
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): July 27, 2022



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

Pennsylvania
(State or other jurisdiction of
incorporation or organization)

001-35542
(Commission File number)

27-2290659
(IRS Employer
Identification No.)

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

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

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

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

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

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

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

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

Item 2.02. Results of Operations and Financial Condition

On July 27, 2022, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter ended June 30, 2022, a copy of which is included as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01 Regulation FD Disclosure

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

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

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

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

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CUSTOMERS BANCORP, INC.

By: /s/ Carla A. Leibold

Name: Carla A. Leibold

Title: Executive Vice President - Chief Financial Officer

Date: July 27, 2022

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated July 27, 2022
99.2	Slide presentation dated July 2022

Exhibit 99.1



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

Contact:

David W. Pattii, Communications Director 610-451-9452

Customers Bancorp Reports Results for Second Quarter 2022

Second Quarter 2022 Results

Earnings	Earnings Per Share	Return on Assets	Return on Common Equity
\$56.5 million	\$1.68	1.2%	18.2%
Net Income	Diluted Earnings Per Share	ROAA	ROCE
\$59.4 million	\$1.77	1.2%	19.1%
Core Earnings*	Core Earnings Per Diluted Share*	Core ROAA*	Core ROCE*
\$46.3 million	\$1.38	2.1%	33.4%
Core Earnings, excluding PPP*	Core Earnings Per Diluted Share, excluding PPP*	Pre-tax and Pre-provision Adjusted ROAA*	Pre-tax and Pre-provision Adjusted ROCE*

Second Quarter 2022 Highlights

- Q2 2022 net income available to common shareholders was \$56.5 million, or \$1.68 per diluted share, down 2.6% over Q2 2021.
- Q2 2022 adjusted pre-tax pre-provision net income* was \$105.7 million, up 22% over Q2 2021.
- Q2 2022 core earnings* were \$59.4 million, or \$1.77 per diluted share, up 0.1% over Q2 2021.
- Q2 2022 core earnings excluding Paycheck Protection Program* ("PPP") were \$46.3 million, or \$1.38 per diluted share, up 32.3% over Q2 2021.
- Q2 2022 ROAA was 1.17% and Core ROAA* was 1.23%. Q2 2021 ROAA was 1.27% and Core ROAA* was 1.30%.
- Q2 2022 ROCE was 18.2% and Core ROCE* was 19.1%. Q2 2021 ROCE was 23.2% and Core ROCE* was 23.7%.
- Q2 2022 adjusted pre-tax pre-provision ROAA* was 2.11%. Q2 2021 adjusted pre-tax pre-provision ROAA* was 1.80%.

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

- Year-over-year loan growth (excluding PPP loans and loans to mortgage companies*) was \$4.4 billion or 56.6%, led by our low-risk variable rate specialty lending verticals.
- Year-over-year commercial and industrial (C&I) loans and leases growth, including specialty lending, of \$3.3 billion (up 145.8%), multifamily loan growth of \$515.4 million (up 34.4%), and consumer loan increase of \$500.8 million (up 26.2%).
- Q2 2022 net interest margin, tax equivalent* increased 41 basis points from Q2 2021 to 3.39%. Q2 2022 net interest margin, tax equivalent, excluding the impact of PPP loans* increased 2 basis points from Q2 2021 to 3.32%.
- Year-over-year deposit growth was \$3.1 billion, up 22.1%. Total demand deposits increased \$4.4 billion, or 64.0% year-over-year. This increase included CBIT-related deposits with a balance of \$2.1 billion at June 30, 2022, up \$0.3 billion from March 31, 2022.
- Onboarded 90 new CBIT customers in Q2 2022, bringing total customers to 190.
- Q2 2022 efficiency ratio was 42.14% compared to 46.59% for Q2 2021. Q2 2022 core efficiency ratio* was 41.74% compared to 44.33% in Q2 2021.
- Q2 2022 provision for credit losses on loans and leases of \$24.2 million was largely driven by strong loan growth as asset quality remains exceptional and compares to \$15.3 million in Q1 2022 and \$3.3 million in Q2 2021.
- Non-performing assets were \$28.2 million, or 0.14% of total assets, at June 30, 2022 compared to \$43.9 million, or 0.23% of total assets, at March 31, 2022 and \$46.9 million, or 0.24% of total assets, at June 30, 2021. Allowance for credit losses on loans and leases equaled 558% of non-performing loans at June 30, 2022, compared to 333% at March 31, 2022 and 270% at June 30, 2021.
- Well positioned to support growth in 2022 and 2023 and expect to meet or beat projections of core earnings (excluding PPP)* between \$4.75 - \$5.00 in 2022 and over \$6.00 in 2023.

CEO Commentary

West Reading, PA, July 27, 2022 - “We continued to perform well in the second quarter and are extremely pleased with our results for the first half of 2022,” remarked Customers Bancorp Chairman and CEO, Jay Sidhu. “Despite the challenging macro and geopolitical environment, we remain laser focused on executing on our strategy which has not changed. Our core earnings per share, excluding PPP* were up over 32.3% year-over-year. Core ROAA* was 1.23% and core ROCE* was 19.1%. We continue to responsibly deliver remarkable organic loan growth without sacrificing credit quality. Our core loans* increased \$2.2 billion in Q2 2022, up 18.7% from Q1 2022, and well above our \$500 million average quarterly target. Nearly all of this growth was in low-risk specialty lending verticals and was predominately floating rate as we manage overall asset sensitivity. Asset quality remains exceptional and credit reserves are strong. Continuing the momentum from record 2021 performance and strong results for the first half of 2022, our loan and deposit pipelines remain robust, a testament to our customer centric business model supported by best-in-class service and technology. We remain very excited and optimistic about our future,” Mr. Jay Sidhu continued.

Financial Highlights

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

Profitability Metrics:														
Net income available for common shareholders	\$	56,519	\$	58,042	\$	(1,523)	(2.6)%	\$	131,415	\$	91,246	\$	40,169	44.0 %
Diluted earnings per share	\$	1.68	\$	1.72	\$	(0.04)	(2.3)%	\$	3.87	\$	2.74	\$	1.13	41.2 %
Core earnings*	\$	59,367	\$	59,303	\$	64	0.1 %	\$	134,777	\$	129,611	\$	5,166	4.0 %
Core earnings per share*	\$	1.77	\$	1.76	\$	0.01	0.6 %	\$	3.97	\$	3.89	\$	0.08	2.1 %
Core earnings, excluding PPP*	\$	46,301	\$	34,991	\$	11,310	32.3 %	\$	96,998	\$	80,220	\$	16,778	20.9 %
Core earnings per share, excluding PPP*	\$	1.38	\$	1.04	\$	0.34	32.7 %	\$	2.86	\$	2.41	\$	0.45	18.7 %
Return on average assets ("ROAA")		1.17 %		1.27 %		(0.10)			1.39 %		1.04 %		0.35	
Core ROAA*		1.23 %		1.30 %		(0.07)			1.43 %		1.45 %		(0.02)	
Return on average common equity ("ROCE")		18.21 %		23.22 %		(5.01)			21.23 %		19.15 %		2.08	
Core ROCE*		19.13 %		23.72 %		(4.59)			21.77 %		27.20 %		(5.43)	
Adjusted pre-tax pre-provision net income*	\$	105,692	\$	86,467	\$	19,225	22.2 %	\$	218,341	\$	173,236	\$	45,105	26.0 %
Net interest margin, tax equivalent*		3.39 %		2.98 %		0.41			3.49 %		2.99 %		0.50	
Net interest margin, tax equivalent, excluding PPP loans*		3.32 %		3.30 %		0.02			3.32 %		3.14 %		0.18	
Loan yield, excluding PPP*		4.56 %		4.36 %		0.20			4.50 %		4.32 %		0.18	
Cost of deposits		0.54 %		0.47 %		0.07			0.44 %		0.50 %		(0.06)	
Efficiency ratio		42.14 %		46.59 %		(4.45)			40.76 %		47.64 %		(6.88)	
Core efficiency ratio*		41.74 %		44.33 %		(2.59)			40.59 %		42.76 %		(2.17)	
Balance Sheet Trends:														
Total assets	\$	20,251,996	\$	19,635,108	\$	616,888	3.1 %							
Total assets, excluding PPP*	\$	18,681,836	\$	13,330,052	\$	5,351,784	40.1 %							
Total loans and leases	\$	15,664,353	\$	16,967,022	\$	(1,302,669)	(7.7)%							
Total loans and leases, excluding PPP*	\$	14,094,193	\$	10,661,966	\$	3,432,227	32.2 %							
Non-interest bearing demand deposits	\$	4,683,030	\$	2,699,869	\$	1,983,161	73.5 %							
Total deposits	\$	16,944,719	\$	13,873,939	\$	3,070,780	22.1 %							
Capital Metrics:														
Common Equity	\$	1,215,596	\$	1,033,258	\$	182,338	17.6 %							
Tangible Common Equity*	\$	1,211,967	\$	1,029,405	\$	182,562	17.7 %							
Tangible Common Equity to Tangible Assets*		5.99 %		5.24 %		0.75								
Tangible Common Equity to Tangible Assets, excluding PPP*		6.49 %		7.72 %		(1.23)								
Tangible Book Value per common share*	\$	37.35	\$	31.82	\$	5.53	17.4 %							
Total risk based capital ratio ⁽¹⁾		12.6 %		13.3 %		(0.7)								

(1) Total risk based capital ratio as of June 30, 2022 is an estimate.

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

Customers Bank Instant Token (CBIT™)

"Despite significant market volatility in the digital asset space during second quarter, we are very pleased with our progress to date. In Q2 2022, we onboarded 90 new CBIT-related customers to the Digital Bank, once again beating our internal target, and bringing total customers to 190. Our digital asset-related deposits stabilized in Q2 2022 and ended the quarter approximately\$0.3 billion higher than Q1 2022. We continue to expect digital asset-related deposits to grow in 2022 as our pipelines remain strong, giving us an opportunity to further transform our deposits into a high quality, low-to-no cost, stable and growing deposit franchise. We believe our technology, compliance and customer service and support systems remain among the best in the country," commented Mr. Sam Sidhu, President and CEO of Customers Bank.

At June 30, 2022, \$2.1 billion in core low-to-no cost demand deposits have been attracted to the Bank through this system.

Paycheck Protection Program (PPP)

We funded, either directly or indirectly, about 256,000 PPP loans totaling \$5.2 billion in 2021, bringing total PPP loans funded to approximately 358,000 and \$10.3 billion. We also earned close to \$350 million of deferred origination fees from the SBA through the PPP loans, which is significantly accretive to our earnings and capital levels as these loans are forgiven by the government. In Q2 2022, we recognized \$15 million of these fees in earnings, bringing total fees recognized to date to \$307 million, resulting in approximately \$43 million remaining to be recognized throughout 2022 and 2023. "As we've stated previously, it is difficult to predict the timing of PPP forgiveness. We continue to expect most of the fees to be recognized in 2022, with approximately two-thirds of the remaining fees to be recognized in the second half of this year," commented Customers Bancorp CFO, Carla Leibold.

Key Balance Sheet Trends

Loans and Leases

The following table presents the composition of total loans and leases as of the dates indicated:
(Dollars in thousands)

	June 30, 2022	% of Total	March 31, 2022	% of Total	June 30, 2021	% of Total
Commercial:						
Commercial & industrial, including specialty lending	\$ 5,637,083	36.0 %	\$ 3,921,439	27.9 %	\$ 2,293,723	13.5 %
Multi-family	2,012,920	12.9	1,705,027	12.1	1,497,485	8.8
Loans to mortgage companies	1,975,189	12.6	1,830,121	13.0	2,922,217	17.2
Commercial real estate owner occupied	710,577	4.5	701,893	5.0	653,649	3.9
Loans receivable, PPP	1,570,160	10.0	2,195,902	15.6	6,305,056	37.2
Commercial real estate non-owner occupied	1,152,869	7.4	1,140,311	8.1	1,206,646	7.1
Construction	195,687	1.2	161,024	1.1	179,198	1.1
Total commercial loans and leases	13,254,485	84.6	11,655,717	82.8	15,057,974	88.8
Consumer:						
Residential	460,228	2.9	469,426	3.3	273,493	1.6
Manufactured housing	48,570	0.3	50,669	0.4	57,904	0.3
Installment	1,901,070	12.1	1,897,706	13.5	1,577,651	9.3
Total consumer loans	2,409,868	15.4	2,417,801	17.2	1,909,048	11.2
Total loans and leases	\$ 15,664,353	100.0 %	\$ 14,073,518	100.0 %	\$ 16,967,022	100.0 %

C&I loans and leases, including specialty lending, increased \$3.3 billion, or 145.8% year-over-year, to \$5.6 billion. Practically all of the increases in outstanding balances were in the low-risk variable rate secured categories of Fund Finance and Lender Finance. Multi-family loans increased \$515.4 million, or 34.4%, to \$2.0 billion, consumer installment loans increased \$323.4 million, or 20.5%, to \$1.9 billion, residential loans increased \$186.7 million, or 68.3%, to \$460.2 million, commercial real estate owner occupied loans increased \$56.9 million, or 8.7%, to \$710.6 million and construction loans increased \$16.5 million, or 9.2%, to \$195.7 million. These increases in loans and leases were partially offset by a decrease in commercial real estate non-owner occupied loans of \$53.8 million, or 4.5% year-over-year to \$1.2 billion.

Allowance for Credit Losses on Loans and Leases

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

	At or Three Months Ended			At or Three Months Ended		
	June 30, 2022	March 31, 2022	Increase (Decrease)	June 30, 2022	June 30, 2021	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Allowance for credit losses on loans and leases	\$ 156,530	\$ 145,847	\$ 10,683	\$ 156,530	\$ 125,436	\$ 31,094
Provision for credit losses on loans and leases	24,164	15,269	8,895	24,164	3,291	20,873
Net charge-offs (recoveries)	13,481	7,226	6,255	13,481	6,591	6,890
Annualized net charge-offs (recoveries) to average loans and leases	0.36 %	0.21 %		0.36 %	0.16 %	
Coverage of credit loss reserves for loans and leases held for investment	1.14 %	1.18 %		1.14 %	0.89 %	
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP*	1.28 %	1.44 %		1.28 %	1.61 %	

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

Provision for Credit Losses

	Three Months Ended		Increase (Decrease)
	June 30, 2022	March 31, 2022	
<i>(Dollars in thousands)</i>			
Provision for credit losses on loans and leases	\$ 24,164	\$ 15,269	\$ 8,895
Provision (benefit) for credit losses on unfunded commitments	608	(109)	717
Provision (benefit) for credit losses on available for sale debt securities	(317)	728	(1,045)
Total provision for credit losses	\$ 24,455	\$ 15,888	\$ 8,567

The provision for credit losses on loans and leases in Q2 2022 was \$24.2 million, compared to \$15.3 million in Q1 2022. The provision in Q2 2022 was primarily to support loan growth. The provision (benefit) for credit losses for available for sale investment securities in Q2 2022 was a benefit to provision of \$0.3 million compared to provision expense of \$0.7 million in Q1 2022.

