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

FORM 8-K

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

Date of Report (date of earliest event reported): January 24, 2019

**Customers Bancorp, Inc.**

(Exact name of registrant as specified in its charter)

Pennsylvania

(State or other jurisdiction of
incorporation or organization)

001-35542

(Commission File number)

27-2290659

(IRS Employer
Identification No.)

**1015 Penn Avenue
Suite 103
Wyomissing PA 19610**
(Address of principal executive offices, including zip code)

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

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

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

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

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

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

Item 2.02. Results of Operations and Financial Condition

On January 24, 2019 , Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter and year ended December 31, 2018 , 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.

Exhibit	Description
Exhibit 99.1	Press Release dated January 24, 2019
Exhibit 99.2	Slide presentation dated January 2019

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 and Chief Financial Officer

Date: January 24, 2019

EXHIBIT INDEX

Exhibit No.	Description
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<u>99.2</u>	<u>Slide presentation dated January 2019</u>



Customers Bancorp
1015 Penn Avenue
Wyomissing, PA 19610

Contacts:
Jay Sidhu, Chairman & CEO 610-935-8693
Carla Leibold, CFO 484-923-8802
Bob Ramsey, CFO - BankMobile 484-926-7118

Customers Bancorp Reports Net Income For Fourth Quarter and Full Year 2018

Wyomissing, PA., January 24, 2019 - Customers Bancorp, Inc. (NYSE: CUBI) the parent company of Customers Bank (collectively "Customers"), today reported:

- Customers Bancorp, Inc.'s ("CUBI") fourth quarter 2018 ("Q4 2018") net income to common shareholders was \$14.2 million, or \$0.44 per diluted share. Core earnings for Q4 2018 totaled \$17.0 million, or \$0.53 per diluted share (non-GAAP measures).
- CUBI's net income to common shareholders for 2018 ("FY 2018") was \$57.2 million, or \$1.78 per diluted share. Core earnings for FY 2018 totaled \$78.5 million, or \$2.43 per diluted share (non-GAAP measures), an increase of approximately 10% from 2017 ("FY 2017").

(Dollars in thousands,
except per share amounts)

	USD	Per Share		USD	Per Share
Q4 2018 Net Income to Common Shareholders (GAAP)			FY 2018 Net Income to Common Shareholders (GAAP)		
Customers Bank Business Banking	\$ 17,521	\$ 0.55	Customers Bank Business Banking	\$ 70,698	\$ 2.19
BankMobile	(3,274)	(0.10)	BankMobile	(13,462)	(0.42)
Consolidated	<u>\$ 14,247</u>	<u>\$ 0.44</u>	Consolidated	<u>\$ 57,236</u>	<u>\$ 1.78</u>
Q4 2018 Core Earnings (Non-GAAP)			FY 2018 Core Earnings (Non-GAAP)		
Customers Bank Business Banking	\$ 19,911	\$ 0.62	Customers Bank Business Banking	\$ 88,633	\$ 2.75
BankMobile	(2,919)	(0.09)	BankMobile	(10,150)	(0.31)
Consolidated	<u>\$ 16,992</u>	<u>\$ 0.53</u>	Consolidated	<u>\$ 78,483</u>	<u>\$ 2.43</u>

- Net interest margin, tax equivalent ("NIM") (a non-GAAP measure) was 2.57% in Q4 2018, an increase of 10 basis points from third quarter 2018 ("Q3 2018"). Excluding prepayment fees, NIM increased 15 basis points from Q3 2018.
- In late November 2018, BankMobile's first White Label banking partnership went live in beta test phase, offering BankMobile's best in class banking products to the partner's broad customer base. Even before any marketing or advertising efforts, the partnership generated nearly 4,500 funded deposit accounts just in one month, with over \$5 million in total deposits. We expect account openings and deposit growth to accelerate throughout 2019.
- In December 2018, Customers repurchased 719,200 shares of common stock at an average price of \$18.04 per share, or approximately 80% of tangible book value at December 31, 2018. An additional 31,159 shares were repurchased in January 2019 at an average price of \$18.35 per share.

- Efforts improved loan mix year-over-year, as core commercial and industrial loans, excluding commercial loans to mortgage companies, increased \$312 million , or 19.7% , and mortgages and other consumer loans increased \$392 million , or 119%. As planned, multi-family loans decreased \$361 million and commercial non-owner occupied real estate loans decreased \$93.6 million .
- Total assets were \$9.8 billion at both December 31, 2018 and 2017. Total deposits increased by \$342 million , or 5.0% , from December 31, 2017 , with demand deposits increasing \$350 million, or 22%.
- Q4 2018 book value per common share was \$23.85 and tangible book value per common share (a non-GAAP measure) was \$23.32 . Tangible book value per common share has increased at a compound annual growth rate of 10.2% over the past five years.
- Based on the January 18, 2019 closing price of \$20.97, Customers Bancorp common equity is trading at 0.90x tangible book value of \$23.32 (a non-GAAP measure) and 9.5x the 2019 consensus estimate of \$2.21.

Customers reported net income to common shareholders of \$14.2 million for Q4 2018 , compared to \$2.4 million for Q3 2018 , and \$18.0 million for Q4 2017 . Fully diluted earnings per common share for Q4 2018 was \$0.44 , compared to \$0.07 for Q3 2018 and \$0.55 for fourth quarter 2017 (" Q4 2017 "). Customers also reported net income to common shareholders of \$57.2 million for FY 2018, compared to \$64.4 million for FY 2017. Fully diluted earnings per common share for FY 2018 was \$1.78 , compared to \$1.97 for FY 2017. Core earnings (a non-GAAP measure) for FY 2018 totaled \$78.5 million , an increase of approximately 10% compared to \$72.0 million for FY 2017. Q4 2018, Q3 2018, Q4 2017, FY 2018 and FY 2017 include one or more significant notable items, such as executive severance expense, merger and acquisition-related expenses, losses realized from the sale of lower-yielding investment securities and multi-family loans as management strategically changed the mix of assets and liabilities on its balance sheet. Also excluded are investment securities gains and losses and impairment charges. These significant notable items are not included in Customers' disclosures of core earnings and other core performance metrics.

"In 2018, Customers Bancorp generated core earnings per share (a non-GAAP measure) of \$2.43 , a year-over-year increase of approximately 10%. We are focused on improving profitability and quality of our balance sheet profile and generating an ROAA of 1.25% within 3-4 years. We are happy to report that earnings improved at both Customers Bank Business Banking and BankMobile segments and are optimistic about accelerating this trend. In 2018, commercial and industrial loans grew 20% and demand deposits grew 22%, while we decreased lower-yielding multi-family and commercial real estate loans by \$455 million, or approximately 10%. BankMobile launched its first major White Label partnership in 2018, which has started generating deposits but is still in its very early days. We also began repurchasing stock, which we considered very attractive trading at approximately 80% of tangible book value. In 2019, we will remain focused on further improving our profitability and our capital ratios, strengthening the balance sheet through a remix in our assets and liabilities, expanding our net interest margin and increasing our ROAA and ROCE," stated Jay Sidhu, CEO and Chairman of Customers Bank.

Strategic Priorities

Improve Profitability: Target a 2.75% NIM in 9-15 months and a 1.25% ROAA in 3-4 years

Customers expects to keep total assets relatively flat in 2019, with a focus on growing its core businesses with improving margins, capital and profitability. Through favorable mix shifts in both assets and liabilities, Customers expects to improve the overall quality of its balance sheet and deposit franchise, expand its net interest margin, enhance liquidity and improve interest rate sensitivity.

- Target ROAA in top quartile of peer group, which we expect will equate to a ratio of 1.25% or higher over the next 3-4 years.
- Expected shift in asset and funding mix is expected to drive a wider NIM to 2.75% and possibly higher in the next 9-15 months.
- BankMobile growth and maturity expected to enhance profitability; we expect BankMobile to be profitable by the end of 2019.
- Expense control; we expect very modest growth in most Customers Bank Business Banking segment expenses, and incremental spend in other areas driven by revenue growth.
- Core deposit and higher-yielding loan growth are strategic priorities. Customers currently has approximately \$270 million of deposits with a cost of 2.75% or greater that we expect to run off and replace with lower cost funding. Similarly, we have \$2.2 billion of loans with yields below 3.75% at December 31, 2018, of which \$1.8 billion are multi-family loans. We expect to run-off multi-family loans and replace them with higher-yielding earning assets.
- Maintain strong credit quality.

Build and Deploy Capital

"We have excess capital above our targeted minimum tangible common equity ratio of 7.0%, which enabled us to commence a capital deployment strategy in 2018," Sidhu stated. "Capital ratios will continue to build in 2019 as we retain earnings and the balance sheet remains flat. We continue to evaluate the best uses for our excess capital," Sidhu continued.

The estimated total risk-based capital ratio was approximately 13.0% for Q4 2018 . The estimated common equity Tier 1 capital ratio was approximately 9.0% for Q4 2018 . The estimated Tier 1 leverage capital ratio was approximately 9.7% for Q4 2018 . The tangible common equity to tangible assets ratio (a non-GAAP measure) was 7.4% at December 31, 2018 .

BankMobile Segment is Expected to Generate a Positive Earnings Contribution by Q4 2019

BankMobile, a division of Customers Bank, operates a branchless digital bank offering low cost banking services to over 1.0 million active deposit customers. Customers expects to retain BankMobile for a 2-3 year period, but will regularly evaluate the best options for BankMobile so it can continue to take advantage of the small issuer exemption under the Durbin Amendment.

BankMobile is expected to generate a positive contribution to Customers' earnings by Q4 2019, due in large part to expected core deposit growth from its first White Label banking partnership and fee changes being implemented in its student disbursement business. In late November 2018, BankMobile's first White Label banking partnership went live in beta test phase, offering BankMobile's best in class banking products to the partner's broad customer base. Even before any marketing efforts, the partnership generated nearly 4,500 funded deposit accounts with over \$5 million in total deposits in just one month. Account openings and deposit growth are expected to accelerate later this year when our partner begins to market the account.

In total, demand deposits generated by the BankMobile business averaged \$532 million for Q4 2018 with an average cost of 0.14%.

Q4 and Full Year 2018 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended December 31, 2018 and the preceding four quarters and the years ended December 31, 2018 and 2017, respectively:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

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

(Dollars in thousands, except per share data and stock price data)	Q4		Q3		Q2		Q1		Q4		Full Year		Full Year	
	2018		2018		2018		2018		2017		2018		2017	
GAAP Profitability Metrics:														
Net income available to common shareholders	\$	14,247	\$	2,414	\$	20,048	\$	20,527	\$	18,000	\$	57,236	\$	64,378
Per share amounts:														
Earnings per share - basic	\$	0.45	\$	0.08	\$	0.64	\$	0.65	\$	0.58	\$	1.81	\$	2.10
Earnings per share - diluted	\$	0.44	\$	0.07	\$	0.62	\$	0.64	\$	0.55	\$	1.78	\$	1.97
Book value per common share	\$	23.85	\$	23.27	\$	22.70	\$	22.30	\$	22.42	\$	23.85	\$	22.42
CUBI stock price	\$	18.20	\$	23.53	\$	28.38	\$	29.15	\$	25.99	\$	18.20	\$	25.99
Average shares outstanding - basic		31,616,740		31,671,122		31,564,893		31,424,496		30,843,319		31,570,118		30,659,320
Average shares outstanding - diluted		32,051,030		32,277,590		32,380,662		32,273,973		32,508,030		32,233,098		32,596,677
Shares outstanding		31,003,028		31,687,340		31,669,643		31,466,271		31,382,503		31,003,028		31,382,503
Return on average assets ("ROAA")		0.71%		0.22%		0.89%		0.95%		0.84%		0.69%		0.77%
Return on average common equity ("ROCE")		7.58%		1.31%		11.32%		11.73%		10.11%		7.90%		9.38%
Efficiency ratio		69.99%		66.42%		64.35%		60.84%		62.42%		65.35%		61.53%
Non-GAAP Profitability Metrics (1):														
Core earnings	\$	16,992	\$	20,053	\$	20,841	\$	20,597	\$	18,086	\$	78,483	\$	71,971
Per share amounts:														
Core earnings per share - diluted	\$	0.53	\$	0.62	\$	0.64	\$	0.64	\$	0.56	\$	2.43	\$	2.21
Tangible book value per common share	\$	23.32	\$	22.74	\$	22.15	\$	21.74	\$	21.90	\$	23.32	\$	21.90
Net interest margin, tax equivalent		2.57%		2.47%		2.62%		2.67%		2.79%		2.58%		2.73%
Tangible common equity to tangible assets		7.36%		6.80%		6.33%		6.36%		7.00%		7.36%		7.00%
Core ROAA		0.82%		0.88%		0.91%		0.96%		0.85%		0.89%		0.85%
Core ROCE		9.05%		10.86%		11.76%		11.77%		10.15%		10.83%		10.49%
Pre-tax pre-provision core net income	\$	27,957	\$	31,821	\$	30,652	\$	33,757	\$	33,394	\$	124,410	\$	135,191
Core ROAA - pre-tax and pre-provision		1.12%		1.18%		1.15%		1.33%		1.30%		1.19%		1.33%
Core ROCE - pre-tax and pre-provision		12.96%		15.28%		15.26%		17.23%		16.72%		15.18%		17.60%
Core efficiency ratio		66.18%		62.99%		63.31%		60.72%		61.95%		63.23%		61.42%
Asset Quality:														
Net charge-offs	\$	2,154	\$	471	\$	427	\$	633	\$	1,130	\$	3,685	\$	6,067
Annualized net charge-offs to average total loans		0.10%		0.02%		0.02%		0.03%		0.05%		0.04%		0.07%
Non-performing loans ("NPLs") to total loans		0.32%		0.27%		0.29%		0.26%		0.30%		0.32%		0.30%
Reserves to NPLs		147.16%		174.56%		149.25%		173.02%		146.36%		147.16%		146.36%
Regulatory Capital Ratios (2):														
Common equity Tier 1 capital to risk-weighted assets		8.96%		8.70%		8.61%		8.51%		8.81%		8.96%		8.81%
Tier 1 capital to risk-weighted assets		11.58%		11.26%		11.16%		11.11%		11.58%		11.58%		11.58%
Total capital to risk-weighted assets		13.04%		12.69%		12.55%		12.55%		13.05%		13.04%		13.05%
Tier 1 capital to average assets (leverage ratio)		9.67%		8.91%		8.87%		9.03%		8.94%		9.67%		8.94%

(1) Non-GAAP measures exclude executive severance expense, merger and acquisition-related expenses, losses realized from the sale of lower-yielding investment securities and multi-family loans, investment securities gains and losses and impairment charges, and certain intangible assets. Please note that not each of the aforementioned adjustments affected the reported amount in each of the periods presented. 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.

(2) Regulatory capital ratios are estimated for Q4 2018 and FY 2018.

