# 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): October 26, 2016**

---

# CUSTOMERS BANCORP, INC.
**(Exact Name of Registrant as specified in its charter)**

---

| **Pennsylvania** | **001-35542** | **27-2290659** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (I.R.S. 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)

**None**
(Former name or former address, 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))

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

On October 26, 2016, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter ended September 30, 2016, 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 No. | Description |
|---|---|
| 99.1 | Press Release dated October 26, 2016. |
| 99.2 | Slide presentation dated October 2016. |

**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/ Robert E. Wahlman
Name: Robert E. Wahlman
Title: Executive Vice President and Chief Financial Officer

Date: October 26, 2016

**EXHIBIT INDEX**

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release dated October 26, 2016. |
| 99.2 | Slide presentation dated October 2016. |

## Section 2: EX-99.1 (EXHIBIT 99.1)

**Exhibit 99.1**

**Customers Bancorp**
**1015 Penn Avenue**
**Wyomissing, PA 19610**

**Contacts:**
**Jay Sidhu, Chairman & CEO 610-935-8693**
**Richard Ehst, President & COO 610-917-3263**
**Investor Contact:**
**Robert Wahlman, CFO 610-743-8074**

# CUSTOMERS BANCORP REPORTS RECORD EARNINGS: Q3 2016 EPS UP 28% OVER Q3 2015, AND FIRST NINE MONTHS OF 2016 EPS UP 32% OVER FIRST NINE MONTHS OF 2015

- **Record Q3 2016 Fully Diluted Earnings Per Share (EPS) of $0.64, Up 28.0% Over Q3 2015 Fully Diluted EPS**
- **Record Q3 2016 Net Income to Common Shareholders of $18.6 Million, Up 30.3% Over Q3 2015, with Return on Average Assets of 0.9% and Return on Average Common Equity of 13.2%**
- **Record Nine Months of 2016 Net Income to Common Shareholders of $52.4 Million, Up 33.3% Over Nine Months of 2015**
- **Exceptional Asset Quality with NPLs only 0.16% of Total Loans; NPAs only 0.18% of Total Assets**
- **Strong Reserves for Loan Losses With Total Reserves Equal to 288% of NPLs**
- **Non-Interest Bearing Deposits Up Over $300 Million, or 39%, Over Q3 2015 to $1.1 Billion, And Total Deposits Up Over $1.6 Billion, or 28%, Over September 30, 2015 to $7.4 Billion**
- **Non-Interest Income For Q3 2016 of $27.5 Million Was 30% of Q3 2016 Total Revenues (Net Interest Income Plus Non-Interest Income)**
- **Shareholders' Equity Increased $109 Million During Q3 2016; Tier 1 Leverage Ratio Is Up Over 102 Basis Points at September 30, 2016 Over June 30, 2016, An Increase of 14.2%**
- **September 30, 2016 Book Value of $20.78 Up From $17.95 as of September 30, 2015, a 15.8% Increase; September 30, 2016 Tangible Book Value (a non-GAAP measure) of $20.16 Up From $17.81 as of September 30, 2015, a 13.2% Increase**

Wyomissing, PA – October 26, 2016 - Customers Bancorp, Inc. (NYSE: CUBI), the parent company of Customers Bank (collectively "Customers"), reported net income to common shareholders of $18.6 million for the third quarter of 2016 ("Q3 2016") compared to net income to common shareholders of $14.3 million for the third quarter of 2015 ("Q3 2015"), an increase of $4.3 million, or 30.3%. Fully diluted earnings per share for Q3 2016 was $0.64 compared to $0.50 fully diluted earnings per share for Q3 2015, an increase of $0.14 per share, or 28.0%.  Average fully diluted shares for Q3 2016 were 29.1 million compared to average fully diluted shares of 28.7 million for Q3 2015.

Customers also reported net income to common shareholders of $52.4 million for the first nine months of 2016 compared to net income to common shareholders of $39.3 million for the first nine months of 2015, an increase of $13.1 million, or 33.3%. Fully diluted earnings per share for the first nine months of 2016 was $1.81 compared to $1.37 for the first nine months of 2015, an increase of 32.1%.

Customers' Community Business Banking segment generated net income available to common shareholders of $19.8 million in Q3 2016, and Customers' BankMobile segment generated a Q3 2016 net loss of $1.2 million.

"Customers is pleased to report record earnings for the third quarter and first nine months of 2016.  Our Community Business Banking segment delivered to our customers through a single point of contact has produced a very profitable banking model characterized by exceptional asset quality, balanced interest rate risk sensitivity and controlled operating costs.  The new BankMobile segment which combined our previous BankMobile business with the Disbursements business we acquired from Higher One is off to a better than expected start performing above our high expectations. Since the acquisition of the Disbursements business, BankMobile has already opened over 200,000 new checking accounts, has migrated over 300,000 accounts at the student account holder's election from a prior business partner of Higher One, and has helped increase non-interest bearing deposit balances to over $1 billion as of September 30, 2016," stated Jay Sidhu, Chairman and CEO of Customers.  "We are pleased by the Q3 2016 performance of BankMobile."

Other financial highlights for Q3 2016 compared to Q3 2015 include:

- Q3 2016 net interest income of $64.6 million increased $14.7 million, or 29.3%, from net interest income for Q3 2015 as average loan and security balances increased $2.0 billion.  Net interest margin expanded by 4 basis points to 2.83% from 2.79% in Q3 2015.
    - Commercial loan average balances increased $975 million, including commercial loans to mortgage companies, in Q3 2016 compared to Q3 2015.
    - Multi-family average loan balances increased $928 million in Q3 2016 compared to Q3 2015.
    - The net interest margin grew to 2.83% in Q3 2016 compared to Q3 2015 as the average yield on assets increased 13 basis points, while the cost of funding the portfolio increased 11 basis points.

- Customers reported a $0.1 million provision for loan losses in Q3 2016 compared to a $2.1 million provision for loan losses in Q3 2015 as loan balances increased as planned only $3.0 million during Q3 2016 and asset quality remained exceptional.

- Q3 2016 non-interest income of $27.5 million increased $21.3 million from Q3 2015 as a result of an increase of $11.4 million in interchange and card revenue, an increase of $4.0 million in deposit and wire transfer fees, an increase of $1.0 million in university fees, and a $2.2 million recovery of a previously recorded loss. The interchange and card revenue, deposit and wire transfer fee, and university fee increases totaled $16.4 million at BankMobile.

- Non-interest expenses in Q3 2016 of $56.2 million increased $25.9 million, or 85.5%, from non-interest expenses in Q3 2015 as a result of increases in technology costs of $10.1 million, salaries and employee benefits of $7.7 million, and professional services of $4.3 million. These increases resulted largely from increased operating costs for BankMobile of $17.5 million and increases in resources and services necessary to support and operate a $9.6 billion bank. In addition, Q3 2016 non-interest expenses include a $3.9 million one-time expense for technology-related services.

- Customers' Q3 2016 income tax expense of $14.6 million reflects an estimated effective tax rate of 40.8% compared to Q3 2015 tax expense of $8.4 million, with an effective tax rate of 35.5%. Customers' Q3 2016 results included an adjustment of $0.8 million that increased income tax expense as a result of a return to provision adjustment recorded upon filing Customers' 2015 tax return during Q3 2016.

- Customers achieved a return on average assets of 0.89% in Q3 2016 compared to 0.82% in Q3 2015, and achieved a return on average common equity of 13.20% in Q3 2016 compared to 11.83% in Q3 2015. Pre-tax and pre-provision return on average assets (a non-GAAP measure) reached 1.51% in Q3 2016. Pre-tax and pre-provision return on average common equity (a non-GAAP measure) was 23.58% in Q3 2016.

- Total loans, including commercial loans held for sale, increased $1.9 billion, or 29.6%, to $8.4 billion as of September 30, 2016 compared to total loans as of September 30, 2015 of $6.5 billion. Multi-family loan balances increased $0.7 billion to $3.2 billion and other commercial loans, including lines of credit to mortgage companies, increased $1.3 billion to $4.9 billion. Weighted-average yields on loans in Q3 2016 were 3.84% with warehouse lending loans yielding 3.53%, multi-family loans yielding 3.80% and other commercial loans yielding 4.07%.

- Total deposits increased $1.6 billion, or 27.7%, to $7.4 billion as of September 30, 2016 compared to total deposits of $5.8 billion as of September 30, 2015. Non-interest bearing demand deposits were up by $303.5 million to $1.1 billion, a 39.0% increase. Money market account balances were up $607.1 million to $3.1 billion as of September 30, 2016 compared to September 30, 2015, a 24.0% increase, and certificates of deposit accounts were up $640.9 million to $2.9 billion as of September 30, 2016, a 28.0% increase.

- BankMobile-related deposits totaled $533.2 million as of September 30, 2016, and were predominately non-interest bearing.

- The Q3 2016 efficiency ratio was 61.06% compared to a 54.00% Q3 2015 efficiency ratio. Q3 2016 operating expenses included acquisition related expenses of $0.1 million and BankMobile operating expenses of $19.4 million. Non-interest income included $16.4 million of BankMobile non-interest income.

- Customers Bancorp issued $85.0 million of non-cumulative perpetual preferred stock paying a 6% dividend on September 16, 2016. The proceeds from the capital raise were largely contributed to the subsidiary bank to support Customers Bank's balance sheet growth and other general corporate purposes. This capital raise combined with net income and no asset growth increased our regulatory capital ratios by 1.0% or more during Q3 2016.

- Capital levels continue to exceed the "well-capitalized" threshold established by regulation at the bank and exceed the applicable Basel III regulatory thresholds for the holding company and the bank.

- Customers raised common equity of $5.6 million during Q3 2016 through the issuance of 219,386 shares of Customers Bancorp common stock through an at-the-market ("ATM") offering launched in August 2016. The ATM remains active.

- Total Tier 1 equity for Customers Bancorp increased $235.3 million from September 30, 2015 to September 30, 2016, an increase in capital of 43.8%.

- The book value per common share continued to increase, reaching $20.78 at September 30, 2016, compared to $17.95 at September 30, 2015, an increase of 15.8% year-over-year. The tangible book value per common share (a non-GAAP measure) also continued to increase, reaching $20.16 at September 30, 2016, compared to $17.81 at September 30, 2015, an increase of 13.2% year-over-year.

- Based on Customers Bancorp, Inc.'s September 30, 2016 stock price of $25.16, Customers is only trading at 1.2 times tangible book value per common share and 10.3 times mid-point of estimated 2016 earnings per share.

**Q3 2016 compared to Q2 2016:**

Customers' Q3 2016 net income to common shareholders increased $1.3 million, or 7.3%, to $18.6 million from net income to common shareholders of $17.4 million for the second quarter of 2016 ("Q2 2016"). The $1.3 million increase in Q3 2016 resulted primarily from increases in net interest income of $1.4 million to $64.6 million, a decrease in provisions for loan losses of $0.7 million to $0.1 million, an increase in non-interest income of $19.2 million to $27.5 million, partially offset by increased operating expenses of $18.0 million to $56.2 million, and a $1.6 million increase in income tax expense to $14.6 million. Examining these quarter-over-quarter changes further:

- The $1.4 million increase in net interest income in Q3 2016 resulted from an increase in average loan balances in Q3 2016 of $0.1 billion.

- The $0.7 million decrease in provision for loan losses in Q3 2016 resulted primarily from planned lower loan growth in Q3 2016 to help improve capital ratios, maintaining exceptional asset quality, and increased recoveries on previously charged-off loans and purchased credit-impaired loans.

- The $19.2 million increase in non-interest income in Q3 2016 compared to Q2 2016 resulted primarily from a $14.0 million increase in BankMobile revenues due to the Disbursements business acquisition, a $2.2 million recovery on a previously recorded loss, and an increase of $0.9 million in gains on sales of loans in Q3 2016.

- The increase in operating expenses of $18.0 million in Q3 2016 compared to Q2 2016 resulted largely from BankMobile-related expenses of $19.4 million in Q3 2016 compared to $6.0 million in Q2 2016 and a $3.9 million one-time expense for technology-related services.

The following table presents a summary of key earnings and performance metrics for the quarter ended September 30, 2016 and the preceding four quarters, respectively:

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**
**EARNINGS SUMMARY -**

(Dollars in thousands, except per-share data)

| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 |
|---|---|---|---|---|---|
| Net income available to common shareholders | $ 18,637 | $ 17,368 | $ 16,413 | $ 16,780 | $ 14,309 |
| Basic earnings per common share ("EPS") | $ 0.68 | $ 0.64 | $ 0.61 | $ 0.62 | $ 0.53 |
| Diluted EPS | $ 0.64 | $ 0.60 | $ 0.57 | $ 0.58 | $ 0.50 |
| Average common shares outstanding - basic | 27,367,551 | 27,080,676 | 26,945,062 | 26,886,694 | 26,872,787 |
| Average common shares outstanding - diluted | 29,149,734 | 28,971,040 | 28,783,101 | 28,912,644 | 28,741,129 |
| Shares outstanding period end | 27,544,217 | 27,286,833 | 27,037,005 | 26,901,801 | 26,882,383 |
| Return on average assets | 0.89% | 0.84% | 0.85% | 0.91% | 0.82% |
| Return on average common equity | 13.20% | 13.03% | 12.85% | 13.46% | 11.83% |
| Return on average assets - pre-tax and pre-provision (1) | 1.51% | 1.44% | 1.40% | 1.60% | 1.39% |
| Return on average common equity - pre-tax and pre-provision (2) | 23.58% | 23.38% | 21.87% | 24.35% | 20.53% |
| Net interest margin, tax equivalent | 2.83% | 2.83% | 2.88% | 2.83% | 2.79% |
| Efficiency ratio | 61.06% | 53.47% | 53.74% | 50.11% | 54.00% |
| Non-performing loans (NPLs) to total loans (including held-for-sale loans) | 0.16% | 0.17% | 0.20% | 0.15% | 0.27% |
| Reserves to non-performing loans | 287.88% | 268.98% | 242.10% | 341.71% | 197.01% |
| Net charge-offs (recoveries) | $ 288 | $ 1,060 | $ (455) | $ 4,322 | $ 5,657 |
| Tier 1 equity to average tangible assets | 8.19% | 7.17% | 7.15% | 7.16% | 7.27% |
| Tangible common equity to average tangible assets (3) | 5.89% | 5.71% | 6.17% | 6.37% | 6.49% |
| Book value per common share | $ 20.78 | $ 19.98 | $ 19.22 | $ 18.52 | $ 17.95 |
| Tangible book value per common share (period end) (4) | $ 20.16 | $ 19.35 | $ 19.08 | $ 18.39 | $ 17.81 |
| Period end stock price | $ 25.16 | $ 25.13 | $ 23.63 | $ 27.22 | $ 25.70 |

(1) Non-GAAP measure calculated as GAAP net income, plus provision for loan losses and income tax expense divided by average total assets.
(2) Non-GAAP measure calculated as GAAP net income available to common shareholders, plus provision for loan losses and income tax expense divided by average common equity.
(3) Non-GAAP measure calculated as GAAP total shareholders' equity less preferred stock and goodwill and other intangibles divided by total average assets less average goodwill and other intangibles.
(4) Non-GAAP measure calculated as GAAP total shareholders' equity less preferred stock and goodwill and other intangibles divided by common shares outstanding at period end.

**Capital**

Customers recognizes the importance of not only being well capitalized in the current environment but to have adequate capital buffers to absorb any unexpected shocks. "Our capital ratios improved significantly during the quarter due to continued strong earnings, planned slow down in loan growth, a successful preferred stock offering, and launch of an at-the-market common equity offering," stated Mr. Sidhu. "We are targeting a Tier I capital ratio of 9.0% or higher and a total risk-based capital ratio of around 13.0% as we get ready to cross the $10 billion mark," Mr. Sidhu continued. At September 30, 2016, Customers is preliminarily calculating its Tier 1 leverage ratio at 8.2% and its total risk-based capital ratio at 11.7%. "By continuing to control our growth over the next few quarters, demonstrating strong earnings, and completing the sale of BankMobile at an anticipated substantial gain, we hope to reach these targeted levels in the next few quarters," concluded Mr. Sidhu.