Asset Quality

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

	June 30, 2022	March 31, 2022	Increase (Decrease)	June 30, 2022	June 30, 2021	Increase (Decrease)
<i>(Dollars in thousands)</i>						
Non-performing assets ("NPAs"):						
Nonaccrual / non-performing loans ("NPLs")	\$ 28,064	\$ 43,778	\$ (15,714)	\$ 28,064	\$ 46,465	\$ (18,401)
Non-performing assets	28,150	43,864	(15,714)	28,150	46,932	(18,782)
NPLs to total loans and leases ⁽¹⁾	0.18 %	0.31 %		0.18 %	0.27 %	
Reserves to NPLs ⁽¹⁾	557.76 %	333.15 %		557.76 %	269.96 %	
NPAs to total assets	0.14 %	0.23 %		0.14 %	0.24 %	
Loans and leases risk ratings:						
Commercial loans and leases ⁽¹⁾						
Pass	\$ 9,355,846	\$ 7,274,294	\$ 2,081,552	\$ 9,355,846	\$ 5,381,909	\$ 3,973,937
Special Mention	106,566	128,622	(22,056)	106,566	268,130	(161,564)
Substandard	343,175	301,141	42,034	343,175	247,595	95,580
Total commercial loans and leases	9,805,587	7,704,057	2,101,530	9,805,587	5,897,634	3,907,953
Consumer loans						
Performing	2,392,852	2,399,860	(7,008)	2,392,852	1,858,204	534,648
Non-performing	14,556	14,938	(382)	14,556	16,304	(1,748)
Total consumer loans	2,407,408	2,414,798	(7,390)	2,407,408	1,874,508	532,900
Loans and leases receivable	\$ 12,212,995	\$ 10,118,855	\$ 2,094,140	\$ 12,212,995	\$ 7,772,142	\$ 4,440,853

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

Over the last decade, we have developed a suite of commercial loan products with one particularly important common denominator: relatively low credit risk assumption. The Bank's C&I, loans to mortgage companies, specialty finance lines of business, and multi-family loans for example, are characterized by conservative underwriting standards and low loss rates. Because of this emphasis, the Bank's credit quality to date has been healthy despite a highly adverse economic environment. Maintaining strong asset quality also requires a highly active portfolio monitoring process. In addition to frequent client outreach and monitoring at the individual loan level, we employ a bottom-up data driven approach to analyze the commercial portfolio. Exposure to industry segments and CRE significantly impacted by COVID-19 initially is not substantial.

Total consumer installment loans were approximately 9% of total assets at June 30, 2022 and were supported by an allowance for credit losses of \$111.2 million. At June 30, 2022, our consumer installment portfolio had the following characteristics: average FICO score of 729, average debt-to-income of 17.4% and average borrower income of \$102 thousand.

Non-performing loans at June 30, 2022 were 0.18% of total loans and leases, compared to 0.31% at March 31, 2022 and 0.27% at June 30, 2021.

Deposits and Borrowings

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

<i>(Dollars in thousands)</i>	June 30, 2022	% of Total	March 31, 2022	% of Total	June 30, 2021	% of Total
Demand, non-interest bearing	\$ 4,683,030	27.6 %	\$ 4,594,428	28.0 %	\$ 2,699,869	19.5 %
Demand, interest bearing	6,644,398	39.2	5,591,468	34.1	4,206,355	30.3
Total demand deposits	11,327,428	66.8	10,185,896	62.1	6,906,224	49.8
Savings	640,062	3.8	802,395	4.9	1,431,756	10.3
Money market	4,254,205	25.1	4,981,077	30.3	4,908,809	35.4
Time deposits	723,024	4.3	446,192	2.7	627,150	4.5
Total deposits	\$ 16,944,719	100.0 %	\$ 16,415,560	100.0 %	\$ 13,873,939	100.0 %

Total deposits increased \$3.1 billion, or 22.1%, to \$16.9 billion at June 30, 2022 as compared to a year ago. Total demand deposits increased \$4.4 billion, or 64.0%, to \$11.3 billion. Time deposits increased \$95.9 million, or 15.3%, to \$723.0 million. These increases were offset, in part, by decreases in savings deposits of \$791.7 million, or 55.3%, to \$640.1 million and money market deposits of \$654.6 million, or 13.3%, to \$4.3 billion. The total cost of deposits increased by 7 basis points to 0.54% in Q2 2022 from 0.47% in the prior year.

Other borrowings remained relatively unchanged at \$123.5 million at June 30, 2022 compared to the prior year due to the issuance of the Customers Bancorp 2.875% senior notes in August 2021, offset by the pay off at maturity of the Customers Bancorp 3.95% senior notes in June 2022.

Capital

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

<i>(Dollars in thousands except per share data)</i>	June 30, 2022	March 31, 2022	June 30, 2021
Customers Bancorp, Inc.			
Common Equity	\$ 1,215,596	\$ 1,239,612	\$ 1,033,258
Tangible Common Equity*	1,211,967	1,235,934	1,029,405
Tangible Common Equity to Tangible Assets*	5.99 %	6.45 %	5.24 %
Tangible Common Equity to Tangible Assets, excluding PPP*	6.49 %	7.29 %	7.72 %
Tangible Book Value per common share*	\$ 37.35	\$ 37.50	\$ 31.82
Total risk based capital ratio ⁽¹⁾	12.6 %	12.9 %	13.3 %

(1) Total risk-based capital ratio as of June 30, 2022 is an estimate.

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

Customers Bancorp's tangible common equity* increased \$182.3 million to \$1.2 billion at June 30, 2022 compared to a year ago, as earnings of \$340.3 million more than offset a negative impact to accumulated other comprehensive income ("AOCI") from increased unrealized losses on investment securities of \$130.9 million (net of taxes) and share buyback of \$55.5 million. Similarly, tangible book value per common share* increased to \$37.35 at June 30, 2022 from \$31.82 at June 30, 2021. Customers remains well capitalized by all regulatory measures.

At the Customers Bancorp level, the total risk based capital ratio (estimate) and tangible common equity to tangible assets ratio ("TCE ratio"), excluding PPP loans*, were 12.6% and 6.49%, respectively, at June 30, 2022. "We expect our TCE ratio to be at or above 7.5% within the next three to four quarters," stated Mr. Sam Sidhu.

At the Customers Bank level, capital levels remained strong and well above regulatory minimums. At June 30, 2022, estimated Tier 1 capital and total risk-based capital were 11.5% and 12.9%, respectively.

Key Profitability Trends

Net Interest Income

Net interest income totaled \$164.9 million in Q2 2022, an increase of \$0.2 million from Q1 2022, primarily due to increased net interest income earned by the core bank, including increased interest income on investment securities and core loans* of \$5.1 million and \$28.1 million, respectively, mostly due to higher average balances. This increase was offset in part by lower PPP interest income of \$16.3 million resulting from reduced recognition of deferred fees of \$14.7 million driven by lower loan forgiveness in Q2 2022 and by dividend income of \$5.2 million primarily from an equity investment distribution in Q1 2022. In addition, higher expenses paid on deposits, FHLB advances and other borrowings of \$12.7 million resulted mainly from higher interest rates during Q2 2022. Excluding PPP loans, average interest-earning assets increased \$1.7 billion. Interest-earning asset growth was primarily driven by increases in C&I loans and leases and multi-family loans, offset in part by a decrease in interest earning deposits. Compared to Q1 2022, total loan yields decreased 13 basis points to 4.54% primarily due to higher PPP yields driven by deferred fee recognition and average balances in Q1 2022. Excluding PPP loans, the Q2 2022 total loan yield was 13 basis points higher than Q1 2022 reflecting increased interest rates and the variable rate nature of the loan portfolio.

Non-Interest Income

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

	Three Months Ended		Increase (Decrease)
	June 30, 2022	March 31, 2022	
<i>(Dollars in thousands)</i>			
Interchange and card revenue	\$ 24	\$ 76	\$ (52)
Deposit fees	964	940	24
Commercial lease income	6,592	5,895	697
Bank-owned life insurance	1,947	8,326	(6,379)
Mortgage warehouse transactional fees	1,883	2,015	(132)
Gain (loss) on sale of SBA and other loans	1,542	1,507	35
Loan fees	2,618	2,545	73
Mortgage banking income (loss)	173	481	(308)
Gain (loss) on sale of investment securities	(3,029)	(1,063)	(1,966)
Unrealized gain (loss) on investment securities	(203)	(276)	73
Unrealized gain (loss) on derivatives	821	964	(143)
Other	(586)	(212)	(374)
Total non-interest income	\$ 12,746	\$ 21,198	\$ (8,452)

Non-interest income totaled \$12.7 million for Q2 2022, a decrease of \$8.5 million compared to Q1 2022. The decrease was primarily due to \$6.4 million of death benefits from bank-owned life insurance policies in Q1 2022 and higher realized losses from the sale of investment securities of \$2.0 million in Q2 2022 compared to Q1 2022.

Non-Interest Expense

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

(Dollars in thousands)

Salaries and employee benefits
Technology, communication and bank operations
Professional services
Occupancy
Commercial lease depreciation
FDIC assessments, non-income taxes and regulatory fees
Loan servicing
Loan workout
Advertising and promotion
Other
Total non-interest expense

Three Months Ended			Increase (Decrease)
June 30, 2022	March 31, 2022		
\$ 25,334	\$ 26,607	\$	(1,273)
22,738	24,068		(1,330)
7,415	6,956		459
4,279	3,050		1,229
5,552	4,942		610
1,619	2,383		(764)
4,341	2,371		1,970
179	(38)		217
353	315		38
4,395	3,153		1,242
\$ 76,205	\$ 73,807	\$	2,398

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

Non-interest expenses totaled \$76.2 million in Q2 2022, an increase of \$2.4 million compared to Q1 2022. The increase was primarily attributable to \$2.0 million in higher loan servicing costs for consumer loans, \$0.9 million in one-time impairment charges included in occupancy primarily due to consolidation of five branches into other existing locations in Southeastern Pennsylvania, \$0.7 million in higher provision for credit losses on unfunded commitments, \$0.6 million in commercial lease depreciation due to growth in our leasing business and \$0.5 million in professional fees primarily associated with the PPP loan forgiveness. These increases were offset in part by a \$1.3 million decrease in technology, processing and deposit servicing-related expenses mostly due to lower deposit servicing and interchange maintenance fees and lower salaries and employee benefits of \$1.3 million due to expense management initiatives.

Taxes

Income tax expense from continuing operations decreased by \$0.4 million to \$18.9 million in Q2 2022 from \$19.3 million in Q1 2022 primarily due to a reduction in pre-tax income, partially offset by a decrease in excess tax benefits from restricted stock units that vested in Q1 2022. The effective tax rate from continuing operations for Q2 2022 was 24%, resulting in an effective tax rate of 22% for the six months ended June 30, 2022. Customers expects the full-year 2022 effective tax rate from continuing operations to be approximately 21% to 23%.

Outlook

"Looking ahead, we continue to project sustainable and responsible organic core growth and are very optimistic about the prospects of our company. We are focused on improving the quality of our balance sheet and deposit franchise and are not focused on growth just for the sake of growth. We continue to expect, on average, \$500 million of quarterly loan growth and continued digital asset-related deposit growth by year-end 2022. Through a combination of revenue growth and prudent expense management we expect our efficiency ratio to be around 45% by early 2023. Customers Bancorp stock at the close of business on July 22, 2022 was trading at \$38.02, only 1 times tangible book value* at June 30, 2022. We continue to expect to meet or beat projections of our core earnings (excluding PPP)* between \$4.75 - \$5.00 in 2022 and over \$6.00 in 2023, two to three years ahead of our previous guidance of \$6.00 by 2025/2026," concluded Mr. Jay Sidhu.

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

Webcast

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

The live audio webcast, presentation slides, and earnings press release will be made available at <https://www.customersbank.com/investor-relations/> and at the Customers Bancorp 2nd Quarter Earnings Webcast.

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

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

Institutional Background

Customers Bancorp, Inc. (NYSE:CUBI) is a bank holding company located in West Reading, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank, a full-service bank with \$20.3 billion in assets at June 30, 2022. A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking and lending services to small and medium-sized businesses, professionals, individuals and families. Services and products are available wherever permitted by law through mobile-first apps, online portals, and a network of offices and branches. Customers Bank provides blockchain-based digital payments via the Customers Bank Instant Token (CBITTM) which allows clients to make instant payments in U.S. dollars, 24 hours a day, 7 days a week, 365 days a year.

“Safe Harbor” Statement

In addition to historical information, this press release may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “project,” or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.’s control). Numerous competitive, economic, regulatory, legal and technological events and factors, among others, could cause Customers Bancorp, Inc.’s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements, including: the impact of the ongoing pandemic on the U.S. economy and customer behavior, the impact that changes in the economy have on the performance of our loan and lease portfolio, the market value of our investment securities, the continued success and acceptance of our blockchain payments system, the demand for our products and services and the availability of sources of funding; the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that affect market interest rates and the money supply, actions that we and our customers take in response to these developments and the effects such actions have on our operations, products, services and customer relationships, higher inflation and its impacts, and the effects of any changes in accounting standards or policies. Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management’s current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.’s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2021, subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto, that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Customers Bancorp, Inc. does not undertake to update any forward-looking statement whether written or oral, that may be made

from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank, except as may be required under applicable law.