Net Interest Income

Net interest income totaled \$61.5 million in Q4 2018 , a decrease of \$2.5 million from Q3 2018 , principally due to a reduction in the average balance of interest earning assets of \$0.8 billion. Partially offsetting the decline in the average balance of interest earning assets was a 10 basis points expansion in tax equivalent NIM (a non-GAAP measure) reflecting efforts to re-mix the balance sheet to focus on higher-yielding assets and lower-cost funding. Compared to Q3 2018, total loan yields were 1 basis point lower at 4.37%, driven by a \$1.2 million reduction in loan prepayment fees to \$0.4 million. The reduction in loan prepayment fees reduced the yield on multi-family loans 13 basis points, the yield on total loans 6 basis points and the tax equivalent NIM (a non-GAAP measure) by 5 basis points. Securities yields increased 30 basis points sequentially to 3.60% reflecting a full quarter benefit from the sale of lower-yielding securities in Q3 2018; the cost of total deposits increased by a modest 4 basis points to 1.71%, as the average balance of non-interest bearing deposits increased \$151.5 million, and borrowing costs increased 39 basis points to 3.13%. Compared to the year-ago quarter, tax equivalent NIM (a non-GAAP measure) narrowed 22 basis points, which reflected a 71 basis points increase in the yield on securities and a 29 basis points increase in the yield on total loans, more than offset by a 79 basis points increase in the cost of deposits, and a 100 basis points increase in the cost of borrowings.

As planned, total loans outstanding decreased \$163 million , or 1.9% , to \$8.5 billion as of December 31, 2018 compared to December 31, 2017. Commercial and industrial loans, excluding commercial loans to mortgage companies, increased \$312 million to \$1.9 billion , up 19.7% ; multi-family loans decreased \$361 million , or 9.9% , to \$3.3 billion ; commercial non-owner-occupied real estate loans decreased \$94 million to \$1.1 billion ; mortgages and other consumer loans increased \$392 million to \$722 million ; and commercial loans to mortgage companies decreased \$383 million to \$1.5 billion .

Total deposits increased \$342 million , or 5.0% , to \$7.1 billion as of December 31, 2018 compared to total deposits of \$6.8 billion at December 31, 2017 . Total demand deposit accounts increased \$350 million , or 22.2% , to \$1.9 billion , savings and money market deposits increased \$163 million , or 4.9% , to \$3.5 billion , and certificates of deposit accounts decreased \$172 million , or 9.0% , to \$1.7 billion . In July 2018, Customers launched a new digital, on-line banking business with a goal of gathering retail deposits. As of December 31, 2018, this new business generated \$333 million in retail deposits.

Provision, Credit Quality and Risk Management

The provision for loan losses totaled \$1.4 million in Q4 2018 , compared to \$2.9 million in Q3 2018 and \$0.8 million in Q4 2017 . The Q4 2018 provision expense included \$0.5 million for growth in the consumer and commercial and industrial loan portfolios, net of the multi-family and commercial real estate loan run-off, and a \$1.2 million increase for impaired loans, offset in part by a benefit of \$0.3 million resulting from improved asset quality and lower incurred losses than previously estimated. Net charge-offs for Q4 2018 were \$2.2 million , or 10 basis points of annualized net charge-offs to average loans. Net charge-offs for FY 2018 were \$3.7 million, or 4 basis points of average loans, down from net charge-offs of \$6.1 million, or 7 basis points of average loans, for FY 2017.

Risk management is a critical component of how Customers creates long-term shareholder value, and Customers believes that asset quality is one of the most important risks in banking to be understood and managed. Customers believes that asset quality risks must be diligently addressed during good economic times with prudent underwriting standards so that when the economy deteriorates the bank's capital is sufficient to absorb all losses without threatening its ability to operate and serve its community and other constituents. "Customers' non-performing loans at December 31, 2018 were only 0.32% of total loans, compared to our peer group non-performing loans of approximately 0.73% in the most recent period available, and industry average non-performing loans of 1.16% in the most recent period available. Our expectation is superior asset quality performance in good times and in difficult years," said Mr. Sidhu.

Non-Interest Income

Non-interest income totaled \$19.9 million in Q4 2018, up \$17.8 million from \$2.1 million in Q3 2018. This increase was primarily due to the \$18.7 million loss realized from the sale of lower-yielding investment securities in Q3 2018. Compared to the year-ago quarter, non-interest income increased \$0.1 million from \$19.8 million in Q4 2017. Q4 2018 non-interest income included \$2.0 million of gains realized from the termination of interest rate swaps associated with the \$500 million of FHLB advances that were repaid in October 2018 and \$1.4 million of income earned on commercial operating leases generated by our Equipment Finance Group as that business continues to grow. Partially offsetting these increases was the loss of \$1.2 million realized from the sale of lower-yielding multi-family loans, reduced interchange and card revenue of \$0.6 million, and \$1.6 million of debit and prepaid card interchange expense, which prior to the adoption of the new revenue recognition standard in Q1 2018 was included in non-interest expense and reported as technology, communications and bank operations expense.

Non-interest income totaled \$59.0 million for FY 2018, down \$19.9 million from \$78.9 million for FY 2017. This decrease was primarily due to the \$18.7 million loss realized from the sale of investment securities in FY 2018 compared to gains of \$8.8 million realized in FY 2017, reduced interchange and card revenue and deposit fees totaling \$5.3 million mainly resulting from reduced transaction volumes at the BankMobile business segment, \$5.5 million of debit and prepaid card interchange expense recorded as a reduction in non-interest income beginning in Q1 2018, and \$2.2 million of reduced mortgage warehouse transactional fees primarily driven by reduced volumes. These decreases were offset in part by \$12.9 million of impairment losses recorded in FY 2017, \$4.8 million of income realized from the termination of interest rate swaps previously designated as cash flow hedges and increased income of \$4.7 million earned on commercial operating leases.

Non-Interest Expense

Non-interest expense totaled \$57.0 million in Q4 2018, down \$0.1 million from \$57.1 million in Q3 2018. This decrease primarily resulted from reduced merger and acquisition related expenses of \$2.5 million offset in part by executive severance expenses of \$1.9 million. Compared to the year-ago quarter, non-interest expense increased \$2.3 million from \$54.8 million in Q4 2017. This increase primarily resulted from executive severance expense of \$1.9 million and increased depreciation expense on leased equipment of \$1.2 million, offset in part by reductions in other operating expenses as management continues its efforts to monitor and control expenses.

Non-interest expense totaled \$220.2 million in FY 2018, up \$4.6 million from \$215.6 million in FY 2017. This increase primarily resulted from increased salaries and employee benefits of \$9.3 million largely due to executive severance expense of \$1.9 million and increased full-time equivalents ("FTEs") year-over-year of 62, increased merger and acquisition-related expenses of \$4.0 million, and increased depreciation expense on leased equipment of \$3.9 million, offset in part by reductions in other operating expenses as management continues its efforts to monitor and control expenses.

Tax

The effective tax rate of 22.2% for Q4 2018 was primarily driven by an estimated research and development tax credit recorded in Q4 2018. In Q4 2017, Customers recorded a deferred tax asset re-measurement charge to its income tax expense of \$5.5 million as a result of the enactment of the Tax Cuts and Jobs Act of 2017. This one-time tax effect was offset by a \$7.3 million benefit from exercises of employee stock options, principally by Customers' CEO, and vesting of restricted stock units.

Customers expects the 2019 effective tax rate to be around 24%.

Profitability and Book Value

Customers' return on average assets was 0.71% in Q4 2018, compared to 0.22% in Q3 2018 and 0.84% in Q4 2017, and its return on average common equity was 7.58% in Q4 2018, compared to 1.31% in Q3 2018 and 10.11% in Q4 2017. The core return on average assets (a non-GAAP measure) was 0.82% in Q4 2018, compared to 0.88% in Q3

2018 and 0.85% in Q4 2017 and the core return on average common equity (a non-GAAP measure) was 9.05% in Q4 2018, compared to 10.86% in Q3 2018 and 10.15% in Q4 2017.

The Q4 2018 efficiency ratio was 70.0% , compared to 66.4% in Q3 2018 and 62.4% in Q4 2017. The core efficiency ratio (a non-GAAP measure) was 66.2% in Q4 2018 , compared to 63.0% in Q3 2018 and 62.0% in Q4 2017 .

The book value and tangible book value (a non-GAAP measure) per common share increased to \$23.85 and \$23.32 per share, respectively, at December 31, 2018 , reflecting a CAGR of 10.4% and 10.2% over the past five years, respectively.

Segment Discussion

Customers Bancorp has two operating segments: Customers Bank Business Banking and BankMobile.

The Customers Bank Business Banking segment reported net income available to common shareholders of \$17.5 million , or \$0.55 per diluted share, for Q4 2018 , down from \$22.2 million, or \$0.68 per diluted share, for Q4 2017. The segment's core earnings for Q4 2018 totaled \$19.9 million, or \$0.62 per diluted share, compared to \$22.1 million, or \$0.68 per diluted share, for Q4 2017 (non-GAAP measures). The decrease in GAAP earnings resulted from NIM compression from reduced net interest income of \$8.6 million driven by higher funding costs as interest rates increased, executive severance expense of \$1.9 million and a \$1.2 million loss realized from the sale of lower-yielding multi-family loans, offset in part by reduced tax expense of \$7.2 million driven by lower enacted federal tax rates and lower taxable income.

The Customers Bank Business Banking segment reported net income available to common shareholders of \$70.7 million, or \$2.19 per diluted share, for FY 2018, down from \$77.6 million, or \$2.38 per diluted share, for FY 2017. The segment's core earnings for FY 2018 totaled \$88.6 million, or \$2.75 per diluted share, up from \$84.9 million, or \$2.60 per diluted share, for FY 2017 (non-GAAP measures). The decrease in GAAP earnings resulted from NIM compression from reduced net interest income of \$13.2 million driven by higher funding costs as interest rates increased, increased non-interest expenses of \$18.3 million and reduced non-interest income of \$7.3 million, offset in part by reductions in provision expense of \$2.7 million and tax expense of \$29.3 million driven by lower enacted federal tax rates and lower taxable income.

The BankMobile segment reported a net loss for Q4 2018 of \$3.3 million , or \$0.10 per diluted share. The segment's core loss (a non-GAAP measure) for Q4 2018 totaled \$2.9 million , or \$0.09 per diluted share, an improvement from a core loss (a non-GAAP measure) for Q4 2017 of \$4.0 million, or \$0.12 per diluted share.

The BankMobile segment reported a net loss for FY 2018 of \$13.5 million, or \$0.42 per diluted share. The segment's core loss (a non-GAAP measure) for FY 2018 totaled \$10.2 million, or \$0.31 per diluted share, an improvement from a core loss (a non-GAAP measure) for FY 2017 of \$12.9 million, or \$0.40 per diluted share. The improvement reflected an increase in net interest income, given the benefit of higher rates on BankMobile's low cost deposits, and reduced expenses, mitigated by lower fee income and an increase in provision expense as the segment began adding consumer loans.

Part of BankMobile's strategy to reach profitability in 2019 includes the addition of reasonable monthly and NSF fees in the the student disbursement business beginning at the end of Q1 2019. In order to incentivize desired behaviors, monthly fees can be waived and an attractive rate of interest can be earned for customers who meet certain requirements. BankMobile also intends to deploy its low-cost deposits into consumer loans to increase net interest income. This strategy is likely to be front-end loaded in 2019, with higher provision cost in the first half of the year and higher interest income in the second half of the year.

Significantly Lowering Commercial Real Estate Concentration

Customers' total commercial real estate ("CRE") loan exposures subject to regulatory concentration guidelines of \$4.4 billion as of December 31, 2018 included construction loans of \$70 million, multi-family loans of \$3.3 billion, and non-owner occupied commercial real estate loans of \$1.0 billion, which represent 361% of total risk-based capital on a combined basis, a reduction from 418% commercial real estate concentration as of December 31, 2017. Customers' loans subject to regulatory CRE concentration guidelines had 3 year cumulative growth of 10.6% in Q4 2018, a deceleration from 54.5% a year ago.

Customers' loans collateralized by multi-family properties were approximately 38.4% of Customers' total loan portfolio and approximately 270% of total risk-based capital at December 31, 2018, down from approximately 41.9% and 311%, respectively, at December 31, 2017. Following are some key characteristics of Customers' multi-family loan portfolio:

- Principally concentrated in New York City with an emphasis on properties subject to some type of rent control; and principally to high net worth families;
- Average loan size is \$6.7 million;
- Median annual debt service coverage ratio is 139%;
- Median loan-to-value for the portfolio is 65.2%;
- All loans are individually stressed with an increase of 1% and 2% to the cap rate and an increase of 1.5% and 3% in loan interest rates;
- All properties are inspected prior to a loan being granted and inspected thereafter on an annual basis by dedicated portfolio managers or outside inspectors; and
- Credit approval process is independent of customer sales and portfolio management process.

Conference Call

Date: Thursday, January 24, 2019

Time: 5:00 PM EST

US Dial-in: 855-719-5007

International Dial-in: 334-323-0517

Participant Code: 665552

Please dial in at least 10 minutes before the start of the call to ensure timely participation. Slides accompanying the presentation will be available on the company's website at http://customersbank.com/investor_relations.php prior to the call. A playback of the call will be available beginning Thursday, January 24, 2019 at 8:00 PM EST until 8:00 PM EST on February 23, 2019. To listen, call within the United States 888-203-1112 or 719-457-0820 when calling internationally. Please use the replay pin number 8701039.

Institutional Background

Customers Bancorp, Inc. is a bank holding company located in Wyomissing, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank. Customers Bank is a community-based, full-service bank with assets of approximately \$9.8 billion at December 31, 2018. A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking services to small and medium-sized businesses, professionals, individuals and families through offices in Pennsylvania, the District of Columbia, Illinois, New York, Rhode Island, Massachusetts, New Hampshire and New Jersey. Committed to fostering customer loyalty, Customers Bank uses a High Tech/High Touch strategy that includes use of industry-leading technology to provide customers better access to their money, as well as

Concierge Banking® by appointment at customers' homes or offices 12 hours a day, seven days a week. Customers Bank offers a continually expanding portfolio of loans to small businesses, multi-family projects, mortgage companies and consumers.