**BankMobile**

The BankMobile division took a significant step during Q3 2016 with Customers Bank's integration of the Disbursements business acquired from Higher One late in Q2 2016. Together the new BankMobile division services over 1.5 million deposit accounts as of September 30, 2016. The combined businesses also have the potential to add about 450,000 to 500,000 new student accounts annually. Since the acquisition of the Disbursements business, BankMobile has added over 200,000 new accounts and converted over 300,000 accounts at the student account holder's election from a prior business partner of Higher One. "We are very focused on continuing to build out BankMobile's technology software platform, introducing the Vibe and Bold deposit accounts, integrating the Disbursements business with the BankMobile business, developing and beginning to execute plans to continue to attract between 450,000 to 500,000 new millennial customers to its customer base each year and improve their engagement as a banking customer so they stay a BankMobile customer for life. The acquisition of the Disbursements business provides us with a great opportunity, marking an inflection point in BankMobile's development. We are committed to making BankMobile the primary bank for all our student customers and moving with them as they evolve to young professionals," stated Mr. Sidhu. "We are also focused on attracting more deposit customers with the Vibe and Bold accounts, arguably among the best customer offerings and the best priced banking services available in the U.S. We believe that 2016 and 2017 will be very exciting years as we build BankMobile as a profitable business and create value for Customers Bancorp, Inc. shareholders," Mr. Sidhu continued.

**Managing Commercial Real Estate Concentration Risks and Providing High Net Worth Families Loans for Their Multi-Family Holdings**

Customers' loans collateralized by multi-family properties were approximately 37.7% of Customers' total loan portfolio and approximately 411% of Tier 1 capital at September 30, 2016. Recognizing the risks that accompany certain elements of commercial real estate ("CRE") lending, Customers has as part of its core strategies studiously sought to limit its risks and has concluded that it has appropriate risk management systems in place to manage this portfolio. Customers' total real estate construction and development exposure, arguably the riskiest area of CRE, was under $100 million as of September 30, 2016.

Our CRE exposures are focused principally on loans to high net worth families collateralized by multi-family properties that are of modest size and subject to what Customers believes are conservative underwriting standards. As of September 30, 2016, Customers had no non-performing multi-family loans. Customers believes it has a strong risk management process to manage the portfolio risks prospectively and that this portfolio will perform well even under a stressed scenario. Following are some unique characteristics of Customers' multi-family loan portfolio:

- Principally concentrated in New York City and principally to high net worth families;
- Average loan size is between $5 million - $7 million;
- Annual debt service coverage ratio is 140%;
- Median loan-to-value is 70%;
- 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 monitored thereafter on an annual basis by dedicated portfolio managers;
- Customers to date has never experienced more than a 30 day delinquency on any of the multi-family loans that it has originated; and
- Credit approval process is independent of customer sales and portfolio management process.

**Asset Quality and Interest Rate Risk**

Risk management is a critical component of how Customers creates long-term shareholder value. Two of the most important risks of banking to be understood and managed in an uncertain economy are asset quality and interest rate risk.

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 adopted prudent underwriting standards in 2010 when the current management team assumed responsibility for building the Bank and has not compromised those standards," stated Mr. Sidhu. "Customers' non-performing loans at September 30, 2016 were only 0.16% of total loans, compared to our peer group non-performing loans of approximately 0.90% of total loans, and industry average non-performing loans of 1.69% of total loans. Our expectation is superior asset quality performance in good times and in difficult years. We have no direct exposure to oil and gas or business investments in fracking," said Mr. Sidhu.

Interest rate risk is another critical element for banks to manage. An unexpected shift in interest rates can have a devastating effect on a bank's profitability for multiple years. Banks can position their assets and liabilities to speculate on future interest rate changes with the hope of gaining earnings by guessing the next movement in interest rates. "Customers' objective is to manage the estimated effect of future interest rate changes, up or down, to a neutral effect on net interest income, so not speculating on whether interest rates go up or down. At September 30, 2016, we were slightly asset sensitive, hoping to benefit somewhat from the anticipated higher short term rates," said Mr. Sidhu. "This allows our team members to focus on generating earnings from the business of banking, aggregating deposits and making loans to customers in the communities we serve," concluded Mr. Sidhu.

**Diversified Loan Portfolio**

Customers is a Business Bank that principally focuses on four lending activities; commercial and industrial loans to privately held businesses, multi-family loans principally to high net worth families, selected commercial real estate loans, and commercial loans and banking services to privately held mortgage companies. Commercial and industrial loans, including owner-occupied commercial real estate loans, and commercial loans to mortgage companies, were approximately $3.7 billion at September 30, 2016. Multi-family loans, or loans to high net worth families, were approximately $3.2 billion at September 30, 2016. Non-owner occupied commercial real estate loans were approximately $1.2 billion at September 30, 2016. Consumer and residential mortgage loans make up only about 4% of the loan portfolio.

**Conference Call**

| | |
|---|---|
| Date: | Wednesday, October 26, 2016 |
| Time: | 5:00 PM ET |
| US Dial-in: | 877-913-0088 |
| International Dial-in: | 913-981-5538 |
| Participant Code: | 149764 |

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 October 26, 2016 at 8:00 pm ET until 8:00 pm on November 25, 2016. To listen, call within the United States (888) 203-1112 or 719-457-0820 when calling internationally. Please use the replay pin number 5032669.

**Institutional Background**

Customers Bancorp, Inc. is a bank holding company located in Wyomissing, Pennsylvania engaged in banking and related business through its bank subsidiary, Customers Bank. Customers Bank is a community-based, full-service bank with assets of approximately $9.6 billion that was named one of Forbes magazine's 2016 100 Best Banks in America (there are over 6,200 banks in the United States). 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, New York, Rhode Island, New Hampshire, Massachusetts, 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. BankMobile is a division of Customers Bank, offering state of the art high tech digital banking services with high level of personal customer service.

Customers Bancorp, Inc. 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 and the implementation of Customers Bancorp, Inc.'s strategy regarding BankMobile, including with respect to the possible disposition of the BankMobile business, depending upon market conditions and opportunities, also could cause Customers Bancorp's actual results to differ from those in the forward-looking statements.  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, 2015, subsequently filed quarterly reports on Form 10-Q, and current reports on Form 8-K that update or provide information in addition to the information included in the Form 10-K and 10-Q filings.  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 FOR THE THREE MONTHS ENDED - UNAUDITED**

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

| | Q3 2016 | Q2 2016 | Q3 2015 |
|---|---|---|---|
| Interest income: | | | |
| Loans receivable, including fees | $ 60,362 | $ 59,013 | $ 46,291 |
| Loans held for sale | 18,737 | 17,429 | 14,006 |
| Investment securities | 3,528 | 3,638 | 2,283 |
| Other | 1,585 | 1,241 | 1,156 |
| Total interest income | 84,212 | 81,321 | 63,736 |
| Interest expense: | | | |
| Deposits | 13,009 | 11,142 | 9,022 |
| Other borrowings | 1,642 | 1,620 | 1,539 |
| FHLB advances | 3,291 | 3,716 | 1,556 |
| Subordinated debt | 1,685 | 1,685 | 1,685 |
| Total interest expense | 19,627 | 18,163 | 13,802 |
| Net interest income | 64,585 | 63,158 | 49,934 |
| Provision for loan losses | 88 | 786 | 2,094 |
| Net interest income after provision for loan losses | 64,497 | 62,372 | 47,840 |
| Non-interest income: | | | |
| Interchange and card revenue | 11,547 | 1,890 | 128 |
| Deposit fees | 4,218 | 787 | 265 |
| Mortgage warehouse transactional fees | 3,080 | 3,074 | 2,792 |
| Bank-owned life insurance | 1,386 | 1,120 | 1,177 |
| Gain on sale of loans | 1,206 | 285 | 1,131 |
| Mortgage loans and banking income | 287 | 285 | 167 |
| (Loss) on sale of investment securities | (1) | — | (16) |
| Other | 5,763 | 816 | 527 |
| Total non-interest income | 27,486 | 8,257 | 6,171 |
| Non-interest expense: | | | |
| Salaries and employee benefits | 22,681 | 18,107 | 14,981 |
| Technology, communication and bank operations | 12,525 | 3,854 | 2,422 |
| Professional services | 7,006 | 3,636 | 2,673 |
| FDIC assessments, taxes, and regulatory fees | 2,726 | 4,435 | 3,222 |
| Occupancy | 2,450 | 2,473 | 2,169 |
| Other real estate owned | 1,192 | 183 | 1,722 |
| Loan workout | 592 | 487 | 285 |
| Advertising and promotion | 591 | 334 | 330 |
| Acquisition related expenses | 144 | 874 | — |
| Other | 6,311 | 3,800 | 2,503 |
| Total non-interest expense | 56,218 | 38,183 | 30,307 |
| Income before income tax expense | 35,765 | 32,446 | 23,704 |
| Income tax expense | 14,576 | 13,016 | 8,415 |
| **Net income** | 21,189 | 19,430 | 15,289 |
| **Preferred stock dividends** | 2,552 | 2,062 | 980 |
| **Net income available to common shareholders** | $ 18,637 | $ 17,368 | $ 14,309 |
| Basic earnings per common share | $ 0.68 | $ 0.64 | $ 0.53 |
| Diluted earnings per common share | $ 0.64 | $ 0.60 | $ 0.50 |

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTHS ENDED - UNAUDITED**

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

| | September 30, 2016 | September 30, 2015 |
|---|---|---|
| Interest income: | | |
| Loans receivable, including fees | $ 173,847 | $ 132,185 |
| Loans held for sale | 50,272 | 38,428 |
| Investment securities | 10,875 | 6,899 |
| Other | 3,937 | 4,625 |
| Total interest income | 238,931 | 182,137 |
| Interest expense: | | |
| Deposits | 34,365 | 24,693 |
| Other borrowings | 4,867 | 4,523 |
| FHLB advances | 9,274 | 5,044 |
| Subordinated debt | 5,055 | 5,055 |
| Total interest expense | 53,561 | 39,315 |
| Net interest income | 185,370 | 142,822 |
| Provision for loan losses | 2,854 | 14,393 |
| Net interest income after provision for loan losses | 182,516 | 128,429 |
| Non-interest income: | | |
| Interchange and card revenue | 13,806 | 390 |
| Mortgage warehouse transactional fees | 8,702 | 7,864 |
| Deposit fees | 5,260 | 691 |
| Bank-owned life insurance | 3,629 | 3,407 |
| Gain on sale of loans | 2,135 | 3,189 |
| Mortgage loans and banking income | 737 | 605 |
| Gain (loss) on sale of investment securities | 25 | (85) |
| Other | 6,943 | 2,236 |
| Total non-interest income | 41,237 | 18,297 |
| Non-interest expense: | | |
| Salaries and employee benefits | 58,051 | 43,381 |
| Technology, communication and bank operations | 19,021 | 7,791 |
| Professional services | 13,213 | 7,378 |
| FDIC assessments, taxes, and regulatory fees | 11,191 | 7,495 |
| Occupancy | 7,248 | 6,469 |
| Other real estate owned | 1,663 | 2,026 |
| Loan workout | 1,497 | 541 |
| Acquisition related expenses | 1,195 | — |
| Advertising and promotion | 1,178 | 1,106 |
| Other | 14,049 | 7,245 |
| Total non-interest expense | 128,306 | 83,432 |
| Income before income tax expense | 95,447 | 63,294 |
| Income tax expense | 37,129 | 22,497 |
| **Net income** | 58,318 | 40,797 |
| **Preferred stock dividends** | 5,900 | 1,487 |
| **Net income available to common shareholders** | $ 52,418 | $ 39,310 |
| Basic earnings per common share | $ 1.93 | $ 1.47 |
| Diluted earnings per common share | $ 1.81 | $ 1.37 |

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET - UNAUDITED**

*(Dollars in thousands)*

| | September 30, 2016 | December 31, 2015 | September 30, 2015 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and due from banks | $ 39,742 | $ 53,550 | $ 80,475 |
| Interest-earning deposits | 225,846 | 211,043 | 302,924 |
| Cash and cash equivalents | 265,588 | 264,593 | 383,399 |
| Investment securities available for sale, at fair value | 530,896 | 560,253 | 418,945 |
| Loans held for sale | 2,402,708 | 1,797,064 | 1,730,002 |
| Loans receivable | 6,016,995 | 5,453,479 | 4,769,102 |
| Allowance for loan losses | (37,897) | (35,647) | (33,823) |
| Total loans receivable, net of allowance for loan losses | 5,979,098 | 5,417,832 | 4,735,279 |
| FHLB, Federal Reserve Bank, and other restricted stock | 71,621 | 90,841 | 63,514 |
| Accrued interest receivable | 22,100 | 19,939 | 16,512 |
| FDIC loss sharing receivable | — | — | 202 |
| Bank premises and equipment, net | 12,428 | 11,531 | 11,567 |
| Bank-owned life insurance | 160,357 | 157,211 | 156,909 |
| Other real estate owned | 3,897 | 5,057 | 8,433 |
| Goodwill and other intangibles | 16,924 | 3,651 | 3,654 |
| Other assets | 136,993 | 70,233 | 67,760 |
| **Total assets** | $ 9,602,610 | $ 8,398,205 | $ 7,596,176 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| Demand, non-interest bearing deposits | $ 1,080,970 | $ 653,679 | $ 777,478 |
| Interest-bearing deposits | 6,308,000 | 5,255,822 | 5,007,716 |
| Total deposits | 7,388,970 | 5,909,501 | 5,785,194 |
| Federal funds purchased | 52,000 | 70,000 | 50,000 |
| FHLB advances | 1,036,700 | 1,625,300 | 985,900 |
| Other borrowings | 86,957 | 86,457 | 86,290 |
| Subordinated debt | 108,758 | 108,685 | 108,665 |
| Accrued interest payable and other liabilities | 139,405 | 44,360 | 42,149 |
| **Total liabilities** | 8,812,790 | 7,844,303 | 7,058,198 |
| Preferred stock | 217,549 | 55,569 | 55,569 |
| Common stock | 28,074 | 27,432 | 27,413 |
| Additional paid in capital | 374,727 | 362,607 | 360,903 |
| Retained earnings | 176,929 | 124,511 | 107,731 |
| Accumulated other comprehensive income (loss) | 774 | (7,984) | (5,405) |
| Treasury stock, at cost | (8,233) | (8,233) | (8,233) |
| **Total shareholders' equity** | 789,820 | 553,902 | 537,978 |
| **Total liabilities & shareholders' equity** | $ 9,602,610 | $ 8,398,205 | $ 7,596,176 |

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

| | Three months ended | | | | | |
|---|---|---|---|---|---|---|
| | September 30, 2016 | | June 30, 2016 | | September 30, 2015 | |
| | Average Balance | Average yield or cost (%) | Average Balance | Average yield or cost (%) | Average Balance | Average yield or cost (%) |
| **Assets** | | | | | | |
| Interest earning deposits | $ 237,753 | 0.55% | $ 213,509 | 0.51% | $ 312,286 | 0.26% |
| Investment securities | 534,333 | 2.64% | 550,130 | 2.65% | 377,157 | 2.42% |
| Loans held for sale | 2,124,097 | 3.51% | 2,056,929 | 3.41% | 1,720,863 | 3.23% |
| Loans receivable | 6,117,367 | 3.93% | 6,050,895 | 3.92% | 4,648,986 | 3.95% |
| Other interest-earning assets | 90,010 | 5.56% | 102,599 | 3.79% | 67,299 | 5.62% |
| Total interest earning assets | 9,103,560 | 3.68% | 8,974,062 | 3.64% | 7,126,591 | 3.55% |
| Non-interest earning assets | 336,013 | | 285,138 | | 257,220 | |
| **Total assets** | $ 9,439,573 | | $ 9,259,200 | | $ 7,383,811 | |
| **Liabilities** | | | | | | |
| Total interest bearing deposits (1) | $ 6,150,265 | 0.84% | $ 5,773,445 | 0.78% | $ 4,938,317 | 0.72% |
| Borrowings | 1,586,262 | 1.66% | 2,014,452 | 1.40% | 1,214,803 | 1.57% |
| Total interest bearing liabilities | 7,736,527 | 1.01% | 7,787,897 | 0.94% | 6,153,120 | 0.89% |
| Non-interest bearing deposits (1) | 863,435 | | 759,373 | | 675,455 | |
| Total deposits & borrowings | 8,599,962 | 0.91% | 8,547,270 | 0.85% | 6,828,575 | 0.80% |
| Other non-interest bearing liabilities | 129,199 | | 56,870 | | 19,998 | |
| **Total liabilities** | 8,729,161 | | 8,604,140 | | 6,848,573 | |
| **Shareholders' equity** | 710,412 | | 655,060 | | 535,238 | |
| **Total liabilities and shareholders' equity** | $ 9,439,573 | | $ 9,259,200 | | $ 7,383,811 | |
| **Net interest margin** | | 2.82% | | 2.83% | | 2.78% |
| **Net interest margin tax equivalent** | | 2.83% | | 2.83% | | 2.79% |

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 0.74%, 0.68% and 0.64% for the three months ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively.