Q2 2022 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended June 30, 2022 and the preceding four quarters:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

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

	Q2		Q1		Q4		Q3		Q2		Six Months Ended June 30,			
(Dollars in thousands, except per share data and stock price data)	2022		2022		2021		2021		2021		2022	2021		
GAAP Profitability Metrics:														
Net income available to common shareholders (from continuing and discontinued operations)	\$	56,519	\$	74,896	\$	98,647	\$	110,241	\$	58,042	\$	131,415	\$	91,246
Per share amounts:														
Earnings per share - basic	\$	1.73	\$	2.27	\$	3.02	\$	3.40	\$	1.80	\$	4.00	\$	2.84
Earnings per share - diluted	\$	1.68	\$	2.18	\$	2.87	\$	3.25	\$	1.72	\$	3.87	\$	2.74
Book value per common share ⁽¹⁾	\$	37.46	\$	37.61	\$	37.32	\$	35.24	\$	31.94	\$	37.46	\$	31.94
CUBI stock price ⁽¹⁾	\$	33.90	\$	52.14	\$	65.37	\$	43.02	\$	38.99	\$	33.90	\$	38.99
CUBI stock price as % of book value ⁽¹⁾		90 %		139 %		175 %		122 %		122 %		90 %		122 %
Average shares outstanding - basic		32,712,616		32,957,033		32,625,960		32,449,853		32,279,625		32,834,150		32,082,878
Average shares outstanding - diluted		33,579,013		34,327,065		34,320,327		33,868,553		33,741,468		33,950,973		33,294,075
Shares outstanding ⁽¹⁾		32,449,486		32,957,847		32,913,267		32,537,976		32,353,256		32,449,486		32,353,256
Return on average assets ("ROAA")		1.17 %		1.63 %		2.08 %		2.33 %		1.27 %		1.39 %		1.04 %
Return on average common equity ("ROCE")		18.21 %		24.26 %		33.18 %		40.82 %		23.22 %		21.23 %		19.15 %
Efficiency ratio		42.14 %		39.42 %		38.70 %		33.42 %		46.59 %		40.76 %		47.64 %
Non-GAAP Profitability Metrics ⁽²⁾ :														
Core earnings	\$	59,367	\$	75,410	\$	101,213	\$	113,876	\$	59,303	\$	134,777	\$	129,611
Adjusted pre-tax pre-provision net income	\$	105,692	\$	112,649	\$	130,595	\$	167,215	\$	86,467	\$	218,341	\$	173,236
Per share amounts:														
Core earnings per share - diluted	\$	1.77	\$	2.20	\$	2.95	\$	3.36	\$	1.76	\$	3.97	\$	3.89
Tangible book value per common share ⁽¹⁾	\$	37.35	\$	37.50	\$	37.21	\$	35.12	\$	31.82	\$	37.35	\$	31.82
CUBI stock price as % of tangible book value ⁽¹⁾		91 %		139 %		176 %		122 %		123 %		91 %		123 %
Core ROAA		1.23 %		1.64 %		2.13 %		2.35 %		1.30 %		1.43 %		1.45 %
Core ROCE		19.13 %		24.43 %		34.04 %		42.16 %		23.72 %		21.77 %		27.20 %
Adjusted ROAA - pre-tax and pre-provision		2.11 %		2.39 %		2.70 %		3.36 %		1.80 %		2.25 %		1.85 %
Adjusted ROCE - pre-tax and pre-provision		33.37 %		35.89 %		43.25 %		60.81 %		33.27 %		34.62 %		34.95 %
Net interest margin, tax equivalent		3.39 %		3.60 %		4.14 %		4.59 %		2.98 %		3.49 %		2.99 %
Net interest margin, tax equivalent, excluding PPP loans		3.32 %		3.32 %		3.12 %		3.24 %		3.30 %		3.32 %		3.14 %
Core efficiency ratio		41.74 %		39.47 %		38.14 %		30.36 %		44.33 %		40.59 %		42.76 %
Asset Quality:														
Net charge-offs	\$	13,481	\$	7,226	\$	7,582	\$	7,104	\$	6,591	\$	20,707	\$	19,112
Annualized net charge-offs to average total loans and leases		0.36 %		0.21 %		0.21 %		0.17 %		0.16 %		0.29 %		0.24 %
Non-performing loans ("NPLs") to total loans and leases ⁽¹⁾		0.18 %		0.31 %		0.34 %		0.34 %		0.27 %		0.18 %		0.27 %
Reserves to NPLs ⁽¹⁾		557.76 %		333.15 %		277.72 %		252.68 %		269.96 %		557.76 %		269.96 %
Non-performing assets ("NPAs") to total assets		0.14 %		0.23 %		0.25 %		0.27 %		0.24 %		0.14 %		0.24 %
Customers Bank Capital Ratios ⁽³⁾ :														
Common equity Tier 1 capital to risk-weighted assets		11.47 %		11.60 %		11.83 %		12.77 %		12.40 %		11.47 %		12.40 %
Tier 1 capital to risk-weighted assets		11.47 %		11.60 %		11.83 %		12.77 %		12.40 %		11.47 %		12.40 %
Total capital to risk-weighted assets		12.92 %		13.03 %		13.11 %		14.16 %		13.77 %		12.92 %		13.77 %
Tier 1 capital to average assets (leverage ratio)		8.09 %		8.21 %		7.93 %		8.66 %		9.07 %		8.09 %		9.07 %

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

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

⁽³⁾ Regulatory capital ratios are estimated for Q2 2022 and actual for the remaining periods. In accordance with regulatory capital rules, Customers elected to apply the CECL capital transition provisions which delayed the effects of CECL on regulatory capital for two years until January 1, 2022, followed by a three-year transition period. The cumulative CECL capital transition impact as of December 31, 2021 which amounted to \$61.6 million will be phased in at 25% per year beginning on January 1, 2022 through December 31, 2024. As of June 30, 2022, our regulatory capital ratios reflected 75%, or \$46.2 million, benefit associated with the CECL transition provisions.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

(Dollars in thousands, except per share data)

	Six Months Ended					
	June 30,					
	2022	2021	2022	2021	2022	2021
	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	
Interest income:						
Loans and leases	\$ 168,941	\$ 157,175	\$ 198,000	\$ 233,097	\$ 153,608	\$ 305,725
Investment securities	25,442	20,295	15,202	8,905	8,327	16,306
Other	1,951	6,006	835	849	946	1,965
Total interest income	196,334	183,476	214,037	242,851	162,881	323,996
Interest expense:						
Deposits	22,781	13,712	15,415	15,915	15,653	31,311
FHLB advances	2,316	—	51	5	963	6,155
Subordinated debt	2,689	2,689	2,688	2,689	2,689	5,378
FRB PPP liquidity facility, federal funds purchased and other borrowings	3,696	2,376	2,189	4,350	4,819	9,664
Total interest expense	31,482	18,777	20,343	22,959	24,124	52,508
Net interest income	164,852	164,699	193,694	219,892	138,757	271,488
Provision for credit losses	23,847	15,997	13,890	13,164	3,291	372
Net interest income after provision for credit losses	141,005	148,702	179,804	206,728	135,466	271,116
Non-interest income:						
Interchange and card revenue	24	76	84	83	84	169
Deposit fees	964	940	1,026	994	891	1,754
Commercial lease income	6,592	5,895	5,378	5,213	5,311	10,516
Bank-owned life insurance	1,947	8,326	1,984	1,988	2,765	4,444
Mortgage warehouse transactional fees	1,883	2,015	2,262	3,100	3,265	7,512
Gain (loss) on sale of SBA and other loans	1,542	1,507	2,493	5,359	1,900	3,475
Loan fees	2,618	2,545	2,513	1,909	1,670	3,106
Mortgage banking income (loss)	173	481	262	425	386	849
Gain (loss) on sale of investment securities	(3,029)	(1,063)	(49)	6,063	1,812	25,378
Unrealized gain (loss) on investment securities	(203)	(276)	—	—	1,746	2,720
Loss on sale of foreign subsidiaries	—	—	—	—	(2,840)	(2,840)
Unrealized gain (loss) on derivatives	821	964	586	524	(439)	2,098
Loss on cash flow hedge derivative terminations	—	—	—	—	—	(24,467)
Other	(586)	(212)	452	(72)	271	576
Total non-interest income	12,746	21,198	16,991	25,586	16,822	35,290
Non-interest expense:						
Salaries and employee benefits	25,334	26,607	29,940	26,268	28,023	51,994
Technology, communication and bank operations	22,738	24,068	22,657	21,281	19,618	39,606
Professional services	7,415	6,956	7,058	6,871	6,882	12,759
Occupancy	4,279	3,050	4,336	2,704	2,482	5,103
Commercial lease depreciation	5,552	4,942	4,625	4,493	4,415	8,706
FDIC assessments, non-income taxes and regulatory fees	1,619	2,383	2,427	2,313	2,602	5,321
Loan servicing	4,341	2,371	4,361	4,265	1,700	2,137
Merger and acquisition related expenses	—	—	—	—	—	418
Loan workout	179	(38)	226	198	102	(159)
Advertising and promotion	353	315	344	302	313	668
Deposit relationship adjustment fees	—	—	—	6,216	—	874
Other	4,395	3,153	5,574	5,098	4,686	5,991
Total non-interest expense	76,205	73,807	81,548	80,009	70,823	132,750
Income before income tax expense	77,546	96,093	115,247	152,305	81,465	173,656
Income tax expense	18,896	19,332	12,993	36,263	20,124	37,684
Net income from continuing operations	\$ 58,650	\$ 76,761	\$ 102,254	\$ 116,042	\$ 61,341	\$ 135,972

(continued)

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED (CONTINUED)

(Dollars in thousands, except per share data)

	Q2	Q1	Q4	Q3	Q2	Six Months Ended	
	2022	2022	2021	2021	2021	2022	2021
						June 30,	
Loss from discontinued operations before income taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (20,354)
Income tax expense (benefit) from discontinued operations	—	—	1,585	—	—	—	17,682
Net loss from discontinued operations	—	—	(1,585)	—	—	—	(38,036)
Net income	58,650	76,761	100,669	116,042	61,341	135,411	97,936
Preferred stock dividends	2,131	1,865	2,022	2,981	3,299	3,996	6,690
Loss on redemption of preferred stock	—	—	—	2,820	—	—	—
Net income available to common shareholders	<u>\$ 56,519</u>	<u>\$ 74,896</u>	<u>\$ 98,647</u>	<u>\$ 110,241</u>	<u>\$ 58,042</u>	<u>\$ 131,415</u>	<u>\$ 91,246</u>
Basic earnings per common share from continuing operations	\$ 1.73	\$ 2.27	\$ 3.07	\$ 3.40	\$ 1.80	\$ 4.00	\$ 4.03
Basic earnings per common share	1.73	2.27	3.02	3.40	1.80	4.00	2.84
Diluted earnings per common share from continuing operations	1.68	2.18	2.92	3.25	1.72	3.87	3.88
Diluted earnings per common share	1.68	2.18	2.87	3.25	1.72	3.87	2.74

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET - UNAUDITED

(Dollars in thousands)

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
ASSETS					
Cash and due from banks	\$ 66,703	\$ 55,515	\$ 35,238	\$ 51,169	\$ 36,837
Interest earning deposits	178,475	219,085	482,794	1,000,885	393,663
Cash and cash equivalents	245,178	274,600	518,032	1,052,054	430,500
Investment securities, at fair value	3,144,882	4,169,853	3,817,150	1,866,697	1,526,792
Investment securities held to maturity	495,039	—	—	—	—
Loans held for sale	6,595	3,003	16,254	29,957	34,540
Loans receivable, mortgage warehouse, at fair value	1,874,603	1,755,758	2,284,325	2,557,624	2,855,284
Loans receivable, PPP	1,570,160	2,195,902	3,250,008	4,957,357	6,305,056
Loans and leases receivable	12,212,995	10,118,855	9,018,298	7,970,599	7,772,142
Allowance for credit losses on loans and leases	(156,530)	(145,847)	(137,804)	(131,496)	(125,436)
Total loans and leases receivable, net of allowance for credit losses on loans and leases	15,501,228	13,924,668	14,414,827	15,354,084	16,807,046
FHLB, Federal Reserve Bank, and other restricted stock	74,626	54,553	64,584	57,184	39,895
Accrued interest receivable	98,727	94,669	92,239	93,514	90,009
Bank premises and equipment, net	6,755	8,233	8,890	9,944	10,391
Bank-owned life insurance	335,153	332,239	333,705	331,423	329,421
Goodwill and other intangibles	3,629	3,678	3,736	3,794	3,853
Other assets	340,184	298,212	305,611	310,271	362,661
Total assets	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
LIABILITIES AND SHAREHOLDERS' EQUITY					
Demand, non-interest bearing deposits	\$ 4,683,030	\$ 4,594,428	\$ 4,459,790	\$ 4,954,331	\$ 2,699,869
Interest bearing deposits	12,261,689	11,821,132	12,318,134	12,016,694	11,174,070
Total deposits	16,944,719	16,415,560	16,777,924	16,971,025	13,873,939
Federal funds purchased	770,000	700,000	75,000	—	—
FHLB advances	635,000	—	700,000	—	—
Other borrowings	123,450	223,230	223,086	223,151	124,240
Subordinated debt	181,812	181,742	181,673	181,603	181,534
FRB PPP liquidity facility	—	—	—	—	3,865,865
Accrued interest payable and other liabilities	243,625	265,770	251,128	448,844	338,801
Total liabilities	18,898,606	17,786,302	18,208,811	17,824,623	18,384,379
Preferred stock	137,794	137,794	137,794	137,794	217,471
Common stock	34,922	34,882	34,722	33,818	33,634
Additional paid in capital	545,670	542,402	542,391	525,894	519,294
Retained earnings	837,147	780,628	705,732	607,085	496,844
Accumulated other comprehensive income (loss), net	(124,881)	(62,548)	(4,980)	1,488	5,266
Treasury stock, at cost	(77,262)	(55,752)	(49,442)	(21,780)	(21,780)
Total shareholders' equity	1,353,390	1,377,406	1,366,217	1,284,299	1,250,729
Total liabilities and shareholders' equity	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED

(Dollars in thousands)

		Three Months Ended					
		June 30, 2022		March 31, 2022		June 30, 2021	
		Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets	Interest earning deposits	\$ 434,950	0.85%	\$ 826,240	0.16%	\$ 646,342	0.12%
	Investment securities ⁽¹⁾	4,104,463	2.48%	4,036,966	2.01%	1,512,644	2.20%
	Loans and leases:						
	Commercial loans to mortgage companies	1,898,554	3.30%	1,836,647	3.09%	2,737,629	3.09%
	Multi-family loans	1,845,527	3.76%	1,531,846	3.64%	1,551,370	3.88%
	Commercial & industrial loans and leases ⁽²⁾	5,577,830	3.87%	4,124,408	3.60%	2,878,045	3.59%
	Loans receivable, PPP	1,863,429	4.43%	2,641,318	5.66%	6,133,184	2.69%
	Non-owner occupied commercial real estate loans	1,307,995	3.91%	1,312,210	3.77%	1,368,695	3.86%
	Residential mortgages	515,612	3.81%	416,417	3.58%	346,284	3.62%
	Installment loans	1,909,551	9.23%	1,794,145	9.03%	1,467,595	9.37%
	Total loans and leases ⁽³⁾	14,918,498	4.54%	13,656,991	4.67%	16,482,802	3.74%
	Other interest-earning assets	68,025	6.09%	52,111	NM ⁽⁷⁾	57,208	5.32%
	Total interest-earning assets	19,525,936	4.03%	18,572,308	4.00%	18,698,996	3.49%
	Non-interest-earning assets	530,084		557,022		607,952	
	Total assets	\$ 20,056,020		\$ 19,129,330		\$ 19,306,948	
Liabilities	Interest checking accounts	6,409,617	0.85%	5,769,372	0.54%	3,503,242	0.76%
	Money market deposit accounts	4,704,767	0.64%	4,880,051	0.39%	4,859,614	0.47%
	Other savings accounts	695,176	0.44%	880,113	0.36%	1,456,777	0.57%
	Certificates of deposit	530,180	0.65%	450,644	0.47%	658,698	0.78%
	Total interest-bearing deposits ⁽⁴⁾	12,339,740	0.74%	11,980,180	0.46%	10,478,331	0.60%
	Federal funds purchased	642,747	0.89%	88,611	0.33%	71,703	0.07%
	FRB PPP liquidity facility	—	—%	—	—%	3,858,733	0.35%
	Borrowings	940,068	3.10%	532,610	3.80%	460,054	4.44%
	Total interest-bearing liabilities	13,922,555	0.91%	12,601,401	0.60%	14,868,821	0.65%
	Non-interest-bearing deposits ⁽⁴⁾	4,491,574		4,900,983		2,889,781	
	Total deposits and borrowings	18,414,129	0.69%	17,502,384	0.43%	17,758,602	0.54%
	Other non-interest-bearing liabilities	259,279		237,131		328,251	
	Total liabilities	18,673,408		17,739,515		18,086,853	
	Shareholders' equity	1,382,612		1,389,815		1,220,095	
	Total liabilities and shareholders' equity	\$ 20,056,020		\$ 19,129,330		\$ 19,306,948	
Interest spread		3.35%		3.57%		2.95%	
Net interest margin		3.38%		3.59%		2.98%	
Net interest margin tax equivalent ⁽⁵⁾		3.39%		3.60%		2.98%	
Net interest margin tax equivalent excl. PPP ⁽⁶⁾		3.32%		3.32%		3.30%	

(1) For presentation in this table, average balances and the corresponding average yields for investment securities are based upon historical cost, adjusted for amortization of premiums and accretion of discounts.