Customers Bancorp, Inc.'s voting common shares are listed on the New York Stock Exchange under the symbol CUBI. Additional information about Customers Bancorp, Inc. can be found on the company's website, 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," 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 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. In addition, important factors relating to the acquisition of the Disbursements business, the combination of Customers' BankMobile business with the acquired Disbursements business, the implementation of Customers Bancorp, Inc.'s strategy to retain BankMobile for 2-3 years, the possibility that the expected benefits of retaining BankMobile for 2-3 years may not be achieved also could cause Customers Bancorp's actual results to differ from those in the forward-looking statements. Further, Customers' expectations with respect to the effects of the new tax law could be affected by future clarifications, amendments, and interpretations of such law. 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, 2017, 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

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

(Dollars in thousands, except per share data)

						Twelve Months Ended	
	Q4	Q3	Q2	Q1	Q4	December 31,	
	2018	2018	2018	2018	2017	2018	2017
Interest income:							
Loans	\$ 94,248	\$ 97,815	\$ 95,240	\$ 85,931	\$ 91,229	\$ 373,234	\$ 339,936
Investment securities	6,277	8,495	9,765	8,672	4,136	33,209	25,153
Other	2,778	3,735	2,634	2,361	2,254	11,508	7,761
Total interest income	103,303	110,045	107,639	96,964	97,619	417,951	372,850
Interest expense:							
Deposits	34,029	32,804	24,182	19,793	18,649	110,808	67,582
Other borrowings	2,404	2,431	3,275	3,376	3,288	11,486	10,056
FHLB advances	3,662	9,125	11,176	7,080	5,697	31,043	21,130
Subordinated debt	1,684	1,684	1,684	1,684	1,685	6,737	6,739
Total interest expense	41,779	46,044	40,317	31,933	29,319	160,074	105,507
Net interest income	61,524	64,001	67,322	65,031	68,300	257,877	267,343
Provision for loan losses	1,385	2,924	(784)	2,117	831	5,642	6,768
Net interest income after provision for loan losses	60,139	61,077	68,106	62,914	67,469	252,235	260,575
Non-interest income:							
Interchange and card revenue	7,568	7,084	6,382	9,661	9,780	30,695	41,509
Deposit fees	2,099	2,002	1,632	2,092	2,121	7,824	10,039
Commercial lease income	1,982	1,419	1,091	862	552	5,354	647
Bank-owned life insurance	1,852	1,869	1,869	2,031	1,922	7,620	7,219
Mortgage warehouse transactional fees	1,495	1,809	1,967	1,887	2,206	7,158	9,345
(Loss) gain on sale of SBA and other loans	(110)	1,096	947	1,361	1,178	3,294	4,223
Mortgage banking income	73	207	205	121	173	606	875
Impairment loss on investment securities	—	—	—	—	—	—	(12,934)
(Loss) gain on sale of investment securities	—	(18,659)	—	—	268	(18,659)	8,800
Other	4,918	5,257	2,034	2,895	1,540	15,106	9,187
Total non-interest income	19,877	2,084	16,127	20,910	19,740	58,998	78,910
Non-interest expense:							
Salaries and employee benefits	26,706	25,462	27,748	24,925	25,948	104,841	95,518
Technology, communication and bank operations	11,531	11,657	11,322	9,943	12,637	44,454	45,885
Professional services	5,674	4,743	3,811	6,008	7,010	20,237	28,051
Occupancy	2,933	2,901	3,141	2,834	2,937	11,809	11,161
FDIC assessments, non-income taxes, and regulatory fees	1,892	2,415	2,135	2,200	1,290	8,642	7,906
Commercial lease depreciation	1,550	1,103	920	815	386	4,388	522
Advertising and promotion	917	820	319	390	361	2,446	1,470
Merger and acquisition related expenses	470	2,945	869	106	410	4,391	410
Loan workout	360	516	648	659	522	2,183	2,366
Other real estate owned expense	285	66	58	40	20	449	570
Other	4,727	4,476	2,779	4,360	3,267	16,339	21,747
Total non-interest expense	57,045	57,104	53,750	52,280	54,788	220,179	215,606
Income before income tax expense	22,971	6,057	30,483	31,544	32,421	91,054	123,879
Income tax expense	5,109	28	6,820	7,402	10,806	19,359	45,042
Net income	17,862	6,029	23,663	24,142	21,615	71,695	78,837
Preferred stock dividends	3,615	3,615	3,615	3,615	3,615	14,459	14,459
Net income available to common shareholders	\$ 14,247	\$ 2,414	\$ 20,048	\$ 20,527	\$ 18,000	\$ 57,236	\$ 64,378
Basic earnings per common share	\$ 0.45	\$ 0.08	\$ 0.64	\$ 0.65	\$ 0.58	\$ 1.81	\$ 2.10
Diluted earnings per common share	\$ 0.44	\$ 0.07	\$ 0.62	\$ 0.64	\$ 0.55	\$ 1.78	\$ 1.97

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

(Dollars in thousands)

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
ASSETS					
Cash and due from banks	\$ 17,696	\$ 12,943	\$ 22,969	\$ 9,198	\$ 20,388
Interest-earning deposits	44,439	653,091	228,757	206,213	125,935
Cash and cash equivalents	62,135	666,034	251,726	215,411	146,323
Investment securities, at fair value	665,012	668,851	1,161,000	1,181,661	471,371
Loans held for sale	1,507	1,383	1,043	662	146,077
Loans receivable, mortgage warehouse, at fair value	1,405,420	1,516,327	1,930,738	1,874,853	1,793,408
Loans receivable	7,138,074	7,239,950	7,181,726	6,943,566	6,768,258
Allowance for loan losses	(39,972)	(40,741)	(38,288)	(39,499)	(38,015)
Total loans receivable, net of allowance for loan losses	8,503,522	8,715,536	9,074,176	8,778,920	8,523,651
FHLB, Federal Reserve Bank, and other restricted stock	89,685	74,206	136,066	130,302	105,918
Accrued interest receivable	32,955	32,986	33,956	31,812	27,021
Bank premises and equipment, net	11,063	11,300	11,224	11,556	11,955
Bank-owned life insurance	264,559	263,117	261,121	259,222	257,720
Other real estate owned	816	1,450	1,705	1,742	1,726
Goodwill and other intangibles	16,499	16,825	17,150	17,477	16,295
Other assets	185,672	165,416	143,679	140,501	131,498
Total assets	\$ 9,833,425	\$ 10,617,104	\$ 11,092,846	\$ 10,769,266	\$ 9,839,555
LIABILITIES AND SHAREHOLDERS' EQUITY					
Demand, non-interest bearing deposits	\$ 1,122,171	\$ 1,338,167	\$ 1,090,744	\$ 1,260,853	\$ 1,052,115
Interest-bearing deposits	6,020,065	7,175,547	6,205,210	5,781,606	5,748,027
Total deposits	7,142,236	8,513,714	7,295,954	7,042,459	6,800,142
Federal funds purchased	187,000	—	105,000	195,000	155,000
FHLB advances	1,248,070	835,000	2,389,797	2,252,615	1,611,860
Other borrowings	123,871	123,779	186,888	186,735	186,497
Subordinated debt	108,977	108,953	108,929	108,904	108,880
Accrued interest payable and other liabilities	66,455	80,846	70,051	64,465	56,212
Total liabilities	8,876,609	9,662,292	10,156,619	9,850,178	8,918,591
Preferred stock	217,471	217,471	217,471	217,471	217,471
Common stock	32,252	32,218	32,200	31,997	31,913
Additional paid in capital	434,314	431,205	428,796	424,099	422,096
Retained earnings	316,651	302,404	299,990	279,942	258,076
Accumulated other comprehensive loss	(22,663)	(20,253)	(33,997)	(26,188)	(359)
Treasury stock, at cost	(21,209)	(8,233)	(8,233)	(8,233)	(8,233)
Total shareholders' equity	956,816	954,812	936,227	919,088	920,964
Total liabilities & shareholders' equity	\$ 9,833,425	\$ 10,617,104	\$ 11,092,846	\$ 10,769,266	\$ 9,839,555

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

(Dollars in thousands)

	Three Months Ended					
	December 31,		September 30,		December 31,	
	2018		2018		2017	
	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets						
Interest earning deposits	\$ 185,145	2.24%	\$ 309,588	1.97%	\$ 204,762	1.33%
Investment securities	697,474	3.60%	1,029,857	3.30%	572,071	2.89%
Loans:						
Commercial loans to mortgage companies	1,409,197	5.03%	1,680,441	5.02%	1,789,230	4.36%
Multi-family loans	3,445,267	3.76%	3,555,223	3.89%	3,716,104	3.81%
Commercial and industrial	1,823,189	4.93%	1,782,500	4.83%	1,560,778	4.21%
Non-owner occupied commercial real estate	1,224,750	4.10%	1,255,206	4.03%	1,300,329	4.14%
All other loans	660,007	5.04%	594,528	4.80%	508,680	4.49%
Total loans	8,562,410	4.37%	8,867,898	4.38%	8,875,121	4.08%
Other interest-earning assets	73,091	9.41%	111,600	7.81%	107,033	5.81%
Total interest earning assets	9,518,120	4.31%	10,318,943	4.24%	9,758,987	3.97%
Non-interest earning assets	429,247		409,396		404,694	
Total assets	\$ 9,947,367		\$ 10,728,339		\$ 10,163,681	
Liabilities						
Total interest bearing deposits ⁽¹⁾	\$ 6,650,598	2.03%	\$ 6,665,384	1.95%	\$ 5,982,054	1.24%
Borrowings	983,540	3.13%	1,918,577	2.74%	1,990,497	2.13%
Total interest bearing liabilities	7,634,138	2.17%	8,583,961	2.13%	7,972,551	1.46%
Non-interest bearing deposits ⁽¹⁾	1,261,330		1,109,819		1,194,038	
Total deposits & borrowings	8,895,468	1.86%	9,693,780	1.89%	9,166,589	1.27%
Other non-interest bearing liabilities	89,202		84,786		72,986	
Total liabilities	8,984,670		9,778,566		9,239,575	
Common equity	745,226		732,302		706,635	
Preferred stock	217,471		217,471		217,471	
Shareholders' equity	962,697		949,773		924,106	
Total liabilities and shareholders' equity	\$ 9,947,367		\$ 10,728,339		\$ 10,163,681	
Net interest margin		2.57%		2.46%		2.78%
Net interest margin tax equivalent ⁽²⁾		2.57%		2.47%		2.79%

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 1.71%, 1.67% and 1.03% for the three months ended December 31, 2018, September 30, 2018, and December 31, 2017, respectively.

(2) Non-GAAP measure. A detailed reconciliation between the non-GAAP measure and the comparable GAAP amount is included at the end of this document.

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

(Dollars in thousands)

	Twelve Months Ended			
	December 31,		December 31,	
	2018		2017	
	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets				
Interest earning deposits	\$ 217,168	1.90%	\$ 296,305	1.06%
Investment securities	1,005,688	3.30%	870,979	2.89%
Loans:				
Commercial loans to mortgage companies	1,610,168	4.92%	1,748,575	4.20%
Multi-family loans	3,549,511	3.82%	3,551,683	3.72%
Commercial and industrial	1,743,696	4.72%	1,452,805	4.17%
Non-owner occupied commercial real estate	1,257,545	4.03%	1,293,173	3.96%
All other loans	517,800	4.93%	503,532	4.44%
Total loans	8,678,720	4.30%	8,549,768	3.98%
Other interest-earning assets	110,223	6.71%	103,710	4.46%
Total interest earning assets	10,011,799	4.17%	9,820,762	3.80%
Non-interest earning assets	406,303		376,948	
Total assets	\$ 10,418,102		\$ 10,197,710	
Liabilities				
Total interest bearing deposits ⁽¹⁾	\$ 6,251,004	1.77%	\$ 6,158,758	1.10%
Borrowings	1,951,921	2.52%	1,875,431	2.02%
Total interest-bearing liabilities	8,202,925	1.95%	8,034,189	1.31%
Non-interest-bearing deposits ⁽¹⁾	1,189,638		1,187,324	
Total deposits & borrowings	9,392,563	1.70%	9,221,513	1.14%
Other non-interest bearing liabilities	83,563		72,714	
Total liabilities	9,476,126		9,294,227	
Common equity	724,505		686,012	
Preferred stock	217,471		217,471	
Shareholders' equity	941,976		903,483	
Total liabilities and shareholders' equity	\$ 10,418,102		\$ 10,197,710	
Net interest margin		2.58%		2.72%
Net interest margin tax equivalent ⁽²⁾		2.58%		2.73%

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 1.49% and 0.99% for the twelve months ended December 31, 2018 and 2017, respectively.

(2) Non-GAAP measure. A detailed reconciliation between the non-GAAP measure and the comparable GAAP amount is included at the end of this document.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

SEGMENT REPORTING - UNAUDITED

(Dollars in thousands, except per share amounts)

The following tables present Customers' business segment results for the three and twelve months ended December 31, 2018 and 2017 :

	Three Months Ended December 31, 2018			Three Months Ended December 31, 2017		
	Customers Bank Business Banking	BankMobile	Consolidated	Customers Bank Business Banking	BankMobile	Consolidated
Interest income ⁽¹⁾	\$ 98,129	\$ 5,174	\$ 103,303	\$ 94,407	\$ 3,212	\$ 97,619
Interest expense	41,592	187	41,779	29,304	15	29,319
Net interest income	56,537	4,987	61,524	65,103	3,197	68,300
Provision for loan losses	(200)	1,585	1,385	179	652	831
Non-interest income	9,352	10,525	19,877	8,200	11,540	19,740
Non-interest expense	38,778	18,267	57,045	33,900	20,888	54,788
Income (loss) before income tax expense (benefit)	27,311	(4,340)	22,971	39,224	(6,803)	32,421
Income tax expense (benefit)	6,175	(1,066)	5,109	13,369	(2,563)	10,806
Net income (loss)	21,136	(3,274)	17,862	25,855	(4,240)	21,615
Preferred stock dividends	3,615	—	3,615	3,615	—	3,615
Net income (loss) available to common shareholders	\$ 17,521	\$ (3,274)	\$ 14,247	\$ 22,240	\$ (4,240)	\$ 18,000
Basic earnings (loss) per common share	\$ 0.55	\$ (0.10)	\$ 0.45	\$ 0.72	\$ (0.14)	\$ 0.58
Diluted earnings (loss) per common share	\$ 0.55	\$ (0.10)	\$ 0.44	\$ 0.68	\$ (0.13)	\$ 0.55

(1) Amounts reported include funds transfer pricing of \$3.8 million and \$3.2 million for the three months ended December 31, 2018 and 2017, respectively.

	Twelve Months Ended December 31, 2018			Twelve Months Ended December 31, 2017		
	Customers Bank Business Banking	BankMobile	Consolidated	Customers Bank Business Banking	BankMobile	Consolidated
Interest income ⁽²⁾	\$ 400,948	\$ 17,003	\$ 417,951	\$ 359,931	\$ 12,919	\$ 372,850
Interest expense	159,674	400	160,074	105,438	69	105,507
Net interest income	241,274	16,603	257,877	254,493	12,850	267,343
Provision for loan losses	2,928	2,714	5,642	5,638	1,130	6,768
Non-interest income	17,499	41,499	58,998	24,788	54,122	78,910
Non-interest expense	146,946	73,233	220,179	128,604	87,002	215,606
Income (loss) before income tax expense (benefit)	108,899	(17,845)	91,054	145,039	(21,160)	123,879
Income tax expense (benefit)	23,742	(4,383)	19,359	53,013	(7,971)	45,042
Net income (loss)	85,157	(13,462)	71,695	92,026	(13,189)	78,837
Preferred stock dividends	14,459	—	14,459	14,459	—	14,459
Net income (loss) available to common shareholders	\$ 70,698	\$ (13,462)	\$ 57,236	\$ 77,567	\$ (13,189)	\$ 64,378
Basic earnings (loss) per common share	\$ 2.24	\$ (0.43)	\$ 1.81	\$ 2.53	\$ (0.43)	\$ 2.10
Diluted earnings (loss) per common share	\$ 2.19	\$ (0.42)	\$ 1.78	\$ 2.38	\$ (0.41)	\$ 1.97

As of December 31, 2018 and 2017

Goodwill and other intangibles	\$ 3,629	\$ 12,870	\$ 16,499	\$ 3,630	\$ 12,665	\$ 16,295
Total assets	\$ 9,688,146	\$ 145,279	\$ 9,833,425	\$ 9,769,996	\$ 69,559	\$ 9,839,555
Total deposits	\$ 6,766,378	\$ 375,858	\$ 7,142,236	\$ 6,400,310	\$ 399,832	\$ 6,800,142
Total non-deposit liabilities	\$ 1,719,225	\$ 15,148	\$ 1,734,373	\$ 2,106,919	\$ 11,530	\$ 2,118,449

(2) Amounts reported include funds transfer pricing of \$15.7 million and \$12.9 million for the twelve months ended December 31, 2018 and 2017, respectively.

