	13,543	1,859	492	5,383
Derivative credit valuation adjustment	(151)	(101)	204	202	(358)	(48)	(1,445)
Tax on surrender of bank-owned life insurance policies	—	4,141	—	—	—	4,141	—
Core earnings	\$ 83,294	\$ 52,163	\$ 51,143	\$ 39,368	\$ 82,270	\$ 186,600	\$ 217,047
Average total common shareholders' equity	\$ 1,373,244	\$ 1,335,408	\$ 1,273,780	\$ 1,263,190	\$ 1,259,711	\$ 1,327,841	\$ 1,252,212
Core return on average common equity	24.06 %	15.67 %	16.28 %	12.36 %	25.91 %	18.79 %	23.17 %

**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)*

						Nine Months Ended September 30,	
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	2023	2022
GAAP net income to common shareholders	\$ 82,953	\$ 44,007	\$ 50,265	\$ 25,623	\$ 61,364	\$ 177,225	\$ 192,779
Reconciling items:							
Income tax expense	23,470	20,768	14,563	7,136	17,899	58,801	56,127
Provision (benefit) for credit losses	17,856	23,629	19,603	28,216	(7,994)	61,088	31,850
Provision (benefit) for credit losses on unfunded commitments	48	(304)	280	153	254	24	753
Severance expense	—	182	809	—	1,363	991	1,363
Impairments on fixed assets and leases	—	15	109	—	162	124	1,362
Loss on sale of consumer installment loans	—	—	—	—	23,465	—	23,465
Loss on sale of capital call lines of credit	—	5,037	—	—	—	5,037	—
(Gains) losses on investment securities	626	62	(62)	16,909	2,394	626	6,965
Derivative credit valuation adjustment	(192)	(130)	259	252	(461)	(63)	(1,873)
Pre-tax pre-provision adjusted net income available to common shareholders	<u>\$ 124,761</u>	<u>\$ 93,266</u>	<u>\$ 85,826</u>	<u>\$ 78,289</u>	<u>\$ 98,446</u>	<u>\$ 303,853</u>	<u>\$ 312,791</u>
Average total common shareholders' equity	\$ 1,373,244	\$ 1,335,408	\$ 1,273,780	\$ 1,263,190	\$ 1,259,711	\$ 1,327,841	\$ 1,252,212
Adjusted ROCE - pre-tax pre-provision	36.04 %	28.01 %	27.33 %	24.59 %	31.01 %	30.59 %	33.40 %

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

						Nine Months Ended September 30,	
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	2023	2022
GAAP net interest income	\$ 199,773	\$ 165,271	\$ 149,899	\$ 135,137	\$ 159,032	\$ 514,943	\$ 488,583
PPP net interest (income) expense	1,381	765	(14,106)	2,791	(9,632)	(11,960)	(63,193)
Tax-equivalent adjustment	405	390	375	342	334	1,170	843
Net interest income, tax equivalent, excluding PPP	<u>\$ 201,559</u>	<u>\$ 166,426</u>	<u>\$ 136,168</u>	<u>\$ 138,270</u>	<u>\$ 149,734</u>	<u>\$ 504,153</u>	<u>\$ 426,233</u>
GAAP average total interest earning assets	\$ 21,485,319	\$ 21,073,680	\$ 20,514,677	\$ 20,211,028	\$ 20,021,455	\$ 21,028,117	\$ 19,378,542
Average PPP loans	(166,164)	(207,127)	(889,235)	(1,065,919)	(1,349,403)	(418,194)	(1,946,651)
Adjusted average total interest earning assets, excluding PPP	<u>\$ 21,319,155</u>	<u>\$ 20,866,553</u>	<u>\$ 19,625,442</u>	<u>\$ 19,145,109</u>	<u>\$ 18,672,052</u>	<u>\$ 20,609,923</u>	<u>\$ 17,431,891</u>
Net interest margin, tax equivalent, excluding PPP	3.75 %	3.20 %	2.80 %	2.87 %	3.18 %	3.27 %	3.27 %

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

						Nine Months Ended September 30,	
	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	2023	2022
Interest income on loans and leases	\$ 275,771	\$ 252,894	\$ 255,913	\$ 218,740	\$ 200,457	\$ 784,578	\$ 526,573
PPP interest income	(604)	(1,633)	(23,551)	(7,249)	(14,666)	(25,788)	(72,132)
Interest income on core loans (Loans and leases, excluding PPP)	<u>\$ 275,167</u>	<u>\$ 251,261</u>	<u>\$ 232,362</u>	<u>\$ 211,491</u>	<u>\$ 185,791</u>	<u>\$ 758,790</u>	<u>\$ 454,441</u>
Average total loans and leases	\$ 13,899,034	\$ 14,842,432	\$ 15,477,973	\$ 15,388,003	\$ 15,653,983	\$ 14,734,031	\$ 14,750,473
Average PPP loans	(166,164)	(207,127)	(889,235)	(1,065,919)	(1,349,403)	(418,194)	(1,946,651)
Adjusted average total loans and leases	<u>\$ 13,732,870</u>	<u>\$ 14,635,305</u>	<u>\$ 14,588,738</u>	<u>\$ 14,322,084</u>	<u>\$ 14,304,580</u>	<u>\$ 14,315,837</u>	<u>\$ 12,803,822</u>
Loan yield, excluding PPP	7.95 %	6.89 %	6.46 %	5.86 %	5.15 %	7.09 %	4.75 %