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

| | Nine months ended | | | |
|---|---|---|---|---|
| | September 30, 2016 | | September 30, 2015 | |
| | Average Balance | Average yield or cost (%) | Average Balance | Average yield or cost (%) |
| **Assets** | | | | |
| Interest earning deposits | $ 211,971 | 0.53% | $ 295,485 | 0.26% |
| Investment securities | 548,921 | 2.64% | 389,253 | 2.36% |
| Loans held for sale | 1,915,572 | 3.51% | 1,594,942 | 3.22% |
| Loans receivable | 5,949,829 | 3.90% | 4,472,704 | 3.95% |
| Other interest-earning assets | 90,911 | 4.54% | 73,368 | 7.40% |
| Total interest earning assets | 8,717,204 | 3.66% | 6,825,752 | 3.57% |
| Non-interest earning assets | 305,326 | | 265,184 | |
| **Total assets** | $ 9,022,530 | | $ 7,090,936 | |
| **Liabilities** | | | | |
| Total interest bearing deposits (1) | $ 5,801,231 | 0.79% | $ 4,489,241 | 0.74% |
| Borrowings | 1,693,455 | 1.51% | 1,395,863 | 1.40% |
| Total interest-bearing liabilities | 7,494,686 | 0.95% | 5,885,104 | 0.89% |
| Non-interest-bearing deposits (1) | 800,358 | | 684,466 | |
| Total deposits & borrowings | 8,295,044 | 0.86% | 6,569,570 | 0.80% |
| Other non-interest bearing liabilities | 76,774 | | 26,025 | |
| **Total liabilities** | 8,371,818 | | 6,595,595 | |
| **Shareholders' equity** | 650,712 | | 495,341 | |
| **Total liabilities and shareholders' equity** | $ 9,022,530 | | $ 7,090,936 | |
| **Net interest margin** | | 2.84% | | 2.80% |
| **Net interest margin tax equivalent** | | 2.84% | | 2.80% |

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 0.70% and 0.64% for the nine months ended September 30, 2016 and 2015, respectively.

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**PERIOD END LOAN COMPOSITION (UNAUDITED)**

| (Dollars in thousands) | September 30, 2016 | December 31, 2015 | September 30, 2015 |
|---|---|---|---|
| Commercial: | | | |
| Multi-Family | $ 3,175,561 | $ 2,948,696 | $ 2,455,392 |
| Mortgage warehouse | 2,422,004 | 1,797,753 | 1,729,909 |
| Commercial & Industrial (1) | 1,248,594 | 1,068,597 | 916,044 |
| Commercial Real Estate- Non-Owner Occupied | 1,151,099 | 956,255 | 912,971 |
| Construction | 83,835 | 87,240 | 89,616 |
| Total commercial loans | 8,081,093 | 6,858,541 | 6,103,932 |
| Consumer: | | | |
| Residential | 230,690 | 274,470 | 274,163 |
| Manufactured housing | 104,404 | 113,490 | 116,742 |
| Other consumer | 3,420 | 3,708 | 3,744 |
| Total consumer loans | 338,514 | 391,668 | 394,649 |
| Deferred costs and unamortized premiums, net | 96 | 334 | 523 |
| Total loans | $ 8,419,703 | $ 7,250,543 | $ 6,499,104 |

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

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**PERIOD END DEPOSIT COMPOSITION (UNAUDITED)**

| (Dollars in thousands) | September 30, 2016 | December 31, 2015 | September 30, 2015 |
|---|---|---|---|
| Demand, non-interest bearing | $ 1,080,970 | $ 653,679 | $ 777,478 |
| Demand, interest bearing | 201,703 | 127,215 | 146,737 |
| Savings | 37,120 | 41,600 | 39,739 |
| Money market | 3,140,144 | 2,739,411 | 2,533,070 |
| Time deposits | 2,929,033 | 2,347,596 | 2,288,170 |
| Total deposits | $ 7,388,970 | $ 5,909,501 | $ 5,785,194 |

## CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

## ASSET QUALITY - UNAUDITED

| *(Dollars in thousands)* | As of September 30, 2016 | | | | | As of December 31, 2015 | | | | | As of September 30, 2015 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loan Type** | **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 | $ 3,146,121 | $ — | $ 11,673 | —% | —% | $ 2,903,814 | $ — | $ 12,016 | —% | —% | $ 2,399,387 | $ — | $ 9,206 | —% | —% |
| Commercial & Industrial (1) | 1,192,720 | 6,326 | 12,129 | 0.53% | 191.73% | 990,621 | 2,760 | 8,864 | 0.28% | 321.16% | 844,814 | 6,283 | 10,187 | 0.74% | 162.14% |
| Commercial Real Estate- Non-Owner Occupied | 1,113,620 | — | 4,417 | —% | —% | 906,544 | 788 | 3,706 | 0.09% | 470.30% | 860,225 | 3,947 | 3,521 | 0.46% | 89.21% |
| Residential | 118,167 | 32 | 2,232 | 0.03% | 6,975.00% | 113,858 | 32 | 1,992 | 0.03% | 6,225.00% | 110,270 | 8 | 1,881 | 0.01% | 23,512.50% |
| Construction | 83,835 | — | 1,049 | —% | —% | 87,006 | — | 1,074 | —% | —% | 89,382 | — | 1,106 | —% | —% |
| Other consumer | 816 | — | 10 | —% | —% | 712 | — | 9 | —% | —% | 152 | — | 8 | —% | —% |
| ***Total Originated Loans*** | **5,655,279** | **6,358** | **31,510** | **0.11%** | **495.60%** | **5,002,555** | **3,580** | **27,661** | **0.07%** | **772.65%** | **4,304,230** | **10,238** | **25,909** | **0.24%** | **253.07%** |
| ***Loans Acquired*** | | | | | | | | | | | | | | | |
| Bank Acquisitions | 177,085 | 5,046 | 5,965 | 2.85% | 118.21% | 206,971 | 4,743 | 7,492 | 2.29% | 157.96% | 175,536 | 4,891 | 7,528 | 2.79% | 153.92% |
| Loan Purchases | 184,535 | 1,992 | 1,089 | 1.08% | 54.67% | 243,619 | 2,448 | 1,653 | 1.00% | 67.52% | 288,813 | 2,653 | 1,595 | 0.92% | 60.12% |
| **Total Acquired Loans** | **361,620** | **7,038** | **7,054** | **1.95%** | **100.23%** | **450,590** | **7,191** | **9,145** | **1.60%** | **127.17%** | **464,349** | **7,544** | **9,123** | **1.62%** | **120.93%** |
| Deferred costs and unamortized premiums, net | **96** | — | — | —% | —% | **334** | — | — | —% | —% | **523** | — | — | —% | —% |
| **Total Loans Held for Investment** | **6,016,995** | **13,396** | **38,564** | **0.22%** | **287.88%** | **5,453,479** | **10,771** | **36,806** | **0.20%** | **341.71%** | **4,769,102** | **17,782** | **35,032** | **0.37%** | **197.01%** |
| Total Loans Held for Sale | **2,402,708** | — | — | —% | —% | **1,797,064** | — | — | —% | —% | **1,730,002** | — | — | —% | —% |
| **Total Portfolio** | **$ 8,419,703** | **$ 13,396** | **$ 38,564** | **0.16%** | **287.88%** | **$ 7,250,543** | **$ 10,771** | **$ 36,806** | **0.15%** | **341.71%** | **$ 6,499,104** | **$ 17,782** | **$ 35,032** | **0.27%** | **197.01%** |

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

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**NET CHARGE-OFFS(RECOVERIES)-UNAUDITED**

| (Dollars in thousands) | For the Quarter Ended Q3 2016 | Q2 2016 | Q3 2015 |
|---|---|---|---|
| ***Originated Loans*** | | | |
| Commercial & Industrial (1) | $ 49 | $ 41 | $ 5,324 |
| Commercial Real Estate- Non-Owner Occupied | — | — | (13) |
| Residential | 43 | — | — |
| Other consumer | 245 | 145 | — |
| ***Total Originated Loans*** | 337 | 186 | 5,311 |
| ***Loans Acquired*** | | | |
| Bank Acquisitions | (49) | 874 | 258 |
| Loan Purchases | — | — | 88 |
| **Total Acquired Loans** | (49) | 874 | 346 |
| **Total Loans Held for Investment** | $ 288 | $ 1,060 | $ 5,657 |

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

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

SEGMENT REPORTING - UNAUDITED

(Dollars in thousands)

| | Three months ended September 30, 2016 | | |
|---|---|---|---|
| | Community Business Banking | BankMobile | Consolidated |
| Interest income (1) | $ 82,828 | $ 1,384 | $ 84,212 |
| Interest expense | 19,620 | 7 | 19,627 |
| Net interest income | 63,208 | 1,377 | 64,585 |
| Provision for loan losses | (162) | 250 | 88 |
| Non-interest income | 11,121 | 16,365 | 27,486 |
| Non-interest expense | 36,864 | 19,354 | 56,218 |
| Income (loss) before income tax expense | 37,627 | (1,862) | 35,765 |
| Income tax expense/(benefit) | 15,284 | (708) | 14,576 |
| Net income (loss) | 22,343 | (1,154) | 21,189 |
| Preferred stock dividends | 2,552 | — | 2,552 |
| Net income (loss) available to common shareholders | $ 19,791 | $ (1,154) | $ 18,637 |

(1) - Amounts reported include funds transfer pricing of $1.4 million for the three months ended September 30, 2016 credited to BankMobile for the value provided to the Community Business Banking segment for the use of low/no cost deposits.

| | Nine months ended September 30, 2016 | | |
|---|---|---|---|
| | Community Business Banking | BankMobile | Consolidated |
| Interest income (1) | $ 234,513 | $ 4,418 | $ 238,931 |
| Interest expense | 53,539 | 22 | 53,561 |
| Net interest income | 180,974 | 4,396 | 185,370 |
| Provision for loan losses | 2,605 | 249 | 2,854 |
| Non-interest income | 22,241 | 18,996 | 41,237 |
| Non-interest expense | 101,053 | 27,253 | 128,306 |
| Income (loss) before income tax expense | 99,557 | (4,110) | 95,447 |
| Income tax expense/(benefit) | 38,691 | (1,562) | 37,129 |
| Net income (loss) | 60,866 | (2,548) | 58,318 |
| Preferred stock dividends | 5,900 | — | 5,900 |
| Net income (loss) available to common shareholders | $ 54,966 | $ (2,548) | $ 52,418 |
| **As of September 30, 2016** | | | |
| Goodwill and other intangibles | $ 3,642 | $ 13,282 | $ 16,924 |
| Total assets | $ 9,532,281 | $ 70,329 | $ 9,602,610 |
| Total deposits | $ 6,855,788 | $ 533,182 | $ 7,388,970 |

(1) - Amounts reported include funds transfer pricing of $4.4 million for the nine months ended September 30, 2016 credited to BankMobile for the value provided to the Community Business Banking segment for the use of low/no cost deposits.

Please note that BankMobile operating results for 2015 were not material to Customers' 2015 consolidated financial results.

**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. 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.

***Pre-tax Pre-provision Return on Average Assets***

| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 |
|---|---|---|---|---|---|
| GAAP Net Income | $ 21,189 | $ 19,430 | $ 17,699 | $ 17,786 | $ 15,289 |
| Reconciling Items: | | | | | |
| Provision for loan losses | 88 | 786 | 1,980 | 6,173 | 2,094 |
| Income tax expense | 14,576 | 13,016 | 9,537 | 7,415 | 8,415 |
| Pre-tax Pre-provision Net Income | $ 35,853 | $ 33,232 | $ 29,216 | $ 31,374 | $ 25,798 |
| Average Total Assets | $ 9,439,573 | $ 9,259,200 | $ 8,364,233 | $ 7,771,721 | $ 7,383,811 |
| Pre-tax Pre-provision Return on Average Assets | 1.51% | 1.44% | 1.40% | 1.60% | 1.39% |

***Pre-tax Pre-provision Return on Average Common Equity***

| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 |
|---|---|---|---|---|---|
| GAAP Net Income Available to Common Shareholders | $ 18,637 | $ 17,368 | $ 16,413 | $ 16,780 | $ 14,309 |
| Reconciling Items: | | | | | |
| Provision for loan losses | 88 | 786 | 1,980 | 6,173 | 2,094 |
| Income tax expense | 14,576 | 13,016 | 9,537 | 7,415 | 8,415 |
| Pre-tax Pre-provision Net Income Available to Common Shareholders | $ 33,301 | $ 31,170 | $ 27,930 | $ 30,368 | $ 24,818 |
| Average Total Shareholders' Equity | $ 710,412 | $ 655,060 | $ 586,009 | $ 550,289 | $ 535,238 |
| Reconciling Item: | | | | | |
| Average Preferred Stock | (148,690) | (118,793) | (72,285) | (55,569) | (55,569) |
| Average Common Equity | $ 561,722 | $ 536,267 | $ 513,724 | $ 494,720 | $ 479,669 |
| Pre-tax Pre-provision Return on Average Common Equity | 23.58% | 23.38% | 21.87% | 24.35% | 20.53% |

***Tangible Common Equity to Average Tangible Assets***

| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 |
|---|---|---|---|---|---|
| GAAP - Total Shareholders Equity | $ 789,820 | $ 680,562 | $ 599,249 | $ 553,902 | $ 537,978 |
| Reconciling Items: | | | | | |
| Preferred Stock | (217,549) | (135,270) | (79,677) | (55,569) | (55,569) |
| Goodwill and Other Intangibles | (16,924) | (17,197) | (3,648) | (3,651) | (3,654) |
| Tangible Common Equity | $ 555,347 | $ 528,095 | $ 515,924 | $ 494,682 | $ 478,755 |
| Average Total Assets | $ 9,439,573 | $ 9,259,200 | $ 8,364,233 | $ 7,771,721 | $ 7,383,811 |
| Reconciling Items: | | | | | |
| Average Goodwill and Other Intangibles | (17,101) | (6,037) | (3,650) | (3,653) | (3,657) |
| Average Tangible Assets | $ 9,422,472 | $ 9,253,163 | $ 8,360,583 | $ 7,768,068 | $ 7,380,154 |
| Tangible Common Equity to Average Tangible Assets | 5.89% | 5.71% | 6.17% | 6.37% | 6.49% |

***Tangible Book Value per Common Share***

| | Q3 2016 | Q2 2016 | Q1 2016 | Q4 2015 | Q3 2015 |
|---|---|---|---|---|---|
| Total Shareholders' Equity | $ 789,820 | $ 680,562 | $ 599,249 | $ 553,902 | $ 537,978 |
| Reconciling Items: | | | | | |
| Preferred Stock | (217,549) | (135,270) | (79,677) | (55,569) | (55,569) |
| Goodwill and Other Intangibles | (16,924) | (17,197) | (3,648) | (3,651) | (3,654) |
| Tangible Common Equity | $ 555,347 | $ 528,095 | $ 515,924 | $ 494,682 | $ 478,755 |
| Common shares outstanding | $ 27,544,217 | $ 27,286,833 | $ 27,037,005 | $ 26,901,801 | $ 26,882,383 |
| Tangible Book Value per Common Share | $ 20.16 | $ 19.35 | $ 19.08 | $ 18.39 | $ 17.81 |

Exhibit 99.2


# Customers Bancorp, Inc.

*Highly Focused, Low Risk, Above Average Growth Bank Holding Company*

Customers Bank
Member FDIC

**Investor Presentation**
October, 2016
NYSE: CUBI

EQUAL HOUSING LENDER
Member FDIC

BankMobile
A Division of Customers Bank

# Forward-Looking Statements

Customers Bancorp, Inc.