(2) Includes owner occupied commercial real estate loans.

(3) Includes non-accrual loans, the effect of which is to reduce the yield earned on loans and leases, and deferred loan fees.

(4) Total costs of deposits (including interest bearing and non-interest bearing) were 0.54%, 0.33% and 0.47% for the three months ended June 30, 2022, March 31, 2022 and June 30, 2021, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended June 30, 2022, March 31, 2022 and June 30, 2021, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis, as described in note (5) for the three months ended June 30, 2022, March 31, 2022 and June 30, 2021, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(7) Not meaningful.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED

(Dollars in thousands)

		Six Months Ended			
		June 30, 2022		June 30, 2021	
		Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets					
Interest earning deposits	\$	629,514	0.40%	\$ 910,362	0.11%
Investment securities ⁽¹⁾		4,070,901	2.25%	1,435,529	2.27%
Loans and leases:					
Commercial loans to mortgage companies		1,867,772	3.20%	2,928,802	3.09%
Multi-family loans		1,689,553	3.71%	1,619,891	3.84%
Commercial & industrial loans and leases ⁽²⁾		4,855,134	3.76%	2,863,268	3.78%
Loans receivable, PPP		2,250,224	5.15%	5,382,370	3.00%
Non-owner occupied commercial real estate loans		1,310,091	3.84%	1,358,871	3.86%
Residential mortgages		466,288	3.71%	359,815	3.71%
Installment loans		1,852,167	9.13%	1,396,126	9.22%
Total loans and leases ⁽³⁾		14,291,229	4.60%	15,909,143	3.88%
Other interest-earning assets		60,113	NM ⁽⁷⁾	68,521	4.34%
Total interest-earning assets		19,051,757	4.02%	18,323,555	3.56%
Non-interest-earning assets		543,479		594,936	
Total assets	\$	19,595,236		\$ 18,918,491	
Liabilities					
Interest checking accounts	\$	6,091,263	0.71%	\$ 3,099,725	0.80%
Money market deposit accounts		4,791,925	0.51%	4,648,942	0.51%
Other savings accounts		787,134	0.39%	1,435,681	0.63%
Certificates of deposit		490,632	0.57%	662,447	0.87%
Total interest-bearing deposits ⁽⁴⁾		12,160,954	0.61%	9,846,795	0.64%
Federal funds purchased		367,210	0.82%	44,171	0.07%
FRB PPP liquidity facility		—	—%	3,899,996	0.35%
Borrowings		737,464	3.35%	805,853	3.61%
Total interest-bearing liabilities		13,265,628	0.76%	14,596,815	0.72%
Non-interest-bearing deposits ⁽⁵⁾		4,695,148		2,855,019	
Total deposits and borrowings		17,960,776	0.56%	17,451,834	0.61%
Other non-interest-bearing liabilities		248,266		288,246	
Total liabilities		18,209,042		17,740,080	
Shareholders' equity		1,386,194		1,178,411	
Total liabilities and shareholders' equity	\$	19,595,236		\$ 18,918,491	
Interest spread			3.45%		2.96%
Net interest margin			3.48%		2.99%
Net interest margin tax equivalent ⁽⁶⁾			3.49%		2.99%
Net interest margin tax equivalent excl. PPP ⁽⁶⁾			3.32%		3.14%

(1) For presentation in this table, average balances and the corresponding average yields for investment securities are based upon historical cost, adjusted for amortization of premiums and accretion of discounts.

(2) Includes owner occupied commercial real estate loans.

(3) Includes non-accrual loans, the effect of which is to reduce the yield earned on loans and leases, and deferred loan fees.

(4) Total costs of deposits (including interest bearing and non-interest bearing) were 0.44% and 0.50% for the six months ended June 30, 2022 and 2021, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the six months ended June 30, 2022 and 2021, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis as described in note (5), for the six months ended June 30, 2022 and 2021, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(7) Not meaningful.

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

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Commercial:					
Commercial & industrial, including specialty lending	\$ 5,637,083	\$ 3,921,439	\$ 3,346,670	\$ 2,604,367	\$ 2,293,723
Multi-family	2,012,920	1,705,027	1,486,308	1,387,166	1,497,485
Loans to mortgage companies	1,975,189	1,830,121	2,362,438	2,626,483	2,922,217
Commercial real estate owner occupied	710,577	701,893	654,922	656,044	653,649
Loans receivable, PPP	1,570,160	2,195,902	3,250,008	4,957,357	6,305,056
Commercial real estate non-owner occupied	1,152,869	1,140,311	1,121,238	1,144,643	1,206,646
Construction	195,687	161,024	198,981	198,607	179,198
Total commercial loans and leases	13,254,485	11,655,717	12,420,565	13,574,667	15,057,974
Consumer:					
Residential	460,228	469,426	350,984	260,820	273,493
Manufactured housing	48,570	50,669	52,861	55,635	57,904
Installment	1,901,070	1,897,706	1,744,475	1,624,415	1,577,651
Total consumer loans	2,409,868	2,417,801	2,148,320	1,940,870	1,909,048
Total loans and leases	\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537	\$ 16,967,022

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

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Demand, non-interest bearing	\$ 4,683,030	\$ 4,594,428	\$ 4,459,790	\$ 4,954,331	\$ 2,699,869
Demand, interest bearing	6,644,398	5,591,468	6,488,406	5,023,081	4,206,355
Total demand deposits	11,327,428	10,185,896	10,948,196	9,977,412	6,906,224
Savings	640,062	802,395	973,317	1,310,343	1,431,756
Money market	4,254,205	4,981,077	4,349,073	5,090,121	4,908,809
Time deposits	723,024	446,192	507,338	593,149	627,150
Total deposits	\$ 16,944,719	\$ 16,415,560	\$ 16,777,924	\$ 16,971,025	\$ 13,873,939

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

(Dollars in thousands)	As of June 30, 2022					As of March 31, 2022					As of June 30, 2021				
	Total loans	Non accrual /NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs	Total loans	Non accrual /NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs	Total loans	Non accrual /NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs
Loan type															
Commercial & industrial, including specialty lending ⁽¹⁾	\$ 5,737,670	\$ 4,061	\$ 11,081	0.07 %	272.86 %	\$ 3,995,802	\$ 5,490	\$ 10,765	0.14 %	196.08 %	\$ 2,360,656	\$ 6,717	\$ 8,127	0.28 %	120.99 %
Multi-family	2,008,784	1,153	9,765	0.06 %	846.92 %	1,705,027	17,869	7,437	1.05 %	41.62 %	1,497,485	21,595	5,028	1.44 %	23.28 %
Commercial real estate owner occupied	710,577	2,913	4,745	0.41 %	162.89 %	701,893	2,191	3,841	0.31 %	175.31 %	653,649	2,688	4,464	0.41 %	166.07 %
Commercial real estate non-owner occupied	1,152,869	—	8,880	— %	— %	1,140,311	1,302	5,955	0.11 %	457.37 %	1,206,646	—	7,374	— %	— %
Construction	195,687	—	1,179	— %	— %	161,024	—	939	— %	— %	179,198	—	2,643	— %	— %
Total commercial loans and leases receivable	9,805,587	8,127	35,650	0.08 %	438.66 %	7,704,057	26,852	28,937	0.35 %	107.76 %	5,897,634	31,000	27,636	0.53 %	89.15 %
Residential	457,768	6,258	5,578	1.37 %	89.13 %	466,423	8,124	4,685	1.74 %	57.67 %	266,911	8,991	2,299	3.37 %	25.57 %
Manufactured housing	48,570	3,071	4,080	6.32 %	132.86 %	50,669	3,430	4,342	6.77 %	126.59 %	57,904	3,239	4,372	5.59 %	134.98 %
Installment	1,901,070	5,965	111,222	0.31 %	1864.58 %	1,897,706	4,865	107,883	0.26 %	2217.53 %	1,549,693	2,728	91,129	0.18 %	3340.51 %
Total consumer loans receivable	2,407,408	15,294	120,880	0.64 %	790.38 %	2,414,798	16,419	116,910	0.68 %	712.84 %	1,874,508	14,958	97,800	0.80 %	653.83 %
Loans and leases receivable ⁽¹⁾	12,212,995	23,421	156,530	0.19 %	668.33 %	10,118,855	43,271	145,847	0.43 %	337.85 %	7,772,142	45,958	125,436	0.59 %	272.94 %
Loans receivable, PPP	1,570,160	—	—	— %	— %	2,195,902	—	—	— %	— %	6,305,056	—	—	— %	— %
Loans receivable, mortgage warehouse, at fair value	1,874,603	—	—	— %	— %	1,755,758	—	—	— %	— %	2,855,284	—	—	— %	— %
Total loans held for sale	6,595	4,643	—	70.40 %	— %	3,003	507	—	16.88 %	— %	34,540	507	—	1.47 %	— %
Total portfolio	\$ 15,664,353	\$ 28,064	\$ 156,530	0.18 %	557.76 %	\$ 14,073,518	\$ 43,778	\$ 145,847	0.31 %	333.15 %	\$ 16,967,022	\$ 46,465	\$ 125,436	0.27 %	269.96 %

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

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

NET CHARGE-OFFS/(RECOVERIES) - UNAUDITED

(Dollars in thousands)

	Q2	Q1	Q4	Q3	Q2	Six Months Ended June 30,	
	2022	2022	2021	2021	2021	2022	2021
<i>Loan type</i>							
Multi-family	\$ 1,990	\$ (337)	\$ —	\$ —	\$ —	\$ 1,653	\$ 1,132
Commercial & industrial	(416)	(59)	240	116	(283)	(475)	92
Commercial real estate owner occupied	(42)	(7)	66	50	(1)	(49)	133
Commercial real estate non-owner occupied	159	(8)	(14)	943	(59)	151	(69)
Construction	(103)	(113)	(3)	(3)	(114)	(216)	(119)
Residential	(39)	(2)	(6)	54	(12)	(41)	28
Installment	11,932	7,752	7,299	5,944	7,060	19,684	17,915
Total net charge-offs (recoveries) from loans held for investment	\$ 13,481	\$ 7,226	\$ 7,582	\$ 7,104	\$ 6,591	\$ 20,707	\$ 19,112

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED

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

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

	Q2 2022		Q1 2022		Q4 2021		Q3 2021		Q2 2021		Six Months Ended June 30,			
											2022		2021	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18	\$ 98,647	\$ 2.87	\$ 110,241	\$ 3.25	\$ 58,042	\$ 1.72	\$ 131,415	\$ 3.87	\$ 91,246	\$ 2.74
Reconciling items (after tax):														
Net loss from discontinued operations	—	—	—	—	1,585	0.05	—	—	—	—	—	—	38,036	1.14
Severance expense	—	—	—	—	—	—	—	—	1,517	0.04	—	—	1,517	0.05
Impairments on fixed assets and leases	705	0.02	220	0.01	1,118	0.03	—	—	—	—	925	0.03	—	—
Merger and acquisition related expenses	—	—	—	—	—	—	—	—	—	—	—	—	320	0.01
Legal reserves	—	—	—	—	—	—	897	0.03	—	—	—	—	—	—
(Gains) losses on investment securities	2,494	0.07	1,030	0.03	43	0.00	(4,591)	(0.14)	(2,694)	(0.08)	3,524	0.10	(21,467)	(0.64)
Loss on sale of foreign subsidiaries	—	—	—	—	—	—	—	—	2,150	0.06	—	—	2,150	0.06
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	—	—	—	—	—	—	18,716	0.56
Derivative credit valuation adjustment	(251)	(0.01)	(736)	(0.02)	(180)	(0.01)	(198)	(0.01)	288	0.01	(1,087)	(0.03)	(907)	(0.03)
Deposit relationship adjustment fees	—	—	—	—	—	—	4,707	0.14	—	—	—	—	—	—
Loss on redemption of preferred stock	—	—	—	—	—	—	2,820	0.08	—	—	—	—	—	—
Core earnings	\$ 59,367	\$ 1.77	\$ 75,410	\$ 2.20	\$ 101,213	\$ 2.95	\$ 113,876	\$ 3.36	\$ 59,303	\$ 1.76	\$ 134,777	\$ 3.97	\$ 129,611	\$ 3.89

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Earnings, excluding PPP - Customers Bancorp (Dollars in thousands except per share data)	Q2 2022		Q1 2022		Q4 2021		Q3 2021		Q2 2021		Six Months Ended June 30,					
											2022		2021			
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18	\$ 98,647	\$ 2.87	\$ 110,241	\$ 3.25	\$ 58,042	\$ 1.72	\$ 131,415	\$ 3.87	\$ 91,246	\$ 2.74		
Less: PPP net income (after tax)	13,066	0.39	24,713	0.72	64,323	1.87	81,337	2.40	24,312	0.72	37,779	1.11	49,391	1.48		
GAAP net income to common shareholders, excluding PPP	43,453	1.29	50,183	1.46	34,324	1.00	28,904	0.85	33,730	1.00	93,636	2.76	41,855	1.26		
Reconciling items (after tax):																
Net loss from discontinued operations	—	—	—	—	1,585	0.05	—	—	—	—	—	—	38,036	1.14		
Severance expense	—	—	—	—	—	—	—	—	1,517	0.04	—	—	1,517	0.05		
Impairments on fixed assets and leases	705	0.02	220	0.01	1,118	0.03	—	—	—	—	925	0.03	—	—		
Merger and acquisition related expenses	—	—	—	—	—	—	—	—	—	—	—	—	320	0.01		
Legal reserves	—	—	—	—	—	—	897	0.03	—	—	—	—	—	—		
(Gains) losses on investment securities	2,494	0.07	1,030	0.03	43	0.00	(4,591)	(0.14)	(2,694)	(0.08)	3,524	0.10	(21,467)	(0.64)		
Loss on sale of foreign subsidiaries	—	—	—	—	—	—	—	—	2,150	0.06	—	—	2,150	0.06		
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	—	—	—	—	—	—	18,716	0.56		
Derivative credit valuation adjustment	(351)	(0.01)	(736)	(0.02)	(180)	(0.01)	(198)	(0.01)	288	0.01	(1,087)	(0.03)	(907)	(0.03)		
Deposit relationship adjustment fees	—	—	—	—	—	—	4,707	0.14	—	—	—	—	—	—		
Loss on redemption of preferred stock	—	—	—	—	—	—	2,820	0.08	—	—	—	—	—	—		
Core earnings, excluding PPP	\$ 46,301	\$ 1.38	\$ 50,697	\$ 1.48	\$ 36,890	\$ 1.07	\$ 32,539	\$ 0.96	\$ 34,991	\$ 1.04	\$ 96,998	\$ 2.86	\$ 80,220	\$ 2.41		