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

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Nine Months Ended September 30,	
						2023	2022
GAAP net interest income	\$ 199,773	\$ 165,271	\$ 149,899	\$ 135,137	\$ 159,032	\$ 514,943	\$ 488,583
GAAP non-interest income	\$ 17,775	\$ 15,997	\$ 18,121	\$ 7,345	\$ (9,017)	\$ 51,893	\$ 24,927
Loss on sale of consumer installment loans	—	—	—	—	23,465	—	23,465
Loss on sale of capital call lines of credit	—	5,037	—	—	—	5,037	—
(Gains) losses on investment securities	626	62	(62)	16,909	2,394	626	6,965
Derivative credit valuation adjustment	(192)	(130)	259	252	(461)	(63)	(1,873)
Core non-interest income	18,209	20,966	18,318	24,506	16,381	57,493	53,484
Core revenue	\$ 217,982	\$ 186,237	\$ 168,217	\$ 159,643	\$ 175,413	\$ 572,436	\$ 542,067
GAAP non-interest expense	\$ 89,466	\$ 89,297	\$ 80,133	\$ 78,419	\$ 76,198	\$ 258,896	\$ 226,210
Severance expense	—	(182)	(809)	—	(1,363)	(991)	(1,363)
Impairments on fixed assets and leases	—	(15)	(109)	—	(162)	(124)	(1,362)
Core non-interest expense	\$ 89,466	\$ 89,100	\$ 79,215	\$ 78,419	\$ 74,673	\$ 257,781	\$ 223,485
Core efficiency ratio <sup>(1)</sup>	41.04 %	47.84 %	47.09 %	49.12 %	42.57 %	45.03 %	41.23 %

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

**Tangible Common Equity to Tangible Assets - Customers Bancorp**
*(Dollars in thousands, except per share data)*

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP total shareholders' equity	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931
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	\$ 1,420,184	\$ 1,315,229	\$ 1,279,597	\$ 1,261,538	\$ 1,245,508
GAAP total assets	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112	\$ 20,367,621
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
Tangible assets	\$ 21,853,523	\$ 22,024,936	\$ 21,747,985	\$ 20,892,483	\$ 20,363,992
Tangible common equity to tangible assets	6.5 %	6.0 %	5.9 %	6.0 %	6.1 %

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

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP total shareholders' equity	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931
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	\$ 1,420,184	\$ 1,315,229	\$ 1,279,597	\$ 1,261,538	\$ 1,245,508
GAAP total assets	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112	\$ 20,367,621
Loans receivable, PPP	(137,063)	(188,763)	(246,258)	(998,153)	(1,154,632)
Total assets, excluding PPP	\$ 21,720,089	\$ 21,839,802	\$ 21,505,356	\$ 19,897,959	\$ 19,212,989
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
Tangible assets, excluding PPP	\$ 21,716,460	\$ 21,836,173	\$ 21,501,727	\$ 19,894,330	\$ 19,209,360
Tangible common equity to tangible assets, excluding PPP	6.5 %	6.0 %	6.0 %	6.3 %	6.5 %

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)**

(Dollars in thousands, except per share data)

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

(Dollars in thousands, except share and per share data)  
GAAP total shareholders' equity

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP total shareholders' equity	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931
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	\$ 1,420,184	\$ 1,315,229	\$ 1,279,597	\$ 1,261,538	\$ 1,245,508
Common shares outstanding	31,311,254	31,282,318	31,239,750	32,373,697	32,475,502
Tangible book value per common share	\$ 45.36	\$ 42.04	\$ 40.96	\$ 38.97	\$ 38.35

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

(Dollars in thousands, except per share data)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total loans and leases	\$ 13,713,482	\$ 13,910,907	\$ 15,063,034	\$ 15,794,671	\$ 15,336,688
Loans receivable, PPP	(137,063)	(188,763)	(246,258)	(998,153)	(1,154,632)
Core Loans (Total loans and leases, excluding PPP)	\$ 13,576,419	\$ 13,722,144	\$ 14,816,776	\$ 14,796,518	\$ 14,182,056

**Core Loans Held for Investment**

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

(Dollars in thousands, except per share data)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total loans and leases, held for investment	\$ 13,563,114	\$ 13,832,799	\$ 14,638,977	\$ 15,466,359	\$ 15,331,464
Loans receivable, PPP	(137,063)	(188,763)	(246,258)	(998,153)	(1,154,632)
Core Loans Held for Investment (Total loans and leases held for investment, excluding PPP)	\$ 13,426,051	\$ 13,644,036	\$ 14,392,719	\$ 14,468,206	\$ 14,176,832

**Total Assets, excluding PPP**

(Dollars in thousands, except per share data)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total assets	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112	\$ 20,367,621
Loans receivable, PPP	(137,063)	(188,763)	(246,258)	(998,153)	(1,154,632)
Total assets, excluding PPP	\$ 21,720,089	\$ 21,839,802	\$ 21,505,356	\$ 19,897,959	\$ 19,212,989

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

(Dollars in thousands, except per share data)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Loans and leases receivable	\$ 12,600,548	\$ 12,826,531	\$ 13,391,610	\$ 14,143,047	\$ 13,762,374
Loans receivable, PPP	(137,063)	(188,763)	(246,258)	(998,153)	(1,154,632)
Loans and leases held for investment, excluding PPP	\$ 12,463,485	\$ 12,637,768	\$ 13,145,352	\$ 13,144,894	\$ 12,607,742
Allowance for credit losses on loans and leases	\$ 139,213	\$ 139,656	\$ 130,281	\$ 130,924	\$ 130,197
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	1.12 %	1.11 %	0.99 %	1.00 %	1.03 %



**Let's take on tomorrow.**

"A Forward-Thinking Bank with Strong Risk Management"

Investor Presentation: Q3 2023  
October 2023

## 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, 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



### Q3'23 Earnings Review

Significant earnings beat driven by organic growth, higher margin, and well-controlled expenses amplified by outsized discount accretion

Results exceeded consensus estimates excluding outsized discount accretion

### Strength of the Franchise

Meaningful enhancement of franchise value in 2023 due to market disruption

Venture Banking team 100% self-funded and operating "business as usual"

**\$1.3 billion of core deposit growth** drove the repayment of \$0.9 billion of wholesale CDs and \$0.5 billion of borrowings