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, our two-year financial performance targets, the future financial performance, prospects and goals for our BankMobile division, and the timing for when BankMobile is expected to achieve profitability. 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, 2015 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;
- 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;

# Forward-Looking Statements

Customers Bancorp, Inc.

- 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;
- unforeseen challenges that may arise in connection with the consummation of our recently-completed acquisition of certain assets and assumption of certain liabilities from Higher One, including that integration may be less successful, more difficult, time-consuming or costly than expected, and that BankMobile may be unable to realize anticipated cost savings and revenue enhancements within the expected time frame or at all;
- the number of existing student customers who transfer their accounts to BankMobile from one of Higher One's former bank partners;
- material variances in the adoption rate of BankMobile's services by new students and/or the usage rate of BankMobile's services by current student customers compared to our expectations;
- material variances in the number of BankMobile student accounts retained following graduation compared to our expectations;
- 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;
- our ability to implement our strategy regarding BankMobile, including with respect to our intent to sell or otherwise dispose of the BankMobile business in the future, depending upon market conditions and opportunities; and
- BankMobile's ability to successfully implement its growth strategy and control expenses.

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.

Customers Bancorp, Inc.

Customers Bank

Member FDIC

A $9.6 billion asset business bank serving privately held businesses

BankMobile

A Division of Customers Bank

A digital consumer bank, set up as a division of Customers Bank, serving millennials, middle income families and underbanked throughout the United States

# Investment Proposition



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

- $9.6 billion asset bank with only 21 sales offices
- Well capitalized at 11.7% total risk based capital (estimated), 8.2% tier 1 leverage, and 5.9% tangible common equity to average tangible assets (1)
- Target market from Boston to Philadelphia along Interstate 95

**Strong Profitability, Growth & Efficient Operations**

- Q3 2016 diluted earnings per share up 28.0% over Q3 2015 with a ROA of .89% and a ROCE of 13.2%
- Pre-tax, pre-provision ROA (2) and ROCE(2) for Q3 2016 was 1.51% and 23.58% respectively
- Q3 2016 net income available to common shareholders of $18.6 million up 30.3% over Q3 2015
- DDA and total deposits compounded annual growth of 75% and 60% respectively since 2009
- Q3 2016 net interest margin was 2.83%
- Operating efficiencies offset tighter margins and generate sustainable profitability
- Q3 2016 efficiency ratio was 61.1% including BankMobile expenses and ~49.6% excluding those expenses

**Strong Credit Quality & Low Interest Rate Risk**

- 0.16% non-performing loans at September 30, 2016
- Total reserves to non-performing loans of 287.88%
- Minimal risk of margin compression from modestly higher short term rates and flatter curve

**Attractive Valuation**

- October 14, 2016 share price of $24.63 only 10.1x 2016 core estimated earnings
- CAGR of 18% in shareholder value since Dec 31, 2009
- Price/tangible book only 1.2x for estimated 2016 tangible book value
- Peers, by size, trading at ~14x estimated 2016 earnings and between 1.7x to 2.0x tangible book
- September 30, 2016 tangible book value of $20.16, up 75% since Dec 2011 with a CAGR of 12%

(1) See page 5 of press release
(2) Non-GAAP measure calculated as GAAP net income, plus provisions for loan losses and income tax expense divided by average total assets
(3) Non-GAAP measure calculated as GAAP net income available to common shareholders, plus provision for loan losses and income tax expense divided by average common equity.

# Banking Industry Trends……
# How Do We Deal with These Issues

Customers Bancorp, Inc.

## External Forces

- Role of traditional bank branches changing very rapidly
- Mobile banking fastest growing channel
- Banks of all sizes revisiting their business strategies, revenue generation models and cost structures
- Technology and customer needs, desires and style changing rapidly
- Students, underbanked and middle class paying lion's share of fees to banks

## Business Issues

- Slow economic growth. Some credit quality concerns emerging
- Fewer good quality consumer and business loan opportunities for non niche players
- Pressure continues on margin. Days of 3.5%-4.0% margin are gone. Banks need to reduce efficiency ratios
- Difficult to attract good talent
- Must be excellent at risk management and compliance
- Shareholders want 10%+ ROE, consistent quality growth and strong risk management infrastructure

## Issues facing Us

**What** is our unique strategy for revenue and profitable growth?

**How** do we attract and retain best talent?

**How** do we take advantage of technology?

**How** do we deal with growing compliance burden?

**How** do we manage our risks better than peers?

**How** do we lower our efficiency ratios?

**How** do we identify and address regulatory matters associated with crossing $10b in total assets?

## Impediments to Growth

- Traditional CRE lending very difficult to do and under regulatory scrutiny
- Very little consumer loan growth; headwinds for consumer credit quality
- Growth exists only at niche players
- Mortgage banking revenues are extremely volatile
- Pressure to reduce or eliminate Overdraft and other nuisance fees by CFPB
- Regulators principally focus on strength of risk management and compliance and less on profitable growth

## Shareholder Expectations

- Start bank and sell at 2 to 3x book no longer an option – what do shareholders of small privately held banks do?
- Equity markets not available to small banks
- Banks need to earn 10% or more ROE if they want to remain independent
- Consistent ROE of 12% or greater and ROA of 1% or greater being rewarded well by market

# What is Our Business Model



## Credit Improving – Though Banks Face a Number of Operational Headwinds

- **Credit Quality Improved over past 5 years; some pressure emerging**
- **Quality Asset Generation Remains A Challenge**
  - Banks are starved for interest-earning assets and exploring new asset classes, competing on price and structure and looking into specialty finance business / lending
- **NIM Compression** (1)
  - Low rate environment for the foreseeable future will continue to compress NIM
  - Many institutions betting on rates or otherwise taking excessive interest rate risk
  - Industry NIM continues to decline
  - Down over 100 bps since 1995
  - Low interest rate environment, competitive pressures likely to prevent return to historical levels
- **Operational leverage**
  - Expense management is top of mind as banks try to improve efficiency in light of revenue pressure and increased regulatory / compliance costs
  - Regulatory pressure expected to stay robust
- **New Strategies**
  - Yesterday's strategies may not be appropriate tomorrow

## Critical to Have a Winning Business Model

### Traditional Banks

- Heavy branch based delivery system
- Strong credit quality
- Core deposits
- Dependent on OD fees
- Expense management

BB&T, PNC, M&T Bank, Santander

### Fee Income Leaders

- Diversified revenue sources
- Cross sell strength
- Capital efficiency
- Higher profitability / consistent earnings

usbancorp, State Street, Wells Fargo

### Relationship & Innovative Banks

- Innovator / disruptor / not branch dependent
- Differentiated / Unique model
- Technology savvy
- Product dominance

Signature, Capital One, First Republic Bank, Texas Capital Bank, Customers Bank

Source: SNL Financial.
[1]Includes data for top 50 U.S. banks by assets.

# Our Approach to Developing a Winning Business Model

1. Must focus on both “Relationship” or “High Touch” banking combined with “Highly Efficient” or “High Tech”. Strategy should be unique as to not be copied easily
2. Attract and retain best high quality talent. Business Bankers / Relationship Bankers with approximately 15 years+ experience who bring a book of business with them
3. Compensate leaders based upon risk and profitability with both cash and equity
4. Never deviate from following critical success factors
   - Only focus on very strong credit quality niches
   - Have very strong risk management culture
   - Have significantly lower efficiency ratio than peers to deliver sustainable strong profitability and growth with lower margin and lower risk profile
   - Always attract and retain top quality talent
   - Culture of innovation and continuous improvement

## Our Competitive Advantage: A Highly Experienced Management Team

| Name | Title | Years of Banking Experience | Background |
|---|---|---|---|
| Jay S. Sidhu | Chairman & CEO | 40 | Chairman and CEO of Sovereign Bank & Sovereign Bancorp, Inc. |
| Richard A. Ehst | President & COO | 48 | EVP, Commercial Middle Market, Regional President and Managing Director of Corporate Communications at Sovereign Bank |
| Robert E. Wahlman, CPA | Chief Financial Officer | 35 | CFO of Doral Financial and Merrill Lynch Banks; various roles at Bank One, US GAO and KPMG. |
| Steve Issa | EVP, New England Market President, Chief Lending Officer | 39 | EVP, Managing Director of Commercial and Specialty Lending at Flagstar and Sovereign Bank. |
| George Maroulis | EVP, Group Director of Private & Commercial Banking - NY Metro | 24 | Group Director and SVP at Signature Bank; various positions at Citibank and Fleet/Bank of America's Global Commercial & Investment Bank |
| Timothy D. Romig | EVP, Group Director of Commercial Banking - PA/NJ | 32 | SVP and Regional Executive for Commercial Lending (Berks and Montgomery County), VIST Financial; SVP at Keystone / M&T Bank |
| Ken Keiser | EVP, Director CRE and Multi-Family Housing Lending | 39 | SVP and Market Manager, Mid-Atlantic CRE Lending at Sovereign Bank; SVP & Senior Real Estate Officer, Allfirst Bank / M&T Bank |
| Glenn Hedde | EVP, President Banking for Mortgage Companies | 29 | President of Commercial Operations at Popular Warehouse Lending, LLC; various positions at GE Capital Mortgage Services and PNC Bank |
| James Collins | EVP, Chief Administrative Officer | 25 | Various positions at Sovereign including Director of Small Business Banking |
| Thomas Jastrem | EVP, Chief Credit Officer | 38 | Various positions at First Union Bank and First Fidelity Bank |
| Robert B. White | EVP, Chief Risk Officer | 29 | President RBW Financial Consulting; various positions at Citizens Bank and GE Capital |
| Mary Lou Scalese | EVP, Chief Auditor | 40 | Chief Auditor at Sovereign Bank and Chief Risk Officer at Customers Bank |

# Customers Bank

Executing On Our Unique High Performing Banking Model

## Disciplined Model for Superior Shareholder Value Creation

- Strong organic revenue growth + scalable infrastructure = sustainable double digit EPS = growth and increased shareholder value
- A very robust risk management driven business strategy
- Build tangible book value per share each quarter via earnings
- Any book value dilution from any acquisitions must be overcome within 1-2 years; otherwise stick with organic growth strategy
- Superior execution through proven management team

# Execution Timeline

Customers Bancorp, Inc.

## Phase I
**Acquired Bank Platform**

- We invested in and took control of a $270 million asset Customers Bank (FKA New Century Bank)
- Identified existing credit problems, adequately reserved and recapitalized the bank
- Actively worked out very extensive loan problems
- Recruited experienced management team

**2009**
**Assets: $350M**
**Equity: $22M**

## Phase II
**Built Strong Foundation**

- Enhanced credit and risk management
- Developed infrastructure for organic growth
- Built out warehouse lending platform and doubled deposit and loan portfolio
- Completed 3 small acquisitions:
  - ISN Bank (FDIC-assisted) ~ $70 mm
  - USA Bank (FDIC-assisted) ~ $170 mm
  - Berkshire Bancorp (Whole bank) ~ $85 mm

**2010-2011**
**Assets: $2.1B**
**Equity: $148M**

## Phase III
**Leveraging Infrastructure**

- Recruited proven lending teams
- Built out Commercial and Multi-family lending platforms
- De Novo expansion;4-6 sales offices or teams added each year
- Continue to show strong loan and deposit growth
- Built a "branch lite" high growth Community Bank and model for future growth
- Goals to ~12%+ ROE; ~1% ROA adopted

**2012-2013**
**Assets: $4.2B**
**Equity: $387M**

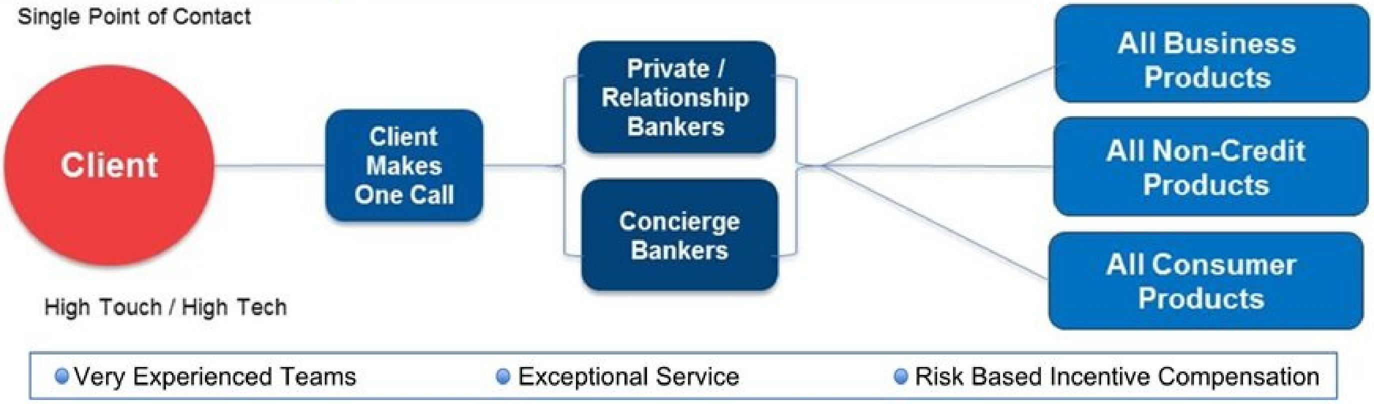
## Phase IV
**Innovation & Execution**

- Single Point of Contact Banking model executed – commercial focus
- Continued recruitment of experienced teams
- Introduce BankMobile – banking of the future for consumers
- Continue to show strong loan and deposit growth
- ~12%+ ROCE; ~1% ROA expected within 2 years
- ~$9.6+ billion asset bank at September 30, 2016

**Q3 2016**
**Assets: $9.6B**
**Equity: $790M**
**ROCE: 13.20%**
**ROA: .89%**

## Banking Strategy – Community Business Banking

Customers Bancorp, Inc.