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Return on Average Assets - Customers Bancorp

(Dollars in thousands except per share data)

GAAP net income	\$	58,650	\$	76,761	\$	100,669	\$	116,042	\$	61,341	\$	135,411	\$	97,936
Reconciling items (after tax):														
Net loss from discontinued operations		—		—		1,585		—		—		—		38,036
Severance expense		—		—		—		—		1,517		—		1,517
Impairments on fixed assets and leases		705		220		1,118		—		—		925		—
Merger and acquisition related expenses		—		—		—		—		—		—		320
Legal reserves		—		—		—		897		—		—		—
(Gains) losses on investment securities		2,494		1,030		43		(4,591)		(2,694)		3,524		(21,467)
Loss on sale of foreign subsidiaries		—		—		—		—		2,150		—		2,150
Loss on cash flow hedge derivative terminations		—		—		—		—		—		—		18,716
Derivative credit valuation adjustment		(351)		(736)		(180)		(198)		288		(1,087)		(907)
Deposit relationship adjustment fees		—		—		—		4,707		—		—		—
Core net income	\$	61,498	\$	77,275	\$	103,235	\$	116,857	\$	62,602	\$	138,773	\$	136,301
Average total assets	\$	20,056,020	\$	19,129,330	\$	19,214,241	\$	19,739,340	\$	19,306,948	\$	19,595,236	\$	18,918,491
Core return on average assets		1.23		1.64		2.13		2.35		1.30		1.43		1.45

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

(Dollars in thousands except per share data)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	Six Months Ended June 30,
						2022	2021
GAAP net income	\$ 58,650	\$ 76,761	\$ 100,669	\$ 116,042	\$ 61,341	\$ 135,411	\$ 97,936
Reconciling items:							
Income tax expense	18,896	19,332	12,993	36,263	20,124	38,228	37,684
Provision (benefit) for credit losses	23,847	15,997	13,890	13,164	3,291	39,844	372
Provision (benefit) for credit losses on unfunded commitments	608	(109)	352	669	45	499	(1,241)
Severance expense	—	—	—	—	2,004	—	2,004
Net loss from discontinued operations	—	—	1,585	—	—	—	38,036
Impairments on fixed assets and leases	914	286	1,260	—	—	1,200	—
Merger and acquisition related expenses	—	—	—	—	—	—	418
Legal reserves	—	—	—	1,185	—	—	—
(Gains) losses on investment securities	3,232	1,339	49	(6,063)	(3,558)	4,571	(28,098)
Loss on sale of foreign subsidiaries	—	—	—	—	2,840	—	2,840
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	24,467
Derivative credit valuation adjustment	(455)	(957)	(203)	(261)	380	(1,412)	(1,182)
Deposit relationship adjustment fees	—	—	—	6,216	—	—	—
Adjusted net income - pre-tax pre-provision	\$ 105,692	\$ 112,649	\$ 130,595	\$ 167,215	\$ 86,467	\$ 218,341	\$ 173,236
Average total assets	\$ 20,056,020	\$ 19,129,330	\$ 19,214,241	\$ 19,739,340	\$ 19,306,948	\$ 19,595,236	\$ 18,918,491
Adjusted ROAA - pre-tax pre-provision	2.11 %	2.39 %	2.70 %	3.36 %	1.80 %	2.25 %	1.85 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Return on Average Common Equity - Customers Bancorp

(Dollars in thousands except per share data)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	
						2022	2021
GAAP net income to common shareholders	\$ 56,519	\$ 74,896	\$ 98,647	\$ 110,241	\$ 58,042	\$ 131,415	\$ 91,246
Reconciling items (after tax):							
Net loss from discontinued operations	—	—	1,585	—	—	—	38,036
Severance expense	—	—	—	—	1,517	—	1,517
Impairments on fixed assets and leases	705	220	1,118	—	—	925	—
Merger and acquisition related expenses	—	—	—	—	—	—	320
Legal reserves	—	—	—	897	—	—	—
(Gains) losses on investment securities	2,494	1,030	43	(4,591)	(2,694)	3,524	(21,467)
Loss on sale of foreign subsidiaries	—	—	—	—	2,150	—	2,150
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	18,716
Derivative credit valuation adjustment	(351)	(736)	(180)	(198)	288	(1,087)	(907)
Deposit relationship adjustment fees	—	—	—	4,707	—	—	—
Loss on redemption of preferred stock	—	—	—	2,820	—	—	—
Core earnings	\$ 59,367	\$ 75,410	\$ 101,213	\$ 113,876	\$ 59,303	\$ 134,777	\$ 129,611
Average total common shareholders' equity	\$ 1,244,819	\$ 1,252,022	\$ 1,179,478	\$ 1,071,566	\$ 1,002,624	\$ 1,248,400	\$ 960,940
Core return on average common equity	19.13 %	24.43 %	34.04 %	42.16 %	23.72 %	21.77 %	27.20 %

Adjusted ROCE - Pre-Tax Pre-Provision - Customers Bancorp

(Dollars in thousands except per share data)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	
						2022	2021
GAAP net income to common shareholders	\$ 56,519	\$ 74,896	\$ 98,647	\$ 110,241	\$ 58,042	\$ 131,415	\$ 91,246
Reconciling items:							
Income tax expense	18,896	19,332	12,993	36,263	20,124	38,228	37,684
Provision (benefit) for credit losses	23,847	15,997	13,890	13,164	3,291	39,844	372
Provision (benefit) for credit losses on unfunded commitments	608	(109)	352	669	45	499	(1,241)
Net loss from discontinued operations	—	—	1,585	—	—	—	38,036
Severance expense	—	—	—	—	2,004	—	2,004
Impairments on fixed assets and leases	914	286	1,260	—	—	1,200	—
Merger and acquisition related expenses	—	—	—	—	—	—	418
Legal reserves	—	—	—	1,185	—	—	—
(Gains) losses on investment securities	3,232	1,339	49	(6,063)	(3,558)	4,571	(28,098)
Loss on sale of foreign subsidiaries	—	—	—	—	2,840	—	2,840
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	24,467
Derivative credit valuation adjustment	(455)	(957)	(203)	(261)	380	(1,412)	(1,182)
Deposit relationship adjustment fees	—	—	—	6,216	—	—	—
Loss on redemption of preferred stock	—	—	—	2,820	—	—	—
Pre-tax pre-provision adjusted net income available to common shareholders	\$ 103,561	\$ 110,784	\$ 128,573	\$ 164,234	\$ 83,168	\$ 214,345	\$ 166,546
Average total common shareholders' equity	\$ 1,244,819	\$ 1,252,022	\$ 1,179,478	\$ 1,071,566	\$ 1,002,624	\$ 1,248,400	\$ 960,940
Adjusted ROCE - pre-tax pre-provision	33.37 %	35.89 %	43.25 %	60.81 %	33.27 %	34.62 %	34.95 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Net Interest Margin, Tax Equivalent - Customers Bancorp
(Dollars in thousands except per share data)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	
						2022	2021
GAAP net interest income	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892	\$ 138,757	\$ 329,551	\$ 271,488
Tax-equivalent adjustment	270	239	276	290	289	509	581
Net interest income tax equivalent	<u>\$ 165,122</u>	<u>\$ 164,938</u>	<u>\$ 193,970</u>	<u>\$ 220,182</u>	<u>\$ 139,046</u>	<u>\$ 330,060</u>	<u>\$ 272,069</u>
Average total interest earning assets	<u>\$ 19,525,936</u>	<u>\$ 18,572,308</u>	<u>\$ 18,576,433</u>	<u>\$ 19,033,826</u>	<u>\$ 18,698,996</u>	<u>\$ 19,051,757</u>	<u>\$ 18,323,555</u>
Net interest margin, tax equivalent	3.39 %	3.60 %	4.14 %	4.59 %	2.98 %	3.49 %	2.99 %

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

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	
						2022	2021
GAAP net interest income	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892	\$ 138,757	\$ 329,551	\$ 271,488
PPP net interest income	(18,946)	(34,615)	(78,647)	(112,005)	(35,785)	(53,561)	(70,627)
Tax-equivalent adjustment	270	239	276	290	289	509	581
Net interest income, tax equivalent, excluding PPP	<u>\$ 146,176</u>	<u>\$ 130,323</u>	<u>\$ 115,323</u>	<u>\$ 108,177</u>	<u>\$ 103,261</u>	<u>\$ 276,499</u>	<u>\$ 201,442</u>
GAAP average total interest earning assets	\$ 19,525,936	\$ 18,572,308	\$ 18,576,433	\$ 19,033,826	\$ 18,698,996	\$ 19,051,757	\$ 18,323,555
Average PPP loans	(1,863,429)	(2,641,318)	(3,898,607)	(5,778,367)	(6,133,184)	(2,250,224)	(5,382,370)
Adjusted average total interest earning assets	<u>\$ 17,662,507</u>	<u>\$ 15,930,990</u>	<u>\$ 14,677,826</u>	<u>\$ 13,255,459</u>	<u>\$ 12,565,812</u>	<u>\$ 16,801,533</u>	<u>\$ 12,941,185</u>
Net interest margin, tax equivalent, excluding PPP	3.32 %	3.32 %	3.12 %	3.24 %	3.30 %	3.32 %	3.14 %

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

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	
						2022	2021
Interest income on loans and leases	\$ 168,941	\$ 157,175	\$ 198,000	\$ 233,097	\$ 153,608	\$ 326,116	\$ 305,725
PPP interest income	(20,572)	(36,894)	(82,086)	(117,102)	(41,137)	(57,466)	(79,969)
Interest income on core loans (Loans and leases, excluding PPP)	<u>\$ 148,369</u>	<u>\$ 120,281</u>	<u>\$ 115,914</u>	<u>\$ 115,995</u>	<u>\$ 112,471</u>	<u>\$ 268,650</u>	<u>\$ 225,756</u>
Average loans and leases	14,918,498	13,656,991	14,335,370	16,192,744	16,482,802	14,291,229	15,909,143
Average PPP loans	(1,863,429)	(2,641,318)	(3,898,607)	(5,778,367)	(6,133,184)	(2,250,224)	(5,382,370)
Adjusted average total interest earning assets	<u>13,055,069</u>	<u>11,015,673</u>	<u>10,436,763</u>	<u>10,414,377</u>	<u>10,349,618</u>	<u>12,041,005</u>	<u>10,526,773</u>
Loan yield, excluding PPP	4.56 %	4.43 %	4.41 %	4.42 %	4.36 %	4.50 %	4.32 %

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

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Six Months Ended June 30,	
						2022	2021
GAAP net interest income	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892	\$ 138,757	\$ 329,551	\$ 271,488
GAAP non-interest income	\$ 12,746	\$ 21,198	\$ 16,991	\$ 25,586	\$ 16,822	\$ 33,944	\$ 35,290
(Gains) losses on investment securities	3,232	1,339	49	(6,063)	(3,558)	4,571	(28,098)
Derivative credit valuation adjustment	(455)	(957)	(203)	(261)	380	(1,412)	(1,182)
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	24,467
Loss on sale of foreign subsidiaries	—	—	—	—	2,840	—	2,840
Core non-interest income	15,523	21,580	16,837	19,262	16,484	37,103	33,317
Core revenue	<u>\$ 180,375</u>	<u>\$ 186,279</u>	<u>\$ 210,531</u>	<u>\$ 239,154</u>	<u>\$ 155,241</u>	<u>\$ 366,654</u>	<u>\$ 304,805</u>
GAAP non-interest expense	\$ 76,205	\$ 73,807	\$ 81,548	\$ 80,009	\$ 70,823	\$ 150,012	\$ 132,750
Severance expense	—	—	—	—	(2,004)	—	(2,004)
Impairments on fixed assets and leases	(914)	(286)	(1,260)	—	—	(1,200)	—
Legal reserves	—	—	—	(1,185)	—	—	—
Merger and acquisition related expenses	—	—	—	—	—	—	(418)
Deposit relationship adjustment fees	—	—	—	(6,216)	—	—	—
Core non-interest expense	<u>\$ 75,291</u>	<u>\$ 73,521</u>	<u>\$ 80,288</u>	<u>\$ 72,608</u>	<u>\$ 68,819</u>	<u>\$ 148,812</u>	<u>\$ 130,328</u>
Core efficiency ratio ⁽¹⁾	41.74 %	39.47 %	38.14 %	30.36 %	44.33 %	40.59 %	42.76 %

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

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

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP total shareholders' equity	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(217,471)
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible common equity	<u>\$ 1,211,967</u>	<u>\$ 1,235,934</u>	<u>\$ 1,224,687</u>	<u>\$ 1,142,711</u>	<u>\$ 1,029,405</u>
GAAP total assets	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible assets	<u>\$ 20,248,367</u>	<u>\$ 19,160,030</u>	<u>\$ 19,571,292</u>	<u>\$ 19,105,128</u>	<u>\$ 19,631,255</u>
Tangible common equity to tangible assets	5.99 %	6.45 %	6.26 %	5.98 %	5.24 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED (CONTINUED)
(Dollars in thousands, except per share data)
Tangible Common Equity to Tangible Assets, excluding PPP - Customers Bancorp
(Dollars in thousands except per share data)

GAAP total shareholders' equity

Reconciling items:

Preferred stock

Goodwill and other intangibles

Tangible common equity

GAAP total assets

Loans receivable, PPP

Total assets, excluding PPP

Reconciling items:

Goodwill and other intangibles

Tangible assets, excluding PPP

Tangible common equity to tangible assets, excluding PPP

Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
(137,794)	(137,794)	(137,794)	(137,794)	(217,471)
(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405
\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
\$ 18,681,836	\$ 16,967,806	\$ 16,325,020	\$ 14,151,565	\$ 13,330,052
(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
\$ 18,678,207	\$ 16,964,128	\$ 16,321,284	\$ 14,147,771	\$ 13,326,199
6.49 %	7.29 %	7.50 %	8.08 %	7.72 %

Tangible Book Value per Common Share - Customers Bancorp
(Dollars in thousands except share and per share data)

GAAP total shareholders' equity

Reconciling Items:

Preferred stock

Goodwill and other intangibles

Tangible common equity

Common shares outstanding

Tangible book value per common share

Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
(137,794)	(137,794)	(137,794)	(137,794)	(217,471)
(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405
32,449,486	32,957,847	32,913,267	32,537,976	32,353,256
\$ 37.35	\$ 37.50	\$ 37.21	\$ 35.12	\$ 31.82

Core Loans (Total Loans and Leases, excluding PPP)
(Dollars in thousands except per share data)

Total loans and leases

Loans receivable, PPP

Core Loans (Loans and leases, excluding PPP)

Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537	\$ 16,967,022
(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
\$ 14,094,193	\$ 11,877,616	\$ 11,318,877	\$ 10,558,180	\$ 10,661,966

Total loans and leases, excluding mortgage banking lending and PPP
(Dollars in thousands except per share data)

Total loans and leases

Loans to mortgage companies

Loans receivable, PPP

Total loans and leases, excluding mortgage banking lending and PPP

Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537	\$ 16,967,022
(1,975,189)	(1,830,121)	(2,362,438)	(2,626,483)	(2,922,217)
(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
\$ 12,119,004	\$ 10,047,495	\$ 8,956,439	\$ 7,931,697	\$ 7,739,749

Total Assets, excluding PPP
(Dollars in thousands except per share data)

Total assets

Loans receivable, PPP

Total assets, excluding PPP

Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
\$ 18,681,836	\$ 16,967,806	\$ 16,325,020	\$ 14,151,565	\$ 13,330,052

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

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

(Dollars in thousands except per share data)

Loans and leases receivable

Loans receivable, PPP

Loans and leases held for investment, excluding PPP

Allowance for credit losses on loans and leases

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

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
\$	13,783,155	\$ 12,314,757	\$ 12,268,306	\$ 12,927,956	\$ 14,077,198
	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
\$	12,212,995	\$ 10,118,855	\$ 9,018,298	\$ 7,970,599	\$ 7,772,142
\$	156,530	\$ 145,847	\$ 137,804	\$ 131,496	\$ 125,436
	1.28 %	1.44 %	1.53 %	1.65 %	1.61 %



Let's take on tomorrow.