Core deposit growth was granular and broad-based across the franchise

### Strong Capital and Liquidity

**TCE/TA<sup>1</sup> increased 50 bps QoQ** on a static balance sheet

**CET1<sup>2</sup> increased to 11.3%**; achieved target range one quarter ahead of the plan

Immediately available liquidity remains > 200% of uninsured deposits<sup>3</sup>

### Maintaining Superior Credit Quality

NPA ratio low at just 0.14% and credit outlook remains stable

Minimal exposure to higher-risk CRE asset classes (office ~1% of HFI loan portfolio)

### Management Outlook

Optimistic about continued improvement in balance sheet, capital position and profitability

Expect to exceed full year core EPS guidance

1. Non-GAAP measure, refer to appendix for reconciliation  
2. Capital ratios are estimated pending final regulatory report  
3. Adjusted to account for affiliate and collateralized deposits



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

# Financial Highlights

Q3'23		Q3'23 (vs. Q2'23)		
Highlights		Profitability	Balance Sheet	Credit
Diluted EPS <b>\$2.58</b>	Core EPS <sup>1,2</sup> <b>\$2.59</b>	<b>3.70%</b> vs. 3.15% <b>NIM</b>	<b>\$21.9B</b> -1% <b>Total Assets</b>	<b>0.14%</b> +1 bps <b>NPA Ratio</b>
Net Income <b>\$83.0 M</b>	Core Earnings <sup>1,2</sup> <b>\$83.3 M</b>	<b>1.57%</b> vs. 0.88% <b>ROAA</b>	<b>1.57%</b> vs. 1.03% <b>Core ROAA<sup>1,2</sup></b>	<b>\$29.9M</b> +6% <b>NPLs</b>
ROCE <b>24.0%</b>	Core ROCE <sup>1,2</sup> <b>24.1%</b>	<b>2.32%</b> vs. 1.79% <b>Core PTPP ROAA<sup>1,2</sup></b>	<b>\$18.2B</b> +1% <b>Total Deposits</b>	<b>466%</b> vs. 494% <b>Reserves to NPLs</b>

1. Adjusted for loss on investment securities of \$0.5 million offset by gain on derivative credit valuation adjustment of \$0.2 million  
 2. Non-GAAP measure, refer to appendix for reconciliation

# Successfully Executing on Deposit Franchise Transformation

## Total Deposits

\$ billions

- Total deposits increased \$245 million QoQ while paying down \$937 million in wholesale CDs
- Core deposit growth of \$1.3 billion QoQ and \$2.1 billion over the last two quarters
- Third consecutive quarterly increase in NIB deposits; YTD growth of \$2.9 billion



Average cost of deposits

3.11%

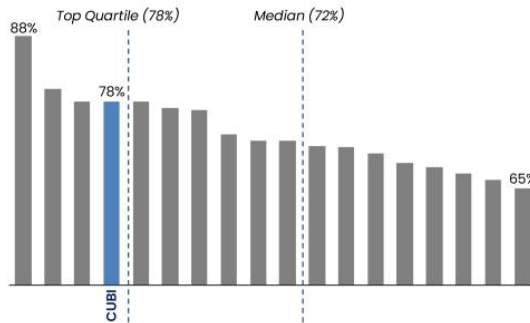
3.24%

■ Non-Interest Bearing DDA ■ Interest Bearing DDA ■ Non-DDA

## Insured Deposits<sup>1</sup> / Total Deposits

percent

- CUBI's insured deposits<sup>1</sup> as a percentage of total deposits is 78% – among the top quartile of regional bank peers<sup>2</sup>



■ CUBI (Q3'23) ■ Regional Bank Peers<sup>2</sup> (MRQ)

1. Adjusted to account for affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used  
 2. Selected 2023 proxy peers as disclosed in appendix

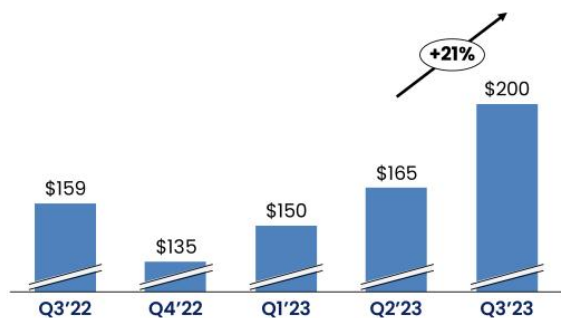


# Net Interest Margin Expanded Significantly in Q3'23

## Net Interest Income

\$ millions

- Third consecutive quarter of substantial increase in net interest income
- Outsized discount accretion of approximately \$27 million unlikely to occur in subsequent periods



## NIM

percent

- Continued margin expansion despite industry headwinds driven by higher yield on earning assets

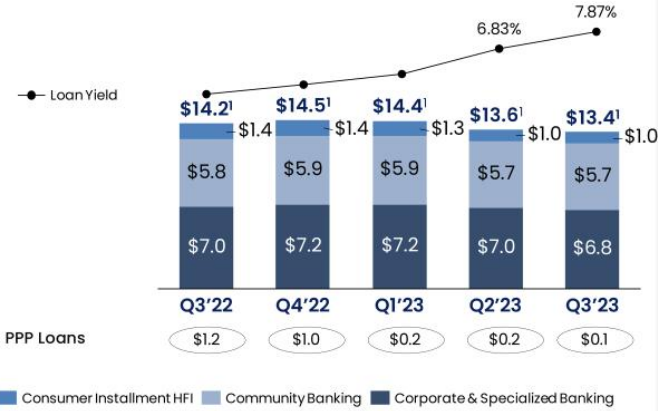


# Strategic Portfolio Remix Complete and Continuing to Maintain Strong Liquidity Position

## Loans – HFI

\$ billions

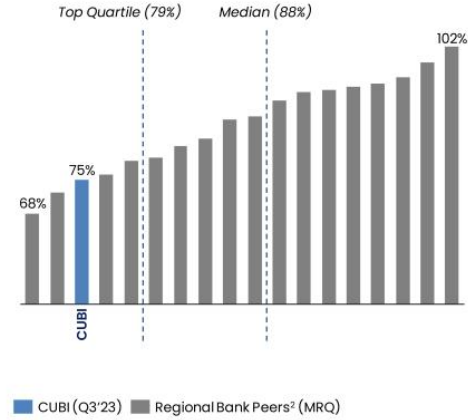
- Loan originations focused on holistic relationships