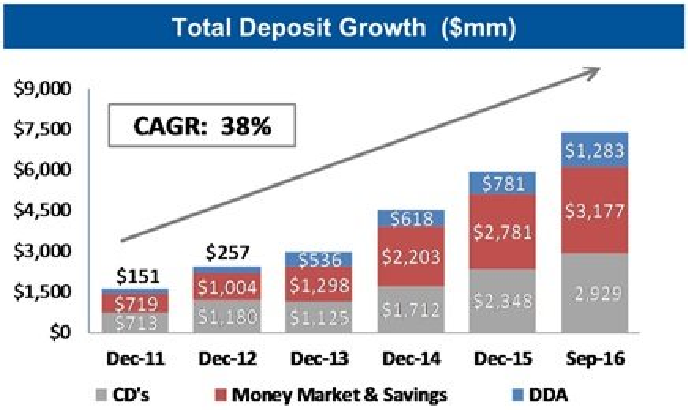

**Community Business Bank is Focused on businesses -** ~95% of revenues come from businesses

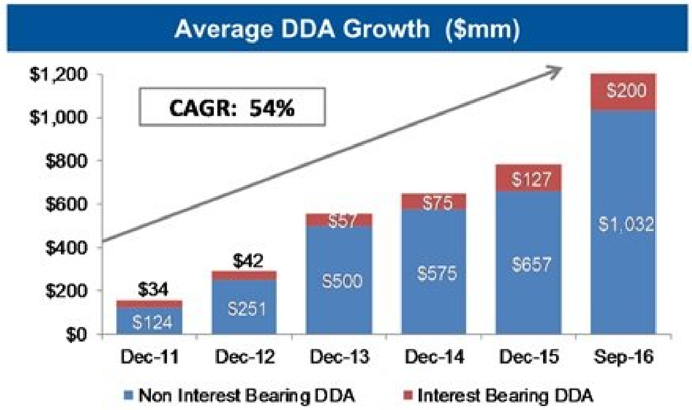
- Loan and deposit business through these well diversified segments:
  - Banking Privately Held Businesses – 44% of portfolio (including deferred costs and fees)
    - Manufacturing, service, technology, wholesale, equipment financing
    - Private mid size mortgage companies
  - Banking High Net Worth Families – 37% of portfolio (including deferred costs and fees)
    - New York and regional multi family lending
  - Selected Commercial Real Estate – 15% of portfolio

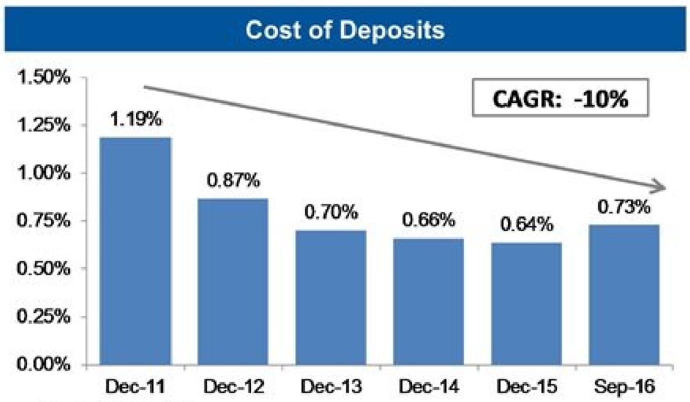
# Results in: Organic Growth of Deposits with Controlled Costs

Customers Bancorp, Inc.

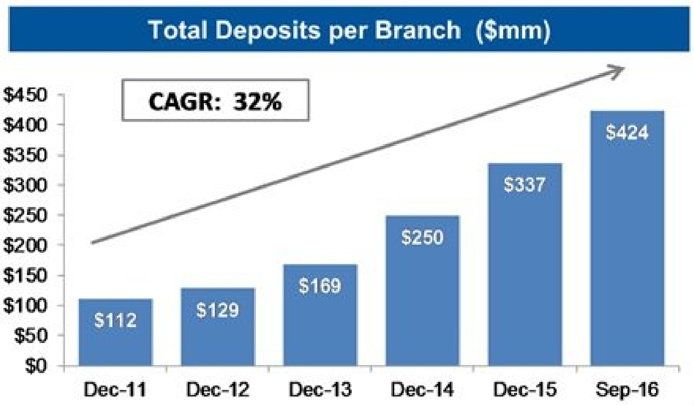
Customers' strategies of single point of contact and recruiting known teams in target markets produce rapid deposit growth with low total cost



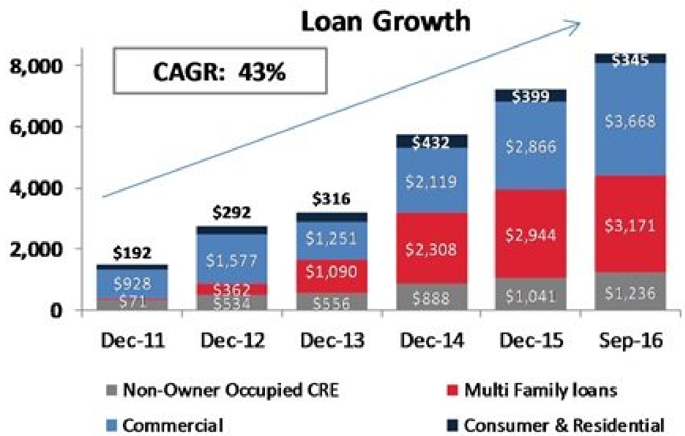



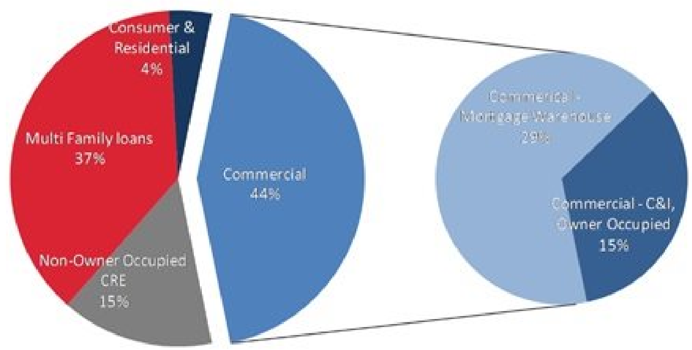

Source: Company data.



**High Growth with Strong Credit Quality**

- Continuous recruitment and retention of high quality teams
- Centralized credit committee approval for all loans
- Loans are stress tested for higher rates and a slower economy
- Insignificant delinquencies on loans originated since new management team took over
- Creation of solid foundation for future earnings



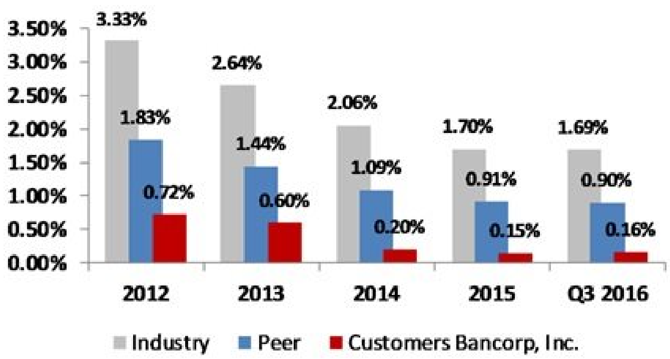

Source: Company data. Includes deferred costs and fees.

# Build an Outstanding Loan Quality Portfolio

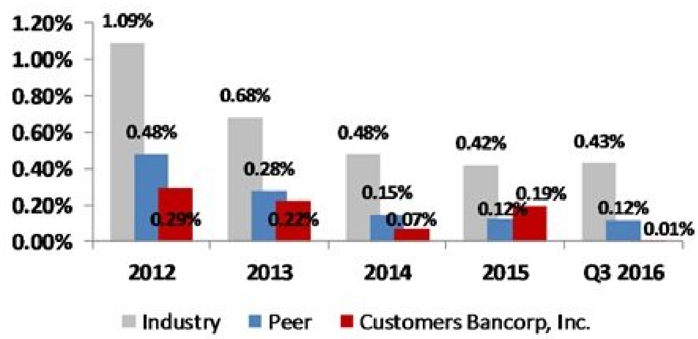
Customers Bancorp, Inc.

## Asset Quality Indicators Continue to be Strong

**NPL**




**Charge Offs**



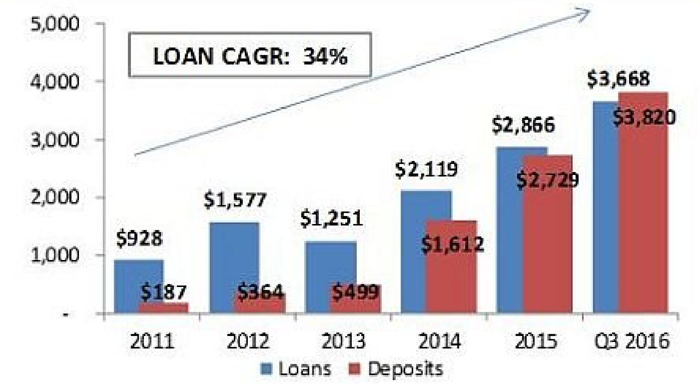

Note: Customers 2015 charge-offs includes 12 bps for a $9 million fraudulent loan

Source: SNL Financial, Company data. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with comparable size in assets and loan portfolios (excluding banks with large residential mortgage loan portfolios). Industry data includes all commercial and savings banks. Peer and Industry data as of June 30, 2016

# C&I & Owner Occupied CRE Banking Strategy

Customers Bancorp, Inc.

**Commercial Loan and Deposit Growth ($mm)**




Source: Company data.

## Banking Privately Held Business

**Private & Commercial Banking**

- Target companies with up to $100 million annual revenues
- Very experienced teams
- Four new teams with 14 professionals added in 2015, including a new business line Equipment Finance Team
- Single point of contact
- NE, NY, PA & NJ markets
- SBA loans originated by small business relationship managers

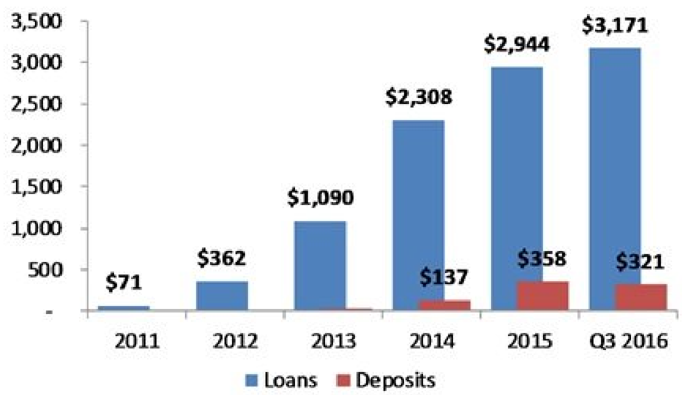
**Banking Mortgage Companies**

- Private banking focused on privately held mortgage companies generally with equity of $5 to $10 million
- Very strong credit quality relationship business with good fee income and deposits
- ~75 strong mortgage companies as clients
- All outstanding loans are variable rate and classified as held for sale
- Non-interest bearing DDA's are about 10% of outstanding loans
- Balances rebounding from 2013 low and expected to stay at this level

# Multi-Family Banking Strategy

Customers Bancorp, Inc.

Multi-Family Loan and Deposit Growth ($mm)



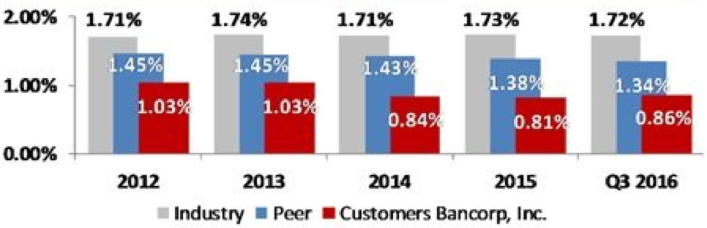

## Banking High Net Worth Families

- Focus on families that have income producing real estate in their portfolios
- Private banking approach
- Focus Markets: New York & Philadelphia MSAs
- Average Loan Size: $5.0 – $7.0 million
- Remote banking for deposits and other relationship based loans
- Portfolio grown organically from a start up with very experienced teams hired in the past 3 years
- Strong credit quality niche
- Interest rate risk managed actively

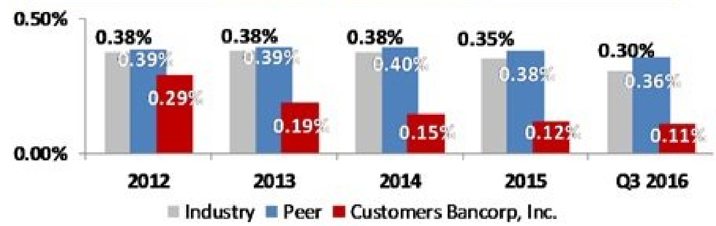
Source: Company data.

# Build Efficient Operations

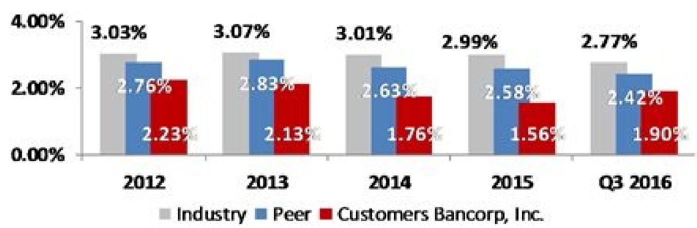
## Staff Expense Ratio



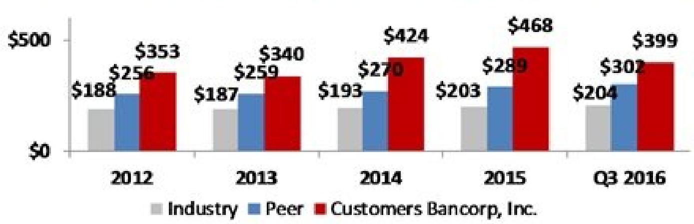

## Occupancy Expense Ratio




## Total Costs as a % of Assets




## Total Revenue per Employee ($000s)



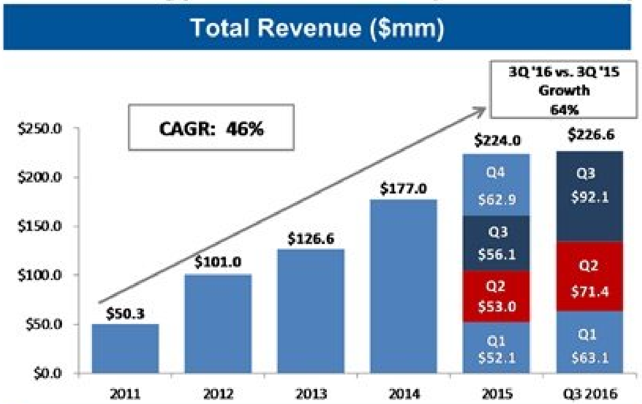

## Assets per Employee ($mm)

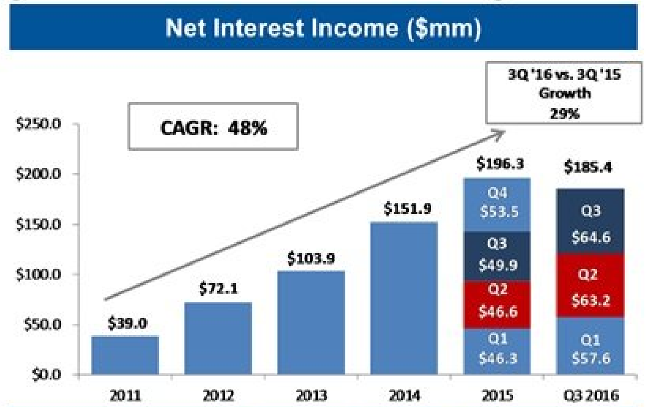

Source: SNL Financial, Company data. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with comparable size in assets and loan portfolios (excluding banks with large residential mortgage loan portfolios). Industry data includes SEC reporting banks. Peer and Industry data as of June 30, 2016.

