

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

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**FORM 8-K**

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

**Date of Report (date of earliest event reported): June 22, 2016**

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

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**Pennsylvania**  
(State or other jurisdiction  
of incorporation)

**001-35542**  
(Commission File Number)

**27-2290659**  
(I.R.S. Employer  
Identification No.)

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

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

**None**  
(Former name or former address, if changed since last report)

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

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

Item 8.01Other Events

Customers Bancorp, Inc. has posted to its website a slide presentation which is attached hereto as Exhibit 99.1 and incorporated into this Item 8.01 by reference.

Item 9.01Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	<a href="#">Slide presentation.</a>

**SIGNATURE**

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

**CUSTOMERS BANCORP, INC.**

By: /s/ Robert E. Wahlman

Name: Robert E. Wahlman

Title: Executive Vice President and Chief Financial Officer

Date: June 22, 2016

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EXHIBIT INDEX

Exhibit No.	Description
99.1	<a href="#">Slide presentation.</a>





# Customers Bancorp, Inc.

*Overview of CUBI, Customers Bank and BankMobile*

**Analyst Day Meeting**  
June 23, 2016  
NYSE: CUBI

**Customers  Bank**  
Member FDIC

 **Member  
FDIC**

**BankMobile**

This presentation, as well as other written or oral communications made from time to time by us, contains forward-looking information within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to future events or future predictions, including events or predictions relating to future financial performance, and are generally identifiable by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “plan,” “intend,” or “anticipate” or the negative thereof or comparable terminology. These forward-looking statements are only predictions and estimates regarding future events and circumstances and involve known and unknown risks, uncertainties and other factors, including the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q, as such factors may be updated from time to time in our filings with the SEC, that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. The information is based upon various assumptions that may not prove to be correct.

In addition to the risks described under “Risk Factors” in the reports we file with the SEC under the Securities Exchange Act of 1934, as amended, important factors to consider and evaluate with respect to such forward-looking statements include:

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

- timely development and acceptance of new banking products and services and perceived overall value of these products and services by users;
- changes in consumer spending, borrowing and saving habits;
- technological changes;
- our ability to increase market share and control expenses;
- continued volatility in the credit and equity markets and its effect on the general economy;
- effects of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;
- the businesses of Customers Bank and any acquisition targets or merger partners and subsidiaries not integrating successfully or such integration being more difficult, time-consuming or costly than expected, including with respect to our acquisition of certain assets from Higher One;
- material differences in the actual financial results of merger and acquisition activities compared with expectations, such as with respect to the full realization of anticipated cost savings and revenue enhancements within the expected time frame, including with respect to our acquisition of certain assets from Higher One;
- our ability to successfully implement our growth strategy, control expenses and maintain liquidity; and
- Customers Bank's ability to pay dividends to Customers Bancorp.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, or, in the case of other documents referred to herein, the dates of those documents. We do not undertake any obligation to release publicly or otherwise provide any revisions to these forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

1. Discuss three growth stories
  - a) Customers Bancorp and Customers Bank
  - b) BankMobile and the new relationship we now have with Colleges and related Student Checking Business
  - c) New high growth model for BankMobile
2. Strategic options for BankMobile monetization and future of CUBI
3. CUBI and BankMobile Technologies value creation opportunities

Name	Title	Years of Banking Experience	Background
Jay S. Sidhu	Chairman & CEO	40	Chairman and CEO of Sovereign Bank & Sovereign Bancorp, Inc.
Richard A. Ehst	President & COO	48	EVP, Commercial Middle Market, Regional President and Managing Director of Corporate Communications at Sovereign Bank
Robert E. Wahlman, CPA	Chief Financial Officer	35	CFO of Doral Financial and Merrill Lynch Banks; various roles at Bank One, US GAO and KPMG.
Steve Issa	EVP, New England Market President, Chief Lending Officer	39	EVP, Managing Director of Commercial and Specialty Lending at Flagstar and Sovereign Bank.
George Maroulis	EVP, Group Director of Private & Commercial Banking - NY Metro	24	Group Director and SVP at Signature Bank; various positions at Citibank and Fleet/Bank of America's Global Commercial & Investment Bank
Timothy D. Romig	EVP, Group Director of Commercial Banking - PA/NJ	32	SVP and Regional Executive for Commercial Lending (Berks and Montgomery County), VIST Financial; SVP at Keystone / M&T Bank
Ken Keiser	EVP, Director CRE and Multi-Family Housing Lending	39	SVP and Market Manager, Mid-Atlantic CRE Lending at Sovereign Bank; SVP & Senior Real Estate Officer, Allfirst Bank / M&T Bank
Christopher McGowan	EVP, Managing Director Multi-Family Lending - NYC	17	SVP & Director of Originations for Capital One / Beech Street Capital, Peoples United Bank and Santander / Sovereign Real Estate Capital
Glenn Hedde	EVP, President Banking for Mortgage Companies	29	President of Commercial Operations at Popular Warehouse Lending, LLC; various positions at GE Capital Mortgage Services and PNC Bank
James Collins	EVP, Chief Administrative Officer	25	Various positions at Sovereign including Director of Small Business Banking
Thomas Jastrem	EVP, Chief Credit Officer	38	Various positions at First Union Bank and First Fidelity Bank
Robert B. White	EVP, Chief Risk Officer	29	President RBW Financial Consulting; various positions at Citizens Bank and GE Capital
Mary Lou Scalese	EVP, Chief Auditor	40	Chief Auditor at Sovereign Bank and Chief Risk Officer at Customers Bank



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

- \$9.0 billion asset bank with only 21 sales offices
- Well capitalized at 10.3% total risk based capital, 7.2% tier 1 leverage, and 6.2% tangible common equity to average tangible assets
- Target market from Boston to Philadelphia along Interstate 95

### Strong Profitability, Growth & Efficient Operations

- Q1 2016 diluted earnings per share up 16.3% over Q1 2015 with a ROA of .85% and a ROCE of 12.85%
- Pre-tax, pre-provision ROA and ROE for Q1 2016 was 1.40% and 21.87% respectively
- Q1 2016 net income of \$16.4 million up 17.6% over Q1 2015
- DDA and total deposits compounded annual growth of 75% and 62% respectively since 2009
- Q1 2016 net interest margin was 2.88%
- Operating efficiencies offset tighter margins and generate sustainable profitability
- Q1 2016 efficiency ratio was 53.74%

### Strong Credit Quality & Low Interest Rate Risk

- 0.20% non-performing loans at March 31, 2016
- Total reserves to non-performing loans of 242.10%
- Minimal risk of margin compression from modestly higher short term rates and flatter curve

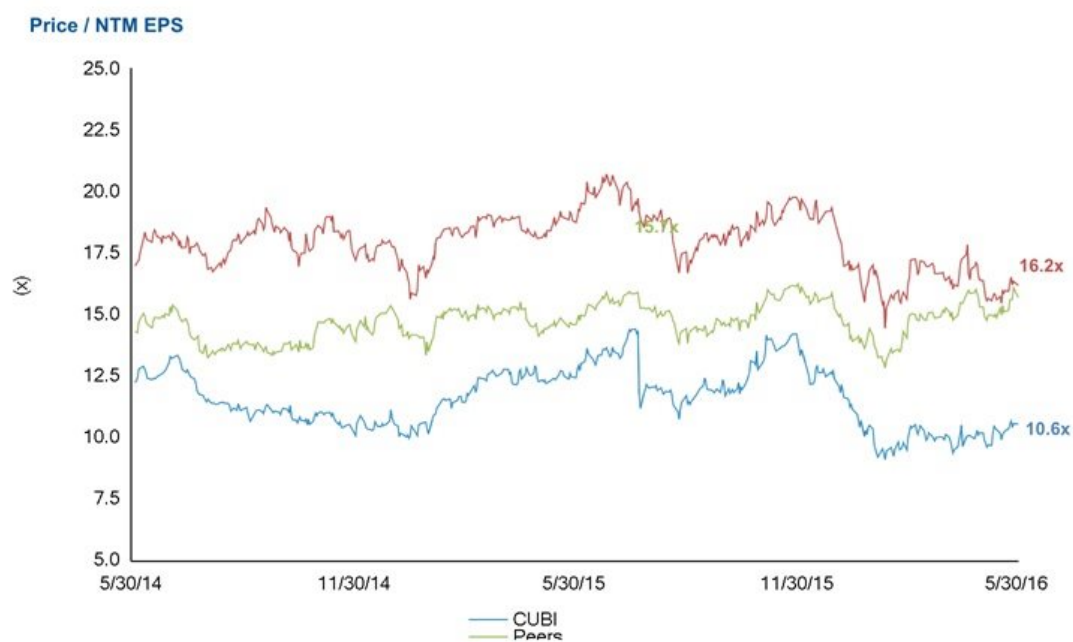
### Attractive Valuation

- June 6, 2016 share price of \$26.83 only 11x 2016 core consensus earnings and <10x 2017 consensus estimates
- CAGR of 33% in shareholder value since Dec 31, 2009
- Price/tangible book only 1.3x for estimated 2016 tangible book value
- Peers, by size, trading at ~14x estimated 2016 earnings and between 1.7x to 2.0x tangible book
- March 31, 2016 tangible book value of \$19.08, up 65% since Dec 2011 with a CAGR of 13%

### Highly Experienced Management Team

- Seasoned industry leaders with extensive experience

CUBI has outperformed aspirational peers on price performance, but relative valuation still remains attractive



Source: SNL Financial, Factset

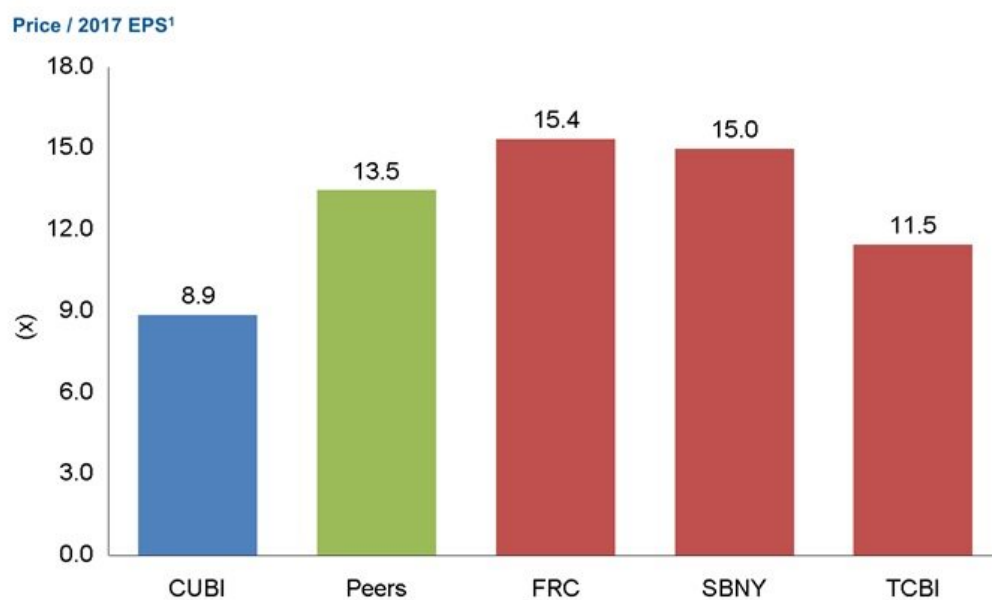
Notes: Market data as of March 24, 2016

1 Includes PFS, NBTB, CBU, NWBI, BHLB, INDB, BPFH, FCF, STBA, BRKL, EGBN, UBNK, TMP, FFIC, WSFS

2 Includes FRC, SBNY, TCBI

3 FactSet median estimates

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2 Includes FRC, SBNY, TCBI

3 FactSet median estimates



# Customers Bank

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Executing On Our Unique High Performing  
Banking Model

## Phase I Acquired Bank Platform

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

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

## Phase II Built Strong Foundation

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

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

## Phase III Leveraging Infrastructure

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

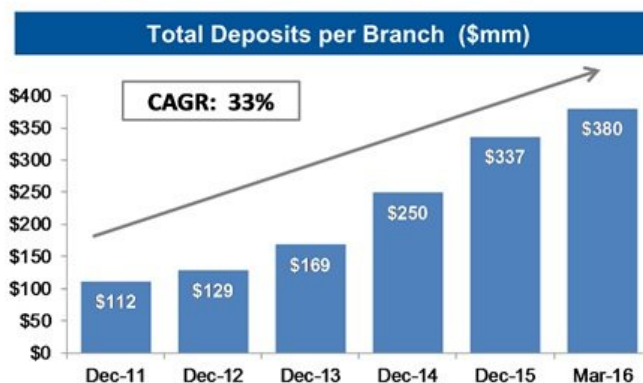
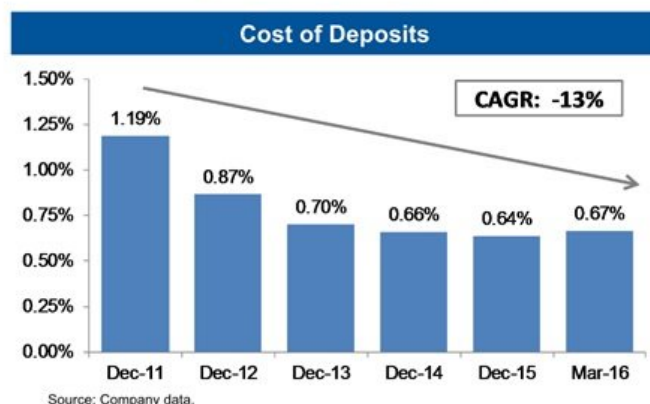
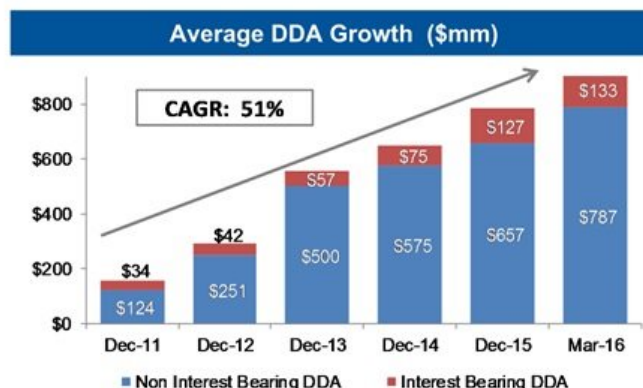
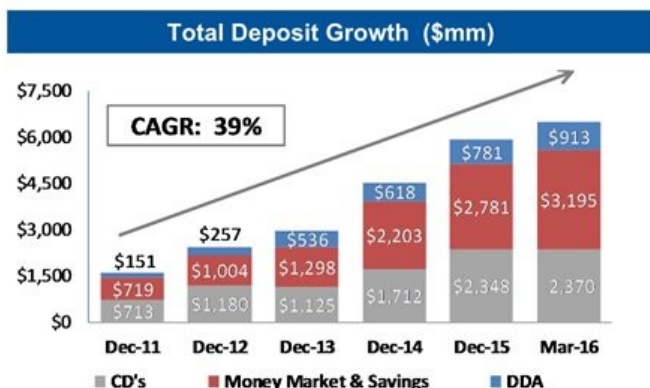
**2012-2013**  
**Assets: \$4.2B**  
**Equity: \$387M**

## Phase IV Innovation & Execution

- Single Point of Contact Banking model executed – commercial focus
- Continued recruitment of experienced teams
- Introduce **BANKMOBILE** – banking of the future for consumers
- Continue to show strong loan and deposit growth
- $\approx$  12%+ ROE;  $\approx$  1% ROA expected within 2 years
- $\approx$  \$8.4+ billion asset bank by end of 2015
- $\approx$  \$9 billion asset bank by mid 2016

