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Customers Bancorp Reports Full Year 2019 Net Income up 13% Over Full Year 2018 and Fourth Quarter 2019 Net Income up 68% Over Fourth Quarter 2018

Record Q4 2019 GAAP Earnings up \$10 million Over Q4 2018, and Core Earnings up \$7 million

Year-end Assets Exceed \$10 billion as CUBI Resumes Growth Strategy and Reaffirms Target of \$3 Core EPS for 2020 and Sets Goal of \$6 Core EPS for 2025

- **Q4 2019 GAAP Earnings Per Diluted Share of \$0.75 and Q4 2019 Core Earnings Per Diluted Share of \$0.76**
- **Q4 2019 Return on Average Assets of 0.97% up 37% Over Q4 2018 and Q4 2019 Pre-Tax and Pre-Provision Adjusted Return on Average Assets of 1.59% up 42% Over Q4 2018**
- **Q4 2019 Net Interest Margin Expands 6 Basis Points From Q3 2019 to 2.89%**
- **Customers Bank Business Banking Segment Q4 2019 Net Income Increases 27% Over Q4 2018. BankMobile Segment Moves From a Loss of \$3.3 Million in Q4 2018 to a Profit of \$1.7 Million in Q4 2019**
- **CUBI Stock Price up 31% in 2019, Trading at only 89% of Book Value and 91% of Tangible Book Value, and 8.4x the 2020 Consensus EPS Estimate of \$2.84, at Year-end 2019**

Wyomissing, PA, January 22, 2020 - Customers Bancorp, Inc. (NYSE: CUBI) the parent company of Customers Bank and its operating division BankMobile (collectively "Customers" or "CUBI"), today reported record fourth quarter 2019 ("Q4 2019") net income to common shareholders of \$23.9 million, or \$0.75 per diluted share, up from \$23.5 million in third quarter 2019 ("Q3 2019") and \$14.2 million in fourth quarter 2018 ("Q4 2018"). Core earnings for Q4 2019 totaled \$24.3 million, or \$0.76 per diluted share, up from \$23.0 million in Q3 2019 and \$17.0 million in Q4 2018 (non-GAAP measures). Q4 2019 core earnings per diluted share was up 43% over Q4 2018 core earnings per diluted share (non-GAAP measures). Net interest margin, tax equivalent ("NIM") (a non-GAAP measure), expanded 6 basis points during Q4 2019 to 2.89%. Full year 2019 ("FY 2019") net income to common shareholders was \$64.9 million, or \$2.05 per diluted share, up from full year 2018 ("FY 2018") net income to common shareholders of \$57.2 million, or \$1.78 per diluted share. Core earnings for FY 2019 totaled \$71.2 million, or \$2.25 per diluted share, compared to core earnings of \$78.5 million, or \$2.43 per diluted share,

for FY 2018 (non-GAAP measures). FY 2019 NIM expanded 17 basis points to 2.75% from FY 2018 NIM of 2.58% (non-GAAP measures).

(Dollars in thousands, except earnings per share amounts)

| | Net Income to Common Shareholders (GAAP) | | | | | | | |
|---------------------------------|---|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Q4 2019 | EPS | Q4 2018 | EPS | FY 2019 | EPS | FY 2018 | EPS |
| Customers Bank Business Banking | \$ 22,218 | \$ 0.70 | \$ 17,521 | \$ 0.55 | \$ 69,751 | \$ 2.20 | \$ 70,698 | \$ 2.19 |
| BankMobile | 1,693 | 0.05 | (3,274) | (0.10) | (4,883) | (0.15) | (13,462) | (0.42) |
| Consolidated | <u>\$ 23,911</u> | <u>\$ 0.75</u> | <u>\$ 14,247</u> | <u>\$ 0.44</u> | <u>\$ 64,868</u> | <u>\$ 2.05</u> | <u>\$ 57,236</u> | <u>\$ 1.78</u> |

| | Core Earnings (Non-GAAP Measure) | | | | | | | |
|---------------------------------|---|----------------|------------------|----------------|------------------|----------------|------------------|----------------|
| | Q4 2019 | EPS | Q4 2018 | EPS | FY 2019 | EPS | FY 2018 | EPS |
| Customers Bank Business Banking | \$ 22,503 | \$ 0.71 | \$ 19,911 | \$ 0.62 | \$ 75,235 | \$ 2.38 | \$ 88,633 | \$ 2.75 |
| BankMobile | 1,769 | 0.06 | (2,919) | (0.09) | (4,034) | (0.13) | (10,150) | (0.31) |
| Consolidated | <u>\$ 24,272</u> | <u>\$ 0.76</u> | <u>\$ 16,992</u> | <u>\$ 0.53</u> | <u>\$ 71,202</u> | <u>\$ 2.25</u> | <u>\$ 78,483</u> | <u>\$ 2.43</u> |

- Total assets were \$11.5 billion at December 31, 2019, compared to \$11.7 billion at September 30, 2019 and \$9.8 billion at December 31, 2018. Total assets at December 31, 2019 reflected a change in management's strategy to expand beyond \$10 billion in assets during the quarter.
- Loan mix improved year-over-year, as commercial and industrial ("C&I") loans and leases, excluding commercial loans to mortgage companies, increased \$487 million, or 26%. Commercial loans to mortgage companies increased \$844 million, or 58%, year-over-year as the continued low interest rate environment resulted in a higher 2019 year-end balance than historically experienced. Other consumer loans increased \$1.1 billion year-over-year. Multi-family loans decreased \$893 million, or 27%, year-over-year, consistent with management's strategy to reduce its overall exposure in this loan portfolio.
- Total deposits increased \$1.5 billion, or 21%, year-over-year, which included a \$653 million, or 34%, increase in demand deposits.
- The BankMobile segment reported Q4 2019 GAAP earnings per diluted share of \$0.05, an increase of \$0.15 from a loss per diluted share of \$(0.10) in Q4 2018 and the second consecutive quarter of segment profitability.
- NIM (a non-GAAP measure) expanded 6 basis points from Q3 2019 to 2.89% in Q4 2019 and up 32 basis points over Q4 2018; this marks our fifth consecutive quarter of NIM expansion from the trough of 2.47% reported in Q3 2018.
- Core earnings in Q4 2019 was impacted by a \$0.8 million (\$0.02 per diluted share) loss realized from the sale of non-qualifying ("non-QM") residential mortgage loans and a \$0.3 million (\$0.01 per diluted share) gain on investment securities.
- Core earnings in FY 2019 was impacted by a loss upon acquisition of interest-only GNMA securities of \$7.5 million (\$0.18 per diluted share), \$2.3 million (\$0.06 per diluted share) of gains on investment securities, \$2 million (\$0.05 per diluted share) of legal reserve accruals, a \$0.8 million (\$0.02 per diluted share) loss realized from the sale of non-QM residential mortgage loans and \$0.5 million (\$0.01 per diluted share) of severance expense.
- The return on average assets ("ROAA") was 0.97% in Q4 2019, up from 0.95% in Q3 2019 and 0.71% in Q4 2018. Core ROAA (a non-GAAP measure) was 0.98% in Q4 2019, up from 0.94% in Q3 2019 and 0.82% in Q4 2018.
- The pre-tax and pre-provision adjusted ROAA (a non-GAAP measure) for Q4 2019 was 1.59%, up from 1.38% in Q3 2019 and 1.12% in Q4 2018.

- The return on average common equity ("ROCE") was 11.58 % in Q4 2019 compared to 11.81% in Q3 2019 and up from 7.58% in Q4 2018. Core ROCE (a non-GAAP measure) was 11.76% in Q4 2019, up from 11.59% in Q3 2019 and 9.05% in Q4 2018.
- Asset quality remains strong. Non-performing loans were only 0.21% of total loans and leases at December 31, 2019 and reserves equaled 265% of non-performing loans. Net charge-offs were only \$4.4 million, or 18 basis points of average total loans and leases on an annualized basis, during Q4 2019.
- Reflecting changes in loan mix, the provision for loan losses was \$9.7 million in Q4 2019, compared to \$4.4 million in Q3 2019 and \$1.4 million in Q4 2018.
- Q4 2019 book value per common share was \$26.66 and tangible book value per common share (a non-GAAP measure) was \$26.17. Tangible book value per common share has increased at a compound annual growth rate of about 10% over the past five years.
- On December 9, 2019, Customers Bancorp completed a public offering of \$74.8 million of its 15-year fixed rate 5.375% Subordinated Notes due 2034, which qualifies as Tier 2 capital. \$50 million of the net proceeds from that offering were contributed to Customers Bank as qualifying Tier 1 capital.
- Based on the January 17, 2020 closing price of \$22.56, Customers Bancorp common equity is trading at 0.86x tangible book value of \$26.17 (a non-GAAP measure) and 7.9x the 2020 consensus EPS estimate of \$2.84.

Jay Sidhu, CEO and Chairman of Customers Bancorp, Inc. stated, "We are pleased to report that we ended Q4 2019 with record earnings, superior asset quality, strong control in expenses, and our fifth consecutive quarter of net interest margin expansion, a reflection of improved loan mix, core deposit growth, disciplined pricing strategy and absolute focus on efficiency improvement and risk management. We are also excited that BankMobile attained profitability for the second consecutive quarter and its White Label banking strategy has already generated over \$80 million of very low-cost deposits to Customers, a number that is expected to grow over time."