The following tables present Customers' business segment results for the quarter ended December 31, 2018 and the preceding four quarters:

Customers Bank Business Banking:

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Interest income ⁽¹⁾	\$ 98,129	\$ 106,156	\$ 104,110	\$ 92,554	\$ 94,407
Interest expense	41,592	45,982	40,182	31,917	29,304
Net interest income	56,537	60,174	63,928	60,637	65,103
Provision for loan losses	(200)	2,502	(1,247)	1,874	179
Non-interest income (loss)	9,352	(7,756)	7,465	8,439	8,200
Non-interest expense	38,778	36,115	37,721	34,331	33,900
Income before income tax expense	27,311	13,801	34,919	32,871	39,224
Income tax expense	6,175	1,930	7,910	7,728	13,369
Net income	21,136	11,871	27,009	25,143	25,855
Preferred stock dividends	3,615	3,615	3,615	3,615	3,615
Net income available to common shareholders	\$ 17,521	\$ 8,256	\$ 23,394	\$ 21,528	\$ 22,240
Basic earnings per common share	\$ 0.55	\$ 0.26	\$ 0.74	\$ 0.69	\$ 0.72
Diluted earnings per common share	\$ 0.55	\$ 0.26	\$ 0.72	\$ 0.67	\$ 0.68

(1) Amounts reported include funds transfer pricing of \$3.8 million, \$3.9 million, \$3.5 million, \$4.4 million and \$3.2 million for the three months ended December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018, and December 31, 2017, respectively.

BankMobile:

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Interest income ⁽²⁾	\$ 5,174	\$ 3,889	\$ 3,529	\$ 4,410	\$ 3,212
Interest expense	187	62	135	16	15
Net interest income	4,987	3,827	3,394	4,394	3,197
Provision for loan losses	1,585	422	463	243	652
Non-interest income	10,525	9,840	8,662	12,471	11,540
Non-interest expense	18,267	20,989	16,029	17,949	20,888
Loss before income tax benefit	(4,340)	(7,744)	(4,436)	(1,327)	(6,803)
Income tax benefit	(1,066)	(1,902)	(1,090)	(326)	(2,563)
Net loss available to common shareholders	\$ (3,274)	\$ (5,842)	\$ (3,346)	\$ (1,001)	\$ (4,240)
Basic loss per common share	\$ (0.10)	\$ (0.18)	\$ (0.11)	\$ (0.03)	\$ (0.14)
Diluted loss per common share	\$ (0.10)	\$ (0.18)	\$ (0.10)	\$ (0.03)	\$ (0.13)

(2) Amounts reported include funds transfer pricing of \$3.8 million, \$3.9 million, \$3.5 million, \$4.4 million and \$3.2 million for the three months ended December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018, and December 31, 2017, respectively.

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

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Commercial:					
Multi-family	\$ 3,285,297	\$ 3,504,540	\$ 3,542,770	\$ 3,645,374	\$ 3,646,572
Mortgage warehouse	1,461,810	1,574,731	1,987,306	1,931,320	1,844,607
Commercial & industrial	1,894,887	1,783,300	1,755,183	1,648,324	1,582,667
Commercial real estate non-owner occupied	1,125,106	1,157,849	1,155,998	1,195,903	1,218,719
Construction	56,491	95,250	88,141	81,102	85,393
Total commercial loans	7,823,591	8,115,670	8,529,398	8,502,023	8,377,958
Consumer:					
Residential	568,068	511,236	494,265	226,501	235,928
Manufactured housing	79,731	82,589	85,328	87,687	90,227
Other consumer	74,035	51,210	3,874	3,570	3,547
Total consumer loans	721,834	645,035	583,467	317,758	329,702
Deferred (fees)/costs and unamortized (discounts)/premiums, net	(424)	(3,045)	642	(700)	83
Total loans	<u>\$ 8,545,001</u>	<u>\$ 8,757,660</u>	<u>\$ 9,113,507</u>	<u>\$ 8,819,081</u>	<u>\$ 8,707,743</u>

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

	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Demand, non-interest bearing	\$ 1,122,171	\$ 1,338,167	\$ 1,090,744	\$ 1,260,853	\$ 1,052,115
Demand, interest bearing	803,948	833,176	623,343	510,418	523,848
Savings	384,545	275,825	38,457	36,584	38,838
Money market	3,097,391	3,673,065	3,471,249	3,345,573	3,279,648
Time deposits	1,734,181	2,393,481	2,072,161	1,889,031	1,905,693
Total deposits	<u>\$ 7,142,236</u>	<u>\$ 8,513,714</u>	<u>\$ 7,295,954</u>	<u>\$ 7,042,459</u>	<u>\$ 6,800,142</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

(Dollars in thousands)	As of December 31, 2018					As of September 30, 2018					As of December 31, 2017				
	Total Loans	Non Accrual /NPLs	Total Credit Reserves	NPLs / Total Loans	Total Reserves to Total NPLs	Total Loans	Non Accrual /NPLs	Total Credit Reserves	NPLs / Total Loans	Total Reserves to Total NPLs	Total Loans	Non Accrual /NPLs	Total Credit Reserves	NPLs / Total Loans	Total Reserves to Total NPLs
Originated Loans															
Multi-family	\$ 3,282,903	\$ 1,155	\$ 11,524	0.04%	997.75%	\$ 3,502,079	\$ 1,343	\$ 11,829	0.04%	880.79%	\$ 3,499,760	\$ —	\$ 12,169	—%	—%
Commercial & Industrial (1)	1,874,779	18,543	14,866	0.99%	80.17%	1,760,668	14,316	15,268	0.81%	106.65%	1,546,109	18,478	13,369	1.20%	72.35%
Commercial Real Estate Non-Owner Occupied	1,111,903	—	4,093	—%	—%	1,144,214	—	4,246	—%	—%	1,199,053	—	4,564	—%	—%
Residential	107,070	1,999	2,013	1.87%	100.70%	106,052	2,055	2,048	1.94%	99.66%	107,742	1,506	2,119	1.40%	140.70%
Construction	56,491	—	624	—%	—%	95,250	—	1,062	—%	—%	85,393	—	979	—%	—%
Other Consumer (2)	1,874	—	131	—%	—%	1,359	—	103	—%	—%	1,292	—	77	—%	—%
Total Originated Loans (3)	6,435,020	21,697	33,251	0.34%	153.25%	6,609,622	17,714	34,556	0.27%	195.08%	6,439,349	19,984	33,277	0.31%	166.52%
Loans Acquired															
Bank Acquisitions	125,718	4,104	3,224	3.26%	78.56%	131,854	4,006	3,773	3.04%	94.18%	149,400	4,472	4,558	2.99%	101.92%
Loan Purchases	577,760	1,693	3,985	0.29%	235.38%	501,519	1,921	2,939	0.38%	152.99%	179,426	1,959	825	1.09%	42.11%
Total Acquired Loans	703,478	5,797	7,209	0.82%	124.36%	633,373	5,927	6,712	0.94%	113.24%	328,826	6,431	5,383	1.96%	83.70%
Deferred (fees) costs and unamortized (discounts) premiums, net	(424)	—	—	—%	—%	(3,045)	—	—	—%	—%	83	—	—	—%	—%
Loans Receivable	7,138,074	27,494	40,460	0.39%	147.16%	7,239,950	23,641	41,268	0.33%	174.56%	6,768,258	26,415	38,660	0.39%	146.36%
Loans Receivable, Mortgage Warehouse, at Fair Value	1,405,420	—	—	—%	—%	1,516,327	—	—	—%	—%	1,793,408	—	—	—%	—%
Total Loans Held for Sale	1,507	—	—	—%	—%	1,383	—	—	—%	—%	146,077	—	—	—%	—%
Total Portfolio	\$ 8,545,001	\$ 27,494	\$ 40,460	0.32%	147.16%	\$ 8,757,660	\$ 23,641	\$ 41,268	0.27%	174.56%	\$ 8,707,743	\$ 26,415	\$ 38,660	0.30%	146.36%

(1) Commercial & industrial loans, including owner occupied commercial real estate loans.

(2) Includes activity for BankMobile related loans, primarily overdrawn deposit accounts.

(3) Does not include loans receivable, mortgage warehouse, at fair value.

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

(Dollars in thousands)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Originated Loans					
Commercial & Industrial (1)	\$ 1,490	\$ 86	\$ 140	\$ 54	\$ (109)
Commercial Real Estate Non-Owner Occupied	—	—	—	—	731
Residential	35	—	42	—	3
Other Consumer (2)	664	434	459	254	686
Total Net Charge-offs (Recoveries) from Originated Loans	2,189	520	641	308	1,311
Loans Acquired					
Bank Acquisitions	(35)	(49)	(214)	325	(181)
Loan Purchases	—	—	—	—	—
Total Net Charge-offs (Recoveries) from Acquired Loans	(35)	(49)	(214)	325	(181)
Total Net Charge-offs from Loans Held for Investment	\$ 2,154	\$ 471	\$ 427	\$ 633	\$ 1,130

(1) Commercial & industrial loans, including owner occupied commercial real estate.

(2) Includes activity for BankMobile related loans, primarily overdrawn deposit accounts.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED

(Dollars in thousands, except per share data)

Customers believes that the non-GAAP measurements disclosed within this document are useful for investors, regulators, management and others to evaluate our results of operations and financial condition relative to other financial institutions. Presentation of these non-GAAP financial measures is consistent with how Customers evaluates its performance internally and 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 financial results, which we believe enhance an overall understanding of our performance. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. 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

	Q4 2018		Q3 2018		Q2 2018		Q1 2018		Q4 2017	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 14,247	\$ 0.44	\$ 2,414	\$ 0.07	\$ 20,048	\$ 0.62	\$ 20,527	\$ 0.64	\$ 18,000	\$ 0.55
Reconciling items (after tax):										
Executive severance expense	1,421	0.04	—	—	—	—	—	—	—	—
Merger and acquisition related expenses	355	0.01	2,222	0.07	655	0.02	80	—	256	0.01
Losses on sale of multi-family loans	868	0.03	—	—	—	—	—	—	—	—
Losses (gains) on investment securities	101	—	15,417	0.48	138	—	(10)	—	(170)	—
Core earnings	<u>\$ 16,992</u>	<u>\$ 0.53</u>	<u>\$ 20,053</u>	<u>\$ 0.62</u>	<u>\$ 20,841</u>	<u>\$ 0.64</u>	<u>\$ 20,597</u>	<u>\$ 0.64</u>	<u>\$ 18,086</u>	<u>\$ 0.56</u>

Core Earnings - Customers Bancorp

	Twelve Months Ended December 31, 2018		Twelve Months Ended December 31, 2017	
	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 57,236	\$ 1.78	\$ 64,378	\$ 1.97
Reconciling items (after tax):				
Impairment loss on equity securities	—	—	12,934	0.40
Executive severance expense	1,421	0.04	—	—
Merger and acquisition related expenses	3,312	0.10	256	0.01
Losses on sale of multi-family loans	868	0.03	—	—
Losses (gains) on investment securities	15,646	0.49	(5,597)	(0.17)
Core earnings	<u>\$ 78,483</u>	<u>\$ 2.43</u>	<u>\$ 71,971</u>	<u>\$ 2.21</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Return on Average Assets - Customers Bancorp

	Twelve Months Ended December 31,		Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	2018	2017					
GAAP net income	\$ 71,695	\$ 78,837	\$ 17,862	\$ 6,029	\$ 23,663	\$ 24,142	\$ 21,615
Reconciling items (after tax):							
Impairment loss on equity securities	—	12,934	—	—	—	—	—
Executive severance expense	1,421	—	1,421	—	—	—	—
Merger and acquisition related expenses	3,312	256	355	2,222	655	80	256
Losses on sale of multi-family loans	868	—	868	—	—	—	—
Losses (gains) on investment securities	15,646	(5,597)	101	15,417	138	(10)	(170)
Core net income	<u>\$ 92,942</u>	<u>\$ 86,430</u>	<u>\$ 20,607</u>	<u>\$ 23,668</u>	<u>\$ 24,456</u>	<u>\$ 24,212</u>	<u>\$ 21,701</u>
Average total assets	\$ 10,418,102	\$ 10,197,710	\$ 9,947,367	\$ 10,728,339	\$ 10,721,190	\$ 10,275,707	\$ 10,163,681
Core return on average assets	0.89%	0.85%	0.82%	0.88%	0.91%	0.96%	0.85%

Core Net Income and Core ROAA - Pre-Tax Pre-Provision - Customers Bancorp

	Twelve Months Ended December 31,		Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	2018	2017					
GAAP net income	\$ 71,695	\$ 78,837	\$ 17,862	\$ 6,029	\$ 23,663	\$ 24,142	\$ 21,615
Reconciling items:							
Income tax expense	19,359	45,042	5,109	28	6,820	7,402	10,806
Provision for loan losses	5,642	6,768	1,385	2,924	(784)	2,117	831
Impairment loss on equity securities	—	12,934	—	—	—	—	—
Executive severance expense	1,869	—	1,869	—	—	—	—
Merger and acquisition related expenses	4,391	410	470	2,945	869	106	410
Losses on sale of multi-family loans	1,161	—	1,161	—	—	—	—
Losses (gains) on investment securities	20,293	(8,800)	101	19,895	84	(10)	(268)
Core net income - pre-tax pre-provision	<u>\$ 124,410</u>	<u>\$ 135,191</u>	<u>\$ 27,957</u>	<u>\$ 31,821</u>	<u>\$ 30,652</u>	<u>\$ 33,757</u>	<u>\$ 33,394</u>
Average total assets	\$ 10,418,102	\$ 10,197,710	\$ 9,947,367	\$ 10,728,339	\$ 10,721,190	\$ 10,275,707	\$ 10,163,681
Core ROAA - pre-tax pre-provision	1.19%	1.33%	1.12%	1.18%	1.15%	1.33%	1.30%