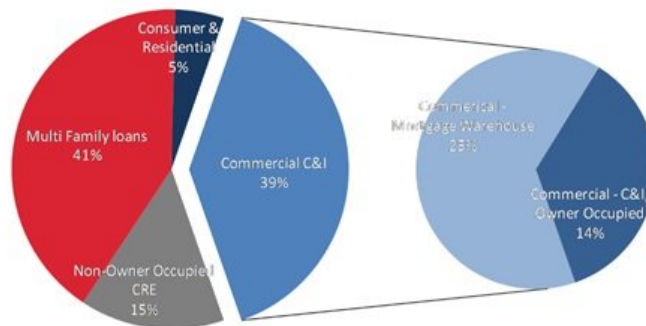
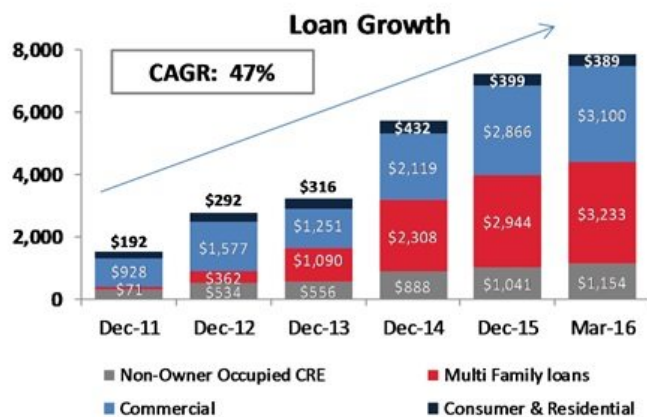
**Q1 2016**  
**Assets: \$9.0B**  
**Equity: \$599M**  
**ROCE: 12.8%**

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



## High Growth with Strong Credit Quality

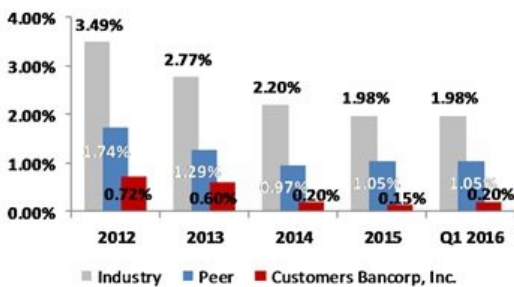
- Continuous recruitment and retention of high quality teams
  - Centralized credit committee approval for all loans
- Loans are stress tested for higher rates and a slower economy
- Insignificant delinquencies on loans originated since new management team took over
  - Creation of solid foundation for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



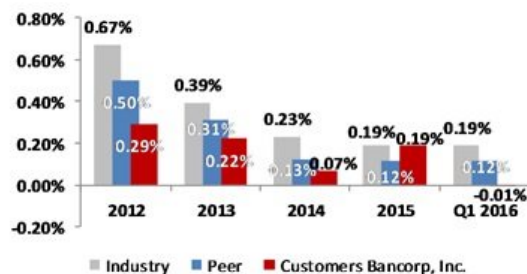
Source: Company documents.

## Asset Quality Indicators Continue to be Strong

### NPL

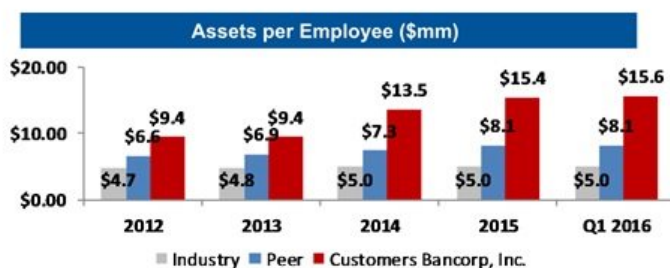
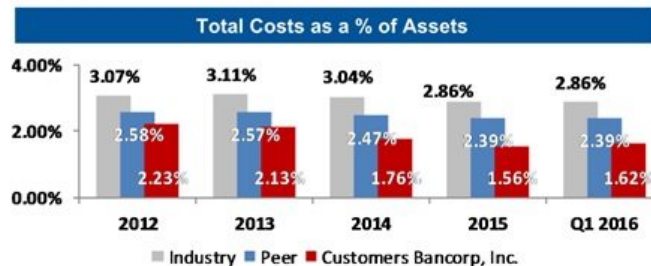
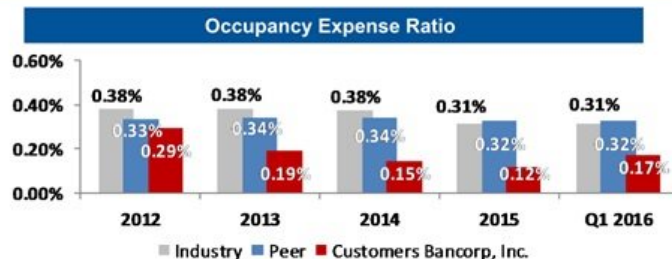
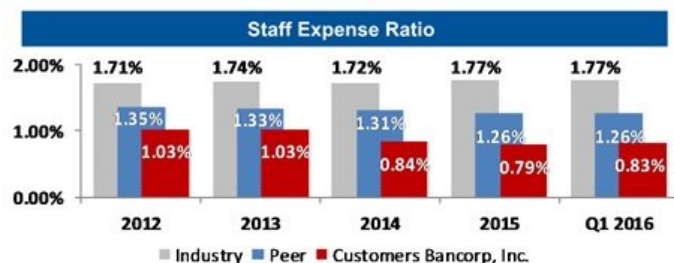


### Charge Offs



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

Source: SNL Financial, Company documents. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with assets between \$3.5 billion and \$10.0 billion. Industry data includes all FDIC insured banks. Peer and Industry data as of December 31, 2015

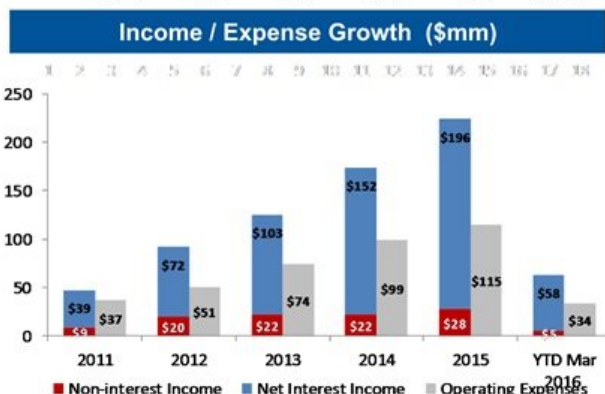
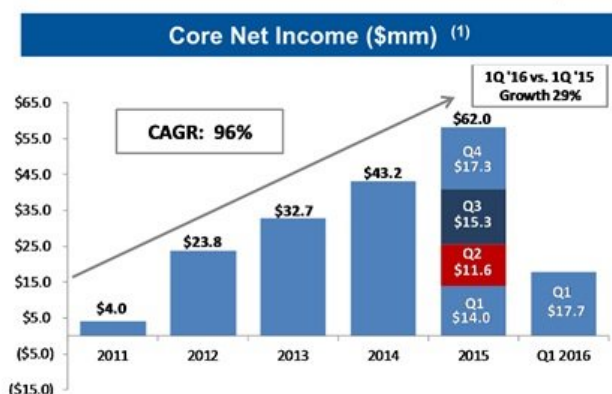
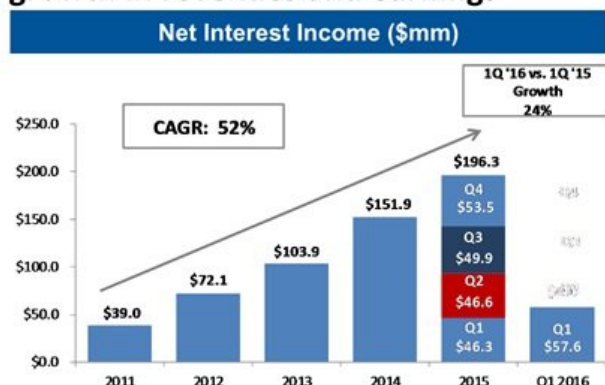
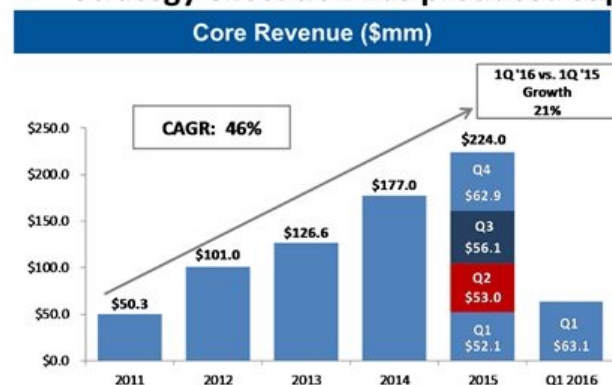


Source: SNL Financial, Company documents. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with assets between \$3.5 billion and \$10.0 billion. Industry data includes all FDIC insured banks. Peer and Industry data as of December 31, 2015.



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

- Strategy execution has produced superior growth in revenues and earnings



- (1) Core income is net income before extraordinary items less/plus securities gains and losses, less a 2015 BOLI death benefit of approximately \$2.4 million after tax, and excludes the 2015 \$9.0 million (\$5.8 million after tax) specific reserve for a fraudulent loan.
- (2) CAGR calculated from December 2011 to December 2016 (annualized).

# Building Customers to Provide Superior Returns to Investors

## Tangible BV per Share



## Recent Performance Results

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
ROA	0.8%	0.7%	0.8%	0.9%	0.9%
ROCE	12.5%	9.4%	11.8%	13.5%	12.8%
NIM	2.90%	2.73%	2.79%	2.83%	2.88%
Efficiency	53%	48%	54%	50%	54%
EPS	\$0.49	\$0.39	\$0.50	\$0.58	\$0.57

## Financial Performance Targets

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

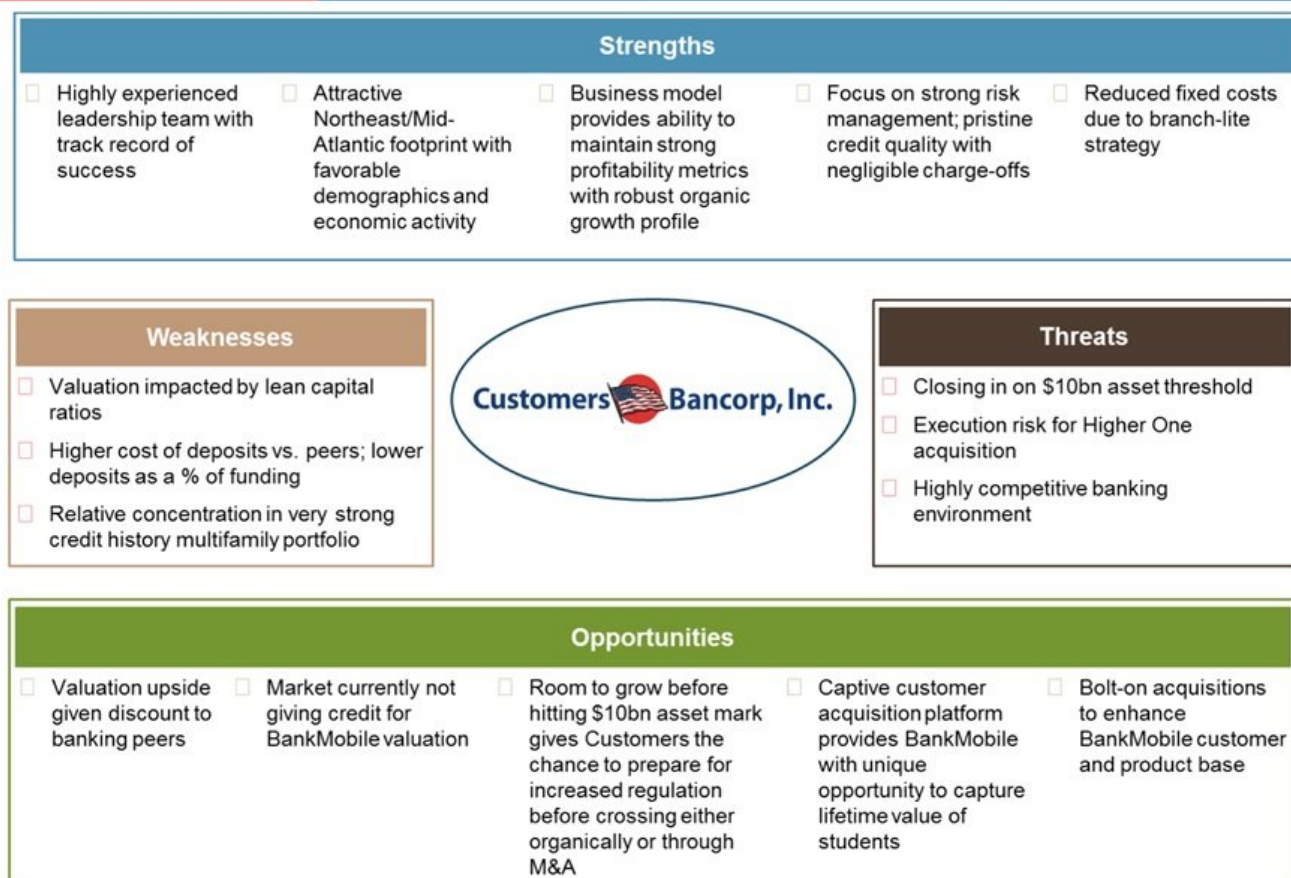
## Earnings per Share Guidance / Valuation Multiples

Year	Guidance
2016 Core EPS	\$2.40 - \$2.50
June 1, 2016 Share Price	\$27.13
Estimated 2016 Tangible Book Value	\$20.31
Tangible Book Value/Share Price	1.3x
Share Price / Mid 2016 Guidance	11.1x
Share Price / 2017 EPS Estimates	10x

2016 EPS is estimated to be up approximately 25% from 2015 EPS

17



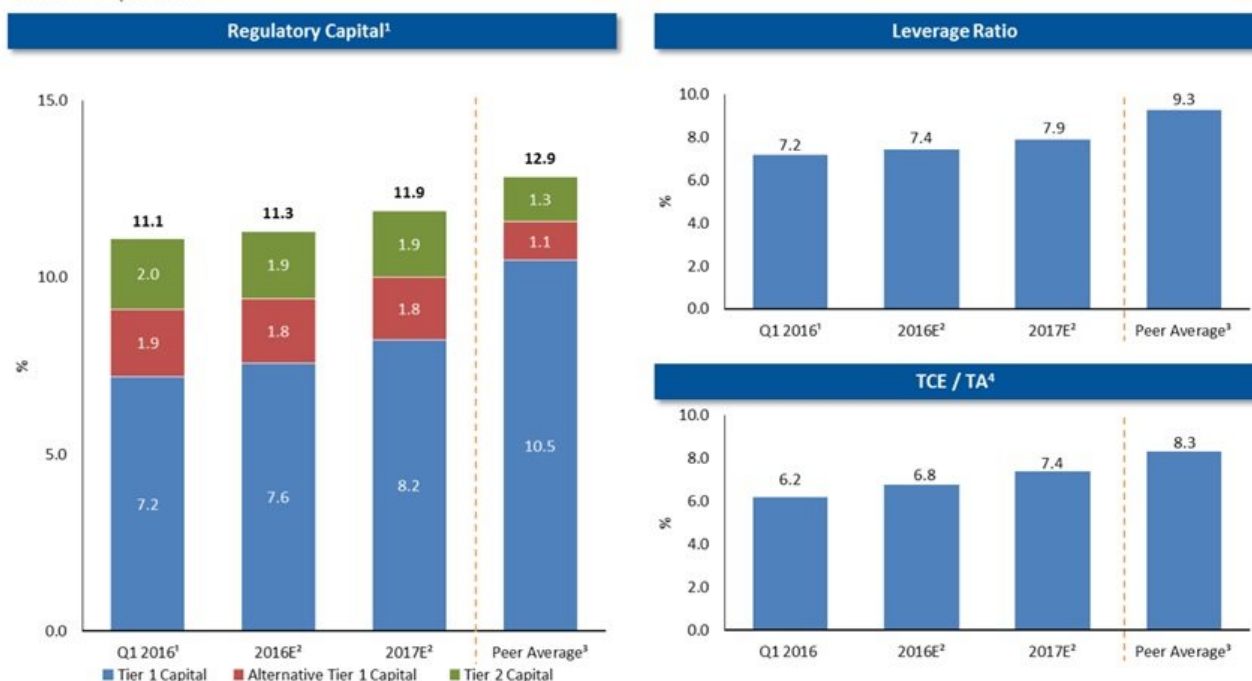


## Recent & Expected Capital Growth

Capital (in millions)	Amount
Jan 2016 Preferred raise	\$25.0
April 2016 Preferred raise	\$57.5
Expected Retained Earnings from Q1 & Q2	\$37.2
Expected Retained Earnings from Q3 & Q4	\$36.0
Expected Retained Earnings from 2017	\$79.9
Expected Common Equity added during 2016 & 2017	\$153.1
Expected Tier 1 Capital Added during 2016 & 2017	\$235.6

Note: Projected earnings based on consensus estimates of \$2.40 EPS in 2016 and \$2.67 EPS in 2017

CUBI has operated at lean capital levels due to superior growth profile; capital levels expected to build over the next few quarters



Source: SNL Financial as of March 31, 2016.