Status Report on Strategic Priorities Articulated at Analyst Day in October 2018

Improve Profitability: Target a 2.75% NIM by Q4 2019 and a 1.25% Core ROAA in 2-3 years

As stated during our 2018 Analysts Day in October 2018, Customers expects to remain focused on growing its core businesses, while improving margins, capital and profitability. Through favorable mix shifts in both assets and liabilities, while maintaining its superior credit quality culture and extreme focus on productivity improvement, Customers improved the overall quality of its balance sheet and deposit franchise, expanded its net interest margin, enhanced liquidity and remains relatively neutral to interest rate changes. The strategies articulated at the 2018 Analysts Day in October 2018 and subsequent 2019 progress are summarized below:

- **Target ROAA in top quartile of peer group, which we expect will equate to a ROAA of 1.25% or higher over the next 2-3 years.** ROAA was 0.97% in Q4 2019, up significantly from Q4 2018 ROAA of 0.71%. The pre-tax and pre-provision adjusted ROAA (a non-GAAP measure) was 1.59% for Q4 2019, up from 1.12% in Q4 2018.
- **Achieve NIM expansion to 2.75% or greater by Q4 2019, with a full year 2019 NIM above 2.70%, through an expected shift in asset and funding mix.** Actual results are materially better. NIM was 2.89% in Q4 2019, up from 2.83% in Q3 2019 and 2.57% in Q4 2018. FY 2019 NIM was 2.75%, up from FY 2018 NIM of 2.58%. Since Q3 2018, Customers effectively restructured its balance sheet resulting in NIM expansion of 42 basis points (non-GAAP measures).
- **BankMobile growth and maturity was expected with profitability achieved by year end 2019.** BankMobile reached profitability in Q3 2019 and maintained profitability in Q4 2019. BankMobile is expected to remain profitable in 2020.
- **Expense control.** Customers' efficiency ratio was 56.98% in Q4 2019, down from 61.58% in Q3 2019 and 69.99% in Q4 2018. Customers' efficiency ratio for FY 2019 was 65.15%, down from 65.35% for FY 2018.
- **Growth in core deposits and good quality higher-yielding loans.** Demand Deposit Accounts ("DDAs") grew 34% year-over-year. Lower yielding multi-family loans decreased by \$893 million, or 27%, year-over-year and were replaced by higher yielding C&I loans and leases and other consumer loans, which had net growth of \$487 million and \$1.1 billion year-over-year, respectively.
- **Maintain strong credit quality and superior risk management.** Non-Performing Loans ("NPLs") were only 0.21% of total loans and leases at December 31, 2019. Reserves to NPLs at December 31, 2019 were 265%, an improvement from 147% at December 31, 2018. The Bank is relatively neutral to interest rate changes at December 31, 2019. We remain very focused on a strong Risk Management culture throughout the company.
- **Evaluate opportunities to redeem our preferred stock as it becomes callable.** Redeeming all of the preferred stock as it becomes callable would result in an increase to our diluted earnings per share by approximately \$0.46 annually. Customers will continue to analyze the best ways to execute this strategy over the next two years, subject to liquidity and capital needs.

Focus on Capital Allocation

The tangible common equity to tangible assets ratio (a non-GAAP measure) was 7.13% and the estimated common equity Tier 1 capital to risk-weighted assets ratio was 8.00% at December 31, 2019, while the leverage ratio was 9.26%. Capital ratios increased from Q3 2019. Customers Bancorp, Inc. also raised \$74.8 million in 15-year fixed rate subordinated notes during Q4 2019, \$50.0 million of which was contributed to Customers Bank as qualifying Tier 1 capital with the remaining net proceeds retained by Customers Bancorp increasing its liquidity position. Mr. Sidhu stated "As capital builds, we will evaluate the best uses for our excess capital, which may include calling our preferred equity as it becomes callable, starting in 2020."

BankMobile Segment Update

BankMobile, a division of Customers Bank, operates a branchless digital bank offering low cost banking services to over two million Americans, with approximately 1.1 million active deposit customers. Customers reported in Q4 2018 that it expects to retain BankMobile for up to a 2-3 year period, but will regularly evaluate the best options for BankMobile.

BankMobile deposits averaged \$543 million in Q4 2019, with an average cost of just 0.21%, and Q4 2019 revenues were \$22.3 million and FY 2019 revenues were \$86.4 million. The Q4 2019 segment earnings increased to \$1.7 million, or \$0.05 per diluted share, compared to a net loss of \$3.3 million, or \$(0.10) per diluted share in Q4 2018, principally due to an increase in net interest income, partially offset by an increase in provision for loan losses. BankMobile had its second consecutive quarter of profitability and is expected to remain profitable in 2020. "We remain in the investment mode for our white label and other unique Banking as a Service ("BaaS") strategic opportunities for BankMobile," stated Luvleen Sidhu, President and Chief Executive Officer of BankMobile. "The profitability improvement has come from increasing revenues from our student banking business while watching our expenses. We are very optimistic about our longer term opportunities to supplement this profitability and growth with continued expansion of our BaaS business," Luvleen Sidhu concluded. "Since Customers Bancorp, Inc. decided to cross the \$10 billion asset mark at December 31, 2019, Customers will explore all strategic options for BankMobile in 2020," concluded Jay Sidhu, Customers Bancorp, Inc. CEO and Chairman.

Q4 2019 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended December 31, 2019, the preceding four quarters, and the twelve months ended December 31, 2019 and 2018, respectively:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

| | (Dollars in thousands, except per share data and stock price data) | | | | | | Twelve Months Ended | |
|--|--|------------|------------|------------|------------|---------------------------|---------------------|--|
| | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | December 31, 2019 2018 | | |
| GAAP Profitability Metrics: | | | | | | | | |
| Net income available to common shareholders | \$ 23,911 | \$ 23,451 | \$ 5,681 | \$ 11,825 | \$ 14,247 | \$ 64,868 | \$ 57,236 | |
| Per share amounts: | | | | | | | | |
| Earnings per share - basic | \$ 0.76 | \$ 0.75 | \$ 0.18 | \$ 0.38 | \$ 0.45 | \$ 2.08 | \$ 1.81 | |
| Earnings per share - diluted | \$ 0.75 | \$ 0.74 | \$ 0.18 | \$ 0.38 | \$ 0.44 | \$ 2.05 | \$ 1.78 | |
| Book value per common share ⁽¹⁾ | \$ 26.66 | \$ 25.66 | \$ 24.80 | \$ 24.44 | \$ 23.85 | \$ 26.66 | \$ 23.85 | |
| CUBI stock price ⁽¹⁾ | \$ 23.81 | \$ 20.74 | \$ 21.00 | \$ 18.31 | \$ 18.20 | \$ 23.81 | \$ 18.20 | |
| CUBI stock price as % of book value ⁽¹⁾ | 89 % | 81 % | 85 % | 75 % | 76 % | 89 % | 76 % | |
| Average shares outstanding - basic | 31,306,813 | 31,223,777 | 31,154,292 | 31,047,191 | 31,616,740 | 31,183,841 | 31,570,118 | |
| Average shares outstanding - diluted | 31,876,341 | 31,644,728 | 31,625,741 | 31,482,867 | 32,051,030 | 31,646,216 | 32,233,098 | |
| Shares outstanding ⁽¹⁾ | 31,336,791 | 31,245,776 | 31,202,023 | 31,131,247 | 31,003,028 | 31,336,791 | 31,003,028 | |
| Return on average assets ("ROAA") | 0.97 % | 0.95 % | 0.36 % | 0.64 % | 0.71 % | 0.74 % | 0.69 % | |
| Return on average common equity ("ROCE") | 11.58 % | 11.81 % | 2.96 % | 6.38 % | 7.58 % | 8.30 % | 7.90 % | |
| Efficiency ratio | 56.98 % | 61.58 % | 77.32 % | 68.32 % | 69.99 % | 65.15 % | 65.35 % | |
| Non-GAAP Profitability Metrics ⁽²⁾: | | | | | | | | |
| Core earnings | \$ 24,272 | \$ 23,024 | \$ 12,083 | \$ 11,823 | \$ 16,992 | \$ 71,202 | \$ 78,483 | |
| Per share amounts: | | | | | | | | |
| Core earnings per share - diluted | \$ 0.76 | \$ 0.73 | \$ 0.38 | \$ 0.38 | \$ 0.53 | \$ 2.25 | \$ 2.43 | |
| Tangible book value per common share ⁽¹⁾ | \$ 26.17 | \$ 25.16 | \$ 24.30 | \$ 23.92 | \$ 23.32 | \$ 26.17 | \$ 23.32 | |
| CUBI stock price as % of tangible book value ⁽¹⁾ | 91 % | 82 % | 86 % | 77 % | 78 % | 91 % | 78 % | |
| Net interest margin, tax equivalent | 2.89 % | 2.83 % | 2.64 % | 2.59 % | 2.57 % | 2.75 % | 2.58 % | |
| Tangible common equity to tangible assets ⁽¹⁾ | 7.13 % | 6.71 % | 6.79 % | 7.35 % | 7.36 % | 7.13 % | 7.36 % | |
| Core ROAA | 0.98 % | 0.94 % | 0.61 % | 0.64 % | 0.82 % | 0.80 % | 0.89 % | |
| Core ROCE | 11.76 % | 11.59 % | 6.31 % | 6.38 % | 9.05 % | 9.11 % | 10.83 % | |
| Adjusted pre-tax pre-provision net income | \$ 45,238 | \$ 39,178 | \$ 25,446 | \$ 25,036 | \$ 27,957 | \$ 134,895 | \$ 124,410 | |
| Adjusted ROAA - pre-tax and pre-provision | 1.59 % | 1.38 % | 0.98 % | 1.04 % | 1.12 % | 1.26 % | 1.19 % | |
| Adjusted ROCE - pre-tax and pre-provision | 20.16 % | 17.91 % | 11.39 % | 11.57 % | 12.96 % | 15.40 % | 15.18 % | |
| Core efficiency ratio | 56.45 % | 59.51 % | 69.90 % | 68.32 % | 66.18 % | 62.96 % | 63.23 % | |
| Asset Quality: | | | | | | | | |
| Net charge-offs | \$ 4,362 | \$ 1,761 | \$ 637 | \$ 1,060 | \$ 2,154 | \$ 7,821 | \$ 3,685 | |
| Annualized net charge-offs to average total loans and leases | 0.18 % | 0.07 % | 0.03 % | 0.05 % | 0.10 % | 0.08 % | 0.04 % | |
| Non-performing loans ("NPLs") to total loans and leases ⁽¹⁾ | 0.21 % | 0.17 % | 0.15 % | 0.26 % | 0.32 % | 0.21 % | 0.32 % | |
| Reserves to NPLs ⁽¹⁾ | 264.67 % | 290.38 % | 330.36 % | 194.15 % | 147.16 % | 264.67 % | 147.16 % | |
| Regulatory Ratios ⁽³⁾: | | | | | | | | |
| Common equity Tier 1 capital to risk-weighted assets | 8.00 % | 7.81 % | 8.04 % | 8.91 % | 8.96 % | 8.00 % | 8.96 % | |
| Tier 1 capital to risk-weighted assets | 10.11 % | 9.95 % | 10.32 % | 11.47 % | 11.58 % | 10.11 % | 11.58 % | |
| Total capital to risk-weighted assets | 12.21 % | 11.36 % | 11.76 % | 12.92 % | 13.00 % | 12.21 % | 13.00 % | |
| Tier 1 capital to average assets (leverage ratio) | 9.26 % | 9.01 % | 9.51 % | 10.01 % | 9.66 % | 9.26 % | 9.66 % | |