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

	Twelve Months Ended December 31,		Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	2018	2017					
GAAP net income to common shareholders	\$ 57,236	\$ 64,378	\$ 14,247	\$ 2,414	\$ 20,048	\$ 20,527	\$ 18,000
Reconciling items (after tax):							
Impairment loss on equity securities	—	12,934	—	—	—	—	—
Executive severance expense	1,421	—	1,421	—	—	—	—
Merger and acquisition related expenses	3,312	256	355	2,222	655	80	256
Losses on sale of multi-family loans	868	—	868	—	—	—	—
Losses (gains) on investment securities	15,646	(5,597)	101	15,417	138	(10)	(170)
Core earnings	<u>\$ 78,483</u>	<u>\$ 71,971</u>	<u>\$ 16,992</u>	<u>\$ 20,053</u>	<u>\$ 20,841</u>	<u>\$ 20,597</u>	<u>\$ 18,086</u>
Average total common shareholders' equity	\$ 724,505	\$ 686,012	\$ 745,226	\$ 732,302	\$ 710,549	\$ 709,464	\$ 706,635
Core return on average common equity	10.83%	10.49%	9.05%	10.86%	11.76%	11.77%	10.15%

**Core ROCE - Pre-Tax Pre-Provision -
Customers Bancorp**

	Twelve Months Ended December 31,		Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	2018	2017					
GAAP net income to common shareholders	\$ 57,236	\$ 64,378	\$ 14,247	\$ 2,414	\$ 20,048	\$ 20,527	\$ 18,000
Reconciling items:							
Income tax expense	19,359	45,042	5,109	28	6,820	7,402	10,806
Provision for loan losses	5,642	6,768	1,385	2,924	(784)	2,117	831
Impairment loss on equity securities	—	12,934	—	—	—	—	—
Executive severance expense	1,869	—	1,869	—	—	—	—
Merger and acquisition related expenses	4,391	410	470	2,945	869	106	410
Losses on sale of multi-family loans	1,161	—	1,161	—	—	—	—
Losses (gains) on investment securities	20,293	(8,800)	101	19,895	84	(10)	(268)
Pre-tax pre-provision core net income available to common shareholders	109,951	120,732	24,342	28,206	27,037	30,142	29,779
Average total common shareholders' equity	\$ 724,505	\$ 686,012	\$ 745,226	\$ 732,302	\$ 710,549	\$ 709,464	\$ 706,635
Core ROCE - pre-tax pre-provision	15.18%	17.60%	12.96%	15.28%	15.26%	17.23%	16.72%

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Net Interest Margin, Tax Equivalent - Customers Bancorp

	Twelve Months Ended December 31,		Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	2018	2017					
GAAP net interest income	\$ 257,877	\$ 267,343	\$ 61,524	\$ 64,001	\$ 67,322	\$ 65,031	\$ 68,300
Tax-equivalent adjustment	685	645	171	172	171	171	245
Net interest income tax equivalent	\$ 258,562	\$ 267,988	\$ 61,695	\$ 64,173	\$ 67,493	\$ 65,202	\$ 68,545
Average total interest earning assets	\$ 10,011,799	\$ 9,820,762	\$ 9,518,120	\$ 10,318,943	\$ 10,329,530	\$ 9,881,220	\$ 9,758,987
Net interest margin, tax equivalent	2.58%	2.73%	2.57%	2.47%	2.62%	2.67%	2.79%

Core Efficiency Ratio - Customers Bancorp

	Twelve Months Ended December 31,		Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
	2018	2017					
GAAP net interest income	\$ 257,877	\$ 267,343	\$ 61,524	\$ 64,001	\$ 67,322	\$ 65,031	\$ 68,300
GAAP non-interest income	\$ 58,998	\$ 78,910	\$ 19,877	\$ 2,084	\$ 16,127	\$ 20,910	\$ 19,740
Losses (gains) on investment securities	20,293	(8,800)	101	19,895	84	(10)	(268)
Losses on sale of multi-family loans	1,161	—	1,161	—	—	—	—
Impairment loss on equity securities	—	12,934	—	—	—	—	—
Core non-interest income	80,452	83,044	21,139	21,979	16,211	20,900	19,472
Core revenue	\$ 338,329	\$ 350,387	\$ 82,663	\$ 85,980	\$ 83,533	\$ 85,931	\$ 87,772
GAAP non-interest expense	\$ 220,179	\$ 215,606	\$ 57,045	\$ 57,104	\$ 53,750	\$ 52,280	\$ 54,788
Executive severance expense	(1,869)	—	(1,869)	—	—	—	—
Merger and acquisition related expenses	(4,391)	(410)	(470)	(2,945)	(869)	(106)	(410)
Core non-interest expense	\$ 213,919	\$ 215,196	\$ 54,706	\$ 54,159	\$ 52,881	\$ 52,174	\$ 54,378
Core efficiency ratio (1)	63.23%	61.42%	66.18%	62.99%	63.31%	60.72%	61.95%

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

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Tangible Common Equity to Tangible Assets - Customers Bancorp

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
GAAP - Total shareholders' equity	\$ 956,816	\$ 954,812	\$ 936,227	\$ 919,088	\$ 920,964
Reconciling items:					
Preferred stock	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles	(16,499)	(16,825)	(17,150)	(17,477)	(16,295)
Tangible common equity	<u>\$ 722,846</u>	<u>\$ 720,516</u>	<u>\$ 701,606</u>	<u>\$ 684,140</u>	<u>\$ 687,198</u>
Total assets	\$ 9,833,425	\$ 10,617,104	\$ 11,092,846	\$ 10,769,266	\$ 9,839,555
Reconciling items:					
Goodwill and other intangibles	(16,499)	(16,825)	(17,150)	(17,477)	(16,295)
Tangible assets	<u>\$ 9,816,926</u>	<u>\$ 10,600,279</u>	<u>\$ 11,075,696</u>	<u>\$ 10,751,789</u>	<u>\$ 9,823,260</u>
Tangible common equity to tangible assets	7.36%	6.80%	6.33%	6.36%	7.00%

Tangible Book Value per Common Share - Customers Bancorp

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
GAAP - Total Shareholders' Equity	\$ 956,816	\$ 954,812	\$ 936,227	\$ 919,088	\$ 920,964
Reconciling Items:					
Preferred Stock	(217,471)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and Other Intangibles	(16,499)	(16,825)	(17,150)	(17,477)	(16,295)
Tangible Common Equity	<u>\$ 722,846</u>	<u>\$ 720,516</u>	<u>\$ 701,606</u>	<u>\$ 684,140</u>	<u>\$ 687,198</u>
Common shares outstanding	31,003,028	31,687,340	31,669,643	31,466,271	31,382,503
Tangible Book Value per Common Share	\$ 23.32	\$ 22.74	\$ 22.15	\$ 21.74	\$ 21.90

Tangible Book Value per Common Share - CAGR - Customers Bancorp

	2018	2017	2016	2015	2014	2013
GAAP - Total Shareholders' Equity	\$ 956,816	\$ 920,964	\$ 855,872	\$ 553,902	\$ 443,145	\$ 386,623
Reconciling Items:						
Preferred Stock	(217,471)	(217,471)	(217,471)	(55,569)	—	—
Goodwill and Other Intangibles	(16,499)	(16,295)	(17,621)	(3,651)	(3,664)	(3,676)
Tangible Common Equity	<u>\$ 722,846</u>	<u>\$ 687,198</u>	<u>\$ 620,780</u>	<u>\$ 494,682</u>	<u>\$ 439,481</u>	<u>\$ 382,947</u>
Common shares outstanding	31,003,028	31,382,503	30,289,917	26,901,801	26,745,529	26,646,566
Tangible Book Value per Common Share	<u>\$ 23.32</u>	\$ 21.90	\$ 20.49	\$ 18.39	\$ 16.43	\$ 14.37
CAGR	<u>10.17%</u>					

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Earnings - Customers Bank Business Banking Segment

	Q4 2018		Q3 2018		Q2 2018		Q1 2018		Q4 2017	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 17,521	\$ 0.55	\$ 8,256	\$ 0.26	\$ 23,394	\$ 0.72	\$ 21,528	\$ 0.67	\$ 22,240	\$ 0.68
Reconciling items (after tax):										
Executive severance expense	1,421	0.04	—	—	—	—	—	—	—	—
Losses on sale of multi-family loans	868	0.03	—	—	—	—	—	—	—	—
Losses (gains) on investment securities	101	—	15,417	0.48	138	—	(10)	—	(170)	—
Core earnings	<u>\$ 19,911</u>	<u>\$ 0.62</u>	<u>\$ 23,673</u>	<u>\$ 0.73</u>	<u>\$ 23,532</u>	<u>\$ 0.73</u>	<u>\$ 21,518</u>	<u>\$ 0.67</u>	<u>\$ 22,070</u>	<u>\$ 0.68</u>

Core Earnings - Customers Bank Business Banking Segment

	Twelve Months Ended December 31, 2018		Twelve Months Ended December 31, 2017	
	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 70,698	\$ 2.19	\$ 77,567	\$ 2.38
Reconciling items (after tax):				
Executive severance expense	1,421	0.04	—	—
Impairment loss on equity securities	—	—	12,934	0.40
Losses on sale of multi-family loans	868	0.03	—	—
Losses (gains) on investment securities	15,646	0.49	(5,597)	(0.17)
Core earnings	<u>\$ 88,633</u>	<u>\$ 2.75</u>	<u>\$ 84,904</u>	<u>\$ 2.60</u>

Core Loss - BankMobile Segment

	Q4 2018		Q3 2018		Q2 2018		Q1 2018		Q4 2017	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net loss to common shareholders	\$ (3,274)	\$ (0.10)	\$ (5,842)	\$ (0.18)	\$ (3,346)	\$ (0.10)	\$ (1,001)	\$ (0.03)	\$ (4,240)	\$ (0.13)
Reconciling items (after tax):										
Merger and acquisition related expenses	355	0.01	2,222	0.07	655	0.02	80	—	256	0.01
Core loss	<u>\$ (2,919)</u>	<u>\$ (0.09)</u>	<u>\$ (3,620)</u>	<u>\$ (0.11)</u>	<u>\$ (2,691)</u>	<u>\$ (0.08)</u>	<u>\$ (921)</u>	<u>\$ (0.03)</u>	<u>\$ (3,984)</u>	<u>\$ (0.12)</u>

Core Loss - BankMobile Segment

	Twelve Months Ended December 31, 2018		Twelve Months Ended December 31, 2017	
	USD	Per share	USD	Per share
GAAP net loss to common shareholders	\$ (13,462)	\$ (0.42)	\$ (13,189)	\$ (0.41)
Reconciling items (after tax):				
Merger and acquisition related expenses	3,312	0.10	256	0.01
Core loss	<u>\$ (10,150)</u>	<u>\$ (0.31)</u>	<u>\$ (12,933)</u>	<u>\$ (0.40)</u>



Customers Bancorp, Inc.

Executing On Our Unique Higher Performing
Banking Model

Q4 2018
Investor Presentation
January, 2019
NYSE: CUBI

Customers  Bank
Member FDIC

Highly Focused, Innovative, Relationship Banking Based Commercial Bank

Business bank with a unique private banking service model; approximately \$10 billion in assets
Highly skilled teams targeting privately held businesses and high net worth families

Strong Organic Growth, Well Capitalized, Branch Lite Bank in Attractive Markets

Target market from Boston to Washington DC along Interstate 95, and Chicago
Robust risk management driven business strategy

Significantly Improving Profitability & Efficient Operations

Operating efficiencies offset tighter margins and generate sustainable profitability
Target 1.25% ROAA and double digit ROTCE in 3-4 years

Strong Credit Quality & Expanding Margin

Unwavering underwriting standards
Loan portfolio performance consistently better than industry and peers

Attractive Valuation

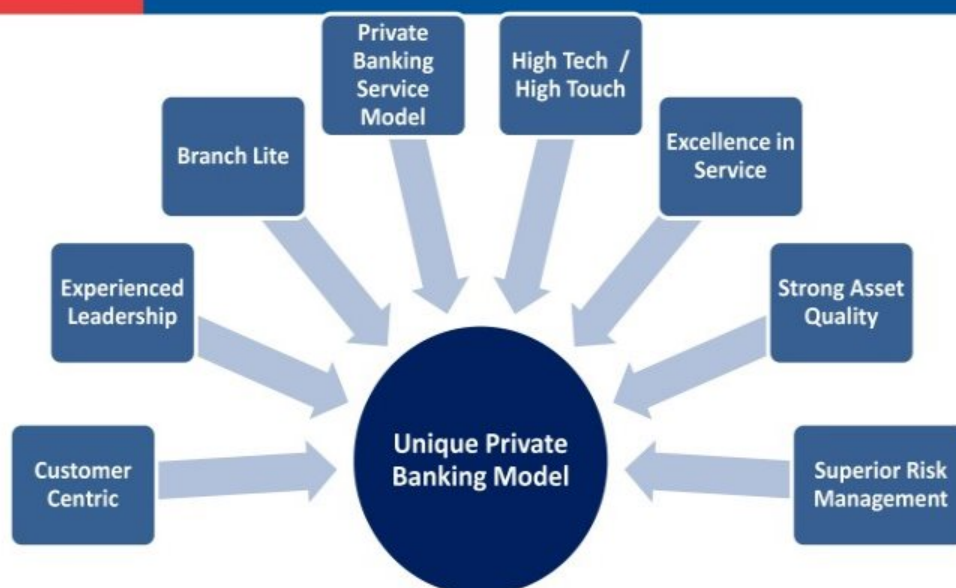
January 18, 2019 share price of \$20.97, 9.5x street estimated 2019 EPS of \$2.21 and
0.9x tangible book value of \$23.32⁽¹⁾
December 31, 2018 tangible book value⁽¹⁾ of \$23.32, which has grown at a CAGR of 10% over the last 5 years

BankMobile

We expect to retain BankMobile, our disruptive digital banking strategy, for the next 2-3 years and are
excited about our first White Label partnership

(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

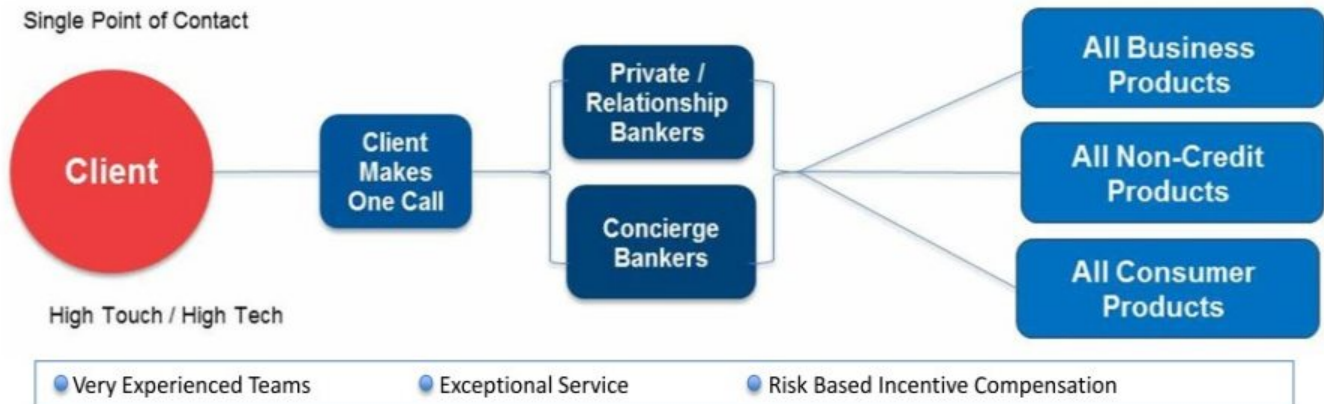
Customers Bank Business Banking



Approach to Winning Model

Relationship driven but never deviate from following critical success factors

- Only focus on very strong credit quality niches
- Very strong risk management culture
- Operate at lower efficiency ratio than peers to deliver sustainable strong profitability and growth
 - Always attract and retain top quality talent
 - Culture of innovation and continuous improvement



Business Banking Focus - ~95% of Customers Bank Business Banking Segment revenues are from commercial business units

Banking Strategy – Our Footprint

Customers Bank Business Banking Branches and Loan Production Offices



BankMobile

One of America's Fastest Growing Digital Banks for Consumers

Critical success factors

1. Unique and exponentially better customer acquisition strategy
2. Customer engagement and customer for life profitability strategy
3. Unique technology, contractual relationships, and Durbin create barriers to entry
4. Long-term profitability better than traditional banks

BankMobile – Acquisition and Customer for Life Strategy



Besides student disbursements, our biggest focus over the last two years has been the development of “Banking as a Service” model

- Spent significantly in R&D, technology and product development for White Label
- Expected to be a very customer friendly product offering
- We will have more to share later this year
- T-Mobile partnership launched in beta stage

T-Mobile Partnership

- 2% or higher ROA which is significantly better than traditional banks
- Uniqueness of Durbin – a significant competitive advantage that benefits our partners and our customers
- High volume and low cost customer acquisition – \$19 for BankMobile student business versus \$100 – \$400 for traditional banks
- A very unique offering to potentially attract millions of consumers for primary checking accounts and building potentially billions of no to very low cost stable deposits

Customers Bancorp, Inc.