<sup>1</sup>Pro forma \$57.5 million April 2016 preferred issuance.

<sup>2</sup>Assuming that CUBI grows to \$9.50 billion assets by Q4 2016 and \$9.75 billion by Q4 2017; net income projections based on Wall Street consensus estimates.

<sup>3</sup>Peers consist of North East / Mid-Atlantic banks including PFS, NBTB, CBU, NWBI, BHLB, INDB, BPFH, FCF, STBA, BRKL, EGBN, UBNK, TMP, FFIC, WSFS.

<sup>4</sup>Calculated as tangible common equity divided by average tangible assets

- Positioned well for gradually rising short term rates and a bear flattener

- Due to desire to stay below \$10 billion in 2016 and 2017, opportunity to maintain cost of deposits in rising rate environment

- No issues at all for traditional CRE
  - Only about 200% of capital
- Conducted a very detailed analysis on multi family portfolio
  - No issues for CUBI; we have a strong Risk Management process in place
  - Will restrict future growth due to our decision not to grow beyond \$10 billion until 2018

# BankMobile

*A division of Customers Bank*

*How technology will define  
consumer banking in the future*

BankMobile

## Key management of BankMobile Technologies, Inc.



**Jay Sidhu**

*Chairman and CEO*

- Serves as the Chairman and CEO for BankMobile and Customers Bank
- Prior to joining Customers Bank, served as the Founder, Chairman and Chief Executive Officer of Sovereign Bancorp Inc.
- Has received various recognitions in the industry, including Financial World's CEO of the Year, Turnaround Entrepreneur of the Year, and was named the Large Business Leader of the Year by the Chamber of Commerce
- MBA from Wilkes University and a graduate of Harvard Business School's Leadership Course



**Warren Taylor - Chief of Staff**

- President of BankMobile and EVP/President of Community Banking at Customers Bank
- Prior to joining Customers Bank, spent 20 years at Sovereign Bank, and acted as the Division President
- BS in Accounting from Saint Joseph's University



**Dan Armstrong - Chief Digital Officer**

- Launched mobile banking and payments products for Rabobank
- Served for three years on the Board of Directors of mBank Philippines, a mobile-only, nationwide commercial bank
- One of the founders of pioneering Dutch GSM Service Provider Rabo Mobil



**Lutz Braum - Chief Marketing Officer**

- Has more than 25 years of experience in financial services marketing and currently Higher One's CMO
- Previously worked at PayPal, Wells Fargo, Citibank and PetCareRx
- MBA from The Wharton School at the University of Pennsylvania, BA in Business Administration from Arizona State University



**Andrew Crawford - Senior Vice President, Campus Services & Operations**

- Currently Senior Vice President, Campus Services & Operations at Higher One
- Ran operations for Kaplan Test Prep & Admissions and prior to that worked at Exchange Solutions, Inc.
- MBA from Ross School of Business at the University of Michigan, BA from University of Pennsylvania



**Al Botta - Chief Revenue Officer**

- Currently Chief Revenue Officer at BankMobile, prior to that was a Director at Customers Bank
- Prior to joining Customers Bank was an Executive Director at CollegeFootballQuest.com and CEO Cash Zone
- Degrees from University of Central Florida and Adelphi University



**Luvleen Sidhu - Chief Strategy Officer**

- Previous Director of Corporate Development at Customers Bank
- Prior to joining Customers Bank, was an investment analyst at Neuberger Berman in their hedge fund of funds group
- MBA from The Wharton School at the University of Pennsylvania, BA in Government from Harvard College



**Kirk Barrett - Chief Technology Officer**

- Prior to joining BankMobile was the Co-Founder and CEO of Nolinio, a revolutionary mobile sales enablement tool for large manufacturer, franchise and enterprise sales teams
- Also served as the CEO and CTO at Cimbrian, Chief Digital Officer at Clipper Magazine and DSI Portal Author for the DC Government



**Casey McGuane - Head of Student Banking**

- Has 15 years of financial services experience and currently Higher One's COO and Executive Vice President
- Inventor on three payment processing patents
- President of board of directors of Connecticut Association of Human Services
- BA in Psychology from the University of Rhode Island



**Scott Lyon - Head of Strategic Partnerships**

- Previously launched and managed successful digital ventures in gaming (Sony), e-commerce (Cars.com), place-based advertising (Captivate Network) and mobile start-ups
- MBA from Harvard Business School, BA (honors) from Stanford University



**Kathy Clark - Senior Vice President of Banking**

- Prior to joining BankMobile, focused on the seamless delivery of innovative and effective solutions to students, served as the Vice President of Banking for Higher One, Inc. for more than 10 years
- Developed conceptual designs. Partnered with a large technical team to develop cutting edge technology and delivered self-service bank products to the student market
- More than 23 years in the Financial Services Market



- Banks each year charge about \$32 billion in overdraft fees – that's allowing or creating over 1 billion overdrafts each year....Why??
- Payday lenders charge consumers another \$7 billion in fees
- That's more than 3x what America spends on breast cancer and lung cancer combined and almost the amount Americans spend on vegetables
- 25% consumers are unbanked or underbanked
- In the age of "Uber", why is banking so behind?

**– This should not be happening in America**

## What it takes to succeed in digital banking

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- **Absolute clarity of customer segments we are going after**
  - Millennials and middle-income Americans
- **Must have a very strong customer acquisition strategy**
  - Opening ~500,000 new checking accounts each year, creating first real 'Digital Bank for millennials'
- **Clear Customer retention and growth strategy**
  - "Customers for life and selling awesome customers experiences"
  - Already have 2 million Millennials banking with us
- **Unique and superior technology that cannot be easily replicated**
  - "Superior Tech Company with a bank charter" – model very unique
- **There must be a strong profitable model: better than that of a traditional bank**
  - "High ROE, Low Risk, High-growth Fintech company"

## Creating a virtual bank for the future, for consumers

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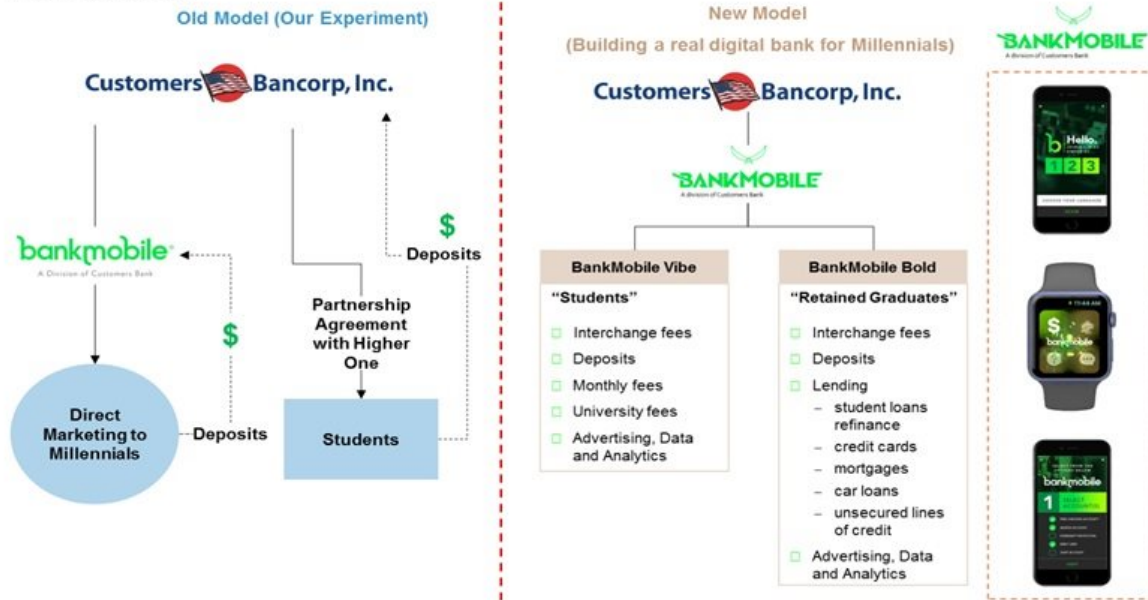
- No fee or very low-fee banking, 25 bps higher interest savings, line of credit, 55,000 or more ATM's, Personal Banker and more, all in the palm of your hand
- Marketing Strategy
  - Target technology dependent younger consumers; including underserved / underbanked and middle income Americans
  - Reach middle income markets also through affinity or partnership banking groups
  - Revenue generation from debit card interchange and margin from low cost core deposits
  - Durbin Amendment a unique opportunity for BankMobile
- Expected to achieve profitability in 2016 and above average results in 3 – 5 years, goals are:
  - a) 15 – 20% ROE
  - b) ~2% ROA
  - c) 15% + growth in revenues, mostly fee based
  - d) Minimum credit or interest rate risk

## BankMobile *Disbursements*

- Contractual relationships with 800 campuses in U.S.
- ~\$5.0 million per year licensing or subscription fee income from colleges for software
- Platform for acquiring about 500,000 or more student checking account customers each year
- Business that had ~\$120+ million in revenues, and Higher One's total market cap was \$1billion four years ago
- We are making business model much more attractive for universities / college students (≈\$70 million in fees eliminated)
- No cost for profitable customer acquisition
- This customer acquisition strategy can be duplicated in partnership with other industries and large employers

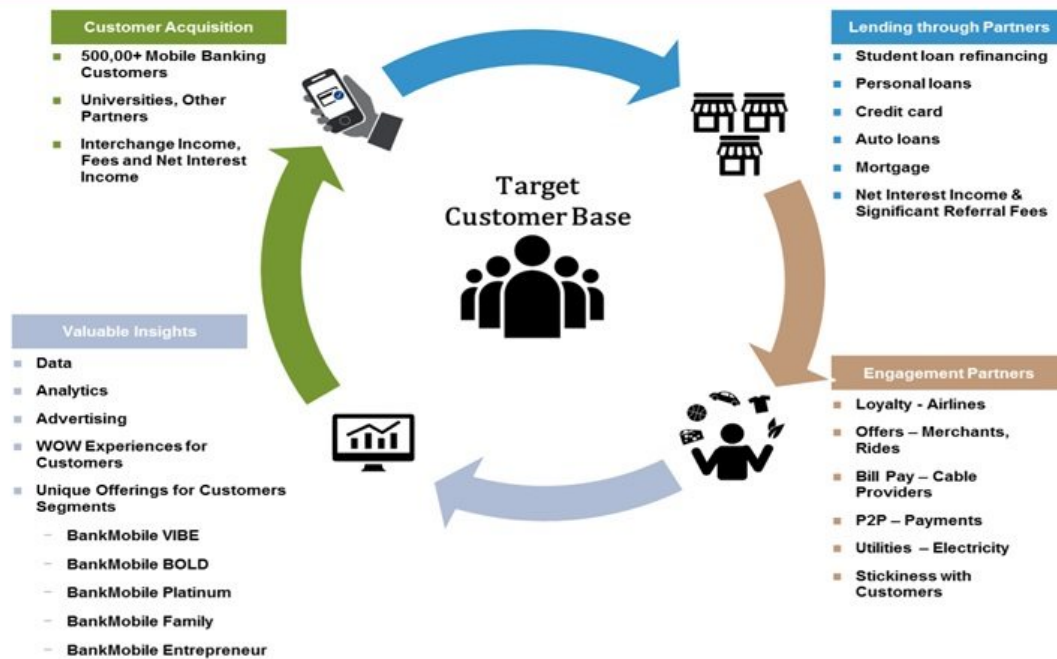
## BankMobile evolution

Higher One Transaction coupled with existing technology enables BankMobile to convert student customers into lifetime customers



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## BankMobile's ecosystem is well-positioned to create 'customers for life'



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## Elements of an Effective Risk Management Program

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## Today's speakers for BankMobile

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**Luvleen Sidhu**  
Chief Strategy Officer



**Casey McGuane**  
Chief Operating Officer



**Andrew Crawford**  
Chief Client Officer



**Lutz Braum**  
Chief Marketing Officer



**Dan Armstrong**  
Chief Digital Officer



**Kirk Barrett**  
Chief Technology Officer





# BANKMOBILE STRATEGY

Luvleen Sidhu

BankMobile

- Make banking *affordable, effortless, and financially empowering*
- Provide “*wow*” *memorable experiences*; not just sell products
- Create *customers for life*

## Our guiding principles

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Keep it **simple**



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



We need to **speak** with an **authentic voice**



**10X customer acquisition** and **retention** strategy

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- Largest generation (~84 million)
- 40% would consider a branchless bank
- 33% want to switch banks in next 90 days
- Underserved by banks
- Receiving largest transfer of wealth in history
- 4 largest banks among 10 least loved brands

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

Consumer Behavior is **Shifting...**

BAIN & COMPANY

In 2014, for the first time, U.S. customers interacted with their banks **more through mobile devices than any other** means...including traditional online channels, ATMs, and branch visits

accenture

**40% of millennials** would consider banking with a **branchless bank**

BACKBASE

On average, customers visit bank branches 1-2 times per year vs. interacting with their bank **20-30 times/month** on their mobile device

however, **banks have been slow to adapt**

**48% of customers** switch banks because of fees

AMERICAN BANKER

**Millennial Desperate for a Better Banking Experience**

(50%) indicate they are counting on start up firms to overhaul how banks work

TIME Magazine

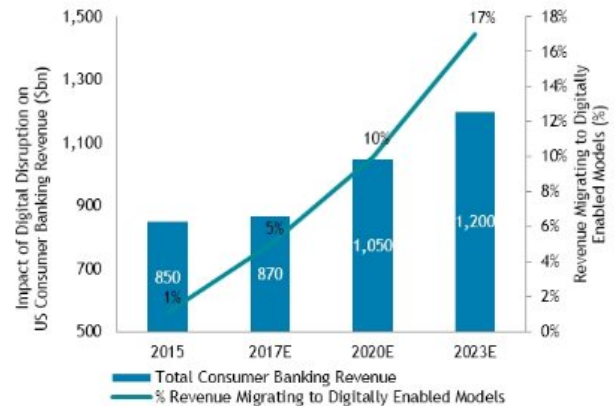
**Millennials Want Change!** (75%) say they would prefer financial services from the likes of Google, Amazon, and Paypal.