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

(2) Non-GAAP measures exclude investment securities gains and losses, severance expense, merger and acquisition-related expenses, losses realized from the sale of lower-yielding multi-family loans, losses realized from the sale of non-QM residential mortgage loans, loss upon acquisition of interest-only GNMA securities, legal reserves and goodwill and intangible assets. These notable items are not included in Customers' disclosures of core earnings and other core profitability metrics. Please note that not each of the aforementioned adjustments affected the reported amount in each of the periods presented. Customers' reasons for the use of these non-GAAP measures and a detailed reconciliation between the non-GAAP measures and the comparable GAAP amounts are included at the end of this document.

(3) Regulatory capital ratios are estimated for Q4 2019.

Net Interest Income

FY 2019 net interest income was \$277.3 million, up almost \$20 million from \$257.9 million for FY 2018. Net interest income totaled \$77.6 million in Q4 2019, an increase of \$1.9 million from Q3 2019, primarily due to an increase in the average balance of non-interest bearing deposits of about \$150 million and a 16 basis point decline in the cost of interest-bearing liabilities. Compared to Q3 2019, total loan yields decreased 11 basis points to 4.68%. The cost of interest-bearing deposits in Q4 2019 decreased by 18 basis points due to two Federal Reserve interest rate cuts in September 2019 and October 2019. Borrowing costs increased 5 basis points to 2.91% due to the issuance of \$25 million in five-year 4.5% senior notes in September 2019 and \$74.8 million in 15-year 5.375% subordinated notes in December 2019, partially offset by two Federal Reserve interest rate cuts in September 2019 and October 2019.

Q4 2019 net interest income increased \$16.1 million from Q4 2018, primarily due to 32 basis points of NIM (a non-GAAP measure) expansion and a \$1.2 billion increase in average interest-earning assets. Compared to Q4 2018, total loan yields increased 31 basis points to 4.68%. Given Federal Reserve interest rate hikes in 2018 and interest rate cuts in the second half of 2019, the cost of interest-bearing liabilities remained flat at 2.17%.

Total loans and leases increased \$1.5 billion, or 17.6%, to \$10.1 billion at December 31, 2019 compared to the year-ago period. Mortgage warehouse loans increased \$844 million to \$2.3 billion, C&I loans and leases increased \$487 million to \$2.4 billion, commercial real estate non-owner occupied loans increased \$98 million to \$1.2 billion and other consumer loans increased \$1.1 billion to \$1.2 billion. These increases were offset in part by planned decreases in multi-family loans of \$893 million to \$2.4 billion and residential mortgages of \$190 million to \$378 million.

Total deposits increased \$1.5 billion, or 21.1%, to \$8.6 billion at December 31, 2019 compared to the year-ago period. Total demand deposits increased \$653 million, or 33.9%, to \$2.6 billion, savings deposits increased \$535 million, or 139.0%, to \$919 million, and money market deposits increased \$385 million, or 12.4%, to \$3.5 billion. These increases were offset in part by a decrease in time deposits of \$66 million, or 3.8%, to \$1.7 billion. In July 2018, Customers launched a new digital, on-line savings banking product with a goal of gathering retail deposits. At December 31, 2019, this new product generated \$863 million in retail deposits, an increase of \$330 million since September 30, 2019.

Provision, Credit Quality and Risk Management

The provision for loan and lease losses totaled \$24.2 million for FY 2019, up from \$5.6 million in FY 2018, while NPLs to total loans and leases improved to 0.21% at December 31, 2019 from 0.32% at December 31, 2018. The provision for loan and lease losses totaled \$9.7 million in Q4 2019, compared to \$4.4 million in Q3 2019 and \$1.4 million in Q4 2018. The Q4 2019 provision expense included \$5.0 million for quarter-over-quarter changes in the mix of the loan portfolio and \$0.5 million for specifically identified loans. Net charge-offs for Q4 2019 were \$4.4 million, or 18 basis points of average loans and leases on an annualized basis, compared to net charge-offs of \$1.8 million, or 7 basis points in Q3 2019, and \$2.2 million, or 10 basis points in Q4 2018.

Risk management is a critical component of how Customers creates long-term shareholder value, and Customers believes that asset quality is one of the most important risks in banking to be understood and managed. Customers believes that asset quality risks must be diligently addressed during good economic times with prudent underwriting standards so that when the economy deteriorates the bank's capital is sufficient to absorb all losses without threatening its ability to operate and serve its community and other constituents. "Customers' non-performing loans at December 31, 2019 were only 0.21% of total loans and leases, compared to our peer group non-performing loans of approximately 0.74% in the most recent period available, and industry average non-performing loans of 1.03% in the most recent period available. Our expectation is superior asset quality performance in good times and in difficult years," said Mr. Sidhu.

Non-Interest Income

Non-interest income totaled \$80.9 million for FY 2019, an increase of \$21.9 million compared to FY 2018. Non-interest income totaled \$25.8 million in Q4 2019, an increase of \$2.4 million compared to Q3 2019. The increase in non-interest income primarily resulted from increases of \$2.8 million in gains on sales of SBA loans, \$2.4 million in other non-interest income and \$0.8 million in commercial lease income, partially offset by decreases of \$1.0 million in gains on sales of investment securities, \$1.0 million in unrealized gains on investment securities, \$0.9 million in mortgage banking income and \$0.4 million in interchange and card revenue. The increase in gains on sales of SBA loans resulted from a strategic shift to no longer retain all SBA loans on our balance sheet in Q4 2019. The increase in other non-interest income primarily resulted from derivative transactions and the increase in commercial lease income resulted from the continued growth of our Equipment Finance Group. The decrease in gain on sales of investment securities resulted from the gain realized from the sale of \$95 million of corporate bonds during Q3 2019. The decrease in unrealized gains on investment securities primarily resulted from a smaller improvement in the fair values of the interest-only GNMA securities and equity securities issued by a foreign entity during Q4 2019. The decrease in mortgage banking income primarily resulted from a \$0.8 million loss realized from the sale of \$230 million of non-QM residential mortgage loans in Q4 2019. The decrease in interchange and card revenue primarily resulted from a seasonal decrease in activity at BankMobile, coinciding with the end of the academic semester.

Non-Interest Expense

Non-interest expense totaled \$231.9 million for FY 2019, an increase of \$11.7 million compared to FY 2018. Non-interest expense totaled \$58.7 million in Q4 2019, a decrease of \$0.9 million compared to Q3 2019. The decrease in non-interest expense in Q4 2019 primarily resulted from decreases of \$2.6 million in provision for operating losses, \$1.9 million in professional services and \$1.9 million in other non-interest expense, partially offset by increases of \$3.3 million in FDIC assessments, \$1.6 million in technology and \$0.5 million in salaries and employee benefits. The decrease in the provision for operating losses primarily resulted from an internet-based organized crime ring which targeted BankMobile checking accounts in Q3 2019. The decrease in professional services primarily resulted from successful concentrated cost savings initiatives in Q4 2019. The decrease in other non-interest expense primarily resulted from legal reserve accruals totaling \$2.0 million recognized in Q3 2019 for previously disclosed legal matters. The increase in FDIC assessments primarily resulted from a \$2.6 million small bank assessment credit provided by the FDIC in Q3 2019 related to Customers' contribution to the growth of the FDIC's deposit insurance fund since July 2016. The increase in technology primarily resulted from continued investment in Customers' digital transformation initiatives. The increase in salaries and employee benefits primarily resulted from an increase in full-time equivalents.