Strategic Priorities

1) Create shareholder value through improved profitability

- We target an ROAA of 1.25% in the next 3-4 years
- We target a double digit ROTCE in the next 3-4 years
- We target a NIM of 2.75%+ in the next 9-15 months

2) Focus and grow core banking operations

- We expect to grow our core banking franchise (low cost deposits, C&I lending) through reductions in non-core areas (multi-family loans and high cost wholesale funding)
- We expect to manage the size of the consolidated balance sheet to optimize capital and profitability while preserving full interchange income from debit cards

3) Grow BankMobile for 2-3 years before monetizing the investment

- We expect to retain BankMobile for 2-3 years, but will regularly assess our alternatives
- We expect BankMobile to generate a positive contribution to Customers' earnings by the end of 2019
- We are excited about BankMobile's new White Label partner, which we expect to generate significant low cost deposit growth

4) Strengthen our mix

- We sold \$495 million of lower yielding securities in Q3 and \$55 million of lower yielding multi-family loans in Q4 which were funded with high cost borrowings
- We expect to grow C&I lending and consumer lending and create space on the balance sheet with multi-family reductions
- We expect to grow low cost deposits and run-off high cost funding; we currently have approximately \$270 million of deposits with a cost of 2.75%+

5) Deploy excess capital to benefit shareholders

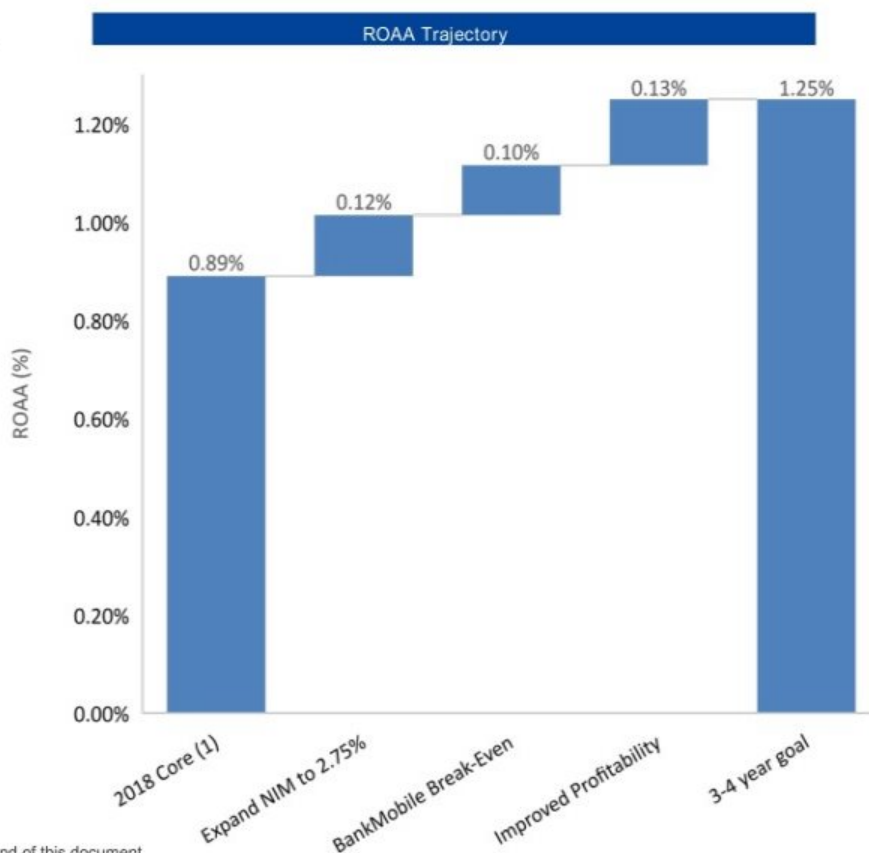
- We expect to continue to deploy excess capital, while maintaining a TCE ratio above our 7.0% target
- Our board will evaluate the best options for excess capital, including share repurchases and calling preferred shares when they become callable

Strategic Priorities: Improving Profitability

We target an ROAA of 1.25% in 3-4 years, double digit ROTCE. We can get there through:

- 2.75% NIM
- Eliminating BankMobile losses
- Other profitability improvements
 - Improving efficiency
 - Growth in fee income
 - BankMobile profitability
 - A NIM wider than 2.75%

We target \$4 of EPS in the next 3-4 years.



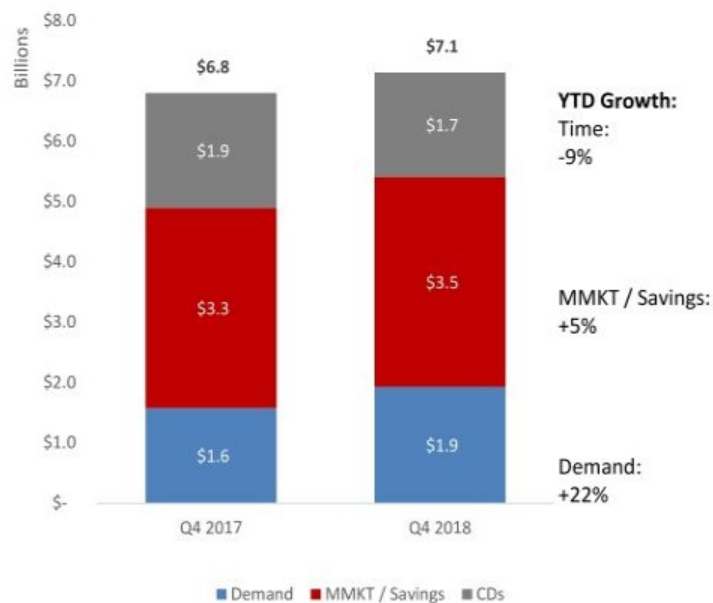
(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

Projected Balance Sheet Mix Shifts

Ending Balance Sheet Growth (\$ in millions)	Dec 2017	Dec 2018	2018 Change	Targeted Balance Sheet Shifts in 2019
Cash and Deposits	126	44	(82)	~\$700 million to \$1.2 billion reduction in Multifamily & CRE
Investment Securities	471	665	194	
Multi Family Loans	3,647	3,285	(362)	
CRE Loans	1,304	1,181	(124)	
Warehouse	1,845	1,462	(383)	
C&I Loans	1,583	1,895	312	\$500 million of growth in C&I loans at 5.25%+
Mortgage & Home Equity	236	568	332	\$400 million of growth in Consumer Loans at 8% to 12%
Manufactured Housing	90	80	(10)	
Other Consumer	3	74	71	De minimis asset growth in 2019, with mix shift towards higher yielding assets
Loans	8,708	8,545	(163)	
Allowance for Loan Losses	(38)	(40)	(2)	
Loans, Net of Allowance	8,670	8,505	(165)	
Other Assets	573	619	46	
Total Assets	9,840	9,833	(7)	In 2019, we will continue to focus on growing core deposits, and running off higher cost borrowings and deposits
Non Interest Bearing Deposits	1,052	1,122	70	
Interest Checking	524	804	280	
Money Market	3,279	3,097	(182)	
Savings	39	385	346	
CDs	1,906	1,734	(172)	
Total Deposits	6,800	7,142	342	
Borrowings	2,062	1,668	(394)	
Other Liabilities	57	67	10	
Total Liabilities	8,919	8,877	(42)	
Equity	921	956	35	
Total Liabilities and Equity	9,840	9,833	(7)	

2018 Deposits: Growth In The Right Areas

YTD Deposit Growth

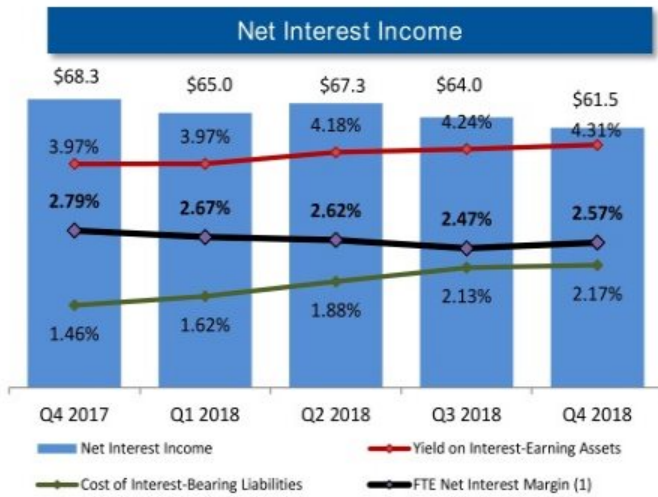


We are improving our funding mix as we replace higher cost funding with lower cost core deposits from BankMobile, our Digital Direct Bank, and core business units

Source: Company Data

16

Q4 2018 NIM



FTE NIM⁽¹⁾ expanded 10 bps sequentially to 2.57%

- 8 bps NIM benefit from asset yields
 - -5 bps headwind from reduction in prepayment income
 - +13 bps benefit from increase in asset yields
- 3 bps NIM benefit from liabilities
 - -3 bps pressure from higher deposit costs
 - -4 bps pressure from higher borrowing costs
 - +10 bps benefit from favorable funding mix shift

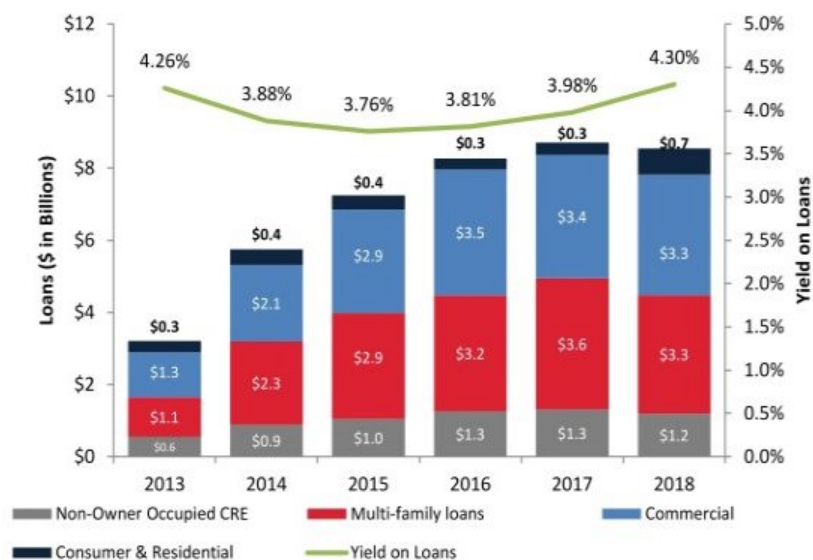
Margin is expected to reach 2.75% in 9-15 months

Steps to mitigate core margin pressure

- We have sold certain lower yielding securities and loans, funded with higher cost borrowings
- Expect significant growth in low cost BankMobile White Label and Disbursement deposits to replace higher cost funding
- Expect multi-family loans to decline; we will grow higher yielding consumer loans
- Significantly limiting originations of loans with yields below 5.25%
- Implemented product and channel strategies (including digital channel for Customers Bank) to grow core deposits in the short and long term

(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

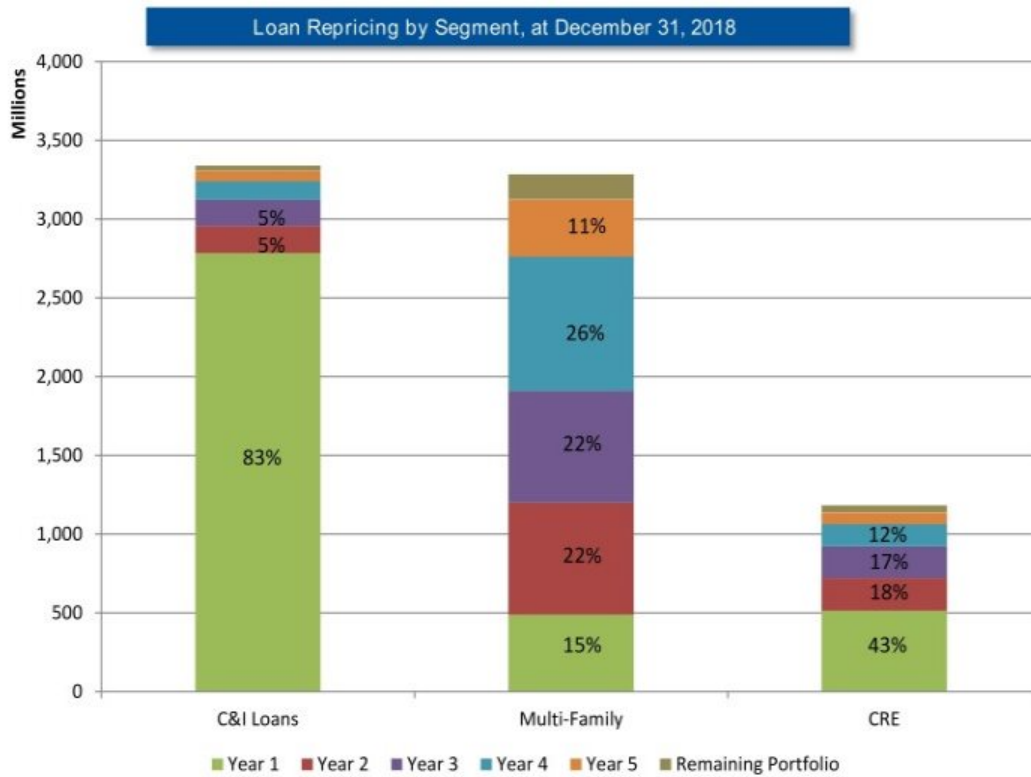
Loan Growth



Q4 2018 loans totaled \$8.5 Billion

- The yield on loans increased 29 bps from Q4 2017; sequentially yields would have increased 6 bps if not for the \$1.2 million decline in prepayment income
- 20% YOY growth in C&I (excluding commercial loans to mortgage companies)
- 10% YOY decline in multi-family loans