"A Digital-Forward Super-Community Bank"
Investor Presentation: Q2 2022

July 2022

Forward-Looking Statements

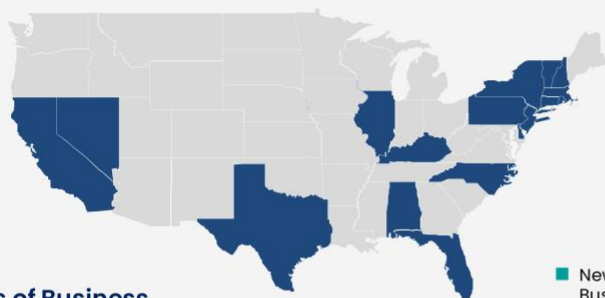


In addition to historical information, this presentation may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “project”, or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.’s control). Numerous competitive, economic, regulatory, legal and technological events and factors, among others, could cause Customers Bancorp, Inc.’s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements, including: The impact of the ongoing pandemic on the U.S. economy and customer behavior, the impact that changes in economy have on the performance of our loan and lease portfolio, the market value of our investment securities, the demand for our products and services and the availability of sources of funding, the continued success and acceptance of our blockchain payments system; the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that effect market interest rates and the money supply; the actions that we and our customers take in response to these developments and the effects such actions have on our operations, products, services and customer relationships, higher inflation and its impacts, and the effects of changes in accounting standards or policies. Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management’s current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.’s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2021, subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto, that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Customers Bancorp, Inc. does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank, except as may be required under applicable law. This does not constitute an offer to sell, or a solicitation of an offer to buy, any security in any state or jurisdiction in which such offer, solicitation or sale would be unlawful.



Customers Bancorp Snapshot

A Digital-Forward Super-Community Bank



Lines of Business

Community Banking

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

Specialty Banking

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

Digital Banking

Consumer

- Checking & Savings
- Personal Loan
- Student Loan
- Credit Card

Commercial

- Digital Asset Banking
- SMB Bundle
- Credit Card

BaaS

- MPL Program

Transaction Banking

- Treasury Services
- Payments

Customers Bancorp, Inc.

NYSE: CUBI

Headquarters	West Reading, PA
Offices ⁽¹⁾	39
FTE Employees	692
Market Capitalization ⁽²⁾ As of 07/22/2022	\$1.2B
Total Assets	\$20.3B
Tangible Book Value ⁽³⁾	\$37.35

Data as of 06/30/2022, unless otherwise noted.

- (1) Offices includes branches, executive offices, Private Banking Offices and Loan Production Offices.
 (2) Share price \$38.02 as of 07/22/2022.
 (3) Non-GAAP Measure, refer to Appendix for reconciliation.



Highlights - GAAP



Q2'22 (vs. Q2'21)		Q2'22 (vs. Q2'21)		
Highlights		Profitability	Balance Sheet	Credit
Diluted EPS \$1.68 -2%		3.38% vs. 2.98% NIM	\$20.3B +3% Total Assets	0.14% -10 bps NPA Ratio ³
Net Income ¹ \$56.5M -3%		1.17% vs. 1.27% ROAA	\$15.7B -8% Total Loans and Leases	1.14% +25 bps Reserve Coverage
ROCE 18.2% vs. 23.2%		NA Adjusted PTPP ROAA ²	\$16.9B +22% Total Deposits ³	557.8% vs. 270.0% Reserves to NPLs ³

1. Net income to common shareholders
2. ROAA is the GAAP metric which is already provided.
3. GAAP metric

Highlights – Adjusted/Core



Q2'22 (vs. Q2'21)		Q2'22 (vs. Q2'21)		
Highlights		Profitability	Balance Sheet	Credit
Core EPS ¹	Core EPS ex PPP ^{1,2}	3.32%	\$18.7B	0.14%
\$1.77	\$1.38	vs. 3.30%	+40%	-10 bps
+0%	+32%	NIM ^{1,2}	Core Assets ^{1,2}	NPA Ratio
Core Earnings ¹		1.23%	\$14.1B	1.28%
\$59.4M		vs. 1.30%	+32%	-33 bps
		Core ROAA ¹	Total Loans and Leases ^{1,2}	Reserve Coverage ^{1,2}
Core ROCE ¹		2.11%	\$16.9B	557.8%
19.1%		vs. 1.80%	+22%	vs. 270.0%
vs. 23.7%		Adjusted PTPP ROAA ¹	Total Deposits	Reserves to NPLs

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

Business Line Accomplishments and Strategic Priorities



Community	Specialty	Digital
2022 PRIORITIES		
Geographic expansion <ul style="list-style-type: none"> Continue to recruit regional C&I teams in adjacent and expansion markets Continued Growth of Existing Verticals <ul style="list-style-type: none"> Achieve double digit loan growth across all verticals SBA Growth <ul style="list-style-type: none"> Grow originations by at least 50% 	Specialty Lending Expansion <ul style="list-style-type: none"> Continue to recruit specialty lending teams and add to existing teams to support future growth Evaluate new banking verticals including Digital Asset Lending New lending verticals are expected to surpass \$1B in outstanding in 2022 Continued Growth of Existing Verticals <ul style="list-style-type: none"> Achieve double digit loan growth across all verticals (ex MWH) 	Consumer: <ul style="list-style-type: none"> Continue to index portfolio mix to direct originations Expand cross-sell with products Commercial: <ul style="list-style-type: none"> Continue to scale CBIT customers and significantly grow deposits Digital SMB bundle product pilot launch to cross-sell to digital SMB customers Banking-as-a-Service <ul style="list-style-type: none"> Achieve \$5M+ of run rate revenue in H2'22
2022 Q2 ACCOMPLISHMENTS		
Geographic expansion <ul style="list-style-type: none"> Strengthened presence and reputation in local markets laying the foundation for continued production growth and team recruitment Continued Growth of Existing Verticals <ul style="list-style-type: none"> Net loan growth of 8% QoQ from Mid-Atlantic region C&I Successful re-launch of relationship focused multifamily program resulting in loan growth of \$300M+ SBA Growth <ul style="list-style-type: none"> SBA production growth of 29% QoQ and 88% YoY Continue to advance digital lending program pilot 	Specialty Lending Expansion <ul style="list-style-type: none"> Fund Finance crossed outstanding balance of ~\$1B in Q2'22 with goal of ~\$2B in outstandings by Q4'22 Onboarded a team to launch a technology enhanced Small Ticket/SMB Vendor Finance product within our Equipment Finance business Digital Asset Lending initiative: diligence progressing with initial loans expected to be originated in H2'22 Continued Growth of Existing Verticals <ul style="list-style-type: none"> Industry leading growth in existing verticals <ul style="list-style-type: none"> Fund Finance (+183% QoQ) Lender Finance (+34% QoQ) RE Specialty Finance (+28% QoQ) Equipment Finance (+7% QoQ) 	Consumer: <ul style="list-style-type: none"> Crossed over \$2B in lifetime direct personal loan originations Commercial: <ul style="list-style-type: none"> Onboarded 90 new CBIT customers continuing to enhance the existing platform nodes On track for Digital SMB bundle product pilot launch in Q3'22 which will now also include Equipment Financing Banking-as-a-Service <ul style="list-style-type: none"> Expect to launch our initial MPL program pilot in H2'22 Transaction Banking <ul style="list-style-type: none"> Launching a broad suite of API-enabled Treasury Services and Payments offerings to attract low cost deposits and fee income

CUBI's proprietary tech-led product suite will drive:

1. Differentiated primary commercial banking relationships
2. Franchise value from sticky multi-product customer integrations
3. Low-to-no cost deposit franchise of payments and reporting integrated operating accounts

Tech-Enabled Banking: Commercial Treasury Services, Payments and BaaS



We are reinventing banking through a cloud-based offering of 24/7 API enabled fully integrated Treasury, Payments and BaaS offerings

Digital Assets

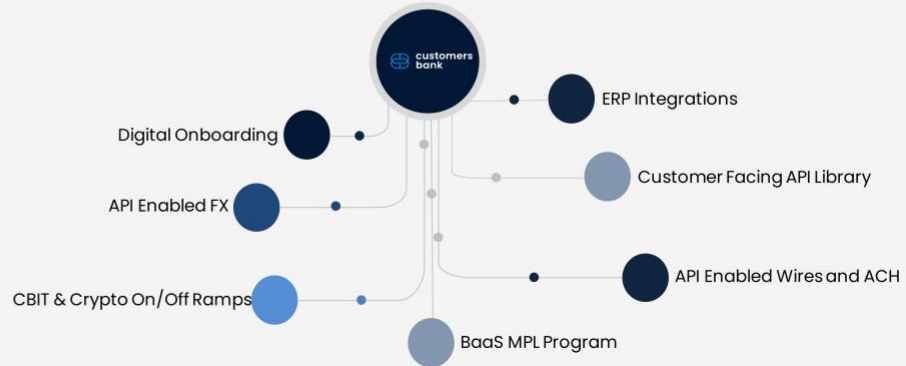
Financial Institutions Group

Fund Finance

Tech & Venture Banking

BaaS Integrations

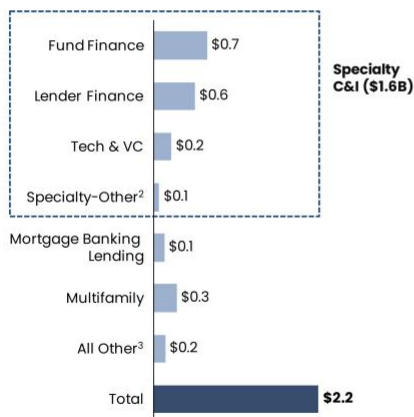
API-enabled Digital Solutions



Loan growth of \$2.2B in Q2 driven by low-risk variable rate lending verticals



Core Loan growth composition ex PPP¹ \$ billions, Q2'22



1. Non-GAAP Measure, refer to Appendix for reconciliation.
2. Includes RESF, Healthcare and other segments
3. Includes Community banking C&I, Consumer, Investment CRE

Specialty Lending C&I provides multiple solutions (Fund Finance, Lender Finance facilities) to fund clients (Private Equity, Venture Capital, Credit) to gain bigger share of the wallet

Lender Finance

- 7+ years of experience in this vertical with **no loss or delinquency**
- Clients** - **Private Debt Funds** that have proven performance via historical track records across various economic cycles
- Loans** - **"Asset-based"** in nature, being **secured by a well-structured diverse collateral pool**, with no defaulted assets allowed in the borrowing base. **100% floating rate facilities**

Fund Finance

- Highly experienced team recruited from large cap banks with industry wide history of low to no default
- Clients** - well-established **fund managers with proven track records** over various economic cycles
- Loans** - **underlying well structured collateral is secured by diverse LP commitments, institutional** in nature, at conservative advance rates. **100% floating rate** and primarily **364-day facilities (capital efficient)**.

Tech & VC

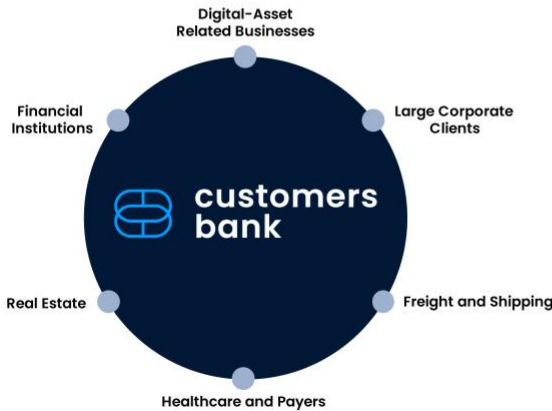
- Clients** - **Recurring revenue software businesses**, with mission critical products, backed by well-known and funded venture capital firms
- \$250M+ in loans closed to date and a strong pipeline/backlog
- Source of **fee income** and **low-cost deposits**

A Blockchain-based, instant payments platform generating \$2.1B in low-cost deposits



Introducing: CustomersBank Instant Token (CBIT™)

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



Overview

- API connected platform with customers
- Onboarded 90 new customers in Q2'22 bring total customers to 190
- Compliance-first, best-in-class onboarding process.
- CBIT adoption central to our strategy. Digital banking team closely integrated with all the other business unit heads

Deposit Inflow as a Result of CBIT Launch



Balance Sheet: Loan and Deposit Growth & Mix



Loans ex PPP¹

\$ billions

- Community C&I
- Specialty C&I
- Investment CRE
- Multifamily
- Consumer²
- Mortgage Banking Lending



PPP loans

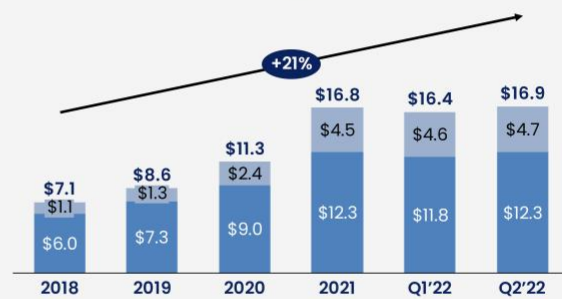
- Loan growth ex PPP¹: +\$2.2B QoQ, 19% QoQ, 32% YoY
- Specialty C&I: +\$1.6B QoQ, 50% QoQ, 192% YoY
- \$829M loan growth ex PPP in the month of Jun'22

1. Non-GAAP Measure, refer to Appendix for reconciliation.
2. Includes consumer installment (\$1.9B), Mortgages (\$0.5B) and Manufactured housing

Deposits

\$ billions

- Non-interest bearing deposits
- Interest bearing deposits



- Total deposit growth: +3% QoQ, +22% YoY
- Non-interest bearing deposit growth: +2% QoQ, +73% YoY
- Proportion of non-interest bearing deposits has increased from 16% in 2018 to 28% in Q2'22

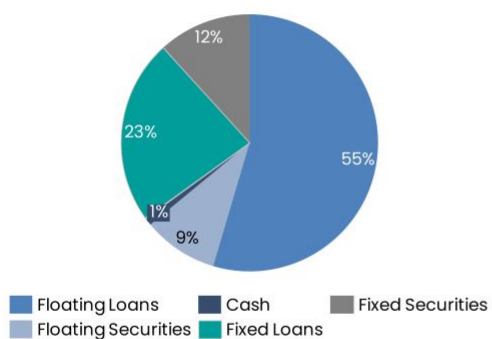
© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

Interest Rate Sensitive Earning Asset Mix



Interest earning assets mix¹

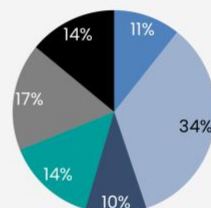
Q2'22, percent



- ~65% of interest earning assets are market sensitive
- Expected to benefit from rising rate environment

Loan mix ex PPP²

percent



As of Q2'22

83 % Commercial Loans

- Significant improvement in loan mix with greater proportion of lower credit risk verticals
- Pipeline remains extremely strong especially in C&I
- Loan mix ex PPP²: Consumer installment (13%), Consumer mortgages⁴ (4%)

1. Floating rate loans and securities are defined as assets with resets less than one year and include fixed loans maturing within one year (including PPP loans).