Taxes

Customers' effective tax rate was 21.3% for Q4 2019, compared to 22.9% for Q3 2019 and 22.2% for Q4 2018. The decrease in the effective tax rate from Q3 2019 and Q4 2018 was primarily driven by strategic initiatives to lower Customers' effective tax rate through effective use of available tax credits and changes in the apportionment of revenues to states with lower tax costs. Customers expects the full-year 2020 effective tax rate to be approximately 22% to 24%.

Significantly Lowering Commercial Real Estate Concentration

Customers' total commercial real estate ("CRE") loan exposures subject to regulatory concentration guidelines of \$3.7 billion as of December 31, 2019 included construction loans of \$0.1 billion, multi-family loans of \$2.4 billion, and non-owner occupied commercial real estate loans of \$1.1 billion, which represent 294% of total risk-based capital on a combined basis, a reduction from a 361% commercial real estate concentration as of December 31, 2018. Customers' loans subject to regulatory CRE concentration guidelines had a 3 year cumulative reduction of 16.0% as of the end of Q4 2019, a deceleration from cumulative growth of 10.6% a year ago.

Customers' loans collateralized by multi-family properties were approximately 23.8% of Customers' total loan portfolio and approximately 191% of total risk-based capital at December 31, 2019, down from approximately 38.4% and 270%, respectively, at December 31, 2018. Following are some key characteristics of Customers' multi-family loan portfolio:

- Mostly concentrated in New York City with an emphasis on properties subject to some type of rent control; and principally to high net worth families;
- Current average loan size is approximately \$6.9 million;
- Current weighted average annual debt service coverage ratio is 1.51x;
- Current weighted average loan-to-value for the portfolio is 60.1%;
- All loans are individually stressed with an increase of 1% and 2% to the cap rate and an increase of 1.5% and 3% in loan interest rates;
- All properties are inspected prior to a loan being granted and inspected thereafter on an annual basis by dedicated portfolio managers or outside inspectors; and
- Credit approval process is independent of customer sales and portfolio management process.

Recap of 2019 and Looking Ahead to 2020 and Beyond

Mr. Sidhu stated, "Customers' core earnings per share was \$2.25 for 2019, in line with our internal expectations and higher than targets we had made public. After diligent consideration and analysis, we decided to end 2019 with total assets above \$10 billion. This decision reflects our desire and optimism to continue to grow the Customers Bank Business Banking segment while giving careful consideration to the future strategic options for our BankMobile segment."

Looking ahead to 2020, Mr. Sidhu continued "Customers is projecting core earnings per share of \$3.00 for 2020 with continued improvement in all profitability metrics." Mr. Sidhu continued, "In addition, management and our Board of Directors have been actively engaged in developing a vision and strategy for 2025 and are pleased to make public our confidence in achieving \$6 per share in annual core earnings by the end of 2025."

Conference Call

Date: Thursday, January 23, 2020
Time: 9:00 AM EST
US Dial-in: +1 (800) 368-1029
International Dial-in: +1 (334) 777-6981
Participant Code: 094854

Please dial in at least 10 minutes before the start of the call to ensure timely participation. Slides accompanying the presentation will be available on Customers' website at <https://www.customersbank.com/investor-relations/> prior to the call.

Please submit any questions you have regarding the earnings in advance to rramsey@customersbank.com and the executives will address them on the call. Customers will also open the lines to questions following management's presentation of the fourth quarter results. A playback of the call will be available beginning January 23, 2020 at 12:00 PM EST until 12:00 PM EST on February 22, 2020. To listen, call within the United States +1 (888) 203-1112, or +1 (719) 457-0820 when calling internationally. Please use the replay passcode 3422011.

Institutional Background

Customers Bancorp, Inc. is a bank holding company located in Wyomissing, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank. Customers Bank is a community-based, full-service bank with assets of approximately \$11.5 billion at December 31, 2019. A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking services to small and medium-sized businesses, professionals, individuals and families through offices in Pennsylvania, Illinois, New York, Rhode Island, Massachusetts, New Hampshire and New Jersey. Committed to fostering customer loyalty, Customers Bank uses a High Tech/High Touch strategy that includes use of industry-leading technology to provide customers better access to their money, as well as Concierge Banking® by appointment at customers' homes or offices 12 hours a day, seven days a week. Customers Bank offers a continually expanding portfolio of loans to small businesses, multi-family projects, mortgage companies and consumers.

Customers Bancorp, Inc.'s voting common shares are listed on the New York Stock Exchange under the symbol CUBI. Additional information about Customers Bancorp, Inc. can be found on the Company's website, www.customersbank.com.

“Safe Harbor” Statement

In addition to historical information, this press release may contain "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.'s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words "may," "could," "should," "pro forma," "looking forward," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan," or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.'s control). Numerous competitive, economic, regulatory, legal and technological factors, among others, could cause Customers Bancorp, Inc.'s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements. In addition, important factors relating to the acquisition of the Disbursements business, the combination of Customers' BankMobile business with the acquired Disbursements business, the implementation of Customers Bancorp, Inc.'s strategy to retain BankMobile for 2-3 years, the possibility that the expected benefits of retaining BankMobile for 2-3 years may not be achieved, or the possible effects on Customers' results of operations if BankMobile is never divested could cause Customers Bancorp's actual results to differ from those in the forward-looking statements. Customers Bancorp, Inc. cautions that the foregoing factors are not exclusive, and neither such factors nor any such forward-looking statement takes into account the impact of any future events. All forward-looking statements and information set forth herein are based on management's current beliefs and assumptions as of the date hereof and speak only as of the date they are made. For a more complete discussion of the assumptions, risks and uncertainties related to our business, you are encouraged to review Customers Bancorp, Inc.'s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K for the year ended December 31, 2018, subsequently filed quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto, that update or provide information in addition to the information included in the Form 10-K and Form 10-Q filings, if any. Customers Bancorp, Inc. does not undertake to update any forward-looking statement whether written or oral, that may be made from time to time by Customers Bancorp, Inc. or by or on behalf of Customers Bank.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

(Dollars in thousands, except per share data)