Source: Company data

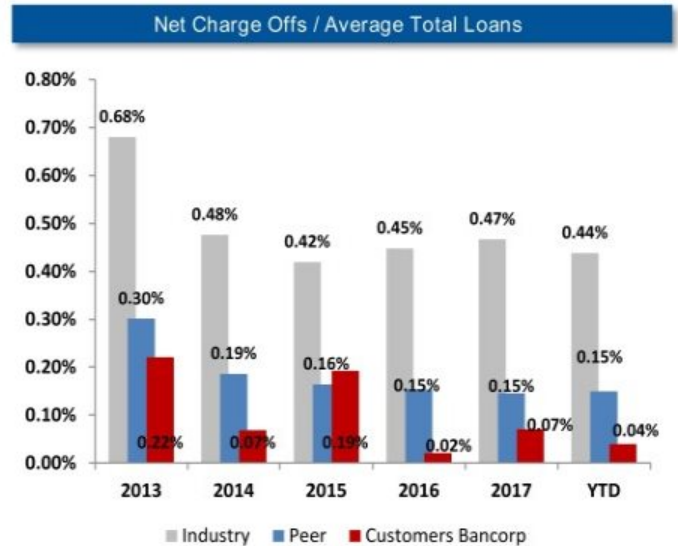
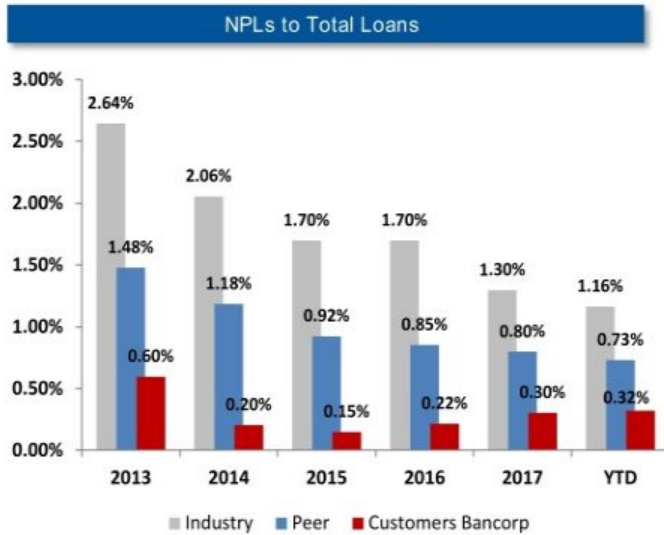


- 83% of our C&I loans, including loans to mortgage companies, 43% of our CRE loans, and 15% of our multi-family loans reprice within 1 year

- C&I loans (including those to mortgage companies) make up 43% of our total loans

*Repricing includes the following: contractual loan repricing and maturities, contractual principal payments, and assumed loan prepayments

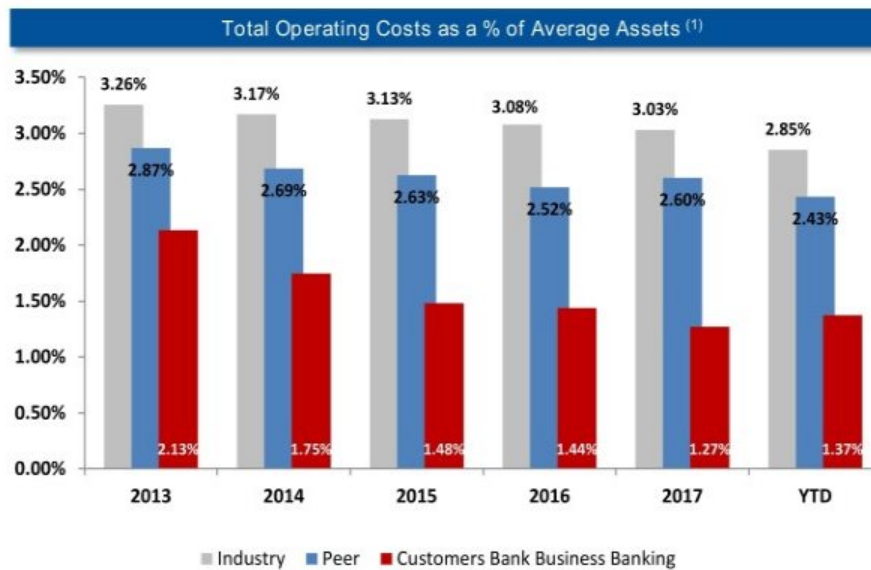
Credit metrics remain better than peers



Note: Customers 2015 charge-offs includes 12 bps for a \$9 million fraudulent loan

Source: S&P Global, Company data. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with comparable asset size and predominantly commercial business focused loan portfolios as further described in our 2018 proxy. Industry data includes all commercial and savings banks. Peer and industry data as of September 30, 2018. Industry and peer data in the current YTD period is not yet available for all companies.

Our Customers Bank Business Banking Segment operating costs, as a percentage of average assets, are at least 100 bps lower than peers and nearly 150 bps lower than the industry



(1) Source: S&P Global and Company data. Data based on Customers Bank Business Banking Segment unless labeled Consolidated. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with comparable asset size and predominantly commercial business focused loan portfolios as further described in our 2018 proxy. Industry data includes all commercial and savings banks. Peer and industry data as of September 30, 2018. Industry and peer data in the current YTD period is not yet available for all companies.

Customers Bancorp, Inc.

Q4'18 Financial Highlights

Q4 2018 Key Financial Results

	Consolidated	Customers Bank Business Banking Segment
GAAP Diluted Earnings Per Share (EPS)	\$0.44	\$0.55
Core Diluted Earnings Per Share (EPS) ⁽¹⁾	\$0.53	\$0.62
GAAP Net Income Available to Common (\$ millions)	\$14.2	\$17.5
Core Earnings (\$ millions) ⁽¹⁾	\$17.0	\$19.9
Tangible Book Value (TBV) ⁽¹⁾	\$23.32	
Return on Average Assets (ROAA)	0.71%	0.85%
Core ROAA ⁽¹⁾	0.82%	0.95%
Return on Average Common Equity (ROACE)	7.58%	9.80%
Core ROACE ⁽¹⁾	9.05%	11.1%
Efficiency	70%	59%

Valuation ⁽²⁾	
January 18 Price	\$20.97
P/E 2019	9.5x
P/E 2020	8.4x
P/TBV ⁽²⁾	0.90x

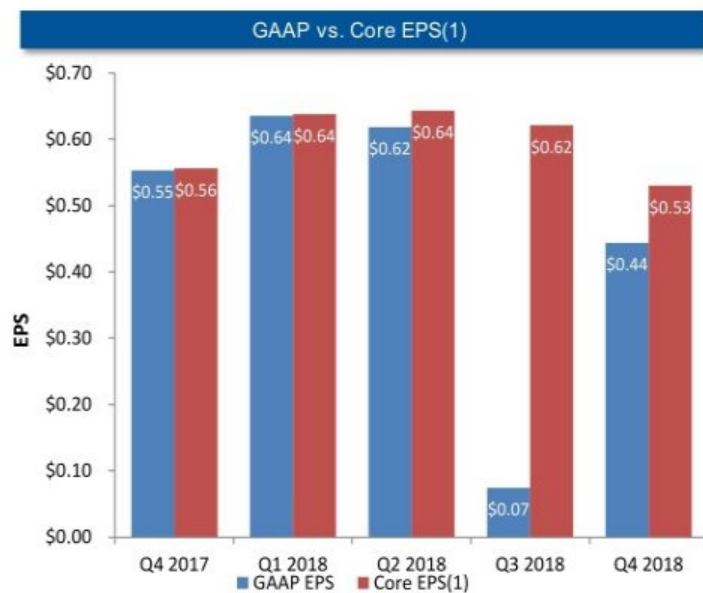
Q4 2018 Highlights

- 10% YOY growth in core FY 2018 EPS
- 20% YOY growth in C&I lending (excluding loans to mortgage companies)
- 10% YOY decline in Multi-family loans
- 5% YOY growth in total deposits
- Pristine credit quality

(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

(2) 2019 and 2020 consensus EPS estimates of \$2.21 and \$2.50, respectively, were sourced from S&P Global

Q4 2018 Consolidated Results



Q4 2018 Net Income to Common Shareholders of \$14.2 million, and Diluted Earnings Per Common Share of \$0.44.

- \$0.55 of diluted EPS from the Customers Bank Business Banking segment; \$0.62 core EPS⁽¹⁾ from the Customers Bank Business Banking segment
- \$0.10 of diluted loss per share and \$0.09 core diluted loss⁽¹⁾ per share from the BankMobile segment. Results includes a 3.20% earnings rate on BankMobile's excess low cost deposits.

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
GAAP EPS	\$0.55	\$0.64	\$0.62	\$0.07	\$0.44
Notable Items:					
Executive severance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.04
Losses on sale of multi-family loans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03
Merger and acquisition related expenses	\$0.01	\$0.00	\$0.02	\$0.07	\$0.01
Securities (gains) losses	<u>(\$0.00)</u>	<u>(\$0.00)</u>	<u>\$0.00</u>	<u>\$0.48</u>	<u>\$0.00</u>
Core EPS(1)	\$0.56	\$0.64	\$0.64	\$0.62	\$0.53

(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

Q4 2018 Highlights: Customers Bank Business Banking Segment

Customers Bank Business Banking Segment GAAP vs. Core EPS⁽¹⁾

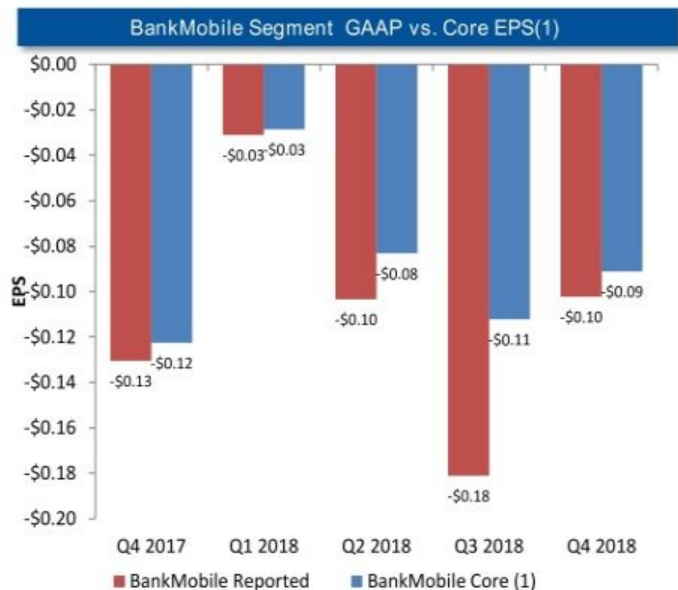


Customers Bank Business Banking segment Q4 2018 profits of \$17.5 million (or \$0.55 per diluted share); core segment profits of \$19.9 million (or \$0.62 per diluted share)⁽¹⁾

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Bank Segment Reported	\$0.68	\$0.67	\$0.72	\$0.26	\$0.55
Notable Items:					
Executive severance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.04
Losses on sale of multi-family loans	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03
Securities (gains) losses	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.48</u>	<u>\$0.00</u>
Bank Segment Core ⁽¹⁾	\$0.68	\$0.67	\$0.73	\$0.73	\$0.62

(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

Q4 2018 Highlights: BankMobile Segment



BankMobile segment loss of \$3.3 million (or -\$0.10 per diluted share) in Q4 2018, and core loss of \$2.9 million (or -\$0.09 per diluted share⁽¹⁾)

- BankMobile deposits averaged \$532 million in Q4 2018, a 4.6% decline over Q4 2017 levels
- BankMobile segment reporting reflects a 3.20% yield on excess deposits in Q4 2018, compared to 2.29% in Q4 2017

	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
BankMobile Reported	-\$0.13	-\$0.03	-\$0.10	-\$0.18	-\$0.10
Notable Items:					
Merger and acquisition related expenses	<u>\$0.01</u>	<u>\$0.00</u>	<u>\$0.02</u>	<u>\$0.07</u>	<u>\$0.01</u>
BankMobile Core (1)	-\$0.12	-\$0.03	-\$0.08	-\$0.11	-\$0.09

(1) A non-GAAP measure; refer to the reconciliation schedules at the end of this document

Source: Company data

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Forward-Looking Statements

This presentation, as well as other written or oral communications made from time to time by us, contains forward-looking information within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to future events or future predictions, including events or predictions relating to future financial performance, and are generally identifiable by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “plan,” “intend,” or “anticipate” or the negative thereof or comparable terminology. Forward-looking statements in this presentation include, among other matters, guidance for our financial performance, and our financial performance targets. Forward-looking statements reflect numerous assumptions, estimates and forecasts as to future events. No assurance can be given that the assumptions, estimates and forecasts underlying such forward-looking statements will accurately reflect future conditions, or that any guidance, goals, targets or projected results will be realized. The assumptions, estimates and forecasts underlying such forward-looking statements involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions, which may not be realized and which are inherently subject to significant business, economic, competitive and regulatory uncertainties and known and unknown risks, including the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form 10-Q, as such factors may be updated from time to time in our filings with the SEC. Our actual results may differ materially from those reflected in the forward-looking statements.

In addition to the risks described under “Risk Factors” in our filings with the SEC, important factors to consider and evaluate with respect to our forward-looking statements include:

- changes in external competitive market factors that might impact our results of operations;
- changes in laws and regulations, including without limitation changes in capital requirements under Basel III;
- changes in our business strategy or an inability to execute our strategy due to the occurrence of unanticipated events;
- our ability to identify potential candidates for, and consummate, acquisition or investment transactions;
- the timing of acquisition, investment or disposition transactions;
- constraints on our ability to consummate an attractive acquisition or investment transaction because of significant competition for these opportunities;
- local, regional and national economic conditions and events and the impact they may have on us and our customers;
- costs and effects of regulatory and legal developments, including the results of regulatory examinations and the outcome of regulatory or other governmental inquiries and proceedings, such as fines or restrictions on our business activities;
- our ability to attract deposits and other sources of liquidity;
- changes in the financial performance and/or condition of our borrowers;
- changes in the level of non-performing and classified assets and charge-offs;
- changes in estimates of future loan loss reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- inflation, interest rate, securities market and monetary fluctuations;

Forward-Looking Statements (Cont.)