## Loans – HFI / Deposits

percent

- Loan to deposit ratio is 75%, 13 percentage points lower than regional bank peer median



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

# Customers Operates with Industry-Leading Efficiency

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

\$ millions

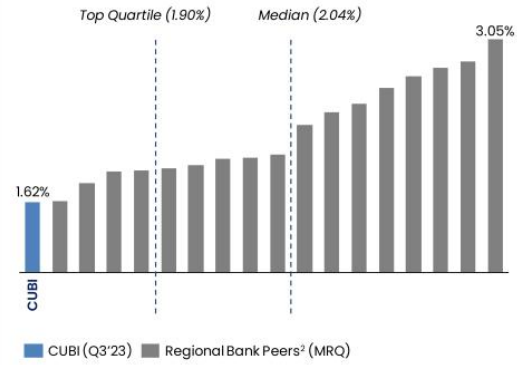
- Disciplined expense management resulting in flat core non-interest expense QoQ
- Meaningful opportunity to generate positive operating leverage at current expense levels



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

percent

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



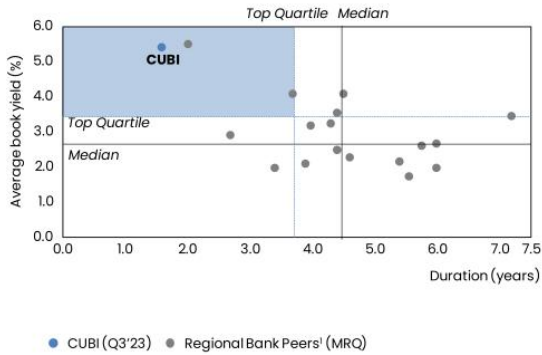
1. Non-GAAP measure, refer to appendix for reconciliation  
 2. Selected 2023 proxy peers as disclosed in appendix

# Securities Portfolio is Best-Positioned Among Regional Bank Peers

## Investment Securities – AFS

Book yield and duration

- Strategic portfolio actions taken during Q2'22–Q4'22 continue to pay dividends
- Securities portfolio generates the second highest average yield (spot yield 5.43%) with the shortest duration (1.6 years) among regional bank peers<sup>1</sup>

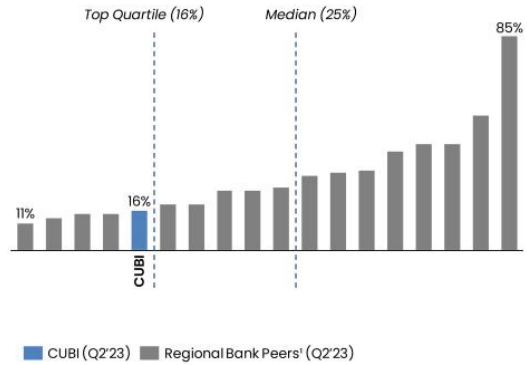


1. Selected 2023 proxy peers as disclosed in appendix  
2. Non-GAAP measure, refer to appendix for reconciliation

## AFS + HTM Unrealized Losses as % of TCE<sup>2</sup>

percent

- CUBI's AOCI as % of TCE<sup>2</sup> declined by 224 bps from Q2'23 to Q3'23
- CUBI's AFS + HTM unrealized losses as % of TCE<sup>2</sup> is among the top quartile of regional bank peers<sup>1</sup>



# Robust Liquidity Position with More Than 200% Coverage of Uninsured Deposits

## Immediately Available Liquidity

\$ billions

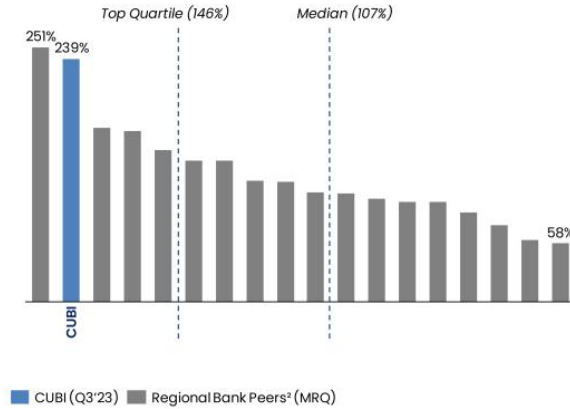
- Redeemed \$510 million of callable FHLB advances with core deposit growth
- Total overall liquidity of \$11.7 billion as of Q3'23 increased by \$507 million QoQ



## Immediately Available Liquidity / Uninsured Deposits<sup>1</sup>

percent

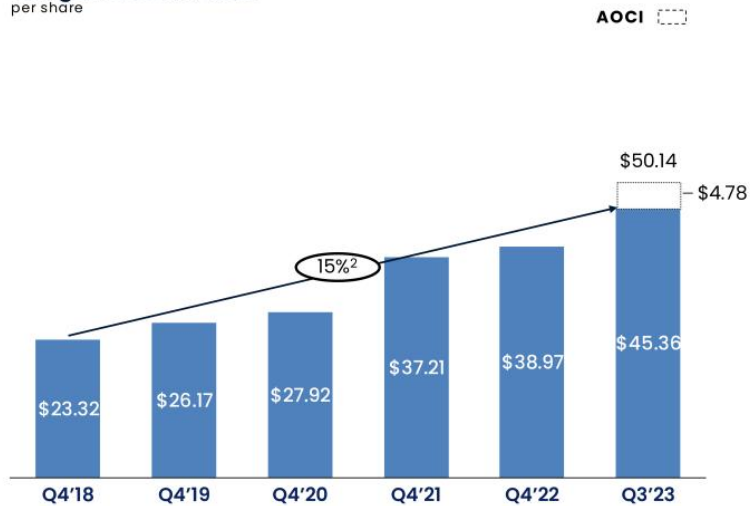
- CUBI's ratio of immediately available liquidity to uninsured deposits<sup>1</sup> of approximately 239% is the second highest among regional banks peers<sup>2</sup>