| | | | | | | Twelve Months Ended | |
|---|------------|------------|------------|-----------|-----------|---------------------|------------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | December 31, | |
| | 2019 | 2019 | 2019 | 2019 | 2018 | 2019 | 2018 |
| Interest income: | | | | | | | |
| Loans and leases | \$ 116,365 | \$ 118,444 | \$ 103,567 | \$ 93,116 | \$ 94,248 | \$ 431,491 | \$ 373,234 |
| Investment securities | 5,125 | 5,867 | 6,481 | 6,241 | 6,277 | 23,713 | 33,209 |
| Other | 2,505 | 2,407 | 1,902 | 1,718 | 2,778 | 8,535 | 11,508 |
| Total interest income | 123,995 | 126,718 | 111,950 | 101,075 | 103,303 | 463,739 | 417,951 |
| Interest expense: | | | | | | | |
| Deposits | 35,992 | 38,267 | 35,980 | 31,225 | 34,029 | 141,464 | 110,808 |
| FHLB advances | 6,056 | 7,563 | 7,607 | 5,293 | 3,662 | 26,519 | 31,043 |
| Subordinated debt | 1,930 | 1,684 | 1,684 | 1,684 | 1,684 | 6,983 | 6,737 |
| Other borrowings | 2,424 | 3,469 | 2,000 | 3,569 | 2,404 | 11,463 | 11,486 |
| Total interest expense | 46,402 | 50,983 | 47,271 | 41,771 | 41,779 | 186,429 | 160,074 |
| Net interest income | 77,593 | 75,735 | 64,679 | 59,304 | 61,524 | 277,310 | 257,877 |
| Provision for loan and lease losses | 9,689 | 4,426 | 5,346 | 4,767 | 1,385 | 24,227 | 5,642 |
| Net interest income after provision for loan and lease losses | 67,904 | 71,309 | 59,333 | 54,537 | 60,139 | 253,083 | 252,235 |
| Non-interest income: | | | | | | | |
| Interchange and card revenue | 6,506 | 6,869 | 6,760 | 8,806 | 7,568 | 28,941 | 30,695 |
| Deposit fees | 3,616 | 3,642 | 3,348 | 2,209 | 2,099 | 12,815 | 7,824 |
| Commercial lease income | 3,839 | 3,080 | 2,730 | 2,401 | 1,982 | 12,051 | 5,354 |
| Bank-owned life insurance | 1,795 | 1,824 | 1,836 | 1,816 | 1,852 | 7,272 | 7,620 |
| Mortgage warehouse transactional fees | 1,983 | 2,150 | 1,681 | 1,314 | 1,495 | 7,128 | 7,158 |
| Gain (loss) on sale of SBA and other loans | 2,770 | — | — | — | (110) | 2,770 | 3,294 |
| Mortgage banking income (loss) | (635) | 283 | 250 | 167 | 73 | 66 | 606 |
| Loss upon acquisition of interest-only GNMA securities | — | — | (7,476) | — | — | (7,476) | — |
| Gain (loss) on sale of investment securities | — | 1,001 | — | — | — | 1,001 | (18,659) |
| Unrealized gain (loss) on investment securities | 310 | 1,333 | (347) | 2 | (101) | 1,299 | (1,634) |
| Other | 5,629 | 3,187 | 3,254 | 3,003 | 5,019 | 15,071 | 16,740 |
| Total non-interest income | 25,813 | 23,369 | 12,036 | 19,718 | 19,877 | 80,938 | 58,998 |
| Non-interest expense: | | | | | | | |
| Salaries and employee benefits | 27,697 | 27,193 | 26,920 | 25,823 | 26,706 | 107,632 | 104,841 |
| Technology, communication and bank operations | 10,370 | 8,755 | 12,402 | 11,953 | 11,531 | 43,481 | 44,454 |
| Professional services | 6,470 | 8,348 | 5,718 | 4,573 | 5,674 | 25,109 | 20,237 |
| Occupancy | 3,470 | 3,661 | 3,064 | 2,903 | 2,933 | 13,098 | 11,809 |
| Commercial lease depreciation | 2,840 | 2,459 | 2,252 | 1,923 | 1,550 | 9,473 | 4,388 |
| FDIC assessments, non-income taxes, and regulatory fees | 2,492 | (777) | 2,157 | 1,988 | 1,892 | 5,861 | 8,642 |
| Provision for operating losses | 1,415 | 3,998 | 2,446 | 1,779 | 1,685 | 9,638 | 5,616 |
| Advertising and promotion | 899 | 976 | 1,360 | 809 | 917 | 4,044 | 2,446 |
| Merger and acquisition related expenses | 100 | — | — | — | 470 | 100 | 4,391 |
| Loan workout | 230 | 495 | 643 | 320 | 360 | 1,687 | 2,183 |
| Other real estate owned (income) expenses | 247 | 108 | (14) | 57 | 285 | 398 | 449 |
| Other | 2,510 | 4,376 | 2,634 | 1,856 | 3,042 | 11,380 | 10,723 |
| Total non-interest expense | 58,740 | 59,592 | 59,582 | 53,984 | 57,045 | 231,901 | 220,179 |
| Income before income tax expense | 34,977 | 35,086 | 11,787 | 20,271 | 22,971 | 102,120 | 91,054 |
| Income tax expense | 7,451 | 8,020 | 2,491 | 4,831 | 5,109 | 22,793 | 19,359 |
| Net income | 27,526 | 27,066 | 9,296 | 15,440 | 17,862 | 79,327 | 71,695 |
| Preferred stock dividends | 3,615 | 3,615 | 3,615 | 3,615 | 3,615 | 14,459 | 14,459 |
| Net income available to common shareholders | \$ 23,911 | \$ 23,451 | \$ 5,681 | \$ 11,825 | \$ 14,247 | \$ 64,868 | \$ 57,236 |
| Basic earnings per common share | \$ 0.76 | \$ 0.75 | \$ 0.18 | \$ 0.38 | \$ 0.45 | \$ 2.08 | \$ 1.81 |
| Diluted earnings per common share | \$ 0.75 | \$ 0.74 | \$ 0.18 | \$ 0.38 | \$ 0.44 | \$ 2.05 | \$ 1.78 |

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

(Dollars in thousands)

| | December 31, 2019 | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | | |
| Cash and due from banks | \$ 33,095 | \$ 12,555 | \$ 24,757 | \$ 41,723 | \$ 17,696 |
| Interest-earning deposits | 179,410 | 169,663 | 71,038 | 75,939 | 44,439 |
| Cash and cash equivalents | 212,505 | 182,218 | 95,795 | 117,662 | 62,135 |
| Investment securities, at fair value | 595,876 | 608,714 | 708,359 | 678,142 | 665,012 |
| Loans held for sale | 486,328 | 502,854 | 5,697 | 1,602 | 1,507 |
| Loans receivable, mortgage warehouse, at fair value | 2,245,758 | 2,438,530 | 2,001,540 | 1,480,195 | 1,405,420 |
| Loans and leases receivable | 7,318,988 | 7,336,237 | 7,714,106 | 7,264,049 | 7,138,074 |
| Allowance for loan and lease losses | (56,379) | (51,053) | (48,388) | (43,679) | (39,972) |
| Total loans and leases receivable, net of allowance for loan and lease losses | 9,508,367 | 9,723,714 | 9,667,258 | 8,700,565 | 8,503,522 |
| FHLB, Federal Reserve Bank, and other restricted stock | 84,214 | 81,853 | 101,947 | 80,416 | 89,685 |
| Accrued interest receivable | 38,072 | 38,412 | 38,506 | 35,716 | 32,955 |
| Bank premises and equipment, net | 9,389 | 14,075 | 10,095 | 10,542 | 11,063 |
| Bank-owned life insurance | 272,546 | 270,526 | 268,682 | 266,740 | 264,559 |
| Other real estate owned | 173 | 204 | 1,076 | 976 | 816 |
| Goodwill and other intangibles | 15,195 | 15,521 | 15,847 | 16,173 | 16,499 |
| Other assets | 298,052 | 285,699 | 269,165 | 235,360 | 185,672 |
| Total assets | \$ 11,520,717 | \$ 11,723,790 | \$ 11,182,427 | \$ 10,143,894 | \$ 9,833,425 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Demand, non-interest bearing deposits | \$ 1,343,391 | \$ 1,569,918 | \$ 1,380,698 | \$ 1,372,358 | \$ 1,122,171 |
| Interest-bearing deposits | 7,305,545 | 7,355,767 | 6,805,079 | 6,052,960 | 6,020,065 |
| Total deposits | 8,648,936 | 8,925,685 | 8,185,777 | 7,425,318 | 7,142,236 |
| Federal funds purchased | 538,000 | 373,000 | 406,000 | 388,000 | 187,000 |
| FHLB advances | 850,000 | 1,040,800 | 1,262,100 | 1,025,832 | 1,248,070 |
| Other borrowings | 123,630 | 123,528 | 99,055 | 123,963 | 123,871 |
| Subordinated debt | 181,115 | 109,050 | 109,026 | 109,002 | 108,977 |
| Accrued interest payable and other liabilities | 126,241 | 132,577 | 129,064 | 93,406 | 66,455 |
| Total liabilities | 10,467,922 | 10,704,640 | 10,191,022 | 9,165,521 | 8,876,609 |
| Preferred stock | 217,471 | 217,471 | 217,471 | 217,471 | 217,471 |
| Common stock | 32,617 | 32,526 | 32,483 | 32,412 | 32,252 |
| Additional paid in capital | 444,218 | 441,499 | 439,067 | 436,713 | 434,314 |
| Retained earnings | 381,519 | 357,608 | 334,157 | 328,476 | 316,651 |
| Accumulated other comprehensive loss | (1,250) | (8,174) | (9,993) | (14,919) | (22,663) |
| Treasury stock, at cost | (21,780) | (21,780) | (21,780) | (21,780) | (21,209) |
| Total shareholders' equity | 1,052,795 | 1,019,150 | 991,405 | 978,373 | 956,816 |
| Total liabilities & shareholders' equity | \$ 11,520,717 | \$ 11,723,790 | \$ 11,182,427 | \$ 10,143,894 | \$ 9,833,425 |

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

(Dollars in thousands)