## Digital banking environment is ready for disruption

Mobile bank users globally are forecasted to more than double by 2019 and digital banks are expected to disrupt traditional banking revenues significantly in the medium to long term

### Consumer Banking Revenue Disruption

- The rise of neo banks has been described as "Banking's Uber Moment"
  - Disintermediation of bank branches rather than the banks themselves, i.e., a shift to mobile distribution being the main channel of interaction between customers and the bank
- Revenue impact from digital disruption is peripheral today but is growing rapidly and will be substantial in the medium term







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## BankMobile compares favorably to 'neo banks'

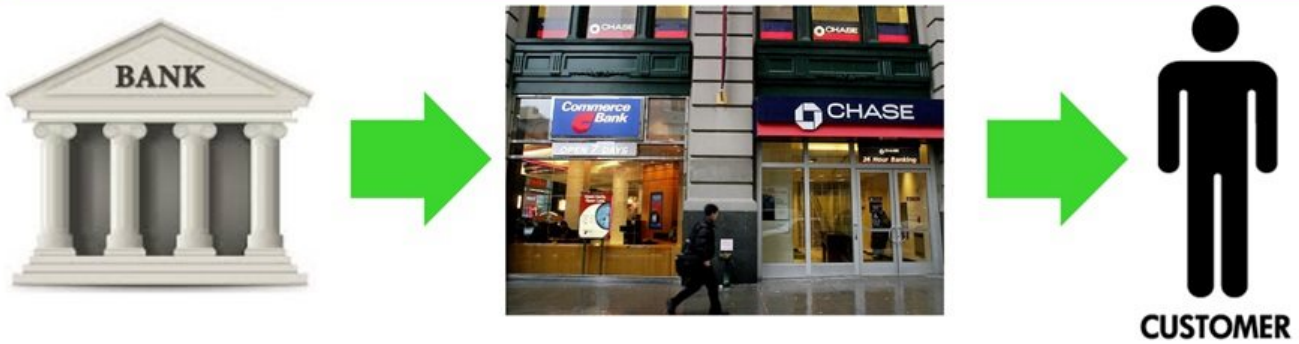
				
<b>Offerings</b>				
Joint Deposit Accounts	✓	✗	✗	✗
Check Writing Ability	✓	✗	✗	✗
Picture Bill Pay	✓	✗	✗	✗
High Yield Savings Accounts	✓	✗	✗	✗
Personal Line of Credit	✓	✗	✗	✗
Personal Financial Management	✓	✗	✗	✗
Account Opening Minimums	\$0.01	Recommend \$100 – \$500 to start	\$100 minimum	\$20 – \$500

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## Traditional customer acquisition models via branches don't work

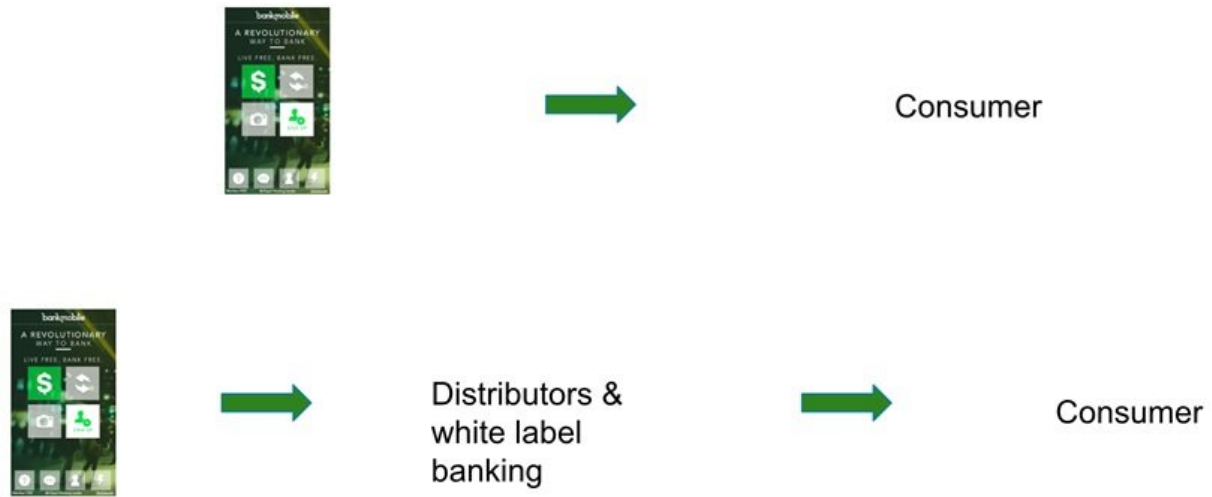
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- ~1488 retail checking accounts per branch
- 17 new checking accounts opened per branch per month
- Deposit open/close ratio of 1.07
- We estimate ~1 net new checking account opened per branch per week
- Overdraft fees are subsidizing inefficient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

## How we are disrupting the branch network

---



- Insert Video

### Initiatives

- Social media/Google Adwords
- Digital Advertising
- PR
- Campus Ambassador Program (61 ambassadors to date)
- Membership Strategy (~2% conversion to date)
- Content marketing: Our book “Why Can’t Banks Be As Easy As Uber,” creating and promoting blog content, podcasts
- Partnerships

### Insights

- Direct to consumer is challenging in short term
  - inertia, consumer friction, attract early adopters and fraudsters, large marketing expense
- Details about our 100,000 plus customers
  - Average balance: \$444
  - % Direct deposit: ~10%
  - Average revenue per customer: ~\$28

- Insert Video

- In one year, BankMobile has evolved from start up investment phase to shareholder return phase
- BankMobile today is one of the top digital banks in the U.S.
  - 2 million checking accounts
  - 500,000 new checking accounts opened each year
  - ~\$60 million per year non interest income revenues
  - ~\$600 million DDA's by end of Q3, 2016
  - Expected to be profitable by year end 2016
  - Future growth opportunities are very significant

- Use data analytics to improve the banking experience
- Move away from money transactions to money management
- Don't just sell products but create "wow" experiences
- Take part in the Internet of Things, conversational AI for human touch, advanced biometrics
- Use APIs to share info and create a financial marketplace (Amazon for financial services)
- Continuous innovation...



- Video

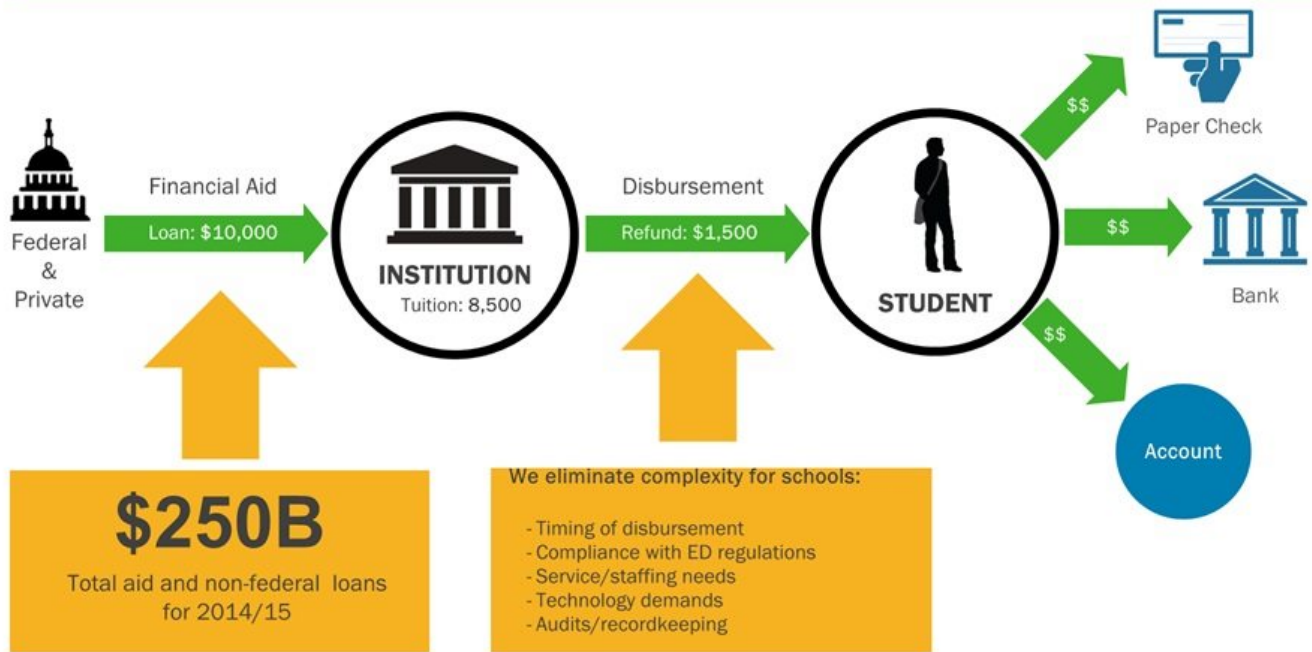
## Online Banking the Smart Way

# DISBURSEMENT BUSINESS

Casey McGuane & Andrew Crawford

BankMobile

## We leverage the financial aid refund disbursement process



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We are the leading provider of financial services to the higher education industry

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Established  
**2001**

Serving  
**800+**  
higher education campuses

**96%+**  
university client  
retention

**2MM**  
acountholders on file

**\$10B+**  
disbursed in 2015  
(\$6B into student accounts)

Clients generated  
**\$5M**  
in subscription revenue

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We have a compelling value proposition for colleges and students

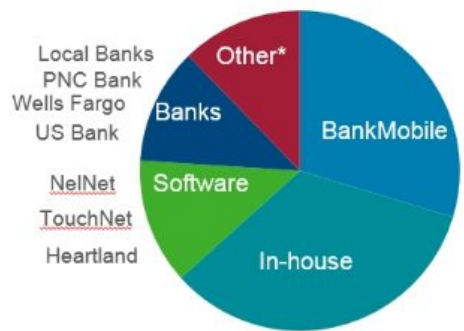


- Challenges within the disbursement industry and Higher One
  - Servicer vs regulated bank model
  - Focus on higher education only, inability to provide lifecycle model with additional financial services
  - Accounts only offered via disbursement model, fees perceived as too high
  - Corporate and consumer brand burdened with reputational and regulatory issues
  - Pending Department of Education rules in previous years froze the market
- BankMobile Disbursements and Customers Bank strengths
  - Strong value proposition for clients and students with BankMobile Vibe
  - New branding, corporate and consumer, is welcomed change for all
  - Reputation strengthened with a regulated bank vs servicer model
  - Department of Education regulations effective July 1, 2016 provide certainty for clients and opens the market for disbursement services
  - Lifecycle approach offers broader solution set for all and can increase customer lifetime value

- Long-term embedded university client base (average tenure of relationship: 5 years)
- Strong technology allows for personalization by campus
- Full-service, high-touch disbursement solution with dedicated in-market teams
- Strong process integration with ERP, financial systems, service
- Dept. of Education Title IV regulations (Tier 1 and Tier 2)
- Experience and regulatory skillset
- Three patents

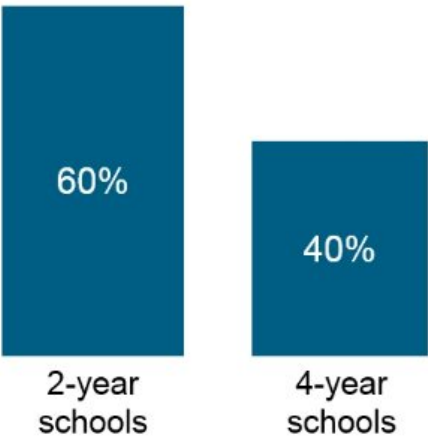
We are the market leader, with a 25% share of the 20M college student market

Market share by student enrollment (US total: 20M)



Other\* ADP, Blackboard, Chase, Citibank, ECSI, Herring Bank, and other regional banks

Distribution of clients



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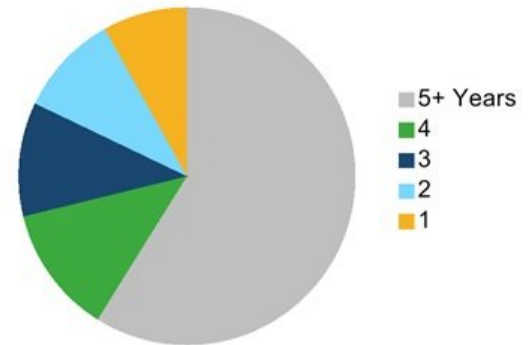


Our client portfolio is strong and well-established

#### Representative client roster



#### Client tenure by years



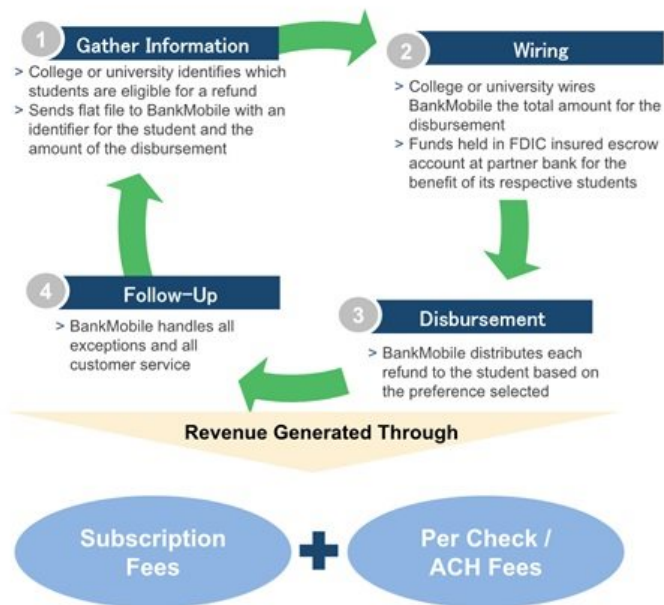
79% of clients are on 3+ year contracts

96% client retention

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## Our full-service suite and extensive experience is difficult to replicate

### Highly efficient and formulaic process flow



### Services we provide

Exception Handling

24/7 Service

Administrator Support

Reporting database

Client education/training

Compliance expertise

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# CONSUMER PRODUCT/GROWTH STRATEGY

Lutz Braum

BankMobile



**Profile of typical account holder:**

- 28-year old woman living in the South
- Studying at 2-year community college ( but for longer than 2 years)
- Likely to be working part-time (\$5K/year) while attending school
- Likely to be a commuter student
- Likely to have children in the household
- Top merchant destinations: Walmart, Amazon, BestBuy, Target, AT&T, McDonalds
- Average student debt: \$34K
- 12% of freshmen don't check their balance because they are too nervous!