1. Adjusted to account for affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used  
2. Selected 2023 proxy peers as disclosed in appendix

## Achieved \$45 Tangible Book Value Target One Quarter Ahead of Plan

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

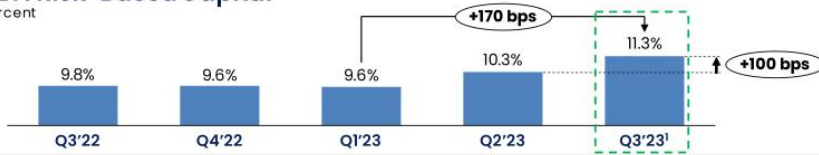


- 5-year CAGR in TBV<sup>1</sup> has been over 15%<sup>2</sup>
- YTD TBV<sup>1</sup> growth of 16% already exceeded 5-year CAGR despite AOCI headwinds
- On track to grow TBV<sup>1</sup> by more than 20% for the full year 2023
- TBV<sup>1</sup> has increased 1.9x since Q4'18

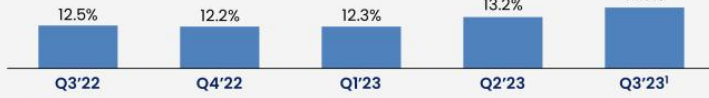
1. Non-GAAP measure, refer to appendix for reconciliation  
 2. CAGR from Q4'18 to Q3'23 inclusive of impact of AOCI mark-to-market

# Achieved 11.0–11.5% CET1 Capital Target Range One Quarter Ahead of Plan

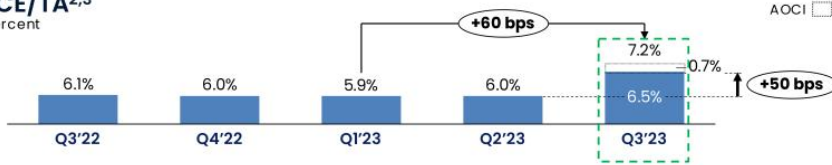
## CET1 Risk-Based Capital percent



## Total Risk-Based Capital percent



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



- Increased TCE/TA<sup>3</sup> by approximately 50 bps QoQ on a flat balance sheet primarily through organic capital generation
- Increase of approximately 100 bps in CET1 during Q3'23 and 170 bps since Q1'23

1. Capital ratios are estimated pending final regulatory report  
 2. TCE/TA negatively impacted by 68 bps due to AOCI  
 3. Non-GAAP measure, refer to appendix for reconciliation

4.0 MAINTAINING SUPERIOR CREDIT QUALITY

## Credit Quality Remains Strong



Let's take on tomorrow.

### NPLs

\$ millions



### NPAs as Percent of Total Assets

percent



### Commercial NCOs

percent



### Consumer NCOs

percent



### Total NCOs

percent

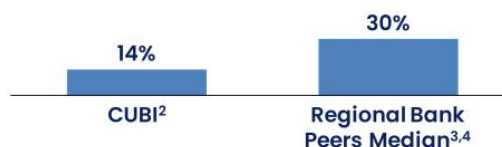


Note: Prior period amounts have been recast to conform with the current reporting.  
 1. Excludes \$6.2 million charge-offs against \$8.7 million ACL on PCD loans upon FDIC loan pool acquisition  
 2. Excludes construction loans  
 3. As of Q3'23 for CUBI and MRQ for regional bank peers  
 4. Selected 2023 proxy peers as disclosed in appendix

- NPLs and NPA ratio stable over the last five quarters
- Increase in consumer NCO ratio driven by impact of lower balances from consumer loan sale at the end of Q2'23
- 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, Q3'23





# Management Outlook

Metrics	Prior Guidance – FY 2023	Current Outlook – FY 2023
Loans <sup>1,2</sup>	Flat to some decline	
Deposits	Flattish with focus on reducing high-cost deposits	
NIM <sup>1</sup>	2.85–3.05% <sup>2</sup> - High end of the range	3.20–3.25% in Q4'23
Core non-interest expense	15% growth	
Tax rate	22–24%	
Core EPS <sup>1</sup>	~\$6.00 <sup>2</sup>	Exceed ~\$6.00 <sup>2</sup>
Core ROCE <sup>1</sup>	15.0%+	
CET1 ratio	11.0–11.5%	
Tangible book value <sup>1</sup>	\$45.00+	Already achieved \$45.00+ in Q3'23

1. Non-GAAP measure, refer to appendix for reconciliation  
 2. Excluding PPP for Q1'23

## Concluding Perspectives

<b>Improving Deposit Franchise</b>	<p>\$2.1 billion of core deposit growth and corresponding reduction in wholesale funding over the last two quarters</p> <p>Robust core deposit pipeline remains in excess of \$1.5 billion</p>
<b>NIM Expansion</b>	<p>Third consecutive quarter of NIM expansion driven by deposit gathering success and floating rate loan portfolio</p>
<b>Strengthening Capital Base</b>	<p>Achieved 11.0–11.5% CET1<sup>1</sup> capital target range one quarter ahead of plan</p> <p>Improved TCE/TA<sup>2</sup> and CET1<sup>1</sup> by approximately 50 bps and 100 bps, respectively, in a single quarter</p>
<b>Maintaining Strong Risk Management</b>	<p>Robust liquidity position with coverage of &gt;200% of uninsured deposits<sup>3</sup></p> <p>Diversified loan and deposit franchises built to perform across all macroeconomic environments</p>
<b>Strategic Outlook</b>	<p>Loan portfolio repositioning largely complete</p> <p>Deposit remix has significant runway with meaningful financial benefits</p> <p>Positioned for continued NIM expansion while maintaining strong risk management principles</p> <p>Operating platform designed to generate positive operating leverage and drive superior efficiency and profitability</p>