| | Three Months Ended | | | | | |
|---|---------------------|---------------------------|---------------------|---------------------------|---------------------|---------------------------|
| | December 31, 2019 | | September 30, 2019 | | December 31, 2018 | |
| | Average Balance | Average Yield or Cost (%) | Average Balance | Average Yield or Cost (%) | Average Balance | Average Yield or Cost (%) |
| Assets | | | | | | |
| Interest earning deposits | \$ 150,382 | 2.21% | \$ 100,343 | 3.26% | \$ 185,145 | 2.24% |
| Investment securities ⁽¹⁾ | 584,955 | 3.50% | 652,142 | 3.60% | 697,474 | 3.60% |
| Loans and leases: | | | | | | |
| Commercial loans to mortgage companies | 2,158,626 | 4.16% | 2,103,612 | 4.58% | 1,409,197 | 5.03% |
| Multi-family loans | 2,654,919 | 3.96% | 2,929,650 | 3.91% | 3,445,267 | 3.76% |
| Commercial and industrial loans and leases ⁽²⁾ | 2,318,313 | 4.79% | 2,159,067 | 5.24% | 1,823,189 | 4.93% |
| Non-owner occupied commercial real estate loans | 1,325,630 | 4.55% | 1,294,246 | 4.57% | 1,224,750 | 4.40% |
| Residential mortgages | 631,370 | 4.05% | 729,603 | 4.11% | 599,797 | 4.02% |
| Other consumer loans | 765,765 | 9.11% | 600,256 | 9.47% | 60,210 | 9.26% |
| Total loans and leases ⁽³⁾ | 9,854,623 | 4.68% | 9,816,434 | 4.79% | 8,562,410 | 4.37% |
| Other interest-earning assets | 86,770 | 7.63% | 98,279 | 6.39% | 73,091 | 9.41% |
| Total interest-earning assets | 10,676,730 | 4.61% | 10,667,198 | 4.72% | 9,518,120 | 4.31% |
| Non-interest-earning assets | 580,477 | | 591,946 | | 429,247 | |
| Total assets | \$11,257,207 | | \$11,259,144 | | \$ 9,947,367 | |
| Liabilities | | | | | | |
| Interest checking accounts | \$ 1,152,349 | 1.65% | \$ 1,014,590 | 1.83% | \$ 767,154 | 1.60% |
| Money market deposit accounts | 3,190,543 | 2.01% | 3,100,975 | 2.22% | 3,391,542 | 2.08% |
| Other savings accounts | 722,487 | 2.09% | 561,790 | 2.19% | 350,304 | 1.99% |
| Certificates of deposit | 2,012,497 | 2.21% | 2,227,817 | 2.34% | 2,141,598 | 2.11% |
| Total interest-bearing deposits ⁽⁴⁾ | 7,077,876 | 2.02% | 6,905,172 | 2.20% | 6,650,598 | 2.03% |
| Borrowings | 1,424,550 | 2.91% | 1,770,459 | 2.86% | 983,540 | 3.13% |
| Total interest-bearing liabilities | 8,502,426 | 2.17% | 8,675,631 | 2.33% | 7,634,138 | 2.17% |
| Non-interest-bearing deposits ⁽⁴⁾ | 1,580,050 | | 1,431,810 | | 1,261,330 | |
| Total deposits and borrowings | 10,082,476 | 1.83% | 10,107,441 | 2.00% | 8,895,468 | 1.86% |
| Other non-interest-bearing liabilities | 138,242 | | 146,347 | | 89,202 | |
| Total liabilities | 10,220,718 | | 10,253,788 | | 8,984,670 | |
| Shareholders' equity | 1,036,489 | | 1,005,356 | | 962,697 | |
| Total liabilities and shareholders' equity | \$11,257,207 | | \$11,259,144 | | \$ 9,947,367 | |
| Interest spread | | <u>2.78%</u> | | <u>2.71%</u> | | <u>2.45%</u> |
| Net interest margin | | <u>2.89%</u> | | <u>2.82%</u> | | <u>2.57%</u> |
| Net interest margin tax equivalent ⁽⁵⁾ | | <u>2.89%</u> | | <u>2.83%</u> | | <u>2.57%</u> |

(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 1.65%, 1.82% and 1.71% for the three months ended December 31, 2019, September 30, 2019 and December 31, 2018, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended December 31, 2019, September 30, 2019 and December 31, 2018, 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.

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

(Dollars in thousands)

| | Twelve Months Ended | | | |
|---|----------------------|------------------------------|----------------------|------------------------------|
| | December 31, 2019 | | December 31, 2018 | |
| | Average Balance | Average Yield or Cost (%) | Average Balance | Average Yield or Cost (%) |
| Assets | | | | |
| Interest earning deposits | \$ 103,833 | 2.68% | \$ 217,168 | 1.90% |
| Investment securities ⁽¹⁾ | 653,694 | 3.63% | 1,005,688 | 3.30% |
| Loans and leases: | | | | |
| Commercial loans to mortgage companies | 1,799,489 | 4.58% | 1,610,168 | 4.92% |
| Multi-family loans | 2,982,185 | 3.87% | 3,549,511 | 3.82% |
| Commercial and industrial loans and leases ⁽²⁾ | 2,111,181 | 5.08% | 1,743,696 | 4.72% |
| Non-owner occupied commercial real estate loans | 1,243,236 | 4.53% | 1,257,545 | 4.32% |
| Residential mortgages | 694,889 | 4.15% | 497,772 | 4.05% |
| Other consumer loans | 445,166 | 9.28% | 20,028 | 8.78% |
| Total loans and leases ⁽³⁾ | 9,276,146 | 4.65% | 8,678,720 | 4.30% |
| Other interest-earning assets | 90,035 | 6.39% | 110,223 | 6.71% |
| Total interest-earning assets | 10,123,708 | 4.58% | 10,011,799 | 4.17% |
| Non-interest-earning assets | 543,962 | | 406,303 | |
| Total assets | \$ 10,667,670 | | \$ 10,418,102 | |
| Liabilities | | | | |
| Interest checking accounts | \$ 955,630 | 1.82% | \$ 630,335 | 1.49% |
| Money market deposit accounts | 3,151,328 | 2.18% | 3,417,779 | 1.77% |
| Other savings accounts | 538,375 | 2.12% | 135,994 | 1.67% |
| Certificates of deposit | 1,943,361 | 2.26% | 2,066,896 | 1.87% |
| Total interest-bearing deposits ⁽⁴⁾ | 6,588,694 | 2.15% | 6,251,004 | 1.77% |
| Borrowings | 1,523,171 | 2.95% | 1,951,921 | 2.52% |
| Total interest-bearing liabilities | 8,111,865 | 2.30% | 8,202,925 | 1.95% |
| Non-interest-bearing deposits ⁽⁴⁾ | 1,430,149 | | 1,189,638 | |
| Total deposits and borrowings | 9,542,014 | 1.95% | 9,392,563 | 1.70% |
| Other non-interest-bearing liabilities | 126,325 | | 83,563 | |
| Total liabilities | 9,668,339 | | 9,476,126 | |
| Shareholders' equity | 999,331 | | 941,976 | |
| Total liabilities and shareholders' equity | \$ 10,667,670 | | \$ 10,418,102 | |
| Interest spread | | 2.63% | | 2.47% |
| Net interest margin | | 2.74% | | 2.58% |
| Net interest margin tax equivalent ⁽⁵⁾ | | 2.75% | | 2.58% |

(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 1.76% and 1.49% for the twelve months ended December 31, 2019 and December 31, 2018, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for both the year ended December 31, 2019 and 2018, 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.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

SEGMENT REPORTING - UNAUDITED

(Dollars in thousands, except per share amounts)

The following tables present Customers' business segment results for the three and twelve months ended December 31, 2019 and 2018:

| | Three Months Ended December 31, 2019 | | | Three Months Ended December 31, 2018 | | |
|---|--|------------|--------------|--|------------|--------------|
| | Customers Bank Business Banking | BankMobile | Consolidated | Customers Bank Business Banking | BankMobile | Consolidated |
| Interest income ⁽¹⁾ | \$ 112,212 | \$ 11,783 | \$ 123,995 | \$ 98,129 | \$ 5,174 | \$ 103,303 |
| Interest expense | 46,111 | 291 | 46,402 | 41,592 | 187 | 41,779 |
| Net interest income | 66,101 | 11,492 | 77,593 | 56,537 | 4,987 | 61,524 |
| Provision for loan and lease losses | 6,846 | 2,843 | 9,689 | (200) | 1,585 | 1,385 |
| Non-interest income | 14,964 | 10,849 | 25,813 | 9,352 | 10,525 | 19,877 |
| Non-interest expense | 41,494 | 17,246 | 58,740 | 38,778 | 18,267 | 57,045 |
| Income (loss) before income tax expense (benefit) | 32,725 | 2,252 | 34,977 | 27,311 | (4,340) | 22,971 |
| Income tax expense (benefit) | 6,892 | 559 | 7,451 | 6,175 | (1,066) | 5,109 |
| Net income (loss) | 25,833 | 1,693 | 27,526 | 21,136 | (3,274) | 17,862 |
| Preferred stock dividends | 3,615 | — | 3,615 | 3,615 | — | 3,615 |
| Net income (loss) available to common shareholders | \$ 22,218 | \$ 1,693 | \$ 23,911 | \$ 17,521 | \$ (3,274) | \$ 14,247 |
| Basic earnings (loss) per common share | \$ 0.71 | \$ 0.05 | \$ 0.76 | \$ 0.55 | \$ (0.10) | \$ 0.45 |
| Diluted earnings (loss) per common share | \$ 0.70 | \$ 0.05 | \$ 0.75 | \$ 0.55 | \$ (0.10) | \$ 0.44 |

(1) Amounts reported include funds transfer pricing of \$0.7 million and \$3.8 million for the three months ended December 31, 2019 and 2018, respectively, credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

| | Twelve Months Ended December 31, 2019 | | | Twelve Months Ended December 31, 2018 | | |
|--|--|------------|---------------|--|-------------|--------------|
| | Customers Bank Business Banking | BankMobile | Consolidated | Customers Bank Business Banking | BankMobile | Consolidated |
| Interest income ⁽²⁾ | \$ 422,094 | \$ 41,645 | \$ 463,739 | \$ 400,948 | \$ 17,003 | \$ 417,951 |
| Interest expense | 185,513 | 916 | 186,429 | 159,674 | 400 | 160,074 |
| Net interest income | 236,581 | 40,729 | 277,310 | 241,274 | 16,603 | 257,877 |
| Provision for loan and lease losses | 10,091 | 14,136 | 24,227 | 2,928 | 2,714 | 5,642 |
| Non-interest income | 35,268 | 45,670 | 80,938 | 17,499 | 41,499 | 58,998 |
| Non-interest expense | 153,333 | 78,568 | 231,901 | 146,946 | 73,233 | 220,179 |
| Income (loss) before income tax expense (benefit) | 108,425 | (6,305) | 102,120 | 108,899 | (17,845) | 91,054 |
| Income tax expense (benefit) | 24,215 | (1,422) | 22,793 | 23,742 | (4,383) | 19,359 |
| Net income (loss) | 84,210 | (4,883) | 79,327 | 85,157 | (13,462) | 71,695 |
| Preferred stock dividends | 14,459 | — | 14,459 | 14,459 | — | 14,459 |
| Net income (loss) available to common shareholders | \$ 69,751 | \$ (4,883) | \$ 64,868 | \$ 70,698 | \$ (13,462) | \$ 57,236 |
| Basic earnings (loss) per common share | \$ 2.24 | \$ (0.16) | \$ 2.08 | \$ 2.24 | \$ (0.43) | \$ 1.81 |
| Diluted earnings (loss) per common share | \$ 2.20 | \$ (0.15) | \$ 2.05 | \$ 2.19 | \$ (0.42) | \$ 1.78 |
| As of December 31, 2019 and 2018 | | | | | | |
| Goodwill and other intangibles | \$ 3,629 | \$ 11,566 | \$ 15,195 | \$ 3,629 | \$ 12,870 | \$ 16,499 |
| Total assets ⁽³⁾ | \$ 10,990,550 | \$ 530,167 | \$ 11,520,717 | \$ 9,688,146 | \$ 145,279 | \$ 9,833,425 |
| Total deposits | \$ 8,247,836 | \$ 401,100 | \$ 8,648,936 | \$ 6,766,378 | \$ 375,858 | \$ 7,142,236 |
| Total non-deposit liabilities ⁽³⁾ | \$ 1,789,329 | \$ 29,657 | \$ 1,818,986 | \$ 1,719,225 | \$ 15,148 | \$ 1,734,373 |