## Some “student accounts” exist, but NONE are truly designed for students

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MOST are ‘basic checking’ with monthly fee waived for students

SOME are only available for 4 years

(only 20% of students finish in 4 years)

SOME are only available to individuals under 24 years

(average age of our students is 28)



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## We just launched BankMobile Vibe – the ideal account for today's college student

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- Free ATM access at 43,000 ATMs in the US
- Free Photo check deposit
- Free Photo bill pay
- Free Money Meter budgeting tool
- Free Snapshot (mobile spending tool)
- Free Passport recognition program
- Free Card On/Off Switch
- Free checks
- No NSF/Overdraft fees
- No minimum deposit/balance requirement
- Zero Liability Protection
- No credit check – everyone is accepted upon ID verification







*"The only account that  
rewards you for your hard  
work in and outside of the  
classroom"*

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## Vibe is uniquely positioned to be the best account for students

Feature					
Core Banking Features	Monthly fee waived	✓	✓	✓	✓
	Mobile app	✓	✓	✓	✓
	No opening balance	✓	✗	✗	✗
	Photo bill-pay	✓	✗	✗	✗
	Instant Virtual Card	✓	✗	✗	✗
Financial Literacy Tools	Predictive budgeting	✓	✗	✗	✗
	FinLit counseling	✓	✗	✗	✗
	Recognition for smart money management	✓	✗	✗	✗
Student-Centric Features	Recognition for academic achievements	✓	✗	✗	✗

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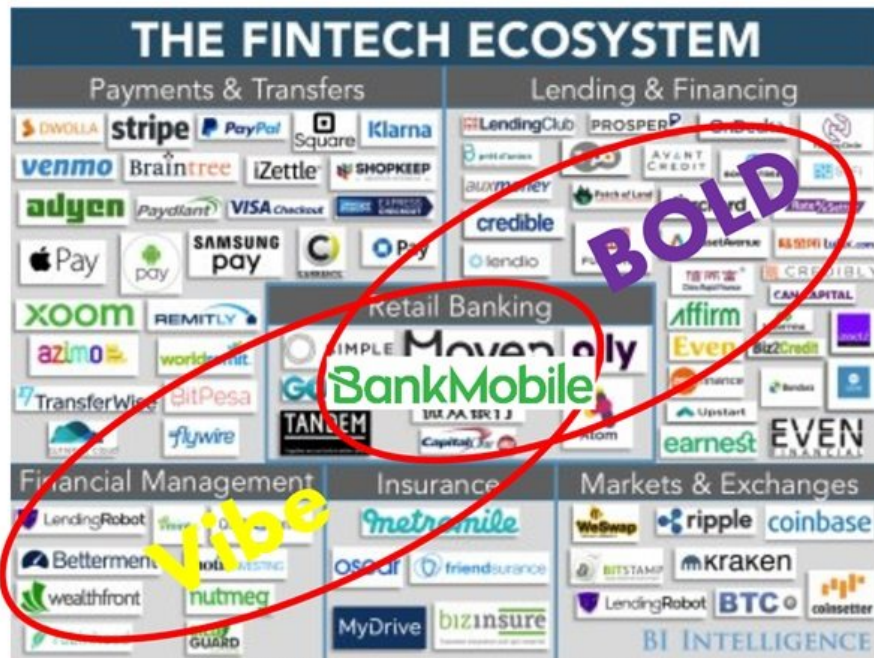


## BOLD was the first totally fee-free, full-scale banking offering

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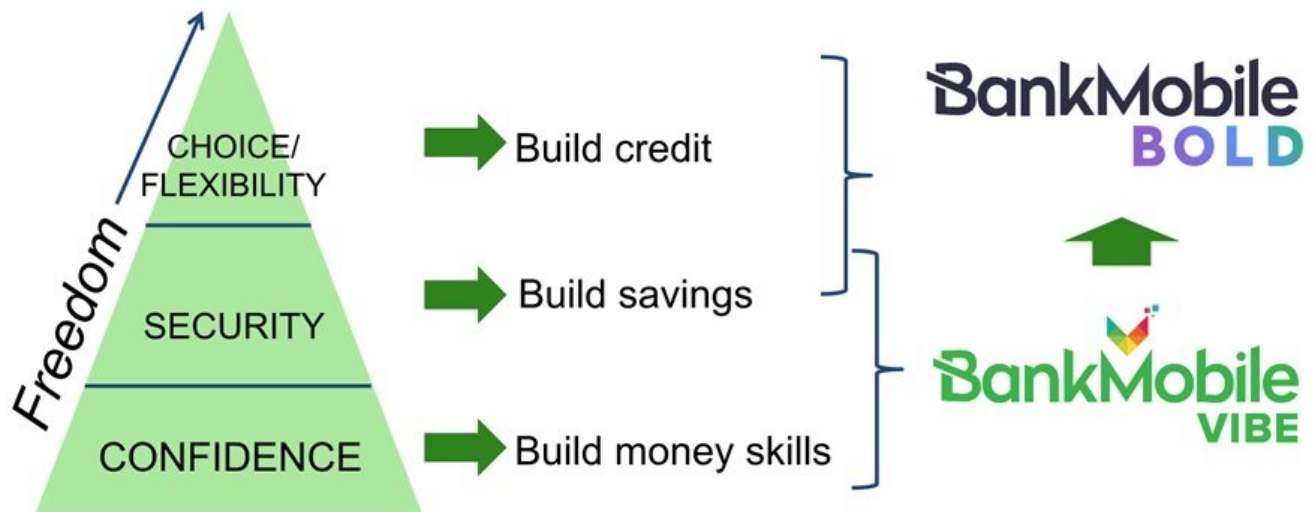
- Mobile-first strategy
- Absolutely no fees
- Free access to nationwide ATM network
- Checking, Savings, Joint accounts, Line of Credit
- Higher savings rates than the largest 4 banks (at least 0.25% APY higher rate guaranteed)
- Online/mobile account opening – in less than 5 minutes
- VIP offering (for Direct Deposit customers) with access to personal banker, reimbursement of off-us ATM fees, free financial advisor on call

We can bridge multiple Fintech opportunities immediately



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1. Expand B2B client roster (schools and other partners): we plan on signing up schools with an additional 500K enrolled students over the next 12 months
2. Extend the average account tenure by offering post-graduation product
3. Add features to drive deeper engagement (measured by direct deposit)
4. Cross-sell additional products upon graduation
5. Introduce new products to open up new markets

Historical average  
retention rate of  
account holders  
post-graduation

10%



Account holder  
retention rate of  
graduates moved to

98%

\*based on test of 40K active  
accounts of graduates upgraded  
to BOLD account in summer of  
2015

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### Opportunities:

#### Vibe:

- Savings accounts
- Direct Deposit
- Partner offers

#### BOLD:

- Line of credit
- Credit card
- Student Loan aggregation
- Auto loan
- Insurance
- Mortgage
- Investment services

### Examples:

2% of accountholders get a  
\$25K **car loan**

**\$1B**  
Assets

2% of accountholders applying  
for a **credit card** from a partner  
(with \$100 referral bonus)

**\$4M**  
Revenue

## Innovative product portfolio will power customer growth well beyond 2018

	VIBE	BOLD	TRIBE	ARISE
Target	College students	Millennials	Families	Small Business
Current	2M	100K	0	0
Total Market	20M	70M	16M	5M
Key Differentiators	<ul style="list-style-type: none"> <li>• Money management</li> <li>• Recognition program</li> <li>• \$startwithChange financial literacy tools</li> <li>• Automated savings</li> </ul>	<ul style="list-style-type: none"> <li>• Totally fee-free</li> <li>• Nationwide ATM fee rebates</li> <li>• Credit building tools</li> <li>• Savings</li> </ul>	<ul style="list-style-type: none"> <li>• Joint savings goals</li> <li>• Spending monitoring</li> <li>• Emergency funding for kids</li> </ul>	<ul style="list-style-type: none"> <li>• Money management</li> <li>• Employee spending tracking</li> <li>• Payroll cards</li> <li>• Business loans</li> </ul>
Acquisition Strategy	<ul style="list-style-type: none"> <li>• Financial aid refund disbursement</li> <li>• Campus marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Vibe upsell</li> <li>• Online marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Bold upsell</li> <li>• Online marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships</li> <li>• Bold upsell</li> <li>• Online marketing</li> </ul>
Brand Launch	June 2016	Fall 2016	2017	2018

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# TECHNOLOGY

Dan Armstrong & Kirk Barrett

BankMobile



### Kirk Barrett, CTO

Kirk has been the catalyst and tech-visionary for governments, Fortune 500's and hundreds of start-ups.



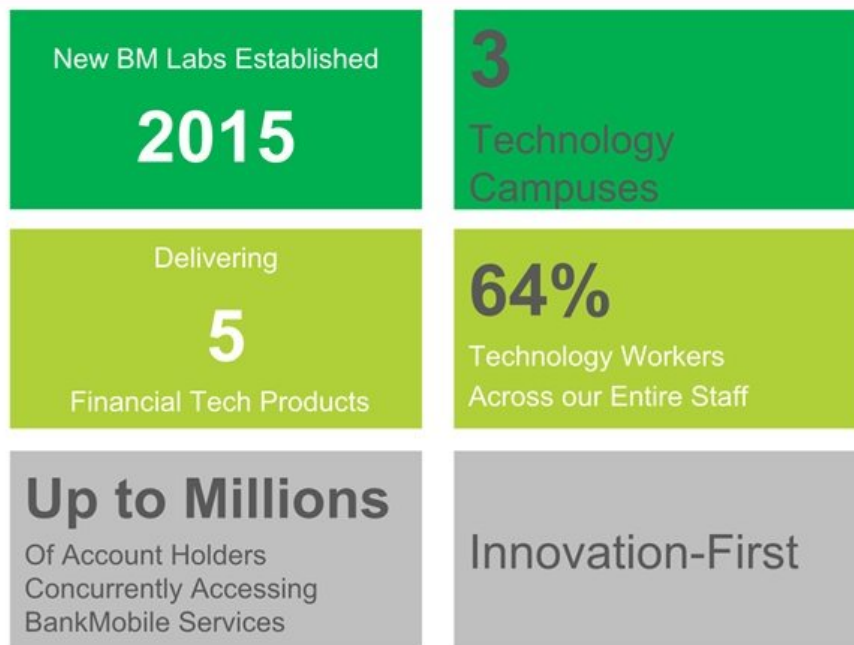
Kirk transforms raw business ideas into polished fully-operational, high-value intellectual property to be operated and/or marketed. Kirk specializes in assembling, motivating and empowering near-magical innovation teams to ensure extraordinarily high output and high quality of mass consumer technologies.

### Dan Armstrong, CDO

Dan has personally designed and launched telco-based banking in dozens of countries across four continents since 2000.



Dan has literally improved the lives of tens of millions by merging the power and ubiquity of mobile telecommunications with mobile payments and the life-enriching benefits of a bank account.





- Scalable technology and infrastructure platform permits constant expansion of our business cost-effectively
- Combination of extensive proprietary software applications and massive-scale third-party technology
- Ultra-efficient data center and technology operations business processes
- Security emphasis and PCI compliant payment systems
- Managed by world-class Datacenter Architect and team members who hold multiple patents in this field

### Dynamic Risk Management

Risk	Mitigation
Client Relationships	<ul style="list-style-type: none"> <li>&gt; Active relationship managers</li> <li>&gt; Spend on maintaining student relations</li> <li>&gt; Executive assignment program</li> </ul>
System / BCP Stability	<ul style="list-style-type: none"> <li>&gt; Written and tested disaster recovery plan</li> <li>&gt; Hot Redundancy in every critical &amp; near-critical system</li> </ul>
Information Security	<ul style="list-style-type: none"> <li>&gt; Formal written and audited security program</li> <li>&gt; Extensive PCI certifications and external audit spend</li> <li>&gt; Software Development following OWASP model SDLC</li> </ul>
Write-Offs / Fraud	<ul style="list-style-type: none"> <li>&gt; Automated offset limits delinquent volume</li> <li>&gt; Full-time risk manager</li> <li>&gt; Systematic tracking of risks and controls</li> </ul>
SOX	<ul style="list-style-type: none"> <li>&gt; Outsourced internal audit firm</li> <li>&gt; Full-time internal audit team</li> </ul>

### Disbursements Computing Infrastructure



Environment	<ul style="list-style-type: none"> <li>&gt; Dual "hot" data centers (Atlanta, GA and New Haven, CT) quad-connected to Fiserv</li> <li>&gt; Microsoft Azure Cloud</li> </ul>
Core Tech	<ul style="list-style-type: none"> <li>&gt; Oracle 11g database</li> <li>&gt; Teradata Enterprise</li> <li>&gt; Cisco Infrastructure</li> <li>&gt; Microsoft SQL 2016</li> <li>&gt; Ubuntu Linux</li> <li>&gt; Windows 2012r2</li> </ul>
Differentiators	<ul style="list-style-type: none"> <li>&gt; Financial-Grade data center availability</li> <li>&gt; Active+Active Architecture</li> <li>&gt; Internally managed and monitored</li> <li>&gt; Near-Instant Systems Scalability</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>&gt; PCI Level 3 Payment Products</li> </ul>

- **BankMobile** launched January 2015
- **BankMobile Labs** launched June 2015
- **BankMobile Payments** launched November 2015
- **BankMobile Disbursements** launched June 2016
- **BankMobile Vibe** student banking, launched June 2016
- **BankMobile BOLD** launching Fall 2016
- **BankMobile Tribe** family banking, launching Spring 2017
- **BankMobile Entrepreneur/Arise** launching Summer 2017





## BankMobile Labs: Innovation teams + leading-edge trusted data and services partners

<b>BankMobile</b> <u>Banking-as-a-Service Platform</u> AP Banking, Core-Agnostic, White-Labelled Products	<b>BankMobile</b> <u>3-Minute New Account Opening</u> Secure, Adaptive Fast, Identity/Risk Classification API	<b>BankMobile</b> <u>Every-Screen Digital Banking</u> Mobile App Banking Web-Banking Platform Builder	 Information Validation, Fraud Checks & Scoring Partner	 Device & Location Intelligence, Fraud Prevention Partner	 Telco Account Information Validation Partner
<b>BankMobile</b> <u>Unrivaled Rethink of Banking Experience</u> Animated, Relatable Modern Interface. Skins for Affiliates*	<b>BankMobile LABS</b>	<b>BankMobile</b> <u>Secure Messaging</u> BankMobile Inbox & Encrypted Push Messaging, OTP, Transaction Alerts	 Enterprise-Grade Infrastructure for Entire Platform	 Card Processing & Issuing Partner	 Core Banking System Partner
<b>BankMobile</b> <u>Real-Time Risk Management</u> Transaction Scoring, Device Management, Instant Fraud Alerts	<b>BankMobile</b> <u>Advanced Platforms</u> IoT Banking, iOS P2P in Messages, Android Pay & Samsung Pay Auto Provisioning	<b>BankMobile</b> <u>Payments, Cards and Data Intelligence</u> Advanced Controls, Family Triggers and Rules Engine, APIs	 (Photo) Bill Payment, A2A & P2P Payments Partner	 Remote Check Deposit & Real-Time Check Validation Partners	 End-to-End Mobile Encryption, Transaction Scoring Partner

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## Our FinTech product lines

Platform/Products	Objective
<b>BankMobile Hub and BankMobile Bold</b> <i>End-to-End Banking Apps &amp; Middleware Platform</i>	Leverage our own brand and operational experience to deliver affiliate and partner-branded banking.
<b>BankMobile Vibe</b> <i>Next-Generation Disbursements for HigherOne Students</i>	Not just student accounts: accounts for life. Scalable to >20MM+ active students.
<b>BankMobile Begin! Secure Onboarding</b> <i>Any Screen, Any Technology, Anywhere</i>	Frictionless onboarding of checking, savings and line of credit accounts in under 5 minutes, enhanced CIP and substantially reduced fraud.
<b>Secure BankMobile APIs</b> <i>On-Demand Banking Services &amp; Disbursements Front-End Mobile Apps to Back-Office as a Service</i>	From start-ups to established enterprises, the BankMobile API delivers Bank-grade FinTech to empower payments, partners and brands.
<b>Financial Insights and Intelligent Controls</b> <i>Machine Learning &amp; AI-Assisted Suite of Capabilities</i>	Change behaviors and habits by transforming transactions into life-changing insight and actions.