- timely development and acceptance of new banking products and services and perceived overall value of these products and services by users, including the products and services being developed and introduced to the market by the BankMobile division of Customers Bank;
- changes in consumer spending, borrowing and saving habits;
- technological changes;
- our ability to increase market share and control expenses;
- continued volatility in the credit and equity markets and its effect on the general economy;
- effects of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;
- the businesses of Customers Bank and any acquisition targets or merger partners and subsidiaries not integrating successfully or such integration being more difficult, time-consuming or costly than expected;
- material differences in the actual financial results of merger and acquisition activities compared with our expectations, such as with respect to the full realization of anticipated cost savings and revenue enhancements within the expected time frame;
- our ability to successfully implement our growth strategy, control expenses and maintain liquidity;
- Customers Bank's ability to pay dividends to Customers Bancorp;
- risks relating to BankMobile, including:
 - our ability to maintain interchange income with the small issuer exemption to the Durbin amendment;
 - our ability to manage our balance sheet under \$10 billion;
 - our ability to execute on our White Label strategy to grow demand deposits through strategic partnerships;
 - material variances in the adoption rate of BankMobile's services by new students
 - the usage rate of BankMobile's services by current student customers compared to our expectations;

Forward-Looking Statements (Cont.)

- the levels of usage of other BankMobile student customers following graduation of additional product and service offerings of BankMobile or Customers Bank, including mortgages and consumer loans, and the mix of products and services used;
- our ability to implement changes to BankMobile's product and service offerings under current and future regulations and governmental policies;
- our ability to effectively manage revenue and expense fluctuations that may occur with respect to BankMobile's student-oriented business activities, which result from seasonal factors related to the higher-education academic year; and
- BankMobile's ability to successfully implement its growth strategy and control expenses.
- risks related to planned changes in our balance sheet, including:
 - our ability to reduce the size of our multi-family loan portfolio;
 - our ability to execute our digital distribution strategy; and
 - our ability to manage the risk of change in our loan mix to include a greater proportion of consumer loans.

You are cautioned not to place undue reliance on any forward-looking statements we make, which speak only as of the date they are made. We do not undertake any obligation to release publicly or otherwise provide any revisions to any forward-looking statements we may make, including any forward-looking financial information, to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

This presentation shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Customers Bancorp, Inc.

Reconciliation of Non-GAAP Measures

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 results of operations and financial condition relative to other financial institutions. Presentation of these non-GAAP financial measures is consistent with how Customers evaluates its performance internally and these non-GAAP financial measures are frequently used by securities analysts, investors, and other interest 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 financial results, which we believe enhance an overall understanding of our performance. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. 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

Core Earnings - Customers Bancorp, Inc. Consolidated (\$ in thousands, not including per share amounts)

	Q4 2018		Q3 2018		Q2 2018		Q1 2018		Q4 2017	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 14,247	\$ 0.44	\$ 2,414	\$ 0.07	\$ 20,048	\$ 0.62	\$ 20,527	\$ 0.64	\$ 18,000	\$ 0.55
Reconciling items (after tax):										
Executive severance expense	1,421	0.04	-	-	-	-	-	-	-	-
Merger and acquisition related expenses	355	0.01	2,222	0.07	655	0.02	80	-	255	0.01
Losses on sale of multi-family loans	868	0.03	-	-	-	-	-	-	-	-
Losses (gains) on investment securities	101	-	15,417	0.48	138	-	(10)	-	(170)	-
Core earnings	\$ 16,992	\$ 0.53	\$ 20,053	\$ 0.62	\$ 20,841	\$ 0.64	\$ 20,597	\$ 0.64	\$ 18,086	\$ 0.56

Core Earnings - Customers Bank Business Banking Segment (\$ in thousands, not including per share amounts)

	Q4 2018		Q3 2018		Q2 2018		Q1 2018		Q4 2017	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 17,521	\$ 0.55	\$ 8,256	\$ 0.26	\$ 23,394	\$ 0.72	\$ 21,528	\$ 0.67	\$ 22,240	\$ 0.68
Reconciling items (after tax):										
Executive severance expense	1,421	0.04	-	-	-	-	-	-	-	-
Losses on sale of multi-family loans	868	0.03	-	-	-	-	-	-	-	-
Losses (gains) on investment securities	101	-	15,417	0.48	138	-	(10)	-	(170)	-
Core earnings	\$ 19,911	\$ 0.62	\$ 23,673	\$ 0.73	\$ 23,532	\$ 0.73	\$ 21,518	\$ 0.67	\$ 22,070	\$ 0.68

Reconciliation of Non-GAAP Measures - Unaudited

Core Loss - BankMobile Segment (\$ in thousands, not including per share amounts)

	Q4 2018		Q3 2018		Q2 2018		Q1 2018	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net loss to common shareholders	\$ (3,274)	\$ (0.10)	\$ (5,842)	\$ (0.18)	\$ (3,346)	\$ (0.10)	\$ (1,001)	\$ (0.03)
Reconciling items (after tax):								
Merger and acquisition related expenses	365	0.01	2,222	0.07	655	0.02	80	-
Catch-up depreciation/amortization on BankMobile assets	-	-	-	-	-	-	-	-
Core loss	\$ (2,919)	\$ (0.09)	\$ (3,620)	\$ (0.11)	\$ (2,691)	\$ (0.08)	\$ (921)	\$ (0.03)

Core Loss - BankMobile Segment (\$ in thousands, not including per share amounts) - continued

	Q4 2017		Q3 2017		Q2 2017		Q1 2017	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income (loss) to common shareholders	\$ (4,240)	\$ (0.13)	\$ (6,908)	\$ (0.21)	\$ (3,533)	\$ (0.11)	\$ 1,457	\$ 0.04
Reconciling items (after tax):								
Merger and acquisition related expenses	256	0.01	-	-	-	-	-	-
Catch-up depreciation/amortization on BankMobile assets	-	-	1,765	0.05	(883)	(0.03)	(882)	(0.03)
Core loss	\$ (3,984)	\$ (0.12)	\$ (5,143)	\$ (0.16)	\$ (4,416)	\$ (0.14)	\$ 575	\$ 0.02

Core Loss - BankMobile Segment (\$ in thousands, not including per share amounts) - continued

	Q4 2016		Q3 2016		Q2 2016		Q1 2016	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net loss to common shareholders	\$ (2,269)	\$ (0.07)	\$ (1,507)	\$ (0.05)	\$ (1,484)	\$ (0.05)	\$ (54)	\$ -
Reconciling items (after tax):								
Merger and acquisition related expenses	-	-	89	-	542	0.02	109	-
Catch-up depreciation/amortization on BankMobile assets	-	-	-	-	-	-	-	-
Core loss	\$ (2,269)	\$ (0.07)	\$ (1,418)	\$ (0.05)	\$ (942)	\$ (0.03)	\$ 55	\$ -

Reconciliation of Non-GAAP Measures - Unaudited

Tangible Book Value per Common Share - Customers Bancorp, Inc. Consolidated (\$ in thousands, except per share data)

	2018	2017	2016	2015	2014	2013
GAAP-Total Shareholders' Equity	\$ 966,816	\$ 920,964	\$ 855,872	\$ 553,902	\$ 443,145	\$ 386,623
Reconciling Items:						
Preferred Stock	(217,471)	(217,471)	(217,471)	(55,569)	-	-
Goodwill and Other Intangibles	(16,499)	(16,295)	(17,621)	(3,651)	(3,664)	(3,676)
Tangible Common Equity	\$ 722,846	\$ 687,198	\$ 620,780	\$ 494,682	\$ 439,481	\$ 382,947
Common shares outstanding	31,003,028	31,382,503	30,289,917	26,901,801	26,745,529	26,646,566
Tangible Book Value per Common Share	\$ 23.32	\$ 21.90	\$ 20.49	\$ 18.39	\$ 16.43	\$ 14.37
CAGR	10.17%					

Customers Bancorp, Inc. Consolidated - Net Interest Margin, tax equivalent (\$ in thousands)

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
GAAP Net interest income	\$ 61,524	\$ 64,001	\$ 67,322	\$ 65,031	\$ 68,300
Tax-equivalent adjustment	171	172	171	171	245
Net interest income tax equivalent	61,695	64,173	\$ 67,493	\$ 65,202	\$ 68,545
Average total interest earning assets	\$ 9,518,120	\$ 10,318,943	\$ 10,329,530	\$ 9,881,220	\$ 9,758,987
Net interest margin, tax equivalent	2.57%	2.47%	2.62%	2.67%	2.79%

Reconciliation of Non-GAAP Measures - Unaudited

Core Return on Average Assets - Customers Bancorp, Inc. Consolidated (\$ in thousands)

	Q4 2018
GAAP net income	\$ 17,862
Reconciling items (after tax):	
Executive severance expense	1,421
Merger and acquisition related expenses	355
Losses on sale of multi-family loans	868
Losses (gains) on investment securities	101
Core net income	<u>\$ 20,607</u>
Average Total Assets	\$ 9,947,367
Core Return on Average Assets	<u>0.82%</u>

Core Return on Average Common Equity - Customers Bancorp, Inc. Consolidated (\$ in thousands)

	Q4 2018
GAAP net income to common shareholders	\$ 14,247
Reconciling items (after tax):	
Executive severance expense	1,421
Merger and acquisition related expenses	355
Losses on sale of multi-family loans	868
Losses (gains) on investment securities	101
Core earnings	<u>\$ 16,992</u>
Average Total Common Shareholders' Equity	\$ 745,226
Core Return on Average Common Equity	<u>9.05%</u>

Core Return on Average Assets - Customers Bank Business Banking Segment (\$ in thousands)

	Q4 2018
GAAP net income	\$ 21,136
Reconciling items (after tax):	
Executive severance expense	1,421
Losses on sale of multi-family loans	868
Losses (gains) on investment securities	101
Core net income	<u>\$ 23,425</u>
Average Total Assets	\$ 9,815,396
Core Return on Average Assets	<u>0.95%</u>

Core Return on Average Common Equity - Customers Bank Business Banking Segment (\$ in thousands)

	Q4 2018
GAAP net income to common shareholders	\$ 17,521
Reconciling items (after tax):	
Executive severance expense	1,421
Losses on sale of multi-family loans	868
Losses (gains) on investment securities	101
Core earnings	<u>\$ 19,911</u>
Average Total Common Shareholders' Equity	\$ 709,113
Core Return on Average Common Equity	<u>11.14%</u>

BankMobile Segment

Appendix

BankMobile Segment Expanded Financials

BankMobile Segment Income Statement (\$ in 000s), Except Per Share Data

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Interest Income	\$0	\$0	\$0	\$0	\$0	\$2	\$1	\$2	\$1	\$0	\$2	\$1,344
Interest Expense	\$4	\$5	\$5	\$6	\$6	\$11	\$10	\$6	\$8	\$125	\$50	\$179
Fund Transfer Pricing Net Credit	\$1,723	\$1,306	\$1,381	\$2,466	\$4,247	\$2,738	\$2,693	\$3,202	\$4,401	\$3,520	\$3,875	\$3,822
Net interest income	\$1,718	\$1,301	\$1,377	\$2,460	\$4,242	\$2,727	\$2,684	\$3,197	\$4,394	\$3,394	\$3,827	\$4,987
Provision for loan losses	-\$1	\$0	\$250	\$546	\$0	\$0	\$478	\$652	\$243	\$463	\$422	\$1,585
Deposit Fees	\$1	\$509	\$3,916	\$2,500	\$2,803	\$1,875	\$2,338	\$1,833	\$1,805	\$1,338	\$1,691	\$1,713
Card Revenue	\$226	\$1,730	\$11,387	\$10,719	\$13,308	\$8,521	\$9,355	\$9,542	\$9,438	\$6,199	\$6,903	\$7,362
Other Fees	\$0	\$164	\$1,062	\$991	\$1,216	\$1,024	\$2,143	\$165	\$1,228	\$1,125	\$1,246	\$1,450
Total non-interest income	\$227	\$2,403	\$16,365	\$14,210	\$17,327	\$11,420	\$13,836	\$11,540	\$12,471	\$8,662	\$9,840	\$10,525
Compensation & Benefits	\$866	\$1,708	\$5,419	\$5,595	\$4,949	\$6,965	\$6,154	\$5,909	\$5,671	\$5,918	\$5,695	\$5,850
Occupancy	\$59	\$67	\$71	\$70	\$109	\$104	\$297	\$321	\$309	\$321	\$328	\$308
Technology	\$286	\$1,448	\$5,847	\$6,585	\$6,617	\$6,386	\$11,740	\$9,796	\$7,129	\$7,172	\$8,171	\$8,248
Outside services	\$251	\$886	\$4,264	\$4,267	\$4,519	\$3,310	\$3,871	\$3,366	\$2,899	\$1,665	\$2,205	\$1,902
Merger related expenses	\$176	\$874	\$144	\$0	\$0	\$0	\$0	\$410	\$106	\$869	\$2,945	\$470
Other non-interest expenses	\$397	\$1,115	\$4,178	\$3,266	\$3,025	\$3,081	\$4,988	\$1,085	\$1,835	\$85	\$1,645	\$1,959
Total Non-interest expense	\$2,034	\$6,099	\$19,922	\$19,783	\$19,219	\$19,846	\$27,050	\$20,888	\$17,949	\$16,029	\$20,989	\$18,267
Income (loss) before income tax expense	-\$88	-\$2,394	-\$2,431	-\$3,659	\$2,350	-\$5,699	-\$11,008	-\$6,803	-\$1,327	-\$4,436	-\$7,744	-\$4,340
Income tax expense (benefit)	-\$33	-\$910	-\$924	-\$1,390	\$893	-\$2,166	-\$4,100	-\$2,563	-\$326	-\$1,090	-\$1,902	-\$1,066
Net income (loss) available to common	-\$54	-\$1,484	-\$1,507	-\$2,269	\$1,457	-\$3,533	-\$6,908	-\$4,240	-\$1,001	-\$3,346	-\$5,842	-\$3,274
EPS	\$0.00	-\$0.05	-\$0.05	-\$0.07	\$0.04	-\$0.11	-\$0.21	-\$0.13	-\$0.03	-\$0.10	-\$0.18	-\$0.10
Core EPS ^(1,2)	\$0.00	-\$0.03	-\$0.05	-\$0.07	\$0.02	-\$0.14	-\$0.16	-\$0.12	-\$0.03	-\$0.08	-\$0.11	-\$0.09
End of Period Deposits (\$ in Millions)	\$337	\$240	\$533	\$457	\$708	\$453	\$781	\$400	\$624	\$419	\$732	\$376
Average Deposits (\$ in Millions)	\$351	\$286	\$332	\$548	\$794	\$532	\$531	\$558	\$644	\$468	\$497	\$532
Average Loans (\$ in Millions)	\$1	\$1	\$1	\$5	\$7	\$2	\$2	\$2	\$2	\$2	\$2	\$59
Average Excess Deposits (\$ in Millions)	\$350	\$285	\$332	\$543	\$787	\$530	\$529	\$556	\$642	\$466	\$495	\$474
Yield Earned on Avg. Excess Deposits	1.99%	1.84%	1.65%	1.80%	2.19%	2.07%	2.02%	2.29%	2.78%	3.03%	3.11%	3.20%

(1) A Non-GAAP measure; refer to the reconciliation schedule at the end of this document

(2) D&A catchup refers to the reallocation of depreciation and amortization expense after the Q3 2017 decision to classify BankMobile as held and used instead of held for sale