(2) Amounts reported include funds transfer pricing of \$8.8 million and \$15.7 million for the twelve months ended December 31, 2019 and 2018, respectively, credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

(3) Amounts reported exclude inter-segment receivables.

The following tables present Customers' business segment results for the quarter ended December 31, 2019, the preceding four quarters, and the twelve months ended December 31, 2019 and 2018, respectively:

**Customers Bank Business
Banking:**

| | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Twelve Months Ended December 31, | |
|---|------------|------------|------------|-----------|-----------|-------------------------------------|------------|
| | | | | | | 2019 | 2018 |
| Interest income ⁽¹⁾ | \$ 112,212 | \$ 113,995 | \$ 103,014 | \$ 92,871 | \$ 98,129 | \$ 422,094 | \$ 400,948 |
| Interest expense | 46,111 | 50,734 | 47,061 | 41,605 | 41,592 | 185,513 | 159,674 |
| Net interest income | 66,101 | 63,261 | 55,953 | 51,266 | 56,537 | 236,581 | 241,274 |
| Provision for loan and lease losses | 6,846 | 2,475 | (2,206) | 2,976 | (200) | 10,091 | 2,928 |
| Non-interest income (loss) | 14,964 | 11,757 | 970 | 7,577 | 9,352 | 35,268 | 17,499 |
| Non-interest expense | 41,494 | 38,347 | 38,107 | 35,384 | 38,778 | 153,333 | 146,946 |
| Income before income tax expense | 32,725 | 34,196 | 21,022 | 20,483 | 27,311 | 108,425 | 108,899 |
| Income tax expense | 6,892 | 7,814 | 4,629 | 4,880 | 6,175 | 24,215 | 23,742 |
| Net income | 25,833 | 26,382 | 16,393 | 15,603 | 21,136 | 84,210 | 85,157 |
| Preferred stock dividends | 3,615 | 3,615 | 3,615 | 3,615 | 3,615 | 14,459 | 14,459 |
| Net income available to common shareholders | \$ 22,218 | \$ 22,767 | \$ 12,778 | \$ 11,988 | \$ 17,521 | \$ 69,751 | \$ 70,698 |
| Basic earnings per common share | \$ 0.71 | \$ 0.73 | \$ 0.41 | \$ 0.39 | \$ 0.55 | \$ 2.24 | \$ 2.24 |
| Diluted earnings per common share | \$ 0.70 | \$ 0.72 | \$ 0.40 | \$ 0.38 | \$ 0.55 | \$ 2.20 | \$ 2.19 |

(1) Amounts reported include funds transfer pricing of \$0.7 million, \$0.3 million, \$2.2 million, \$5.6 million and \$3.8 million for the three months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, and December 31, 2018, respectively. Amounts reported also include funds transfer pricing of \$8.8 million and \$15.7 million for the twelve months ended December 31, 2019 and 2018, respectively. These amounts are credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

BankMobile:

| | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Twelve Months Ended December 31, | |
|---|-----------|-----------|------------|-----------|------------|-------------------------------------|-------------|
| | | | | | | 2019 | 2018 |
| Interest income ⁽²⁾ | \$ 11,783 | \$ 12,723 | \$ 8,936 | \$ 8,204 | \$ 5,174 | \$ 41,645 | \$ 17,003 |
| Interest expense | 291 | 249 | 210 | 166 | 187 | 916 | 400 |
| Net interest income | 11,492 | 12,474 | 8,726 | 8,038 | 4,987 | 40,729 | 16,603 |
| Provision for loan and lease losses | 2,843 | 1,951 | 7,552 | 1,791 | 1,585 | 14,136 | 2,714 |
| Non-interest income | 10,849 | 11,612 | 11,066 | 12,141 | 10,525 | 45,670 | 41,499 |
| Non-interest expense | 17,246 | 21,245 | 21,475 | 18,600 | 18,267 | 78,568 | 73,233 |
| Loss before income tax expense or benefit | 2,252 | 890 | (9,235) | (212) | (4,340) | (6,305) | (17,845) |
| Income tax benefit | 559 | 206 | (2,138) | (49) | (1,066) | (1,422) | (4,383) |
| Net loss available to common shareholders | \$ 1,693 | \$ 684 | \$ (7,097) | \$ (163) | \$ (3,274) | \$ (4,883) | \$ (13,462) |
| Basic loss per common share | \$ 0.05 | \$ 0.02 | \$ (0.23) | \$ (0.01) | \$ (0.10) | \$ (0.16) | \$ (0.43) |
| Diluted loss per common share | \$ 0.05 | \$ 0.02 | \$ (0.22) | \$ (0.01) | \$ (0.10) | \$ (0.15) | \$ (0.42) |

Deposit balances ⁽³⁾

| | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|
| Disbursements business deposits | \$ 319,263 | \$ 598,064 | \$ 409,683 | \$ 615,710 | \$ 370,690 |
| White label deposits | 81,837 | 67,541 | 46,514 | 11,046 | 5,168 |
| Total deposits | \$ 401,100 | \$ 665,605 | \$ 456,197 | \$ 626,756 | \$ 375,858 |

(2) Amounts reported include funds transfer pricing of \$0.7 million, \$0.3 million, \$2.2 million, \$5.6 million and \$3.8 million for the three months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, and December 31, 2018, respectively. Amounts reported also include funds transfer pricing of \$8.8 million and \$15.7 million for the twelve months ended December 31, 2019 and 2018, respectively. These amounts are credited to BankMobile for the value provided to the Customers Bank Business Banking segment for the use of excess low/no cost deposits.

(3) As of December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, and December 31, 2018.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
PERIOD END LOAN AND LEASE COMPOSITION - UNAUDITED

(Dollars in thousands)

| | December 31, 2019 | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 |
|---|----------------------|-----------------------|------------------|-------------------|----------------------|
| Commercial: | | | | | |
| Multi-family | \$ 2,392,146 | \$ 2,800,018 | \$ 3,017,531 | \$ 3,212,312 | \$ 3,285,297 |
| Mortgage warehouse | 2,305,953 | 2,549,286 | 2,054,307 | 1,535,343 | 1,461,810 |
| Commercial & industrial | 2,381,792 | 2,252,843 | 2,131,790 | 1,983,081 | 1,894,887 |
| Commercial real estate non-owner occupied | 1,223,529 | 1,268,557 | 1,176,575 | 1,107,336 | 1,125,106 |
| Construction | 118,418 | 61,200 | 59,811 | 53,372 | 56,491 |
| Total commercial loans and leases | 8,421,838 | 8,931,904 | 8,440,014 | 7,891,444 | 7,823,591 |
| Consumer: | | | | | |
| Residential | 378,470 | 631,866 | 654,556 | 626,668 | 568,068 |
| Manufactured housing | 70,398 | 72,616 | 75,597 | 77,778 | 79,731 |
| Other consumer | 1,178,283 | 643,553 | 552,839 | 153,153 | 74,035 |
| Total consumer loans | 1,627,151 | 1,348,035 | 1,282,992 | 857,599 | 721,834 |
| Deferred (fees)/costs and unamortized (discounts)/premiums, net | 2,085 | (2,318) | (1,663) | (3,197) | (424) |
| Total loans and leases | \$ 10,051,074 | \$ 10,277,621 | \$ 9,721,343 | \$ 8,745,846 | \$ 8,545,001 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
PERIOD END DEPOSIT COMPOSITION - UNAUDITED