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## BankMobile **Bold**: Platform functionalities and features

---

- **Account Management:**
  - FDIC-insured checking and savings accounts
  - View transaction history
  - Search for transactions
  - View multiple (sub) accounts
  - View statements
  - View basic account info (balance, limit, rate)
- **Money In/Money Out:**
  - Debit card
  - Checks, on request
  - A2A transfers (in, out via ACH)
  - Direct deposit
  - Intra account transfers (subaccounts)
  - Bill pay (including add and manage payees)
  - ATM locator (geo-enabled, shows in network)
  - Receive wire transactions
  - Active register with status of all transactions
- **Money In/Out:**
  - Mobile wallet provisioning (Apple/Android/Samsung)
  - P2P
  - Photo bill pay
  - mRDC- photo deposit
  - Remote card control (on/off)
- **Alerts:**
  - Delivery of alerts (via Push, SMS, or email)
  - User preference of SMS or email alerts
  - Set/change alerts
  - Daily balance
  - Balance threshold
  - Transaction
  - Overdraft protection
  - Deposit confirmation
  - Access & security alerts
  - Freeze/unfreeze card
  - Data encryption for OTP
- **Self Service:**
  - Activate debit card
  - Select/change debit card PIN
  - Change app login PIN/biometric
  - Secure messaging center
  - Contact us (with preloaded contact information)
  - Update name, address, phone, email
  - Add account nicknames
  - Report lost / stolen cards
  - Suppress paper statements
  - Social media links
  - Privacy policy, Disclosures, any/all legal agreements needing acknowledgement
  - FAQs via SilverCloud or Salesforce CRM
- **Activation/Enrollment:**
  - Add a secondary cardholder
  - Onboarding instructional messages
  - Activate new debit cards in-app
- **Value:**
  - No minimum
  - No fees
  - Largest no fee ATM network
- **Family:**
  - Create subaccount
  - Subaccount alerts
  - Subaccount card and spending controls
  - Subaccount debit card
  - Subaccount debit provisioning into mobile wallet
- **PFM and Budgeting:**
  - PFM including goals setting, budgeting
  - View external accounts via PFM
  - Summary of spending by category
  - Transaction categorization
  - Overview of all activities incl. CS, bill set-up, payments, etc.
  - Inflow and outflow graphical representation of account activity
- **Account Access:**
  - Additional PIN or biometric authentication
  - "Quick view" balance (via biometric)

Streamlined and adaptive Customer account on-boarding enables prospective customers to sign-up for a checking account, savings account and get a instantly usable line-of-credit on their phone or home computer in **under 3 minutes.**

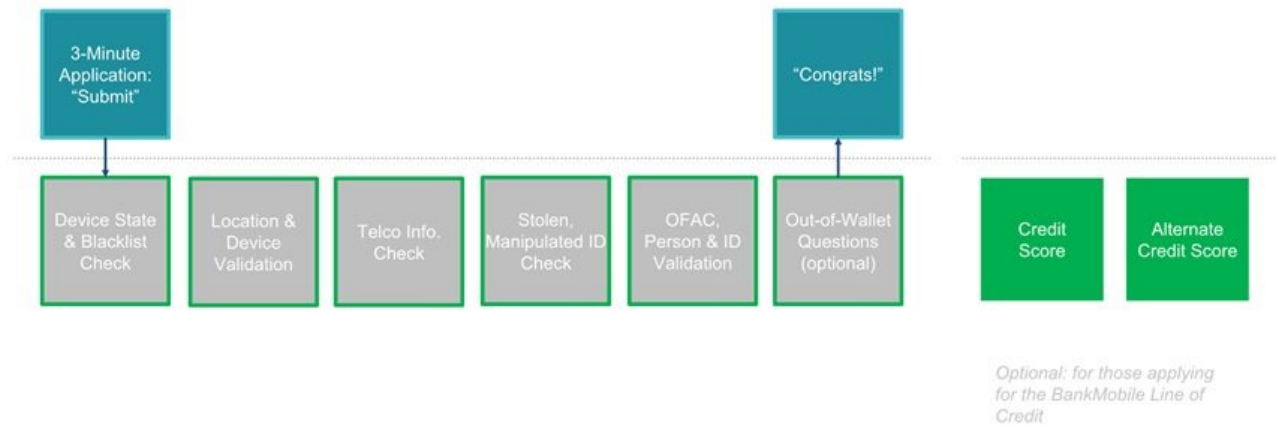
The image displays three sequential screenshots of the BankMobile BEGIN! onboarding interface, which features a green background and white text. Each screen has a top navigation bar with a logo and three diamond-shaped icons.

- WELCOME:** The first screen shows a 'Welcome' header. Below it, there are input fields for 'Email Address' (containing 'kirk@gmail.com'), 'Phone Number' (containing '(717) 368-2563'), and 'Affiliate Code' (containing '7'). A 'Next' button is located at the bottom right.
- ACCOUNTS & OWNERSHIP:** The second screen asks 'Who will own your account?' with two radio button options: 'Individual Ownership' (selected) and 'Joint Ownership' (containing '7'). It then asks 'Which accounts and features would you like?' with four radio button options: 'Totally Free Checking' (selected), 'High Yield Savings', 'Line of Credit', and 'No Fee Overdraft Protection'. A 'Quick info About Accounts' button is at the bottom, followed by links for 'Review Business & Company' and 'Review Fees & Tools'.
- PERSONAL INFORMATION:** The third screen shows 'Personal Information' with fields for 'Driver's License' (containing '612435407'), 'DOB' (containing '12/2014'), and 'Expiration Date' (containing '12/2017'). A 'Save time by scanning your ID's barcode' section includes a barcode scanner icon and a 'Next' button at the bottom right.

## BankMobile Begin!: intelligent and adaptive new account onboarding

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- As we never see our Customers in a branch, we have developed next-generation risk tools to **protect our Customers**, proactively manage **account take-over risk**, and **reduce identity fraud**.
- BankMobile is **frictionless**. BankMobile takes **fraud** very seriously.



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## The world's first, purpose-built, in-a-box, whole-family banking product

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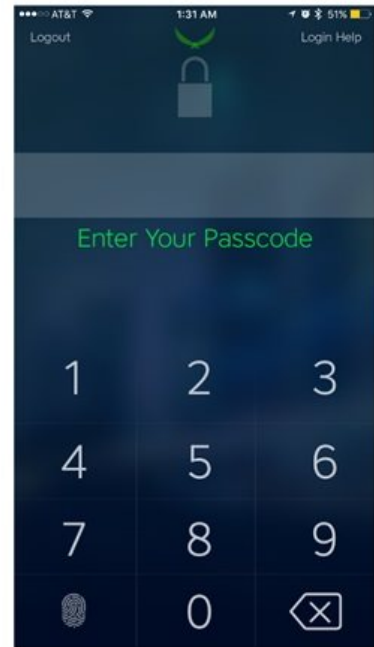
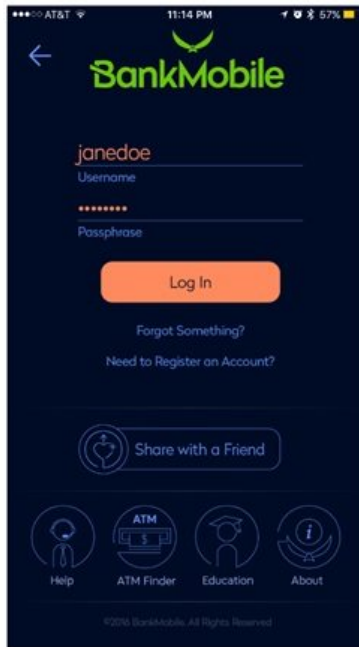


- ✓ Today's Family Takes on so many different shapes....
- ✓ Complete Money Management for the entire family.
- ✓ VISA Debit Cards for every family member that the parents control
- ✓ A Phone App for each family member to access and manage their money
- ✓ Simplest way to get money to a family member right when they need it most.
- ✓ "Emergency-Situations" - Automatic Funds Management and Payment
- ✓ Total Family Transactional Awareness. Know what everyone is spending money on, when, and *where they are when they spend it*.
- ✓ Help children save, manage allowances, gifts, even subsidize a kid's interest rate.
- ✓ Savings Agent and tools to truly save money and meet goals as a family.
- ✓ All free current banking tools plus family-features like photo pay for parents
- ✓ Multi-Lingual End-To-End Platform.

LET'S SAMPLE THE EXPERIENCE!

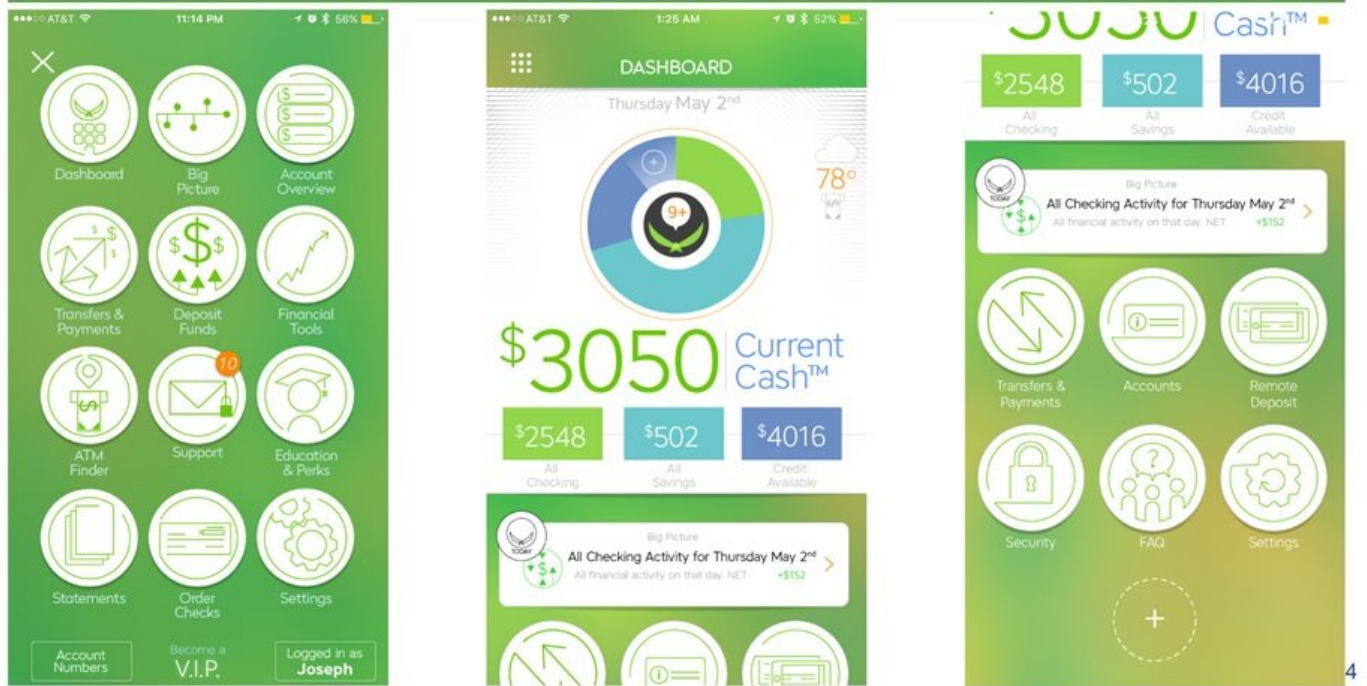
BankMobile

## Demonstration of BankMobile 2.0

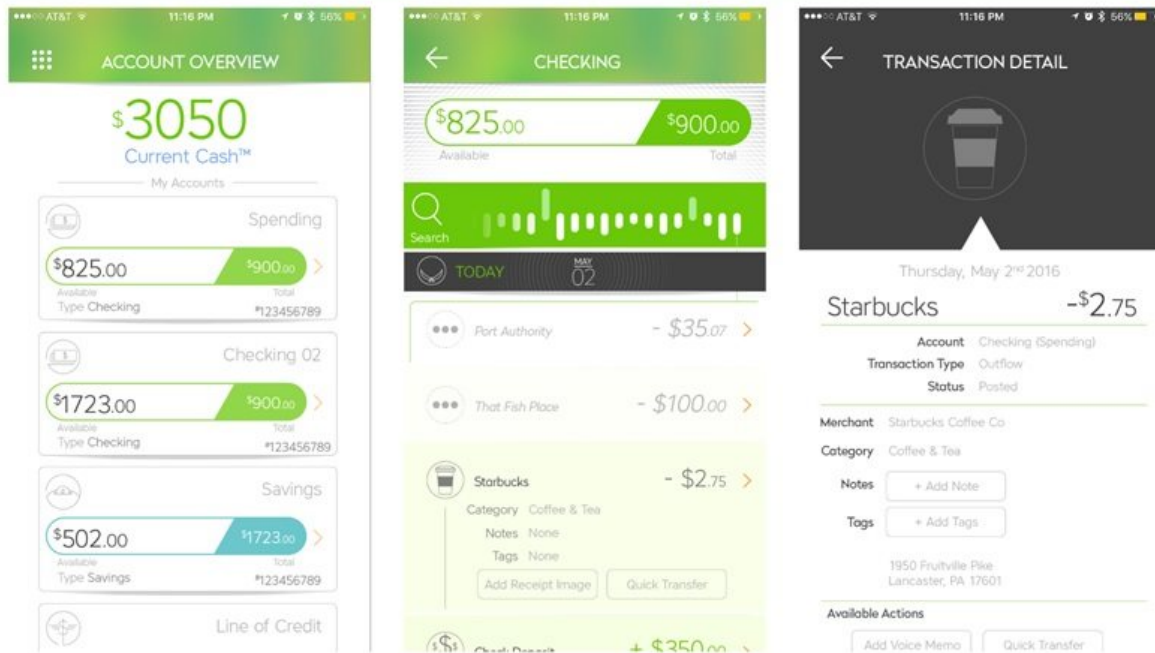


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## Demonstration of BankMobile 2.0



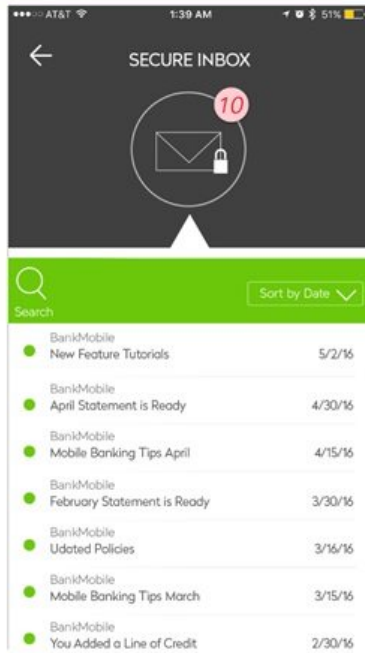
## Solid fundamentals



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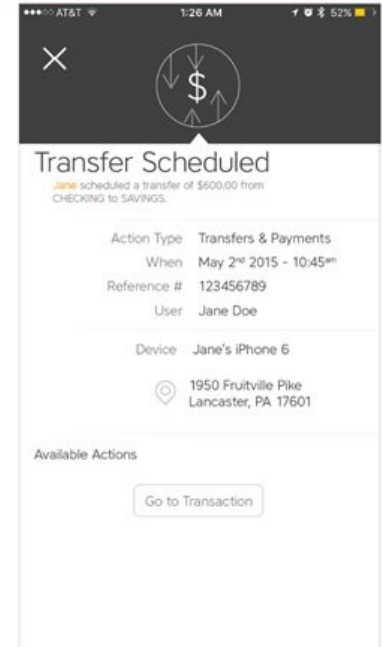
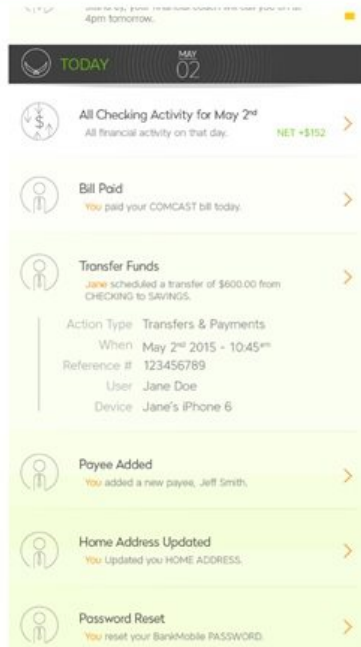