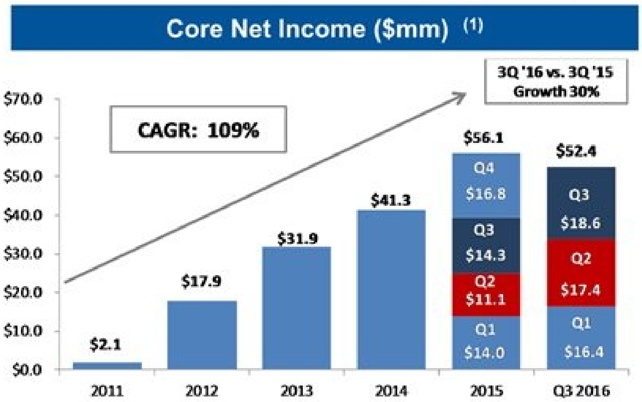
# Deposit, Lending and Efficiency Strategies Result in Disciplined & Profitable Growth

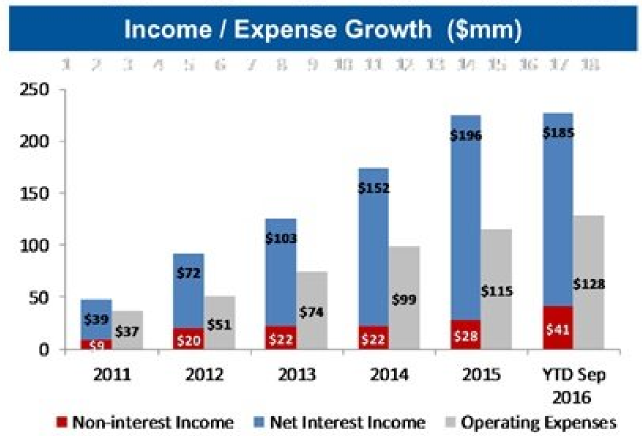
Customers Bancorp, Inc.

- **Strategy execution has produced superior growth in revenues and earnings**



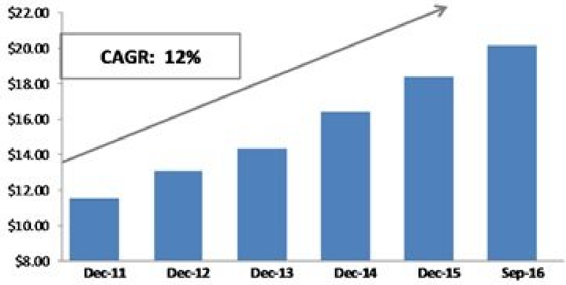




(1) Non-GAAP measure calculated as GAAP net income less/plus securities gains and losses .

# Building Customers to Provide Superior Returns to Investors

Customers Bancorp, Inc.

## Tangible BV per Share




| | Dec-11 | Dec-12 | Dec-13 | Dec-14 | Dec-15 | Sep-16 |
|---|---|---|---|---|---|---|
| Tangible Book Value | $11.54 | $13.09 | $14.37 | $16.43 | $18.39 | $20.16 |
| Book Value | $11.84 | $13.27 | $14.51 | $16.57 | $18.52 | $20.78 |

## Recent Performance Results

| | Q3 2015 | Q4 2015 | Q1 2016 | Q2 2016 | Q3 2016 |
|---|---|---|---|---|---|
| ROA | 0.8% | 0.9% | 0.9% | 0.8% | 0.9% |
| ROCE | 11.8% | 13.5% | 12.8% | 13.0% | 13.2% |
| NIM | 2.79% | 2.83% | 2.88% | 2.83% | 2.83% |
| Efficiency | 54% | 50% | 54% | 53% | 61% |
| EPS | $0.50 | $0.58 | $0.57 | $0.60 | $0.64 |

## Financial Performance Targets

| Criteria | 2 Year Target |
|---|---|
| Return on Assets | ~ 1% |
| Return on Common Equity | 12% or greater |
| Net Interest Margin | ~ 3% |
| EPS | ~ 15% annual compounded growth |
| Efficiency Ratio (Bank Only) | In the 40's |

## Earnings per Share Guidance / Valuation Multiples

| Year | Guidance |
|---|---|
| 2016 Core EPS | $2.40 - $2.50 |
| Oct 14, 2016 Share Price | $24.63 |
| Estimated 2016 Tangible Book Value | $20.75 |
| Tangible Book Value/Share Price | 1.2x |
| Share Price / Mid 2016 Guidance | 10.1x |
| Share Price / 2017 EPS Estimates | 9.1x |

Customers Bancorp, Inc.

# Customers Bank

## Community Business Banking and BankMobile Business Segments

# Business Segment Disclosures

- Customers Bank acquired the Disbursements Business of Higher One, Inc. on June 15, 2016
- The acquired Disbursements Business was combined with Customers Bank's existing BankMobile product line in Q2 2016
- Effective for the 2016 third quarter, Customers begins reporting Community Business Banking and BankMobile as separate business segments to the investor community

# Segment Financial Performance Results

Customers Bancorp, Inc.

| | Q3 2016 | | | Year-To-Date 2016 | | |
|---|---|---|---|---|---|---|
| | Community Business Banking | BankMobile | Total Customers Bancorp Inc & Subs | Community Business Banking | BankMobile | Total Customers Bancorp Inc & Subs |
| Net-interest income | $ 63.2 | $ 1.4 | $ 64.6 | $ 181.0 | $ 4.4 | $ 185.4 |
| Provision for loan losses | $ (0.2) | $ 0.3 | $ 0.1 | $ 2.6 | $ 0.2 | $ 2.9 |
| Non-interest income | $ 11.1 | $ 16.4 | $ 27.5 | $ 22.2 | $ 19.0 | $ 41.2 |
| Non-interest expense | $ 36.9 | $ 19.4 | $ 56.2 | $ 101.1 | $ 27.3 | $ 128.3 |
| Income before tax expense | $ 37.6 | $ (1.9) | $ 35.8 | $ 99.6 | $ (4.1) | $ 95.4 |
| Income tax expense | $ 15.3 | $ (0.7) | $ 14.6 | $ 38.7 | $ (1.6) | $ 37.1 |
| Net income | $ 22.3 | $ (1.2) | $ 21.2 | $ 60.9 | $ (2.5) | $ 58.3 |
| Preferred stock dividends | $ 2.6 | $ - | $ 2.6 | $ 5.9 | $ - | $ 5.9 |
| **Net income available to common shareholders** | **$ 19.8** | **$ (1.2)** | **$ 18.6** | **$ 55.0** | **$ (2.5)** | **$ 52.4** |

- Comparable 2015 periods are not provided as BankMobile was not operating as a segment at that time and operations were not material.
- Segment results include payment by Community Business Banking to BankMobile of $1.4 million in Q3, 2016 and $4.4 million year to date September 30, 2016 in interest for deposits generated by the BankMobile segment.
- Direct operating revenues and costs are captured separately in the accounting records for each business segment. All corporate overhead costs are assigned to the Community Business Banking segment as those costs are expected to stay with the segment following the sale of the BankMobile segment, currently anticipated to occur within 12 to 24 months.

# Other BankMobile Results

Customers Bancorp, Inc.

- Migrated 304,000 checking accounts previously with another Higher One, Inc. partner bank since acquisition at the customers' election with transferred balances totaling approximately $700 million between starting balances and incoming deposits.

- Opened over 200,000 new checking during Q3 (since June 16, 2016).

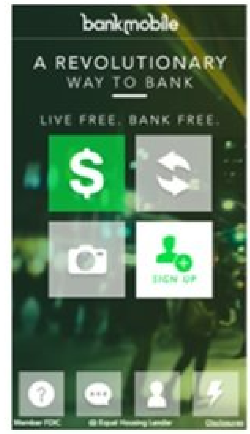
- 40% of Title IV funds received by students were deposited into accounts with BankMobile. Other students receiving funds requested the transfer of funds to existing accounts at other banks or received a check.

- Signed contracts to provide disbursement services to 16 educational institutions with student enrollment totaling 130,000 since May 2016, which will be online for the fall 2017 student enrollment cycle.

- Funds received from educational institutions and processed to students totaled $3.14 billion during Q3, 2016.

- Active checking accounts (checking accounts with at least one transaction in the past year) serviced number 1.93 million as of September 30, 2016, with balances of $665.7 million on that date.






BankMobile
A Division of Customers Bank

# BankMobile mandate in 2014

Customers Bancorp, Inc.

- Develop a consumer bank in alignment with the *future model of banking*
  - A completely branchless experience
  - A fintech company with a bank charter
  - 10X better customer acquisition and retention strategy than traditional players
  - Better product than what exists today
  - More affordable and easier to use
  - Sustainable business model
- Provide *"wow" memorable experiences*; not just sell products
- Create *customers for life*

# Our middle income target market is struggling and needs a banking alternative



- 33% of Americans living paycheck to paycheck
- 47% don't have enough to pay for a $400 emergency
- 20% are saving nothing
- 50% are saving less than 5%
- Paying $32B in overdraft fees a year

# Our guiding principles

Keep it simple

Best-in-class user experience and customer service are how we will win

We speak with an authentic voice

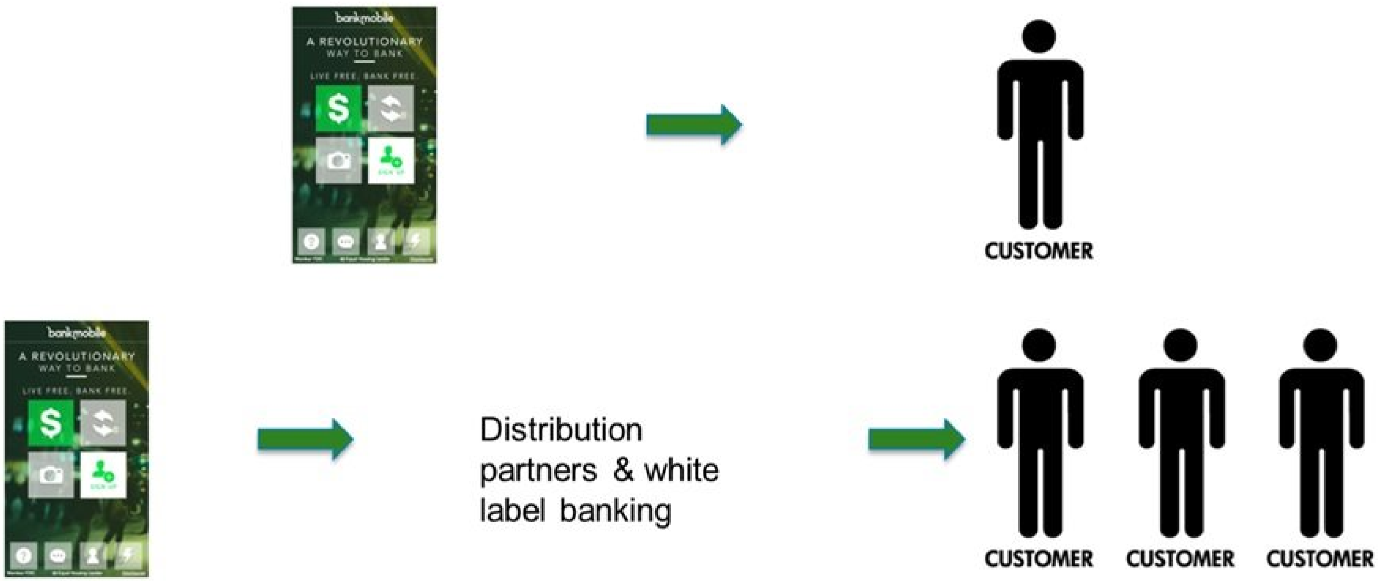
10X customer acquisition and retention strategy

# Traditional customer acquisition model via branches doesn't work


- ~1488 retail checking accounts per branch
- 17 new checking accounts opened per branch per month
- Deposit open/close ratio of 1.07
- We estimate ~1 net new checking account opened per branch per week
- Overdraft fees are subsidizing inefficient branches

The 2014 Cornerstone Performance Report

# How we are disrupting the branch network



# Our business model versus the old business model

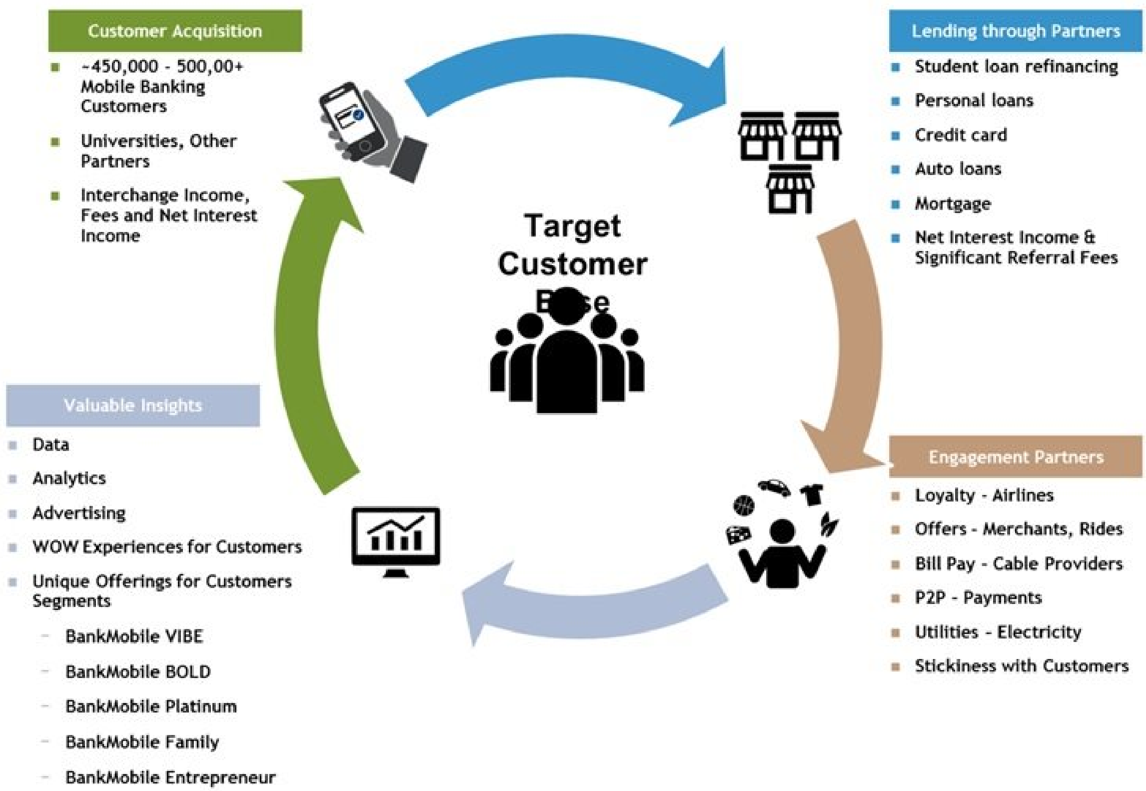
Customers Bancorp, Inc.

| | Customer Acquisition | Customer Engagement | Customer Development | Customer For Life |
|---|---|---|---|---|
| Traditional Players | • Branches<br>• Avg. 1 net new checking account/wk/ branch<br>• Acquisition cost > $500 | • Branch staff<br>• Call center<br>• Mobile app<br>• Cross-selling through all platforms<br>• Free ATMS limited to branch network | • Personal bankers available to HNW | • Bundled pricing<br>• Incentivized cross-selling by bank employees<br>• Wealth management services<br>• General inertia |
| BankMobile | • Digital app<br>• Direct to consumer<br>• Distribution partners & white label banking<br>• Marginal acquisition cost ~$0 to negligible | • Mobile app/contact center<br>• PFM tools<br>• Passport Program<br>• Credit builder<br>• Rewards<br>• Fintech partnerships<br>• 55,000 free ATMs<br>• All ATMs free - VIP<br>• Social media | • Financial coaching and personal bankers for VIP<br>• Weekly podcasts<br>• Educational blogs<br>• Ambassador program<br>• Financial curriculum<br>• Book | • Best in class product offerings, coupled with "wow customer experience<br>• Auto and home buying experiences with auto loan and mortgage |

# BankMobile's Customer Lifecycle Ecosystem

Customers Bancorp, Inc.

BankMobile is well positioned to be its customers' primary banking relationship throughout their lives



# Partnerships to help with "life"



- Skill Development
  - Discounts for online courses to increase skills and marketability
- School Supplies
  - Discounts on textbooks and other school related supplies
- Save on Essentials
  - Discounts on everyday essentials (cell phone plans, large retailers, online retailers etc.)
- Entertainment
  - Discounts for travel, streaming movies, tv, music
- Financial Education
  - BM generated podcasts, tutorial videos, financial curriculum with certification, free access to books

# Fintech partnerships to create an "Amazon for Financial Services"

Customers Bancorp, Inc.