1. Capital ratios are estimated pending final regulatory report  
 2. Non-GAAP measure, refer to appendix for reconciliation  
 3. Adjusted to account for affiliate and collateralized deposits



## ANALYST COVERAGE

### 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

New Analyst Coverage

## APPENDIX



## Customers Bancorp Overview

*A Forward-Thinking Super-Community Bank Focused on Superior Customer Service Through High-Tech, High-Touch Model*



### Community Banking

Deep relationship-based community banking predominantly in the Northeast with thoughtful presence in the Carolinas, Florida and Texas

Serving small and medium-sized businesses, and individuals, with a comprehensive suite of loan and deposit products



### Corporate & Specialized Banking

National corporate niche businesses where Customers has differentiated capabilities, often enhanced through technology, to create value for clients



### Digital Banking

#### Consumer

- Suite of loan and deposit products delivered digitally to clients
- Generating fee and "fee-like" revenue with limited credit risk

Commercial – Transaction banking (treasury and payment services) with associated deposits

## Customers Bancorp, Inc.

NYSE: CUBI

Headquarters West Reading, PA

Offices<sup>1</sup> 54

FTE Employees 726

Market Capitalization \$1.0B  
As of October 20, 2023

Total Assets \$21.9B

Tangible Book Value<sup>2</sup> \$45.36

Share price \$32.11  
As of October 20, 2023

Data as of September 30, 2023, unless otherwise noted

(1) Offices includes branches, executive offices, Private Banking Offices and Loan Production Offices

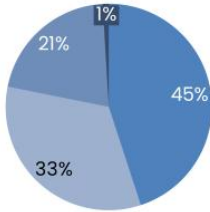
(2) Non-GAAP measure, refer to appendix for reconciliation

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

## Investment Securities – AFS

percent, Q3'23

- Spot yield: 5.43%
- Effective duration: ~1.6 years
- Floating rate securities: ~48%
- Credit rating: 64% AAA with only 2% at BB and below



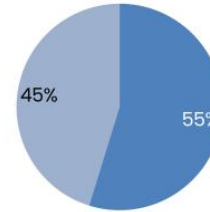
Total: \$2.8 billion



## Investment Securities – HTM

percent, Q3'23

- Spot yield: 4.34%
- Effective duration: ~3.0 years
- Floating rate securities: ~25%
- Credit rating: 38% 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: \$1.2 billion

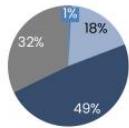


# Consumer Installment Loans – Portfolio Credit Metrics

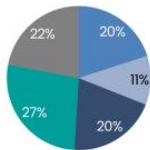
Weighted average life of ~2.1 years

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

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

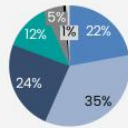


## Geography

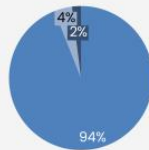


## Debt to Income Ratio<sup>1</sup>

Average DTF ~19%

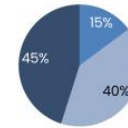


## Profession

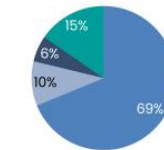


## Borrower Income

Average Borrower Income ~\$106k



## Purpose



Note: Data as of September 30, 2023; includes consumer installment HFS loans  
1. DTI and FICO scores as of time of origination

## Selected 2023 Proxy Peers

- Associated
- Atlantic Union
- BankUnited
- Commerce
- Community Bank System
- FB Financial
- First Busey
- First Financial (OH)
- F.N.B.
- Fulton
- Independent
- Northwest
- Old National
- Pinnacle
- Sandy Spring
- United Community
- WSFS

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



## Robust Sources of Liquidity

Liquidity Sources (\$000's)	3Q 23	2Q 23	1Q 23	4Q 22	3Q 22	YOY Change
Cash and Cash Equivalents	\$3,419,974	\$3,155,224	\$2,046,685	\$455,807	\$404,465	\$3,015,509
FHLB Available Borrowing Capacity	\$1,253,609	\$835,464	\$860,578	\$2,265,499	\$2,999,524	(\$1,745,915)
FRB Available Borrowing Capacity	\$5,013,377	\$5,126,390	\$6,516,922	\$2,510,189	\$2,557,704	\$2,455,673
Investments (MV AFS + HTM)						\$0
US Gov't & Agency Debt	\$0	\$0	\$0	\$0	\$0	\$0
Agency & Non-Agency MBS & CMO	\$1,780,267	\$1,799,406	\$1,858,846	\$1,811,633	\$1,844,043	(\$63,776)
Municipals	\$0	\$0	\$0	\$0	\$7,351	(\$7,351)
Corporates	\$578,897	\$579,753	\$586,795	\$595,253	\$532,655	\$46,242
ABS (1)	\$1,565,935	\$1,677,341	\$1,324,912	\$1,394,388	\$1,421,075	\$144,860
Other AFS	\$26,479	\$26,698	\$26,710	\$26,485	\$24,864	\$1,614
Less: Pledged Securities HTM & AFS	(\$1,903,888)	(\$1,972,713)	(\$2,019,311)	(\$16,749)	(\$17,464)	(\$1,886,424)
Net Unpledged Securities	\$2,047,690	\$2,110,485	\$1,777,952	\$3,811,010	\$3,812,525	(\$1,764,835)
	<b>\$11,734,651</b>	<b>\$11,227,562</b>	<b>\$11,202,137</b>	<b>\$9,042,505</b>	<b>\$9,774,219</b>	<b>\$1,960,432</b>