## The basics of banking done right

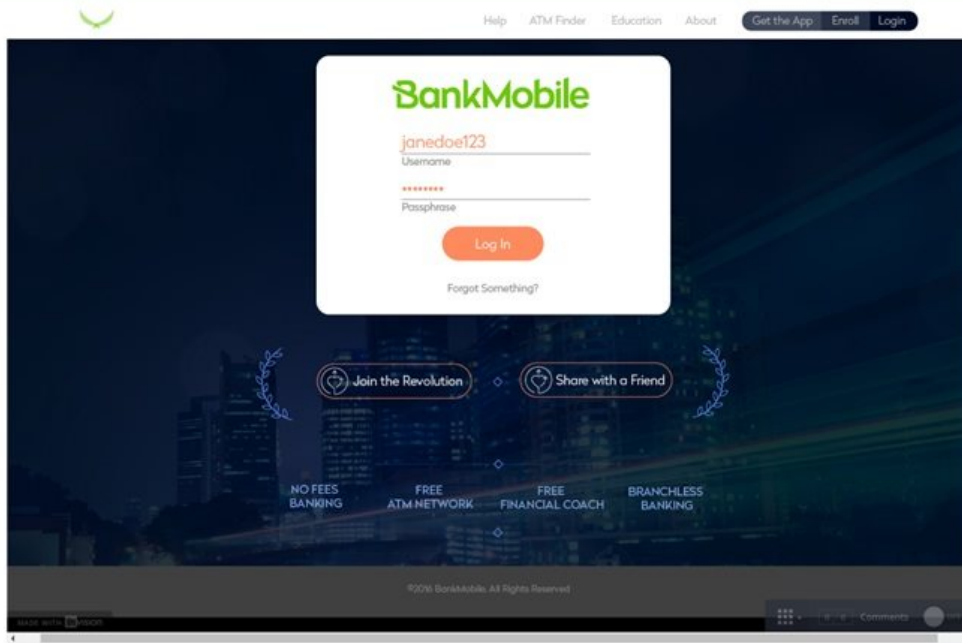


Instant Transfer

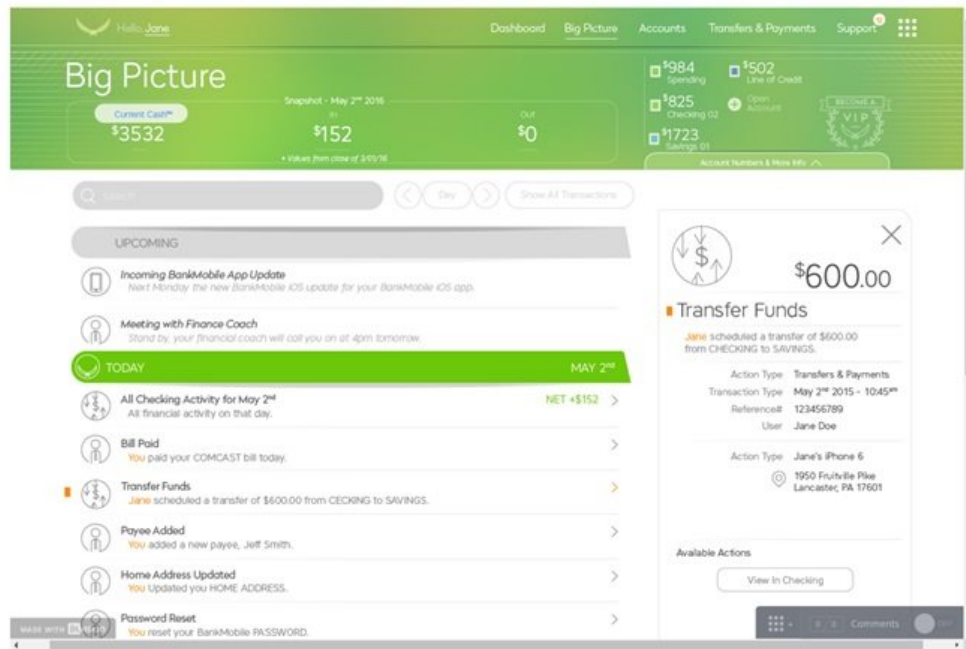
## The Big Picture : actions (not transactions). Answers “where did my money go?”



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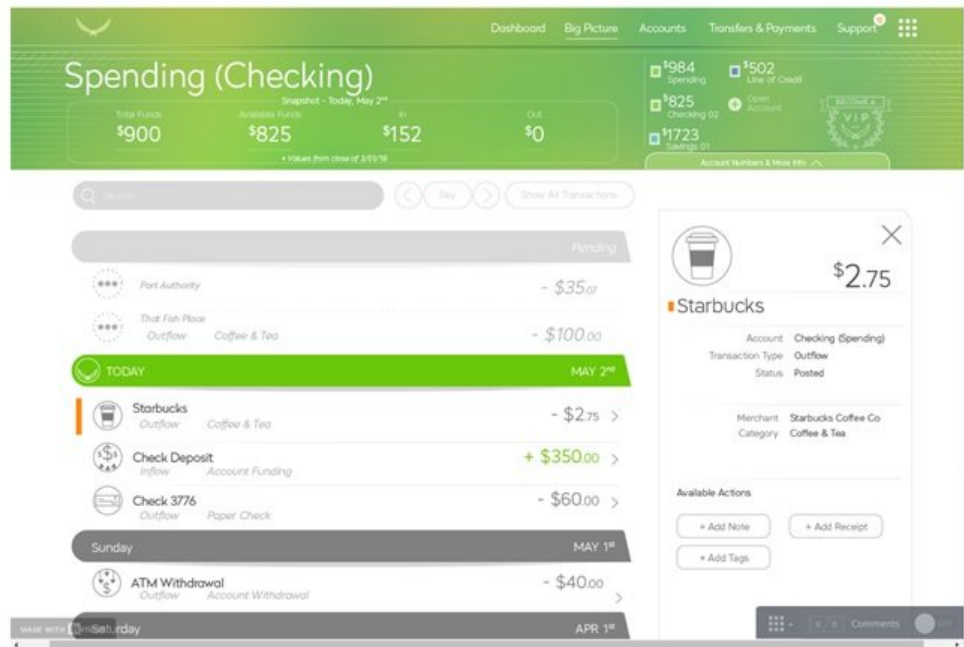


## The Big Picture: answers the age-old “where did our money go!?!”



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## Web-based detailed account register



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## Intuitive and guided transfers and payments

The screenshot shows a mobile banking application interface. At the top, there's a navigation bar with 'Hello, Jane', 'Dashboard', 'Big Picture', 'Accounts', 'Transfers & Payments', and 'Support'. Below this is a 'Transfers & Payment' header with icons for Transfer, Pay a Friend, Bill Pay, Send to Pay, and Manage Payments. On the right, there are account balances: \$1984 Spending, \$1502 Line of Credit, \$825 Checking 02, and \$1723 Savings 01. A 'V.I.P.' badge is also visible.

The main content area is divided into two sections: 'PENDING' and 'POSTED'. The 'PENDING' section shows a transaction 'Sent Jeff Money' for -\$60.00. The 'POSTED' section shows a list of recent activity:

- Sent Jeff Money (Outflow, P2P Money) - \$60.00
- Paid UGI Gas Bill (Outflow, Electronic Payment) + \$350.00
- Transfer from Checking (Transfer, Paper Check) - \$60.00
- Transfer from Checking (Transfer, Paper Check) - \$60.00
- Paid Comcast Cable Bill (Outflow, Electronic Payment) - \$85.00
- Sent Mom Money (Outflow, Paper Check) - \$500.00
- Paid UGI Gas Bill (Outflow, Electronic Payment) + \$350.00

A detailed view of the 'Sent Jeff Money' transaction is shown on the right, including the amount '\$60.00', the account 'Checking (Spending)', the transaction type 'Outflow', and the status 'Posted'. It also lists 'Available Actions' such as '+ Add Note', '+ Add Tags', 'Pay Again', and 'Request Money'.

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## Financial Goals & Plans for CUBI & BankMobile

## 2015 Guidance vs. Results and 2016 Guidance

2015 Guidance	2015 Results	2016 Guidance
Moderate Loan Growth of 10 – 15%	<b>Loan Growth of 36%</b>	Loan Growth of 5 - 10%
Maintain Deposit Growth of 20 - 25%	<b>26% Deposit Growth</b>	Deposit Growth of 20 - 25%
Grow Net Interest Income at around 20%	<b>Net Interest Income Growth of 29%</b>	Net Interest Income Growth of about 25%
Net Charge Offs Under 0.05%	<b>Net Charge Offs of .07%, Additional 12 bps Charge Off for Fraud Event</b>	Net Charge Offs of 0.05%
Non-Interest Income Flat	<b>Non interest Income Growth of 10%</b>	Non Interest Income Growth of 160% (135% related to Disbursement Operations)
Limit Operating Expense Growth to 15 - 20%	<b>Operating Expense Growth of 16%</b>	Operating Expense Growth of 60% (45% related to Disbursements Operations)
Efficiency Ratio Declining, Low - mid 50's for 2015	<b>2015 Efficiency Ratio of 51.3%</b>	Efficiency Ratio of 58% (includes 13% related to Disbursements Operations)



- Purchase price of \$37.5 million
- Estimate approximately
  - \$5 to \$7 million goodwill
  - Software costs \$26million
  - Intangible assets \$7 to \$9 million

- We expect BankMobile to be the digital delivery channel of the future for consumers and students
- Purchasing the Higher One Disbursements business will provide a platform to generate new accounts annually based on graduating students

Account Assumptions	Penetration	Comments
Bank Mobile Disbursements Students at acquisition	2,000,000	VIBE accounts
Annual New Student Depositors	500,000	New Accounts / year
Graduating Students per Semester	250,000	Potential BOLD accounts / year
Initial Graduating Accounts Captured by BankMobile	25%	Year 1
Fully Implemented Graduating Accounts Captured	50%	Year 2
Average Balance Post-Graduation Year 1	\$500	
Average Balance Post-Graduation Year 5	\$1,000	

Cross Selling Opportunities to Graduating Students	Penetration	Comments
Credit Cards	1.00%	Not held on Balance Sheet
Car Loans	1.0% - 1.5%	Referrals to Third Party Originators / Limited balances on BankMobile Balance Sheet
Personal Loans	.50% - 1.0%	
Student Refinancing	.50% - 1.0%	
Unsecured Line of Credit	.50% - 1.0%	
Mortgage Loans	0.0% - .25%	

Revenue Generation	Penetration	Comments
Interchange	16 Transactions / month / account	\$95 per account
Credit Card Referrals	1% of accounts	Net 1.0% of credit card balances
Loan Referrals	See above	Net 1.0% of amount loaned

	2018 or 2019
<b>Balance Sheet (Dollars in 000's)</b>	<b>BankMobile Stand Alone</b>
Total Investments and Cash	\$ 1,150,362
Gross Loans	243,572
Allowance for Loan Losses	(225)
<b>Net Loans</b>	<b>243,346</b>
Other Interest Earning Assets	
Non Interest Earning Assets	38,955
<b>Total Assets</b>	<b>\$ 1,432,663</b>
Total Deposits	1,293,479
Bank Borrowings	-
Other Liabilities	-
<b>Total Liabilities</b>	<b>1,293,479</b>
Total Equity	139,183
<b>Total Liabilities &amp; Equity</b>	<b>\$ 1,432,663</b>

	2018 or 2019
<b>Income Statement (Dollars in 000's)</b>	<b>BankMobile Stand Alone</b>
Net Interest Income	29,855
Non-Interest Revenue	114,166
Provision for Loan Losses	364
Non Interest Expense	94,504
Other Expense	1,180
<b>Income/(Loss) Before Taxes</b>	<b>\$ 47,974</b>
Taxes	17,031
Net Income After Taxes	30,943
Dividends on Preferred Stock	
<b>Net Income (Loss) Available to Common Shareholders</b>	<b>\$ 30,943</b>
Wtd Avg Diluted Shares*	29,908
<b>EPS</b>	<b>\$ 1.03</b>

\*Assumes same number of shares outstanding as Customers Bancorp, Inc.

# Summary of Strategic Alternatives for CUBI and BankMobile Monetization

## Customers Bancorp, Inc.

Customers  Bank

BankMobile

### Organic Growth to \$10 billion and Beyond

- Well positioned to grow organically
- Evaluate impact incremental regulatory / compliance costs, assuming BankMobile is separated
- Incremental costs can be offset by quickly building scale beyond \$10bn

### Acquisitions

- Continue to monitor in-market, bite-size M&A opportunities from Boston to Washington DC; consider non-banks opportunistically
- Do not deviate from our discipline regarding strategy and book value dilution

### Strategic Options Review

- \$10bn threshold is natural decision point to consider merger of equals or other options
- Opportunity to realize upside through cost and revenue synergies
- Our organic growth story can create significantly above average shareholder value

### Retain within CUBI

- Substantial impact of Dodd-Frank / Durbin Amendment on revenue and net income if CUBI exceeds \$10bn threshold
- Significant delay in growing to \$10bn may impact CUBI valuation

### Separate into Independent Company

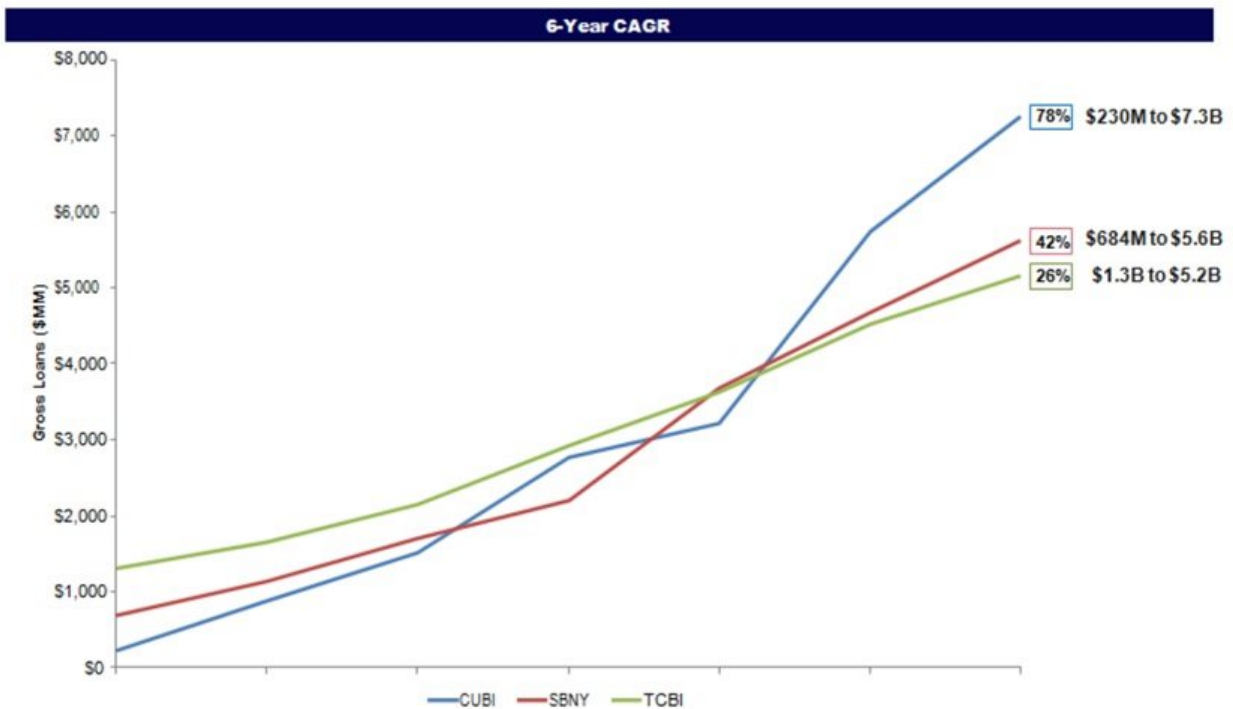
- Various separation alternatives available
- Trade-offs involve participation in upside, timing of value recognition, as well as tax considerations

## CUBI Stock Price Performance Reflects those Growth Rates, Significantly Outperforming SBNY and TCBI in their Early Years