Alignment with BankMobile's Customer Profile

High ⟷ Low

| | | |
|---|---|---|
| Lending | Student Loans | PAVE, Upstart, LendKey, earnest, SoFi, CommonBond |
| Lending | Personal Loans | PAVE, Upstart, AVANTCREDIT, Springleaf, LendingClub, loanDepot, PROSPER, Lending, Discover, SoFi |
| Lending | Credit Cards | BankMobile, CreditOne BANK, CapitalOne, citi |
| Lending | Auto Loans | cars.com, CARVANA, LendKey, Credit Acceptance, DriveTime, CapitalOne, ally |
| Lending | Mortgage | PRIVLO, Deephaven MORTGAGE, Quicken Loans, loanDepot, SoFi |
| Other Partnerships | P2P Payments | CLEARXCHANGE, venmo, PayPal |
| Other Partnerships | Wealth Management | wealthfront, Betterment, TD Ameritrade |
| Other Partnerships | Loyalty | aliya, comcast, DELTA |
| Other Partnerships | Offers | cardlytics, lyft, GROUPON |

# Distribution partnerships and white label banking opportunities significant

- Telecom
- Social Media
- Financial services
- Utilities
- E-Commerce
- Large employers

# BankMobile is differentiated from other 'neo banks'

| Offerings | BankMobile | SIMPLE | Moven | GObank |
|---|---|---|---|---|
| Joint Deposit Accounts | ☑ | ☑ | ☒ | ☒ |
| Check Writing Ability | ☑ | ☒ | ☒ | ☒ |
| Picture Bill Pay | ☑ | ☒ | ☒ | ☒ |
| High Yield Savings Accounts | ☑ | ☒ | ☒ | ☒ |
| Personal Line of Credit | ☑ | ☒ | ☒ | ☒ |
| Personal Financial Management | ☑ | ☑ | ☑ | ☒ |
| Account Opening Minimums | $0.01 | Recommend $100 – $500 to start | $100 minimum | $20 – $500 |

# BankMobile results to date through D2C and first B2B2C partner

Customers Bancorp, Inc.

- Bankmobile today is one of the top digital banks in the U.S.
  - ~1.5 million checking accounts;
  - ~450,000 to 500,000 new checking accounts opened each year
  - ~$60 million per year non interest income revenues
  - ~$600 million DDA’s
  - Expected to be profitable by year end 2016
  - Future growth opportunities are very significant

# The future of banking

Customers Bancorp, Inc.

- A fintech company with a bank charter
- Use data analytics to improve the banking experience
- Move away from money transactions to money management
- Use APIs to share info and create a financial marketplace
- Take part in the Internet of Things
- Conversational AI for human touch
- Advanced biometrics

## Company:

**Robert Wahlman, CFO**
Tel: 610-743-8074
rwahlman@customersbank.com
www.customersbank.com

**Jay Sidhu**
**Chairman & CEO**
Tel: 610-301-6476
jsidhu@customersbank.com
www.customersbank.com

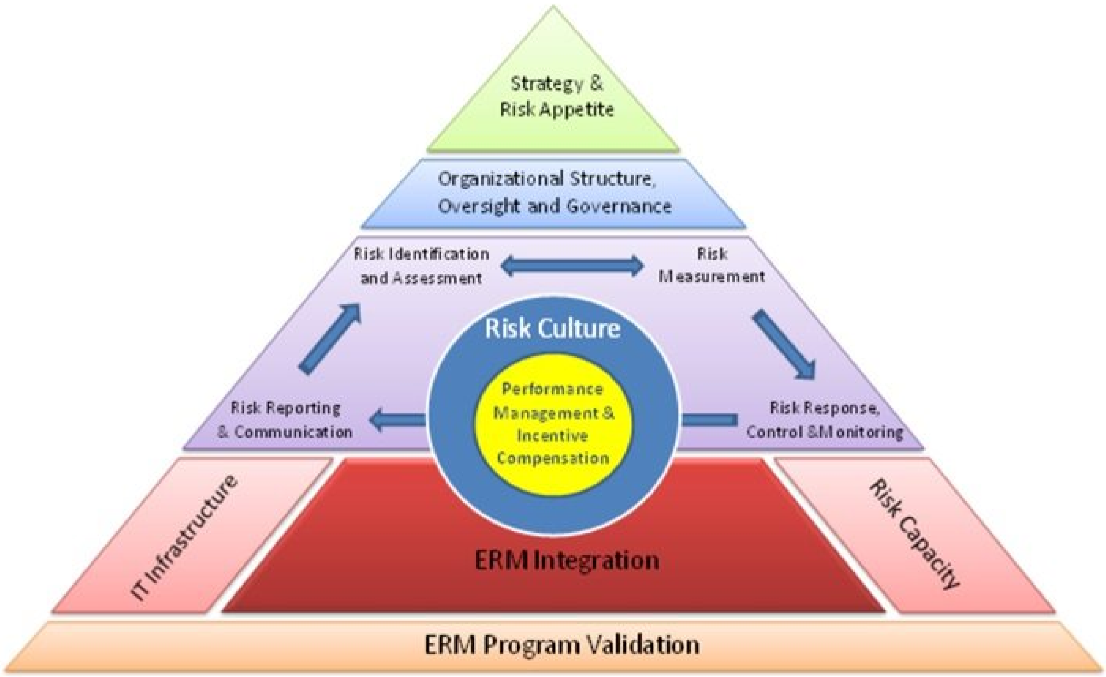

# Appendix

Customers Bancorp, Inc.

Customers Bancorp, Inc.

# Customers Bank

Risk Management


Strategy &
Risk Appetite
Organizational Structure,
Oversight and Governance
Risk Identification
and Assessment
Risk
Measurement
Risk Culture
Performance
Management &
Incentive
Compensation
Risk Reporting
& Communication
Risk Response,
Control &Monitoring
IT Infrastructure
ERM Integration
Risk Capacity
ERM Program Validation

# ERM Framework at Customers Bancorp, Inc.

Customers Bancorp, Inc.

## Well Defined ERM Plan – ERM Integration into CAMELS +++++

### Enterprise Risk Management

| | | |
|---|---|---|
| C | Capital Plan and Forecasts<br>Capital Stress Testing<br>Capital Committee & ALCO Oversight | |
| A | Loan Underwriting Standards<br>Credit Approval & Monitoring Process<br>Credit Concentration Plan<br>Loan Migration Analysis | Loan-to-one-borrower Analysis |
| M | Management Succession Plan<br>Compensation Plans<br>Corporate Governance | Strategic Plan<br>Cyber Security<br>Enterprise Risk Management |
| E | Budget and Forecasting<br>Business Plans<br>Strategic Plan | Management Financial Reporting<br>Financial Analysis |
| L | Funds Management Plan<br>Wholesale Funding<br>Contingency Funding Plan | Liquidity Stress Testing<br>ALCO Oversight |
| S | Interest Rate Risk Policy Limits<br>Interest Rate Risk Analysis<br>ALCO Oversight | |

| | | |
|---|---|---|
| + | IT Controls and Testing Plan<br>New Product & New Initiatives Plans<br>Technology Steering Committee<br>New Product Committee | |
| + | Compliance Plan<br>CRA Plan<br>Fair & Responsible Banking Plans | Compliance Committee Oversight |
| + | Litigation Mitigation Plan | |
| + | Public Relations Plan<br>Investor Relations Plan | |
| + | Internal Audit Reports<br>Internal Controls and Procedures<br>Enterprise Risk Management Reviews | Risk Committee, Audit Committee Oversight |

# Customers Bancorp, Inc.

## Financial Statements

# Income Statement

Customers Bancorp, Inc.

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED- UNAUDITED**

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

| | Q3 2016 | Q2 2016 | Q3 2015 |
|---|---|---|---|
| Interest income: | | | |
| Loans receivable, including fees | $ 60,362 | $ 59,013 | $ 46,291 |
| Loans held for sale | 18,737 | 17,429 | 14,006 |
| Investment securities | 3,528 | 3,638 | 2,283 |
| Other | 1,585 | 1,241 | 1,156 |
| Total interest income | 84,212 | 81,321 | 63,736 |
| Interest expense: | | | |
| Deposits | 13,009 | 11,142 | 9,022 |
| Other borrowings | 1,642 | 1,620 | 1,539 |
| FHLB advances | 3,291 | 3,716 | 1,556 |
| Subordinated debt | 1,685 | 1,685 | 1,685 |
| Total interest expense | 19,627 | 18,163 | 13,802 |
| Net interest income | 64,585 | 63,158 | 49,934 |
| Provision for loan losses | 88 | 786 | 2,094 |
| Net interest income after provision for loan losses | 64,497 | 62,372 | 47,840 |
| Non-interest income: | | | |
| Interchange and card revenue | 11,547 | 1,890 | 128 |
| Deposit fees | 4,218 | 787 | 265 |
| Mortgage warehouse transactional fees | 3,080 | 3,074 | 2,792 |
| Bank-owned life insurance | 1,386 | 1,120 | 1,177 |
| Gain on sale of loans | 1,206 | 285 | 1,131 |
| Mortgage loans and banking income | 287 | 285 | 167 |
| (Loss) on sale of investment securities | (1) | — | (16) |
| Other | 5,763 | 816 | 527 |
| Total non-interest income | 27,486 | 8,257 | 6,171 |
| Non-interest expense: | | | |
| Salaries and employee benefits | 22,681 | 18,107 | 14,981 |
| Technology, communication and bank operations | 12,525 | 3,854 | 2,422 |
| Professional services | 7,006 | 3,636 | 2,673 |
| FDIC assessments, taxes, and regulatory fees | 2,726 | 4,435 | 3,222 |
| Occupancy | 2,450 | 2,473 | 2,169 |
| Other real estate owned | 1,192 | 183 | 1,722 |
| Loan workout | 592 | 487 | 285 |
| Advertising and promotion | 591 | 334 | 330 |
| Acquisition related expenses | 144 | 874 | — |
| Other | 6,311 | 3,800 | 2,503 |
| Total non-interest expense | 56,218 | 38,183 | 30,307 |
| Income before income tax expense | 35,765 | 32,446 | 23,704 |
| Income tax expense | 14,576 | 13,016 | 8,415 |
| **Net income** | 21,189 | 19,430 | 15,289 |
| **Preferred stock dividends** | 2,552 | 2,062 | 980 |
| **Net income available to common shareholders** | $ 18,637 | $ 17,368 | $ 14,309 |
| Basic earnings per common share | $ 0.68 | $ 0.64 | $ 0.53 |
| Diluted earnings per common share | $ 0.64 | $ 0.60 | $ 0.50 |

# Income Statement

Customers Bancorp, Inc.

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE NINE MONTHS ENDED- UNAUDITED**

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

| | September 30, 2016 | September 30, 2015 |
|---|---|---|
| Interest income: | | |
| Loans receivable, including fees | $ 173,847 | $ 132,185 |
| Loans held for sale | 50,272 | 38,428 |
| Investment securities | 10,875 | 6,899 |
| Other | 3,937 | 4,625 |
| Total interest income | 238,931 | 182,137 |
| Interest expense: | | |
| Deposits | 34,365 | 24,693 |
| Other borrowings | 4,867 | 4,523 |
| FHLB advances | 9,274 | 5,044 |
| Subordinated debt | 5,055 | 5,055 |
| Total interest expense | 53,561 | 39,315 |
| Net interest income | 185,370 | 142,822 |
| Provision for loan losses | 2,854 | 14,393 |
| Net interest income after provision for loan losses | 182,516 | 128,429 |
| Non-interest income: | | |
| Interchange and card revenue | 13,806 | 390 |
| Mortgage warehouse transactional fees | 8,702 | 7,864 |
| Deposit fees | 5,260 | 691 |
| Bank-owned life insurance | 3,629 | 3,407 |
| Gain on sale of loans | 2,135 | 3,189 |
| Mortgage loans and banking income | 737 | 605 |
| Gain (loss) on sale of investment securities | 25 | (85) |
| Other | 6,943 | 2,236 |
| Total non-interest income | 41,237 | 18,297 |
| Non-interest expense: | | |
| Salaries and employee benefits | 58,051 | 43,381 |
| Technology, communication and bank operations | 19,021 | 7,791 |
| Professional services | 13,213 | 7,378 |
| FDIC assessments, taxes, and regulatory fees | 11,191 | 7,495 |
| Occupancy | 7,248 | 6,469 |
| Other real estate owned | 1,663 | 2,026 |
| Loan workout | 1,497 | 541 |
| Acquisition related expenses | 1,195 | — |
| Advertising and promotion | 1,178 | 1,106 |
| Other | 14,049 | 7,245 |
| Total non-interest expense | 128,306 | 83,432 |
| Income before income tax expense | 95,447 | 63,294 |
| Income tax expense | 37,129 | 22,497 |
| **Net income** | 58,318 | 40,797 |
| **Preferred stock dividends** | 5,900 | 1,487 |
| **Net income available to common shareholders** | $ 52,418 | $ 39,310 |
| Basic earnings per common share | $ 1.93 | $ 1.47 |
| Diluted earnings per common share | $ 1.81 | $ 1.37 |

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET - UNAUDITED**

*(Dollars in thousands)*

| | September 30, 2016 | December 31, 2015 | September 30, 2015 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and due from banks | $ 39,742 | $ 53,550 | $ 80,475 |
| Interest-earning deposits | 225,846 | 211,043 | 302,924 |
| Cash and cash equivalents | 265,588 | 264,593 | 383,399 |
| Investment securities available for sale, at fair value | 530,896 | 560,253 | 418,945 |
| Loans held for sale | 2,402,708 | 1,797,064 | 1,730,002 |
| Loans receivable | 6,016,995 | 5,453,479 | 4,769,102 |
| Allowance for loan losses | (37,897) | (35,647) | (33,823) |
| Total loans receivable, net of allowance for loan losses | 5,979,098 | 5,417,832 | 4,735,279 |
| FHLB, Federal Reserve Bank, and other restricted stock | 71,621 | 90,841 | 63,514 |
| Accrued interest receivable | 22,100 | 19,939 | 16,512 |
| FDIC loss sharing receivable | — | — | 202 |
| Bank premises and equipment, net | 12,428 | 11,531 | 11,567 |
| Bank-owned life insurance | 160,357 | 157,211 | 156,909 |
| Other real estate owned | 3,897 | 5,057 | 8,433 |
| Goodwill and other intangibles | 16,924 | 3,651 | 3,654 |
| Other assets | 136,993 | 70,233 | 67,760 |
| **Total assets** | $ 9,602,610 | $ 8,398,205 | $ 7,596,176 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| Demand, non-interest bearing deposits | $ 1,080,970 | $ 653,679 | $ 777,478 |
| Interest-bearing deposits | 6,308,000 | 5,255,822 | 5,007,716 |
| Total deposits | 7,388,970 | 5,909,501 | 5,785,194 |
| Federal funds purchased | 52,000 | 70,000 | 50,000 |
| FHLB advances | 1,036,700 | 1,625,300 | 985,900 |
| Other borrowings | 86,957 | 86,457 | 86,290 |
| Subordinated debt | 108,758 | 108,685 | 108,665 |
| Accrued interest payable and other liabilities | 139,405 | 44,360 | 42,149 |
| **Total liabilities** | 8,812,790 | 7,844,303 | 7,058,198 |
| Preferred stock | 217,549 | 55,569 | 55,569 |
| Common stock | 28,074 | 27,432 | 27,413 |
| Additional paid in capital | 374,727 | 362,607 | 360,903 |
| Retained earnings | 176,929 | 124,511 | 107,731 |
| Accumulated other comprehensive income (loss) | 774 | (7,984) | (5,405) |
| Treasury stock, at cost | (8,233) | (8,233) | (8,233) |
| **Total shareholders' equity** | 789,820 | 553,902 | 537,978 |
| **Total liabilities & shareholders' equity** | $ 9,602,610 | $ 8,398,205 | $ 7,596,176 |

# Net Interest Margin

Customers Bancorp, Inc.