1. Includes CLOs

## Allowance for Credit Losses for Loans and Leases

(\$ in thousands)

	September 30, 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	\$ 6,617,508	\$ 24,986	0.38%
Multifamily	2,130,213	15,870	0.74%
Commercial Real Estate Owner Occupied	794,815	10,363	1.30%
Commercial Real Estate Non-Owner Occupied	1,178,203	15,819	1.34%
Construction	252,588	3,130	1.24%
<b>Total Commercial Loans and Leases Receivable</b>	<b>\$ 10,973,327</b>	<b>\$ 70,168</b>	<b>0.64%</b>
<b>Consumer:</b>			
Residential Real Estate	\$ 483,133	\$ 6,802	1.41%
Manufacturing Housing	40,129	4,080	10.17%
Installment	966,896	58,163	6.02%
<b>Total Consumer Loans Receivable</b>	<b>\$ 1,490,158</b>	<b>\$ 69,045</b>	<b>4.63%</b>
<b>Total Loans and Leases Receivable</b>	<b>\$ 12,463,485</b>	<b>\$ 139,213</b>	<b>1.12%<sup>3</sup></b>

Note:

- Utilized Moody's September 2023 baseline and adverse forecast scenario with qualitative adjustments for Q3'23 provision
- Excludes loans to mortgage companies reported at fair value, loans held for sale and PPP loans
- 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)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85
Reconciling items (after tax):										
Severance expense	—	—	141	0.00	637	0.02	—	—	1,058	0.03
Impairments on fixed assets and leases	—	—	12	0.00	86	0.00	—	0.00	126	0.00
Loss on sale of consumer installment loans	—	—	—	—	—	—	—	—	18,221	0.55
Loss on sale of capital call lines of credit	—	—	3,914	0.12	—	—	—	—	—	—
(Gains) losses on investment securities	492	0.02	49	0.00	(49)	(0.00)	13,543	0.41	1,859	0.06
Derivative credit valuation adjustment	(151)	—	(101)	(0.00)	204	0.01	202	0.01	(358)	(0.01)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	0.13	—	—	—	—	—	—
<b>Core earnings</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>\$ 82,270</b>	<b>\$ 2.48</b>

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

### Core Return on Average Assets - Customers Bancorp (\$ in thousands)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP net income	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 63,912
Reconciling items (after tax):					
Severance expense	—	141	637	—	1,058
Impairments on fixed assets and leases	—	12	86	—	126
Loss on sale of consumer installment loans	—	—	—	—	18,221
Loss on sale of capital call lines of credit	—	3,914	—	—	—
(Gains) losses on investment securities	492	49	(49)	13,543	1,859
Derivative credit valuation adjustment	(151)	(101)	204	202	(358)
Tax on surrender of bank-owned life insurance policies	—	4,141	—	—	—
<b>Core net income</b>	<b>\$ 87,097</b>	<b>\$ 55,730</b>	<b>\$ 54,599</b>	<b>\$ 42,456</b>	<b>\$ 84,818</b>
Average total assets	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366
<b>Core return on average assets</b>	<b>1.57 %</b>	<b>1.03 %</b>	<b>1.05 %</b>	<b>0.81 %</b>	<b>1.64 %</b>

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

**Core Return on Average Common Equity – Customers Bancorp**  
 (\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP net income to common shareholders	\$	82,953	\$	44,007	\$	50,265	\$	25,623	\$	61,364
Reconciling items (after tax):										
Severance expense		—		141		637		—		1,058
Impairments on fixed assets and leases		—		12		86		—		126
Loss on sale of consumer installment loans		—		—		—		—		18,221
Loss on sale of capital call lines of credit		—		3,914		—		—		—
(Gains) losses on investment securities		492		49		(49)		13,543		1,859
Derivative credit valuation adjustment		(151)		(101)		204		202		(358)
Tax on surrender of bank-owned life insurance policies		—		4,141		—		—		—
<b>Core earnings</b>	<b>\$</b>	<b>83,294</b>	<b>\$</b>	<b>52,163</b>	<b>\$</b>	<b>51,143</b>	<b>\$</b>	<b>39,368</b>	<b>\$</b>	<b>82,270</b>
Average total common shareholders' equity	\$	1,373,244	\$	1,335,408	\$	1,273,780	\$	1,263,190	\$	1,259,711
<b>Core return on average common equity</b>		<b>24.06%</b>		<b>15.67%</b>		<b>16.28%</b>		<b>12.36%</b>		<b>25.91%</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)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP net income	\$ 86,756	\$ 47,574	\$ 53,721	\$ 28,711	\$ 63,912
Reconciling items:					
Income tax expense	23,470	20,768	14,563	7,136	17,899
Provision (benefit) for credit losses	17,856	23,629	19,603	28,216	(7,994)
Provision (benefit) for credit losses on unfunded commitments	48	(304)	280	153	254
Severance expense	—	182	809	—	1,363
Impairments on fixed assets and leases	—	15	109	—	162
Loss on sale of consumer installment loans	—	—	—	—	23,465
Loss on sale of capital call lines of credit	—	5,037	—	—	—
(Gains) losses on investment securities	626	62	(62)	16,909	2,394
Derivative credit valuation adjustment	(192)	(130)	259	252	(461)
<b>Adjusted net income - pre-tax pre-provision</b>	<b>\$ 128,564</b>	<b>\$ 96,833</b>	<b>\$ 89,282</b>	<b>\$ 81,377</b>	<b>\$ 100,994</b>
Average total assets	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366
<b>Adjusted ROAA - pre-tax pre-provision</b>	<b>2.32%</b>	<b>1.79%</b>	<b>1.72%</b>	<b>1.56%</b>	<b>1.95%</b>