2. Non-GAAP Measure, refer to Appendix for reconciliation.

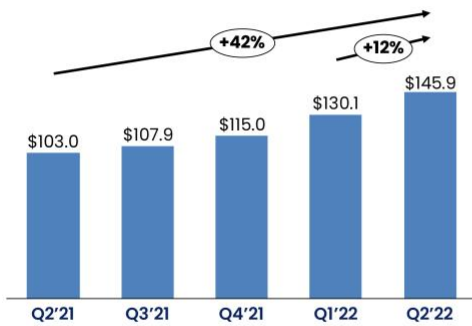
3. Includes consumer installment (\$1.9B), Mortgages (\$0.5B) and Manufactured housing

4. Includes Mortgages and Home Equity loans

Income Statement: Growth in Net Interest Income & Margin



NII ex PPP¹
\$ millions



- Strong NII growth: +12% QoQ, +42% YoY
- NII growth driven by strong loan growth in C&I including specialty lending verticals

Loan yield¹ and Deposit cost
percent



- Spread between loan yield and deposit cost increased from 3.89% to 4.02%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

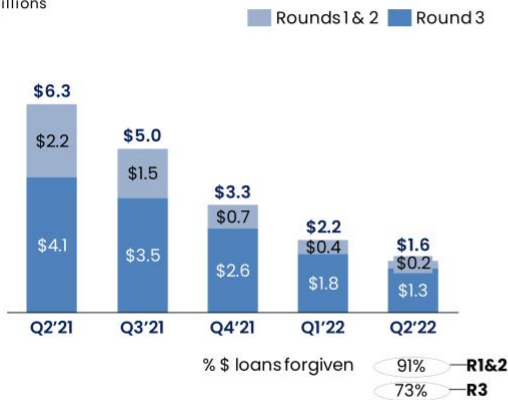
1. Non-GAAP Measure, refer to Appendix for reconciliation.

Paycheck Protection Program: Loans and Fees



PPP loans¹

\$ billions



- ~\$0.6B of PPP loans were repaid (including SBA guarantee payments)/forgiven in Q2'22

Fee income recognized from PPP¹

\$ millions



- ~\$350 million of origination fee income from the program
- ~\$43M of remaining deferred origination fees to be recognized mostly in 2022

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

1. As of 06/30/2022 includes all PPP loans facilitated by Customers Bank (originated and purchased).

Liquidity and Investment Securities Mix



Liquidity

\$ billions

■ Cash and Cash equivalents ■ Investment securities AFS
■ Investment securities HTM

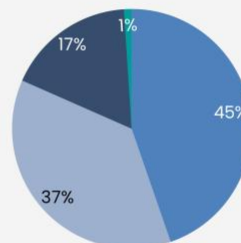


- Strategic sales of investment portfolio redeployed to fund strong loan growth
- AFS securities with fair value of \$500M re-classified to HTM in Q2'22 (Ending balance of \$495M at Q2'22) to prevent further material AOCI loss on AFS securities

Investment Securities AFS Mix (~52% floating rate)

As of Jun 30, 2022, percent

■ MBS & CMO ■ ABS¹ ■ Corporates ■ Other



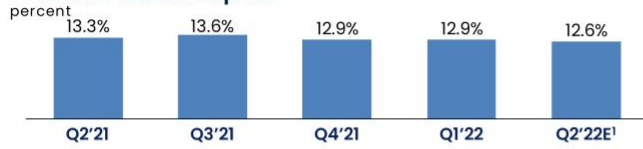
- Majority of investment securities are deployed in MBS & CMO and ABS¹
- Ample liquidity to fund future loan growth
- Portfolio characteristics (as of Q2'22)
 - Yield, net of hedges: ~2.9%
 - Effective Duration: ~1.6 years
 - Floating rate securities: ~52%

1. Includes CLOs

Capital: Strong Capital Position



Total risk-based capital



TCE/TA excl PPP³



Tangible book value³



- Unrealized loss impact in AFS portfolio negatively impacted TCE/TA excl. PPP³ ~0.3% in Q2'22. Total cumulative impact of ~0.7% as of Q2'22
- Expect TBV per share of \$40+ by Q4'22E
- Expect TCE/TA excl PPP³ to be ~7.5% over the next 3-4 quarters

1. Total capital ratio is estimated pending final Call report. 2. TCE/TA excl PPP excl. AOCI is 7.2% (-0.7% impact of AOCI on TCE/TA excl PPP)
3. Non-GAAP Measure, refer to Appendix for reconciliation.

Credit: Credit Quality and Reserves Remain Strong



NPL

\$ millions



NCO

\$ millions

Commercial NCO Consumer NCO



NPA as percent of total assets

percent



1. Net charge-offs excludes \$2 million charge-offs of deposit overdrawn accounts for consumer serviced deposits
2. Non-GAAP Measure, refer to Appendix for reconciliation

- Credit quality remains excellent as evidenced by NPAs/Total Assets of only 0.14% at Q2'22
- The coverage ratio, excluding PPP loans² was 1.28% at Q2'22
- Reserves/NPLs was 557.8% at Q2'22
- Annualized Consumer Installment charge-offs at ~2.1%¹ for Q2'22. Consumer Installment Lifetime CECL reserves of ~5.9% for Q2'22 (Consumer installment portfolio WAL of ~1.7 years)



Key Investment Highlights



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



Exceptional **credit quality**



Customer centric culture built around service and experience



Well **positioned** for **higher interest rate environment** – technology enabling both low-to-no cost large scale deposit generation capabilities as well as growing fee income opportunities



Demonstrated industry leading proprietary technological capabilities as a high-tech, high-touch bank



Attractive valuation – Trading at ~1.0X¹ tangible book value and less than 6X¹ 2023E consensus

1. Based on share price as of July 22, 2022 (~\$38.02)

©2022 CUSTOMERS BANK / ALL RIGHTS RESERVED



ANALYST COVERAGE

B. Riley Financial, Inc.

Steve Moss

D.A. Davidson Companies

Russell Gunther

Hovde Group

Will Curtiss

Jefferies Group LLC

Casey Haire

Wedbush Securities Inc.

Peter Winter

Keefe, Bruyette & Woods Inc.

Michael Perito

Maxim Group Inc.

Michael Diana

Piper Sandler Companies

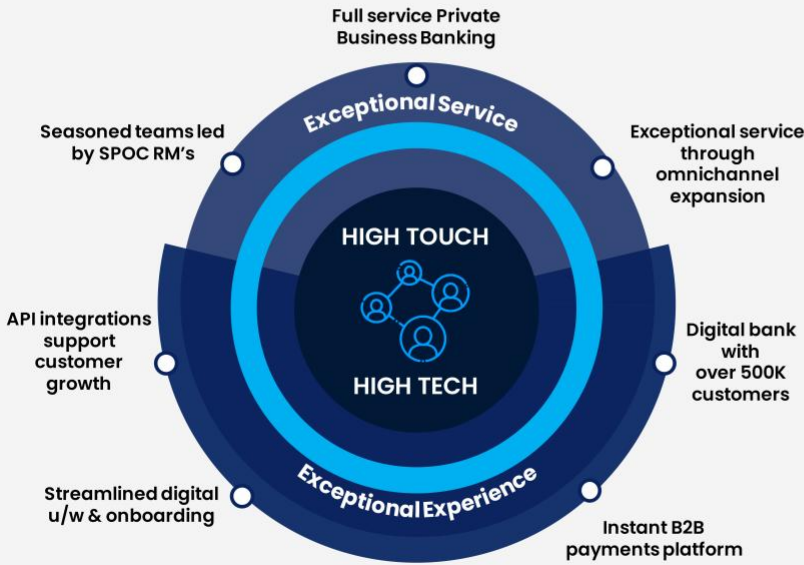
Frank Schiraldi

Stephens Inc.

Matt Breese



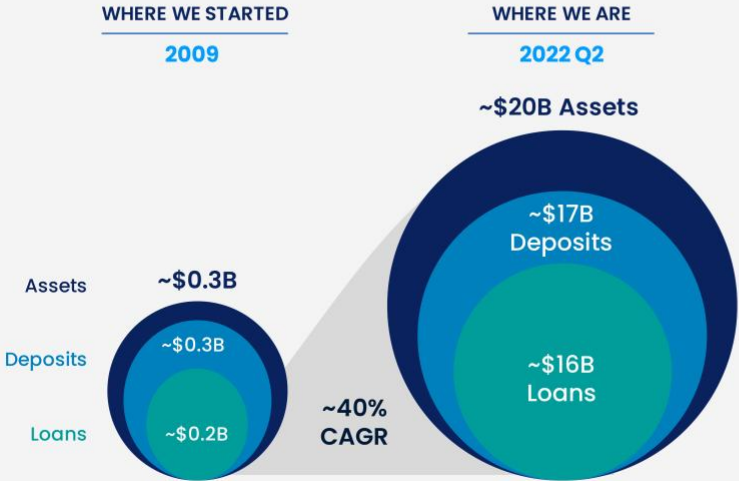
The customer is at the center of everything we do



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



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



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





Let's take on tomorrow.

Environmental, Social & Governance Report



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

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

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

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

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

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

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

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

©2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

Consumer Installment Loans

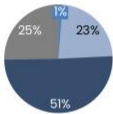


Weighted average life of ~1.7 years

FICO Score¹

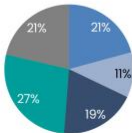
Average FICO Score¹ ~729

660-679 700-749
680-699 750+



Geography

West Southeast
Southwest Northeast
Midwest

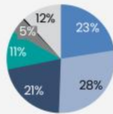


1. FICO score at time of origination.
Note: Data as of June 30, 2022.

Debt to Income ratio

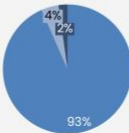
Average DTI ~17.4%

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



Profession

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



Borrower Income

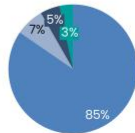
Average borrower income ~\$102k

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



Purpose

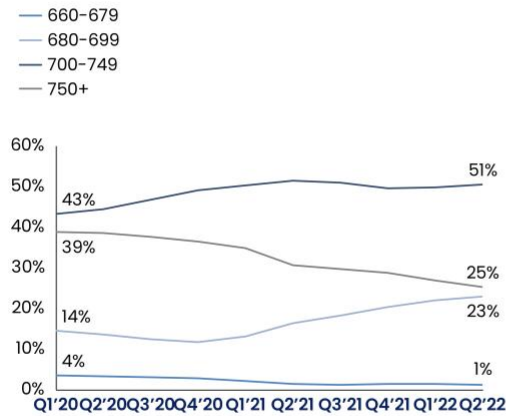
Personal Loan Home Improvement
Specialty Student Loan



CUBI Consumer Loans – Portfolio Credit trends

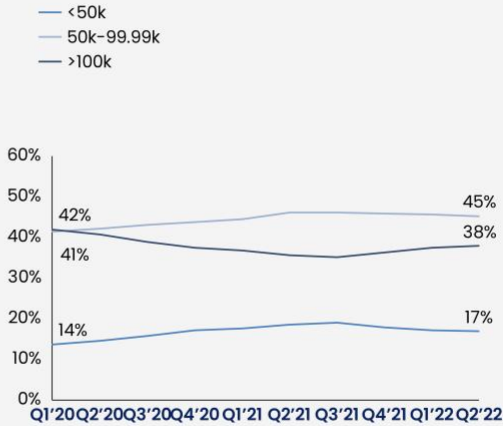


Portfolio FICO score trends



- No consumer loans with FICO score < 660
- 76% of consumer loans with FICO score greater than 700

Portfolio borrower income trends

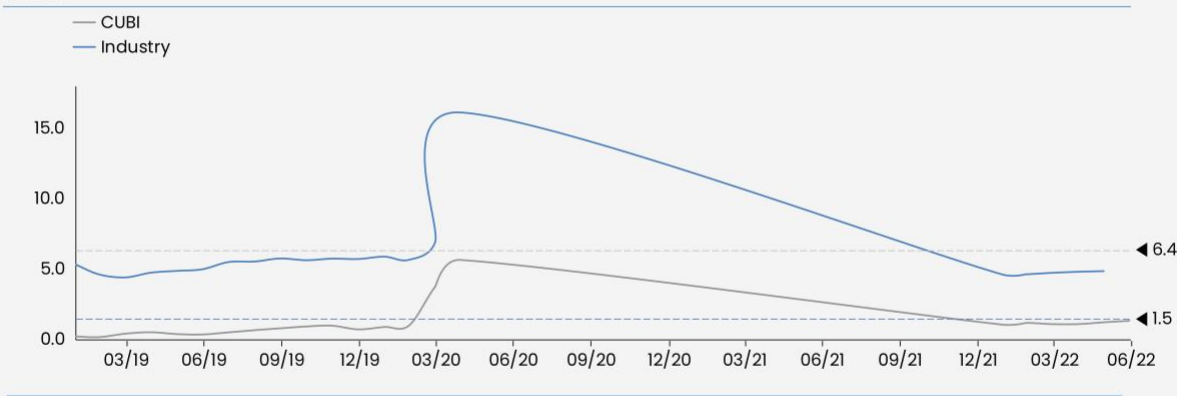


- 83% of consumer loans with borrower income greater than 50k
- 38% of consumer loans with borrower income greater than 100k

CUBI Consumer installment loans impairment remains well below industry levels



Impairment of consumer installment loans



- CUBI portfolio impairment below long term average of ~1.5% and well below industry average

Note: Customers Bancorp's impairment percentages are considered 1 day+ delinquent or in forbearance. Industry chart is from DV01 Insights Performance Report-Consumer Credit Updated as of May 31, 2022 for industry and 06/30/2022 for CUBI. June '22 industry report yet to be released.