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

| | Three months ended | | | | | |
|---|---|---|---|---|---|---|
| | September 30, 2016 | | June 30, 2016 | | September 30, 2015 | |
| | Average Balance | Average yield or cost (%) | Average Balance | Average yield or cost (%) | Average Balance | Average yield or cost (%) |
| **Assets** | | | | | | |
| Interest earning deposits | $ 237,753 | 0.55% | $ 213,509 | 0.51% | $ 312,286 | 0.26% |
| Investment securities | 534,333 | 2.64% | 550,130 | 2.65% | 377,157 | 2.42% |
| Loans held for sale | 2,124,097 | 3.51% | 2,056,929 | 3.41% | 1,720,863 | 3.23% |
| Loans receivable | 6,117,367 | 3.93% | 6,050,895 | 3.92% | 4,648,986 | 3.95% |
| Other interest-earning assets | 90,010 | 5.56% | 102,599 | 3.79% | 67,299 | 5.62% |
| Total interest earning assets | 9,103,560 | 3.68% | 8,974,062 | 3.64% | 7,126,591 | 3.55% |
| Non-interest earning assets | 336,013 | | 285,138 | | 257,220 | |
| **Total assets** | $ 9,439,573 | | $ 9,259,200 | | $ 7,383,811 | |
| **Liabilities** | | | | | | |
| Total interest bearing deposits (1) | $ 6,150,265 | 0.84% | $ 5,773,445 | 0.78% | $ 4,938,317 | 0.72% |
| Borrowings | 1,586,262 | 1.66% | 2,014,452 | 1.40% | 1,214,803 | 1.57% |
| Total interest bearing liabilities | 7,736,527 | 1.01% | 7,787,897 | 0.94% | 6,153,120 | 0.89% |
| Non-interest bearing deposits (1) | 863,435 | | 759,373 | | 675,455 | |
| Total deposits & borrowings | 8,599,962 | 0.91% | 8,547,270 | 0.85% | 6,828,575 | 0.80% |
| Other non-interest bearing liabilities | 129,199 | | 56,870 | | 19,998 | |
| **Total liabilities** | 8,729,161 | | 8,604,140 | | 6,848,573 | |
| **Shareholders' equity** | 710,412 | | 655,060 | | 535,238 | |
| **Total liabilities and shareholders' equity** | $ 9,439,573 | | $ 9,259,200 | | $ 7,383,811 | |
| **Net interest margin** | | 2.82% | | 2.83% | | 2.78% |
| **Net interest margin tax equivalent** | | 2.83% | | 2.83% | | 2.79% |

(1) Total costs of deposits (including interest bearing andnon-interest bearing) were 0.74%, 0.68% and 0.64% for the three months ended September 30, 2016, June 30, 2016 and September 30, 2015, respectively.

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

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

*(Dollars in thousands)*

| | Nine months ended | | | |
|---|---|---|---|---|
| | September 30, 2016 | | September 30, 2015 | |
| | Average Balance | Average yield or cost (%) | Average Balance | Average yield or cost (%) |
| **Assets** | | | | |
| Interest earning deposits | $ 211,971 | 0.53% | $ 295,485 | 0.26% |
| Investment securities | 548,921 | 2.64% | 389,253 | 2.36% |
| Loans held for sale | 1,915,572 | 3.51% | 1,594,942 | 3.22% |
| Loans receivable | 5,949,829 | 3.90% | 4,472,704 | 3.95% |
| Other interest-earning assets | 90,911 | 4.54% | 73,368 | 7.40% |
| Total interest earning assets | 8,717,204 | 3.66% | 6,825,752 | 3.57% |
| Non-interest earning assets | 305,326 | | 265,184 | |
| **Total assets** | $ 9,022,530 | | $ 7,090,936 | |
| **Liabilities** | | | | |
| Total interest bearing deposits (1) | $ 5,801,231 | 0.79% | $ 4,489,241 | 0.74% |
| Borrowings | 1,693,455 | 1.51% | 1,395,863 | 1.40% |
| Total interest-bearing liabilities | 7,494,686 | 0.95% | 5,885,104 | 0.89% |
| Non-interest-bearing deposits (1) | 800,358 | | 684,466 | |
| Total deposits & borrowings | 8,295,044 | 0.86% | 6,569,570 | 0.80% |
| Other non-interest bearing liabilities | 76,774 | | 26,025 | |
| **Total liabilities** | 8,371,818 | | 6,595,595 | |
| **Shareholders' equity** | 650,712 | | 495,341 | |
| **Total liabilities and shareholders' equity** | $ 9,022,530 | | $ 7,090,936 | |
| **Net interest margin** | | 2.84% | | 2.80% |
| **Net interest margin tax equivalent** | | 2.84% | | 2.80% |

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 0.70% and 0.64% for the nine months ended September 30, 2016 and 2015, respectively.

# Loan and Deposit Composition

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**
**PERIOD END LOAN COMPOSITION (UNAUDITED)**

| (Dollars in thousands) | September 30, 2016 | December 31, 2015 | September 30, 2015 |
|---|---|---|---|
| Commercial: | | | |
| Multi-Family | $ 3,175,561 | $ 2,948,696 | $ 2,455,392 |
| Mortgage warehouse | 2,422,004 | 1,797,753 | 1,729,909 |
| Commercial & Industrial (1) | 1,248,594 | 1,068,597 | 916,044 |
| Commercial Real Estate- Non-Owner Occupied | 1,151,099 | 956,255 | 912,971 |
| Construction | 83,835 | 87,240 | 89,616 |
| Total commercial loans | 8,081,093 | 6,858,541 | 6,103,932 |
| Consumer: | | | |
| Residential | 230,690 | 274,470 | 274,163 |
| Manufactured housing | 104,404 | 113,490 | 116,742 |
| Other consumer | 3,420 | 3,708 | 3,744 |
| Total consumer loans | 338,514 | 391,668 | 394,649 |
| Deferred costs and unamortized premiums, net | 96 | 334 | 523 |
| Total loans | $ 8,419,703 | $ 7,250,543 | $ 6,499,104 |

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

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**
**PERIOD END DEPOSIT COMPOSITION (UNAUDITED)**

| (Dollars in thousands) | September 30, 2016 | December 31, 2015 | September 30, 2015 |
|---|---|---|---|
| Demand, non-interest bearing | $ 1,080,970 | $ 653,679 | $ 777,478 |
| Demand, interest bearing | 201,703 | 127,215 | 146,737 |
| Savings | 37,120 | 41,600 | 39,739 |
| Money market | 3,140,144 | 2,739,411 | 2,533,070 |
| Time deposits | 2,929,033 | 2,347,596 | 2,288,170 |
| Total deposits | $ 7,388,970 | $ 5,909,501 | $ 5,785,194 |

**CUSTOMERS BANCORP, INC. AND SUBSIDIARIES**

**ASSET QUALITY - UNAUDITED**

| *(Dollars in thousands)* | As of September 30, 2016 | | | | | As of December 31, 2015 | | | | | As of September 30, 2015 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loan Type** | **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 | $ 3,146,121 | $ — | $ 11,673 | —% | —% | $ 2,903,814 | $ — | $ 12,016 | —% | —% | $ 2,399,387 | $ — | $ 9,206 | —% | —% |
| Commercial & Industrial (1) | 1,192,720 | 6,326 | 12,129 | 0.53% | 191.73% | 990,621 | 2,760 | 8,864 | 0.28% | 321.16% | 844,814 | 6,283 | 10,187 | 0.74% | 162.14% |
| Commercial Real Estate- Non-Owner Occupied | 1,113,620 | — | 4,417 | —% | —% | 906,544 | 788 | 3,706 | 0.09% | 470.30% | 860,225 | 3,947 | 3,521 | 0.46% | 89.21% |
| Residential | 118,167 | 32 | 2,232 | 0.03% | 6,975.00% | 113,858 | 32 | 1,992 | 0.03% | 6,225.00% | 110,270 | 8 | 1,881 | 0.01% | 23,512.50% |
| Construction | 83,835 | — | 1,049 | —% | —% | 87,006 | — | 1,074 | —% | —% | 89,382 | — | 1,106 | —% | —% |
| Other consumer | 816 | — | 10 | —% | —% | 712 | — | 9 | —% | —% | 152 | — | 8 | —% | —% |
| ***Total Originated Loans*** | **5,655,279** | **6,358** | **31,510** | **0.11%** | **495.60%** | **5,002,555** | **3,580** | **27,661** | **0.07%** | **772.65%** | **4,304,230** | **10,238** | **25,909** | **0.24%** | **253.07%** |
| ***Loans Acquired*** | | | | | | | | | | | | | | | |
| Bank Acquisitions | 177,085 | 5,046 | 5,965 | 2.85% | 118.21% | 206,971 | 4,743 | 7,492 | 2.29% | 157.96% | 175,536 | 4,891 | 7,528 | 2.79% | 153.92% |
| Loan Purchases | 184,535 | 1,992 | 1,089 | 1.08% | 54.67% | 243,619 | 2,448 | 1,653 | 1.00% | 67.52% | 288,813 | 2,653 | 1,595 | 0.92% | 60.12% |
| **Total Acquired Loans** | **361,620** | **7,038** | **7,054** | **1.95%** | **100.23%** | **450,590** | **7,191** | **9,145** | **1.60%** | **127.17%** | **464,349** | **7,544** | **9,123** | **1.62%** | **120.93%** |
| Deferred costs and unamortized premiums, net | **96** | — | — | —% | —% | **334** | — | — | —% | —% | **523** | — | — | —% | —% |
| **Total Loans Held for Investment** | **6,016,995** | **13,396** | **38,564** | **0.22%** | **287.88%** | **5,453,479** | **10,771** | **36,806** | **0.20%** | **341.71%** | **4,769,102** | **17,782** | **35,032** | **0.37%** | **197.01%** |
| Total Loans Held for Sale | **2,402,708** | — | — | —% | —% | **1,797,064** | — | — | —% | —% | **1,730,002** | — | — | —% | —% |
| **Total Portfolio** | **$ 8,419,703** | **$ 13,396** | **$ 38,564** | **0.16%** | **287.88%** | **$ 7,250,543** | **$ 10,771** | **$ 36,806** | **0.15%** | **341.71%** | **$ 6,499,104** | **$ 17,782** | **$ 35,032** | **0.27%** | **197.01%** |

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

# Net Charge Offs

Customers Bancorp, Inc.

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

| | For the Quarter Ended | | |
|---|---|---|---|
| (Dollars in thousands) | Q3 2016 | Q2 2016 | Q3 2015 |
| ***Originated Loans*** | | | |
| Commercial & Industrial (1) | $ 49 | $ 41 | $ 5.324 |
| Commercial Real Estate- Non-Owner Occupied | — | — | (13) |
| Residential | 43 | — | — |
| Other consumer | 245 | 145 | — |
| ***Total Originated Loans*** | 337 | 186 | 5,311 |
| ***Loans Acquired*** | | | |
| Bank Acquisitions | (49) | 874 | 258 |
| Loan Purchases | — | — | 88 |
| **Total Acquired Loans** | (49) | 874 | 346 |
| **Total Loans Held for Investment** | $ 288 | $ 1,060 | $ 5,657 |

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

# Reconciliation of Non-GAAP Measures - Unaudited

Customers Bancorp, Inc.

***Tangible Common Equity to Average Tangible Assets***

| | Q3 2016 |
|---|---|
| GAAP - Total Shareholders' Equity | $ 789,820 |
| Reconciling Items: | |
| Preferred Stock | (217,549) |
| Goodwill and Other Intangibles | (16,924) |
| Tangible Common Equity | $ 555,347 |
| Average Total Assets | $ 9,439,573 |
| Reconciling Items: | |
| Average Goodwill and Other Intangibles | (17,101) |
| Average Tangible Assets | $ 9,422,472 |
| Tangible Common Equity to Average Tangible Assets | 5.89% |

| | Q3 2016 |
|---|---|
| GAAP Net Income | $ 21,189 |
| Reconciling Items: | |
| Provision for loan losses | 88 |
| Income tax expense | 14,576 |
| Pre-tax Pre-provision Net Income | $ 35,853 |
| Average Total Assets | $ 9,439,573 |
| Pre-tax Pre-provision Return on Average Assets | 1.51% |

# Reconciliation of Non-GAAP Measures - Unaudited

Customers Bancorp, Inc.

***Pre-tax Pre-provision Return on Average Common Equity***

| | | Q3 2016 |
|---|---|---|
| GAAP Net Income Available to Common Shareholders | $ | 18,637 |
| Reconciling Items: | | |
| Provision for loan losses | | 88 |
| Income tax expense | | 14,576 |
| Pre-tax Pre-provision Net Income Available to Common Shareholders | $ | 33,301 |
| | | |
| Average Total Shareholders' Equity | $ | 710,412 |
| Reconciling Item: | | |
| Average Preferred Stock | | (148,690) |
| Average Common Equity | $ | 561,722 |
| | | |
| Pre-tax Pre-provision Return on Average Common Equity | | 23.58% |

# Reconciliation of Non-GAAP Measures - Unaudited

Customers Bancorp, Inc.

***Tangible Book Value per Common Share***

| | Q3 2016 |
|---|---|
| Total Shareholders' Equity | $ 789,820 |
| Reconciling Items: | |
| Preferred Stock | (217,549) |
| Goodwill and Other Intangibles | (16,924) |
| Tangible Common Equity | $ 555,347 |
| Common shares outstanding | 27,544,217 |
| Tangible Book Value per Common Share | $ 20.16 |

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| Total Shareholders' Equity | $ 553,902 | $ 443,145 | $ 386,623 | $ 269,475 | $ 147,748 |
| Reconciling Items: | | | | | |
| Preferred Stock | (55,569) | — | — | — | — |
| Goodwill and Other Intangibles | (3,651) | (3,664) | (3,676) | (3,689) | (3,705) |
| Tangible Common Equity | $ 494,682 | $ 439,481 | $ 382,947 | $ 265,786 | $ 144,043 |
| Common shares outstanding | 26,901,801 | 26,745,529 | 26,646,566 | 20,305,452 | 12,482,451 |
| Tangible Book Value per Common Share | $ 18.39 | $ 16.43 | $ 14.37 | $ 13.09 | $ 11.54 |

# Reconciliation of Non-GAAP Measures - Unaudited

Customers Bancorp, Inc.

***Core Net Income***

| | Q3 2016 | Q2 2016 | Q1 2016 | 4Q 2015 | Q3 2015 | Q2 2015 | Q1 2015 |
|---|---|---|---|---|---|---|---|
| GAAP Net Income | $ 18,637 | $ 17,368 | $ 16,413 | $ 16,780 | $ 14,309 | $ 11,049 | $ 13,952 |
| Reconciling Items: | | | | | | | |
| Securities gains and losses, after taxes | 1 | — | (17) | — | 11 | 44 | — |
| Core Net Income | $ 18,638 | $ 17,368 | $ 16,396 | $ 16,780 | $ 14,320 | $ 11,093 | $ 13,952 |

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|
| GAAP Net Income | $ 56,090 | $ 43,214 | $ 32,694 | $ 23,818 | $ 3,990 |
| Reconciling Items: | | | | | |
| Securities gains and losses, after taxes | 55 | (1,864) | (828) | (5,951) | (1,877) |
| Core Net Income | $ 56,145 | $ 41,350 | $ 31,866 | $ 17,867 | $ 2,113 |

***Guidance - 2016 Core EPS***

| | 2016 |
|---|---|
| Estimated 2016 GAAP Diluted EPS | \$2.40 -\$2.50 |
| Reconciling Item | — |
| Estimated 2016 Core EPS | \$2.40 -\$2.50 |