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

**Core non-interest expense to average assets-  
Customers Bancorp**  
*(\$ in thousands)*

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP non-interest expense	\$ 89,466	\$ 89,297	\$ 80,133	\$ 78,419	\$ 76,198
Severance expense	—	(182)	(809)	—	(1,363)
Impairments on fixed assets and leases	—	(15)	(109)	—	(162)
<b>Core non-interest expense</b>	<b>\$ 89,466</b>	<b>\$ 89,100</b>	<b>\$ 79,215</b>	<b>\$ 78,419</b>	<b>\$ 74,673</b>
Average total assets	\$ 21,978,010	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366
<b>Core non-interest Expense to average assets</b>	<b>1.62%</b>	<b>1.65%</b>	<b>1.53%</b>	<b>1.50%</b>	<b>1.44%</b>



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

**Tangible Common Equity to Tangible Assets –  
 Customers Bancorp**  
 (\$ in thousands)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
GAAP total shareholders' equity	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931
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>\$ 1,420,184</b>	<b>\$ 1,315,229</b>	<b>\$ 1,279,597</b>	<b>\$ 1,261,538</b>	<b>\$ 1,245,508</b>
GAAP Total assets	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112	\$ 20,367,621
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
<b>Tangible assets</b>	<b>\$ 21,853,523</b>	<b>\$ 22,024,936</b>	<b>\$ 21,747,985</b>	<b>\$ 20,892,483</b>	<b>\$ 20,363,992</b>
<b>Tangible common equity to tangible assets</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>6.0%</b>	<b>6.1%</b>

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

**Tangible Book Value per Common Share – Customers Bancorp**  
 (\$ in thousands except per share data)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP total shareholders' equity	\$	1,561,607	\$	1,456,652	\$	1,421,020	\$	1,402,961	\$	1,386,931
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>\$</b>	<b>1,420,184</b>	<b>\$</b>	<b>1,315,229</b>	<b>\$</b>	<b>1,279,597</b>	<b>\$</b>	<b>1,261,538</b>	<b>\$</b>	<b>1,245,508</b>
Common shares outstanding		31,311,254		31,282,318		31,239,750		32,373,697		32,475,502
<b>Tangible book value per common share</b>	<b>\$</b>	<b>45.36</b>	<b>\$</b>	<b>42.04</b>	<b>\$</b>	<b>40.96</b>	<b>\$</b>	<b>38.97</b>	<b>\$</b>	<b>38.35</b>

**Tangible Book Value per Common Share – Customers Bancorp**  
 (\$ in thousands except per share data)

	Q3 2023		Q4 2022		Q4 2021		Q4 2020		Q4 2019		Q4 2018	
GAAP total shareholders' equity	\$	1,561,607	\$	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>\$</b>	<b>1,420,184</b>	<b>\$</b>	<b>1,261,538</b>	<b>\$</b>	<b>1,224,687</b>	<b>\$</b>	<b>885,317</b>	<b>\$</b>	<b>820,129</b>	<b>\$</b>	<b>722,846</b>
Common shares outstanding		31,311,254		32,373,697		32,913,267		31,705,088		31,336,791		31,003,028
<b>Tangible book value per common share</b>	<b>\$</b>	<b>45.36</b>	<b>\$</b>	<b>38.97</b>	<b>\$</b>	<b>37.21</b>	<b>\$</b>	<b>27.92</b>	<b>\$</b>	<b>26.17</b>	<b>\$</b>	<b>23.32</b>

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

**Total loans and leases, excluding Consumer HFS  
 - Customers Bancorp**  
 (\$ in thousands)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total loans and leases	\$ 13,713,482	\$ 13,910,907	\$ 15,063,034	\$ 15,794,671	\$ 15,336,688
Consumer HFS	(150,368)	(78,108)	(404,006)	(324,233)	(1,116)
<b>Total loans and leases, excluding Consumer HFS</b>	<b>\$ 13,563,114</b>	<b>\$ 13,832,799</b>	<b>\$ 14,659,028</b>	<b>\$ 15,470,438</b>	<b>\$ 15,335,572</b>

**Total loans and leases, excluding PPP and Consumer HFS  
 - Customers Bancorp**  
 (\$ in thousands)

	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Total loans and leases	\$ 13,713,482	\$ 13,910,907	\$ 15,063,034	\$ 15,794,671	\$ 15,336,688
PPP loans	(137,063)	(188,763)	(246,258)	(998,153)	(1,154,632)
Consumer HFS	(150,368)	(78,108)	(404,006)	(324,233)	(1,116)
<b>Total loans and leases, excluding PPP and Consumer HFS</b>	<b>\$ 13,426,051</b>	<b>\$ 13,644,036</b>	<b>\$ 14,412,770</b>	<b>\$ 14,472,285</b>	<b>\$ 14,180,940</b>

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

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

(\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
Loans and leases receivable	\$	12,600,548	\$	12,826,531	\$	13,391,610	\$	14,143,047	\$	13,762,374
PPP loans		(137,063)		(188,763)		(246,258)		(998,153)		(1,154,632)
<b>Loans and leases held for investment, excluding PPP</b>	<b>\$</b>	<b>12,463,485</b>	<b>\$</b>	<b>12,637,768</b>	<b>\$</b>	<b>13,145,352</b>	<b>\$</b>	<b>13,144,894</b>	<b>\$</b>	<b>12,607,742</b>
Allowance for credit losses on loans and leases	\$	139,213	\$	139,656	\$	130,281	\$	130,924	\$	130,197
<b>Coverage of credit loss reserves for loans and leases held for investment, excluding PPP</b>		<b>1.12%</b>		<b>1.11%</b>		<b>0.99%</b>		<b>1.00%</b>		<b>1.03%</b>