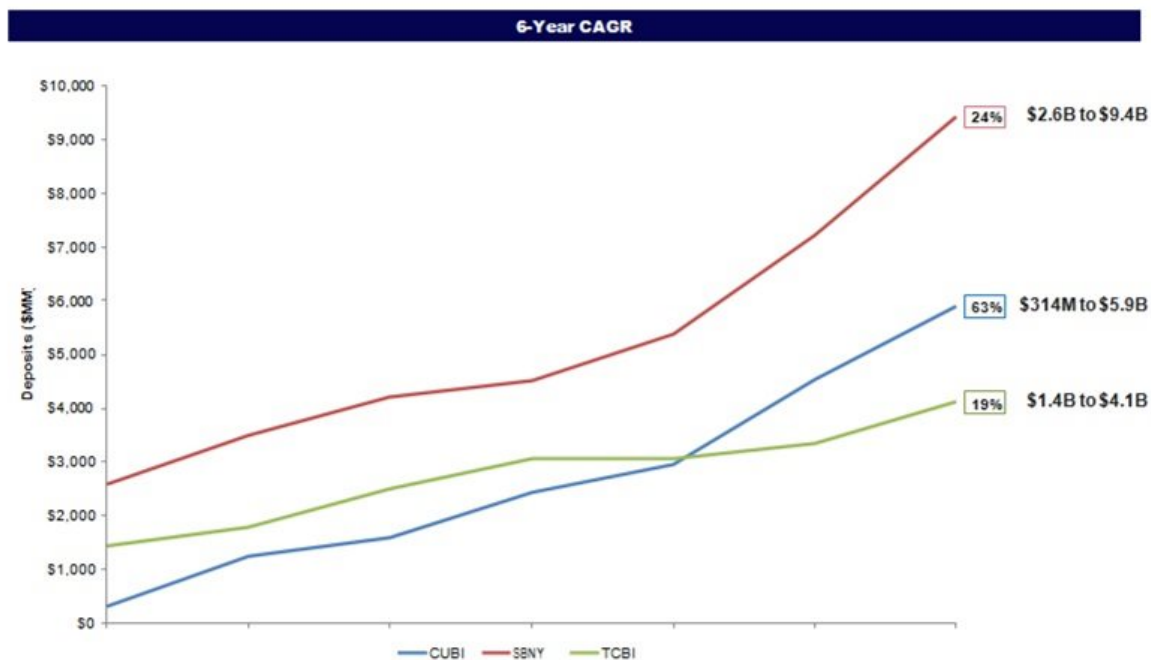


Source: SNL Financial. Calculates stock price change as follows:  
 CUBI prices from 2/21/12 to 5/31/16 (1,076 trading days); 2/21/12 is the first date available for public stock quote for CUBI  
 SBNY prices from 3/22/04 to 6/27/08 (1,076 trading days); 3/22/04 is IPO date for SBNY  
 TCBI prices from 8/12/03 to 11/16/07 (1,076 trading days); 8/12/03 is IPO date for TCBI

## CUBI Loan Growth has Significantly Outpaced SBNY & TCBI Across Comparable Periods in their Early Life Cycles



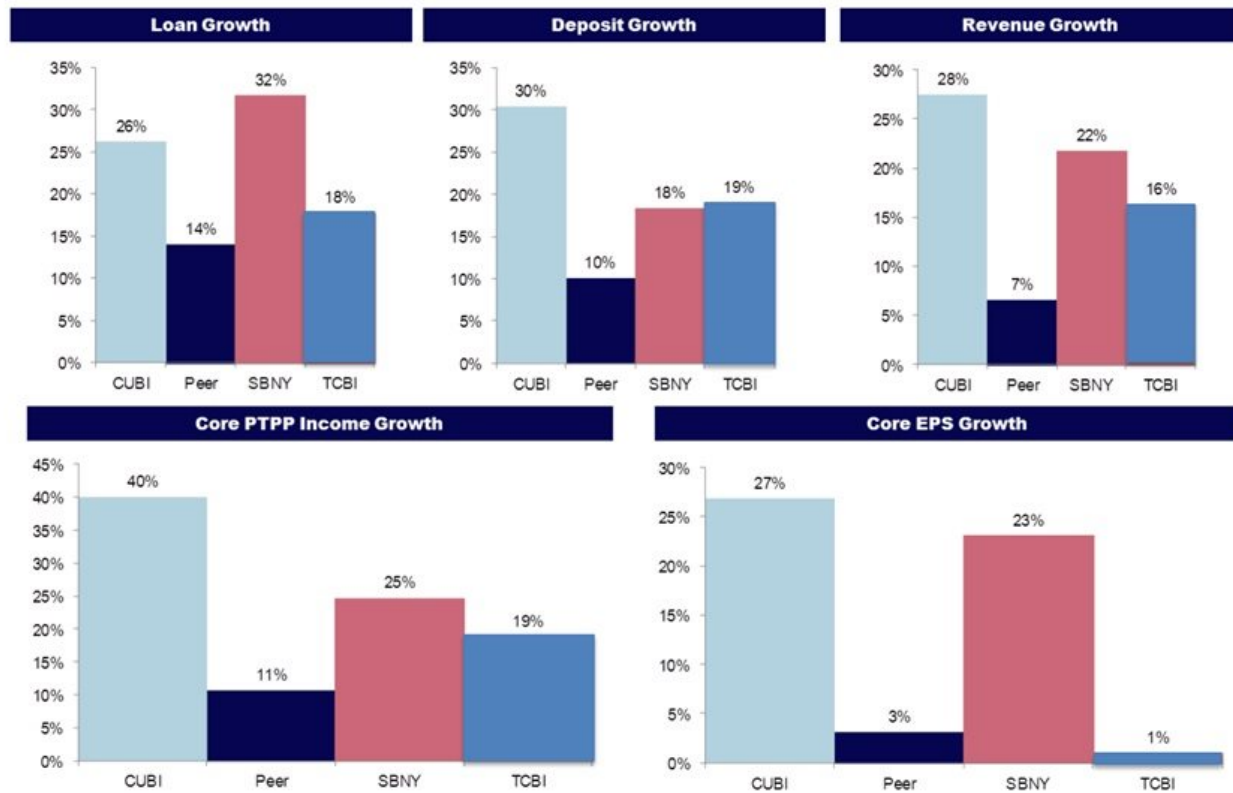
Source: SNL Financial. Year-end loans used to calculate 6-year CAGR as follows:  
 CUBI: 2009 to 2015  
 SBNY: 2004 to 2010 (IPO in Mar 2004)  
 TCBI: 2003 to 2009 (IPO in Aug 2003)



Source: SNL Financial. Year-end deposits used to calculate 6-year CAGR as follows:  
 CUBI: 2009 to 2015  
 SBNY: 2004 to 2010 (IPO in Mar 2004)  
 TCBI: 2003 to 2009 (IPO in Aug 2003)

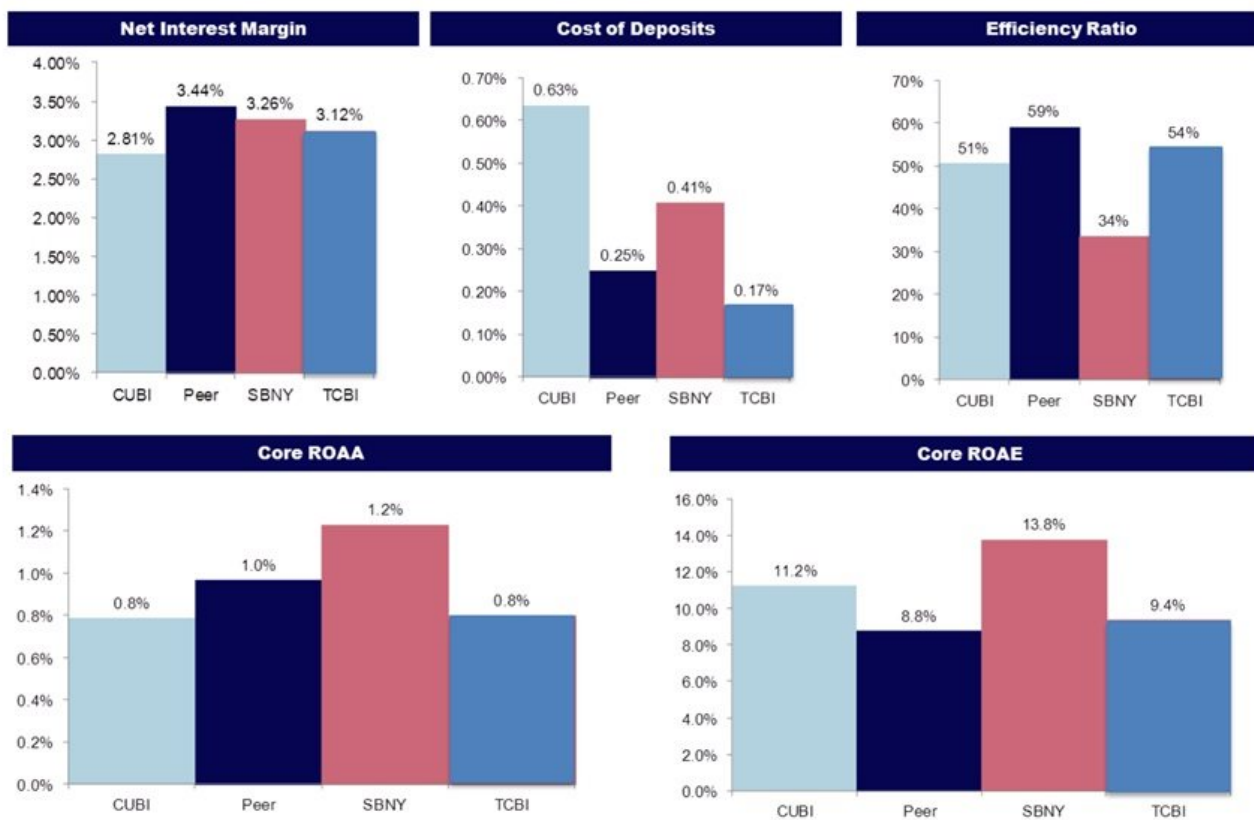


## A Recent One-Year Lookback Reveals the Same Exceptional Growth Trajectory



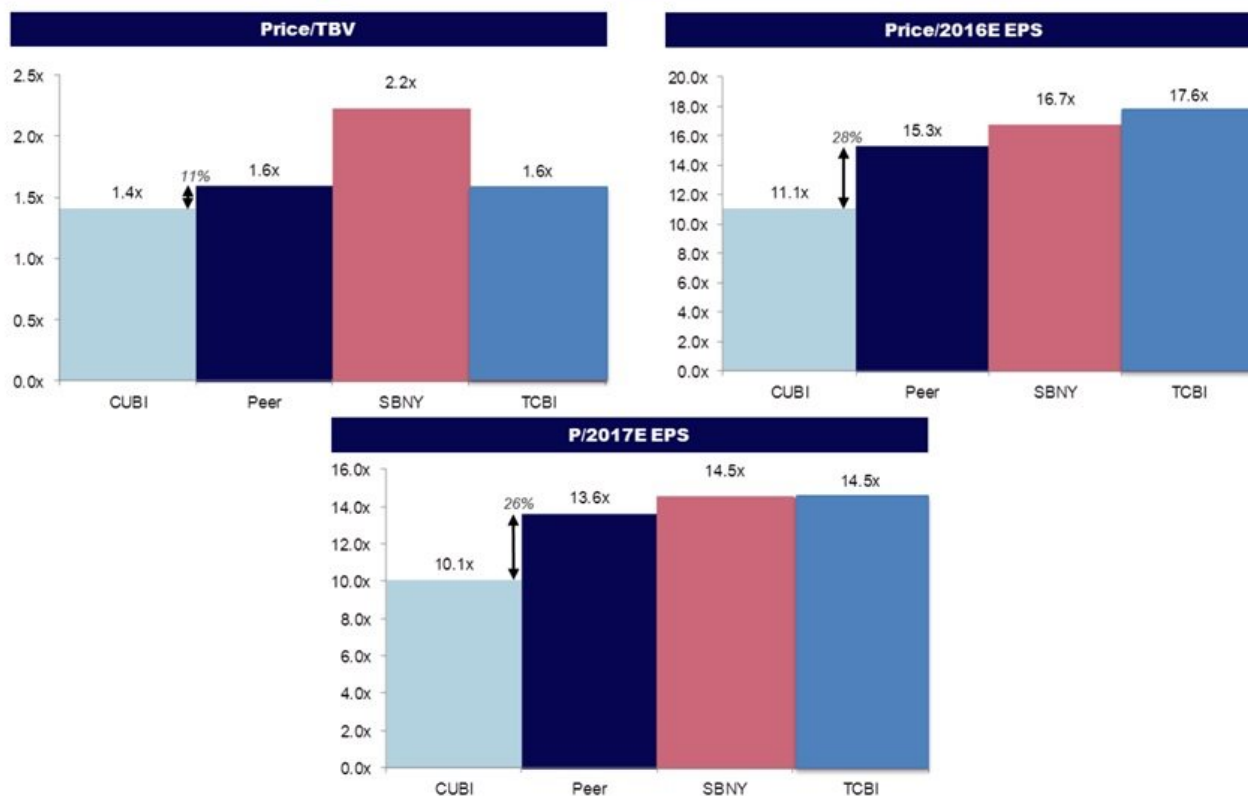
Source: SNL Financial. Operating data as of 12/31/2015. All growth rates for 2015.  
Peer group per CUBI Proxy

## Profitability Metrics In-Line with Peers but Lower than Best in Class



Source: SNL Financial. Operating data for 2015.  
Peer group per CUBI Proxy

## Despite High Growth Trajectory and Shareholder Returns, CUBI Trades at a Significant Discount to Peers as Well as High Performing Banks



Source: SNL Financial. Operating data as of 3/31/16. Market data as of 5/27/16.  
Peer group per CUBI Proxy

Durbin and FDIC requirements have significant impact on operating results, while DFAST will require incremental investment over time







## Key Impacts Crossing \$10bn Threshold (\$mm)

	Industry Benchmarks	Impact on CUBI <sup>1</sup>
<b>Revenue</b>		
<b>1</b> The Durbin Amendment/FDIC	3.0–7.0	Limited
<b>Costs</b>		
<i>Non-Recurring Costs</i>		
<b>2</b> Initial Investment (i.e. Infrastructure, Processes, etc.)	3.0–4.0	Limited
<i>Recurring Costs</i>		
<b>3</b> The Dodd-Frank Act Stress Test (DFAST)/FDIC Insurance	1.0–1.3	Limited
<b>4</b> Cybersecurity/Information Technology	0.5–0.8	Limited
<b>5</b> Bank Secrecy Act (BSA)/Anti-Money Laundering (AML)	0.5–0.7	Limited
<b>6</b> Miscellaneous Internal Costs (Personnel/Consultant Related)	1.0–1.2	Limited
	3.0–4.0	1.0–2.0

Notes

1. Assumes separation of BankMobile prior to crossing \$10bn threshold

## Alternatives for Monetization of BankMobile

Separate out of CUBI			
	Retain Within CUBI	Tax-free Separation	Taxable Separation
	CUBI's subdivision indefinitely	Spin-off to CUBI's shareholders	IPO and secondary sell-down or Sale
Total Value for CUBI Shareholders	 <ul style="list-style-type: none"> <li>Substantial value lost by either of                             <ul style="list-style-type: none"> <li>crossing \$10 billion threshold and resulting Durbin impact on BankMobile revenue/net income</li> <li>restricting CUBI below \$10 billion would limit value of Customers Bank franchise</li> </ul> </li> </ul>	 <ul style="list-style-type: none"> <li>Ability to get full value for both Customers Bank and BankMobile franchises</li> </ul>	 <ul style="list-style-type: none"> <li>Full value for Customers Bank franchise</li> <li>BankMobile value somewhat lower due to capital gains taxes (can be mitigated somewhat through a Tax Receivable Agreement)</li> </ul>
Execution Certainty	 <ul style="list-style-type: none"> <li>Control in CUBI's hands; not dependent on market conditions</li> </ul>	 <ul style="list-style-type: none"> <li>Meeting tax-free criteria subject to certain requirements, e.g. 5 year active trade or business test</li> <li>Requires spin-off of &gt;80% of BankMobile shares to CUBI shareholders who may not be natural holders of a FinTech stock</li> </ul>	 <ul style="list-style-type: none"> <li>IPO and subsequent secondary sales dependent on market conditions</li> </ul>

- CUBI is option rich with attractive shareholder value creation opportunities
- BankMobile has become the “Bank for Millennials and Middle Income Americans”
- BankMobile value expected to be monetized over next 15 to 24 months
- Very significant value creation opportunities exist for shareholders