Credit: Allowance for Credit Losses for Loans and Leases



(\$ in thousands)	June 30, 2022			Q2 2022
	Amortized Cost	Allowance for Credit Losses	Lifetime Loss Rate	Annualized Net Charge Off Ratio
Loans and Leases Receivable:				
<u>Commercial:</u>				
Multi-Family	2,008,784	9,765	0.49%	0.40%
Commercial and Industrial	5,737,670	11,081	0.19%	-0.03%
Commercial Real Estate Owner Occupied	710,577	4,745	0.67%	-0.02%
Commercial Real Estate Non-Owner Occupied	1,152,869	8,880	0.77%	0.06%
Construction	195,687	1,179	0.60%	-0.21%
Total Commercial Loans and Leases Receivable	\$ 9,805,587	\$ 35,650	0.36%	0.06%
<u>Consumer:</u>				
Residential real estate	\$ 457,768	\$ 5,578	1.22%	-0.03%
Manufactured housing	48,570	4,080	8.40%	0.00%
Installment	1,901,070	111,222	5.85%	2.51%
Total Consumer Loans Receivable	\$ 2,407,408	\$ 120,880	5.02%	1.98%
Total Loans and Leases	\$ 12,212,995	\$ 156,530	1.28%	0.44%

- (1) Utilized Moody's June 2022 Baseline forecast with qualitative adjustments for Q2 2022 provision.
(2) Excludes Mortgage Banking Lending loans reported at fair value, loans held for sale and PPP Loans.

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED



Liquidity Sources (\$000's)	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	YOY Change
Cash and Cash Equivalents	\$430,501	\$1,052,055	\$518,032	\$274,600	\$245,178	(\$185,323)
FHLB Available Borrowing Capacity	\$1,466,067	\$2,031,551	\$1,798,374	\$3,213,767	\$2,924,637	\$1,458,570
FRB Available Borrowing Capacity	\$197,000	\$186,000	\$191,000	\$214,908	\$244,802	\$47,802
Investments (MV AFS + HTM)						
US Gov't & Agency Debt	\$20,114	\$0	\$0	\$0	\$0	(\$20,114)
Agency & Non-Agency MBS & CMO	\$661,823	\$871,191	\$1,838,872	\$2,194,349	\$1,900,917	\$1,239,094
Municipals	\$8,554	\$8,655	\$8,430	\$7,950	\$7,737	(\$817)
Corporates	\$350,420	\$440,892	\$580,046	\$593,749	\$546,336	\$195,916
ABS ⁽¹⁾	\$485,881	\$540,959	\$1,364,227	\$1,347,981	\$1,160,160	\$674,279
Other AFS	\$0	\$5,000	\$25,575	\$25,824	\$24,771	\$24,771
Less: Pledged Securities	(\$15,988)	(\$12,440)	(\$11,315)	(\$16,972)	(\$19,325)	(\$3,337)
Net Unpledged Securities	\$1,510,804	\$1,854,257	\$3,805,835	\$4,152,881	\$3,620,596	\$2,109,792
Total	\$3,604,371	\$5,123,863	\$6,313,241	\$7,856,156	\$7,035,212	\$3,430,841

(1) Includes CLOs

Reconciliation of Non-GAAP Measures – Unaudited



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

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

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



Core Earnings – Customers Bancorp

(\$ in thousands, except per share data)

	Q2 2022		Q1 2022		Q4 2021		Q3 2021		Q2 2021	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18	\$ 98,647	\$ 2.87	\$ 110,241	\$ 3.25	\$ 58,042	\$ 1.72
Reconciling items (after tax):										
Net loss from discontinued operations	-	-	-	-	1,585	0.05	-	-	-	-
Severance expense	-	-	-	-	-	-	-	-	1,517	0.04
Impairments on fixed assets and leases	705	0.02	220	0.01	1,118	0.03	-	-	-	-
Legal reserves	-	-	-	-	-	-	897	0.03	-	-
(Gains) losses on investment securities	2,494	0.07	1,030	0.03	43	0.00	(4,591)	(0.14)	(2,694)	(0.08)
(Gains) Loss on sale of foreign subsidiaries	-	-	-	-	-	-	-	-	2,150	0.06
Derivative credit valuation adjustment	(351)	(0.01)	(736)	(0.02)	(180)	(0.01)	(198)	(0.01)	288	0.01
Deposit relationship adjustment fees	-	-	-	-	-	-	4,707	0.14	-	-
Loss on redemption of preferred stock	-	-	-	-	-	-	2,820	0.08	-	-
Core Earnings	\$ 59,367	\$ 1.77	\$ 75,410	\$ 2.20	\$ 101,213	\$ 2.95	\$ 113,876	\$ 3.36	\$ 59,303	\$ 1.76

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Core Earnings, Excluding PPP – Customers Bancorp

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

	Q2 2022		Q1 2022		Q4 2021		Q3 2021		Q2 2021	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income available to shareholders	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18	\$ 98,647	\$ 2.87	\$ 110,241	\$ 3.25	\$ 58,042	\$ 1.72
Less: PPP net income (after tax)	13,066	0.39	24,713	0.72	64,323	1.87	81,337	2.40	24,312	0.72
GAAP net income to common shareholders, excluding PPP	43,453	1.29	50,183	1.46	34,324	1.00	28,904	0.85	33,730	1.00
Reconciling items (after tax):										
Net loss from discontinued operations	-	-	-	-	1,585	0.05	-	-	-	-
Severance expense	-	-	-	-	-	-	-	-	1,517	0.04
Impairments on fixed assets and leases	705	0.02	220	0.01	1,118	0.03	-	-	-	-
Legal reserves	-	-	-	-	-	-	897	0.03	-	-
(Gains) losses on investment securities	2,494	0.07	1,030	0.03	43	0.00	(4,591)	(0.14)	(2,694)	(0.08)
(Gains) Loss on sale of foreign subsidiaries	-	-	-	-	-	-	-	-	2,150	0.06
Derivative credit valuation adjustment	(351)	(0.01)	(736)	(0.02)	(180)	(0.01)	(198)	(0.01)	288	0.01
Deposit relationship adjustment fees	-	-	-	-	-	-	4,707	0.14	-	-
Loss on redemption of preferred stock	-	-	-	-	-	-	2,820	0.08	-	-
Core earnings, excluding PPP	\$ 46,301	\$ 1.38	\$ 50,697	\$ 1.48	\$ 36,890	\$ 1.07	\$ 32,539	\$ 0.96	\$ 34,991	\$ 1.04

©2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Core Return on Average Assets – Customers Bancorp

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net income	\$ 58,650	\$ 76,761	\$ 100,669	\$ 116,042	\$ 61,341
Reconciling items (after tax):					
Net loss from discontinued operations	-	-	1,585	-	-
Severance expense	-	-	-	-	1,517
Impairments on fixed assets and leases	705	220	1,118	-	-
Legal reserves	-	-	-	897	-
(Gains) losses on investment securities	2,494	1,030	43	(4,591)	(2,694)
(Gains) Loss on sale of foreign subsidiaries	-	-	-	-	2,150
Derivative credit valuation adjustment	(351)	(736)	(180)	(198)	288
Deposit relationship adjustment fees	-	-	-	4,707	-
Core net income	\$ 61,498	\$ 77,275	\$ 103,235	\$ 116,857	\$ 62,602
Average total assets	\$ 20,056,020	\$ 19,129,330	\$ 19,214,241	\$ 19,739,340	\$ 19,306,948
Core return on average assets	1.23%	1.64%	2.13%	2.35%	1.30%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



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

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net income	\$ 58,650	\$ 76,761	\$ 100,669	\$ 116,042	\$ 61,341
Reconciling items:					
Income tax expense	18,896	19,332	12,993	36,263	20,124
Provision (benefit) for credit losses on loans and leases	23,847	15,997	13,890	13,164	3,291
Provision (benefit) for credit losses on unfunded commitments	608	(109)	352	669	45
Severance expense	-	-	-	-	2,004
Net loss from discontinued operations	-	-	1,585	-	-
Impairments on fixed assets and leases	914	286	1,260	-	-
Legal reserves	-	-	-	1,185	-
(Gains) losses on investment securities	3,232	1,339	49	(6,063)	(3,558)
(Gains) Loss on sale of foreign subsidiaries	-	-	-	-	2,840
Derivative credit valuation adjustment	(455)	(957)	(203)	(261)	380
Deposit relationship adjustment fees	-	-	-	6,216	-
Adjusted net income – pre-tax pre-provision	\$ 105,692	\$ 112,649	\$ 130,595	\$ 167,215	\$ 86,467
Average total assets	\$ 20,056,020	\$ 19,129,330	\$ 19,214,241	\$ 19,739,340	\$ 19,306,948
Adjusted ROAA – pre-tax pre-provision	2.11%	2.39%	2.70%	3.36%	1.80%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Core Return on Average Common Equity

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net income to common shareholders	\$ 56,519	\$ 74,896	\$ 98,647	\$ 110,241	\$ 58,042
Reconciling items (after tax):					
Net loss from discontinued operations	-	-	1,585	-	-
Severance expense	-	-	-	-	1,517
Impairments on fixed assets and leases	705	220	1,118	-	-
Legal reserves	-	-	-	897	-
(Gains) losses on investment securities	2,494	1,030	43	(4,591)	(2,694)
(Gains) Loss on sale of foreign subsidiaries	-	-	-	-	2,150
Derivative credit valuation adjustment	(351)	(736)	(180)	(198)	288
Deposit relationship adjustment fees	-	-	-	4,707	-
Loss on redemption of preferred stock	-	-	-	2,820	-
Core earnings	\$ 59,367	\$ 75,410	\$ 101,213	\$ 113,876	\$ 59,303
Average total common shareholders' equity	\$ 1,244,819	\$ 1,252,022	\$ 1,179,478	\$ 1,071,566	\$ 1,002,624
Core return on average common equity	19.13%	24.43%	34.04%	42.16%	23.72%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Tangible Equity

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP – Total shareholders' equity	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible equity	\$ 1,349,761	\$ 1,373,728	\$ 1,362,481	\$ 1,280,505	\$ 1,246,876

Tangible Book Value per Common Share – Customers Bancorp

(\$ in thousands, except per share data)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP – Total shareholders' equity	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(217,471)
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible common equity	\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405
Common shares outstanding	32,449,486	32,957,847	32,913,267	32,537,976	32,353,256
Tangible book value per common share	\$ 37.35	\$ 37.50	\$ 37.21	\$ 35.12	\$ 31.82

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



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

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP – Total shareholders' equity	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(217,471)
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible common equity	\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405
GAAP – Total assets	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
PPP loans	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
Tangible assets	\$ 18,678,207	\$ 16,964,128	\$ 16,321,284	\$ 14,147,771	\$ 13,326,199
Tangible common equity to tangible assets, excluding PPP	6.49%	7.29%	7.50%	8.08%	7.72%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Tangible Common Equity to Tangible Assets – Customers Bancorp

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP – Total shareholders' equity	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(217,471)
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible common equity	\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405
GAAP – Total assets	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
Tangible assets	\$ 20,248,367	\$ 19,160,030	\$ 19,571,292	\$ 19,105,128	\$ 19,631,255
Tangible common equity to tangible assets	5.99%	6.45%	6.26%	5.98%	5.24%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Core Loans (Total loans and leases, excluding PPP)

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Total loans and leases	\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537	\$ 16,967,022
PPP loans	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
Loans and leases, excluding PPP	\$ 14,094,193	\$ 11,877,616	\$ 11,318,877	\$ 10,558,180	\$ 10,661,966

Total loans and leases, excluding mortgage banking lending and PPP

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Total loans and leases	\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537	\$ 16,967,022
Loans to mortgage companies	(1,975,189)	(1,830,121)	(2,362,438)	(2,626,483)	(2,922,217)
PPP loans	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
Loans and leases, excluding mortgage banking lending and PPP	\$ 12,119,004	\$ 10,047,495	\$ 8,956,439	\$ 7,931,697	\$ 7,739,749

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Core Assets

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP – Total assets	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,678)	(3,736)	(3,794)	(3,853)
PPP loans	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
Core assets	\$ 18,678,207	\$ 16,964,128	\$ 16,321,284	\$ 14,147,771	\$ 13,326,199

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

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Loans and leases receivable	\$ 13,783,155	\$ 12,314,757	\$ 12,268,306	\$ 12,927,956	\$ 14,077,198
PPP loans	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)	(6,305,056)
Loans and leases held for investment, excluding PPP	\$ 12,212,995	\$ 10,118,855	\$ 9,018,298	\$ 7,970,599	\$ 7,772,142
Allowance for credit losses on loans and leases	\$ 156,530	\$ 145,847	\$ 137,804	\$ 131,496	\$ 125,436
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	1.28%	1.44%	1.53%	1.65%	1.61%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

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



Net Interest Income, Excluding PPP – Customers Bancorp

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net interest income	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892	\$ 138,757
PPP net interest income	(18,946)	(34,615)	(78,647)	(112,005)	(35,785)
Net interest income, excluding PPP	\$ 145,906	\$ 130,084	\$ 115,047	\$ 107,887	\$ 102,972

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

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
GAAP net interest income	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892	\$ 138,757
PPP net interest income	(18,946)	(34,615)	(78,647)	(112,005)	(35,785)
Tax-equivalent adjustment	270	239	276	290	289
Net interest income, tax equivalent, excluding PPP	\$ 146,176	\$ 130,323	\$ 115,323	\$ 108,177	\$ 103,261
GAAP average total interest earning assets	\$ 19,525,936	\$ 18,572,308	\$ 18,576,433	\$ 19,033,826	\$ 18,698,996
Average PPP loans	(1,863,429)	(2,641,318)	(3,898,607)	(5,778,367)	(6,133,184)
Adjusted average total interest earning assets	\$ 17,662,507	\$ 15,930,990	\$ 14,677,826	\$ 13,255,459	\$ 12,565,812
Net interest margin, tax equivalent, excluding PPP	3.32%	3.32%	3.12%	3.24%	3.30%

Loan Yield, excluding PPP

(\$ in thousands)

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Total interest on loans and leases	\$ 168,941	\$ 157,175	\$ 198,000	\$ 233,097	\$ 153,608
Interest on PPP loans	(20,572)	(36,894)	(82,086)	(117,102)	(41,137)
Interest on loans and leases, excluding PPP	\$ 148,369	\$ 120,281	\$ 115,914	\$ 115,995	\$ 112,471
Average loans and leases	\$ 14,918,498	\$ 13,656,991	\$ 14,335,370	\$ 16,192,744	\$ 16,482,802
Average PPP loans	(1,863,429)	(2,641,318)	(3,898,607)	(5,778,367)	(6,133,184)
Adjusted average total interest earning assets	\$ 13,055,069	\$ 11,015,673	\$ 10,436,763	\$ 10,414,377	\$ 10,349,618
Loan yield, excluding PPP	4.56%	4.43%	4.41%	4.42%	4.36%

© 2022 CUSTOMERS BANK / ALL RIGHTS RESERVED