(Dollars in thousands)

| | December 31, 2019 | September 30, 2019 | June 30, 2019 | March 31, 2019 | December 31, 2018 |
|------------------------------|----------------------|-----------------------|------------------|-------------------|----------------------|
| Demand, non-interest bearing | \$ 1,343,391 | \$ 1,569,918 | \$ 1,380,698 | \$ 1,372,358 | \$ 1,122,171 |
| Demand, interest bearing | 1,235,292 | 1,139,675 | 925,180 | 811,490 | 803,948 |
| Savings | 919,214 | 591,336 | 529,532 | 417,346 | 384,545 |
| Money market | 3,482,505 | 3,201,883 | 2,912,266 | 3,265,823 | 3,097,391 |
| Time deposits | 1,668,534 | 2,422,873 | 2,438,101 | 1,558,301 | 1,734,181 |
| Total deposits | \$ 8,648,936 | \$ 8,925,685 | \$ 8,185,777 | \$ 7,425,318 | \$ 7,142,236 |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

| <i>(Dollars in thousands)</i> | As of December 31, 2019 | | | | | As of September 30, 2019 | | | | | As of December 31, 2018 | | | | |
|---|-------------------------|--------------------|-----------------------|---------------------------|------------------------------|--------------------------|--------------------|-----------------------|---------------------------|------------------------------|-------------------------|--------------------|-----------------------|---------------------------|------------------------------|
| | Total loans | Non accrual / NPLs | Total credit reserves | Total NPLs to total loans | Total reserves to total NPLs | Total loans | Non accrual / NPLs | Total credit reserves | Total NPLs to total loans | Total reserves to total NPLs | Total loans | Non accrual / NPLs | Total credit reserves | Total NPLs to total loans | Total reserves to total NPLs |
| Loan type | | | | | | | | | | | | | | | |
| Multi-family | \$ 1,909,274 | \$ 4,117 | \$ 6,157 | 0.22 % | 149.55 % | \$ 2,300,244 | \$ — | \$ 7,498 | — % | — % | \$ 3,285,297 | \$ 1,155 | \$ 11,462 | 0.04 % | 992.38 % |
| Commercial & industrial ⁽¹⁾ | 2,441,987 | 6,494 | 17,791 | 0.27 % | 273.96 % | 2,363,599 | 7,382 | 18,765 | 0.31 % | 254.20 % | 1,951,277 | 18,801 | 15,465 | 0.96 % | 82.26 % |
| Commercial real estate non-owner occupied | 1,223,529 | 76 | 6,243 | 0.01 % | 8214.47 % | 1,268,557 | 83 | 6,440 | 0.01 % | 7759.04 % | 1,125,106 | 129 | 6,093 | 0.01 % | 4723.26 % |
| Construction | 118,418 | — | 1,262 | — % | — % | 61,200 | — | 658 | — % | — % | 56,491 | — | 624 | — % | — % |
| Total commercial loans and leases receivable | 5,693,208 | 10,687 | 31,453 | 0.19 % | 294.31 % | 5,993,600 | 7,465 | 33,361 | 0.12 % | 446.90 % | 6,418,171 | 20,085 | 33,644 | 0.31 % | 167.51 % |
| Residential | 375,014 | 6,128 | 3,218 | 1.63 % | 52.51 % | 628,786 | 6,093 | 4,083 | 0.97 % | 67.01 % | 566,561 | 5,605 | 3,654 | 0.99 % | 65.19 % |
| Manufactured housing | 70,398 | 1,655 | 1,178 | 2.35 % | 71.18 % | 72,616 | 1,567 | 1,051 | 2.16 % | 67.07 % | 79,731 | 1,693 | 633 | 2.12 % | 37.39 % |
| Other consumer | 1,178,283 | 1,551 | 20,648 | 0.13 % | 1331.27 % | 643,553 | 1,140 | 12,582 | 0.18 % | 1103.68 % | 74,035 | 111 | 2,529 | 0.15 % | 2278.38 % |
| Total consumer loans receivable | 1,623,695 | 9,334 | 25,044 | 0.57 % | 268.31 % | 1,344,955 | 8,800 | 17,716 | 0.65 % | 201.32 % | 720,327 | 7,409 | 6,816 | 1.03 % | 92.00 % |
| Deferred (fees) costs and unamortized (discounts) premiums, net | 2,085 | — | — | — % | — % | (2,318) | — | — | — % | — % | (424) | — | — | — % | — % |
| Loans and leases receivable | 7,318,988 | 20,021 | 56,497 | 0.27 % | 282.19 % | 7,336,237 | 16,265 | 51,077 | 0.22 % | 314.03 % | 7,138,074 | 27,494 | 40,460 | 0.39 % | 147.16 % |
| Loans receivable, mortgage warehouse, at fair value | 2,245,758 | — | — | — % | — % | 2,438,530 | — | — | — % | — % | 1,405,420 | — | — | — % | — % |
| Total loans held for sale | 486,328 | 1,325 | — | 0.27 % | — % | 502,854 | 1,325 | — | 0.26 % | — % | 1,507 | — | — | — % | — % |
| Total portfolio | \$10,051,074 | \$ 21,346 | \$ 56,497 | 0.21 % | 264.67 % | \$10,277,621 | \$ 17,590 | \$ 51,077 | 0.17 % | 290.38 % | \$ 8,545,001 | \$ 27,494 | \$ 40,460 | 0.32 % | 147.16 % |

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

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

(Dollars in thousands)

| <i>Loan type</i> | Q4 | Q3 | Q2 | Q1 | Q4 | Twelve Months Ended December 31, | |
|--|-----------------|-----------------|---------------|-----------------|-----------------|-------------------------------------|-----------------|
| | 2019 | 2019 | 2019 | 2019 | 2018 | 2019 | 2018 |
| Multi-family | \$ — | \$ — | \$ (7) | \$ 541 | \$ — | \$ 534 | \$ — |
| Commercial & industrial ⁽¹⁾ | (225) | 15 | (186) | (239) | 1,457 | (635) | 1,740 |
| Commercial real estate non-owner occupied | (8) | (8) | (114) | (6) | (10) | (136) | (246) |
| Residential | 181 | (5) | 61 | 33 | 52 | 270 | 390 |
| Other consumer | 4,414 | 1,759 | 883 | 731 | 655 | 7,787 | 1,801 |
| Total net charge-offs (recoveries) from loans held for investment | \$ 4,362 | \$ 1,761 | \$ 637 | \$ 1,060 | \$ 2,154 | \$ 7,820 | \$ 3,685 |

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

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

RECONCILIATION OF GAAP TO 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. 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.

| <i>Core Earnings - Customers Bancorp</i> | Q4 2019 | | Q3 2019 | | Q2 2019 | | Q1 2019 | | Q4 2018 | | Twelve Months Ended December 31, | | | |
|--|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|----------------------------------|----------------|-----------------|----------------|
| | | | | | | | | | | | 2019 | | 2018 | |
| | USD | Per share | USD | Per share | USD | Per share |
| GAAP net income to common shareholders | \$23,911 | \$ 0.75 | \$23,451 | \$ 0.74 | \$ 5,681 | \$ 0.18 | \$11,825 | \$ 0.38 | \$14,247 | \$ 0.44 | \$64,868 | \$ 2.05 | \$57,236 | \$ 1.78 |
| Reconciling items (after tax): | | | | | | | | | | | | | | |
| Severance expense | — | — | — | — | 373 | 0.01 | — | — | 1,421 | 0.04 | 373 | 0.01 | 1,421 | 0.04 |
| Loss upon acquisition of interest-only GNMA securities | — | — | — | — | 5,682 | 0.18 | — | — | — | — | 5,682 | 0.18 | — | — |
| Merger and acquisition related expenses | 76 | — | — | — | — | — | — | — | 355 | 0.01 | 76 | — | 3,312 | 0.10 |
| Losses on sale of multi-family loans | — | — | — | — | — | — | — | — | 868 | 0.03 | — | — | 868 | 0.03 |
| Legal reserves | — | — | 1,520 | 0.05 | — | — | — | — | — | — | 1,520 | 0.05 | — | — |
| (Gains) losses on investment securities | (310) | (0.01) | (1,947) | (0.06) | 347 | 0.01 | (2) | — | 101 | — | (1,912) | (0.06) | 15,646 | 0.49 |
| Losses on sale of non-QM residential mortgage loans | 595 | 0.02 | — | — | — | — | — | — | — | — | 595 | 0.02 | — | — |
| Core earnings | <u>\$24,272</u> | <u>\$ 0.76</u> | <u>\$23,024</u> | <u>\$ 0.73</u> | <u>\$12,083</u> | <u>\$ 0.38</u> | <u>\$11,823</u> | <u>\$ 0.38</u> | <u>\$16,992</u> | <u>\$ 0.53</u> | <u>\$71,202</u> | <u>\$ 2.25</u> | <u>\$78,483</u> | <u>\$ 2.43</u> |

| <i>Core Return on Average Assets - Customers Bancorp</i> (dollars in thousands except per share data) | | | | | | | Twelve Months Ended December 31, | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-------------------------------------|--|
| | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | 2019 | 2018 | |
| GAAP net income | \$ 27,526 | \$ 27,066 | \$ 9,296 | \$ 15,440 | \$ 17,862 | \$ 79,327 | \$ 71,695 | |
| Reconciling items (after tax): | | | | | | | | |
| Severance expense | — | — | 373 | — | 1,421 | 373 | 1,421 | |
| Loss upon acquisition of interest-only GNMA securities | — | — | 5,682 | — | — | 5,682 | — | |
| Merger and acquisition related expenses | 76 | — | — | — | 355 | 76 | 3,312 | |
| Losses on sale of multi-family loans | — | — | — | — | 868 | — | 868 | |
| Legal reserves | — | 1,520 | — | — | — | 1,520 | — | |
| (Gains) losses on investment securities | (310) | (1,947) | 347 | (2) | 101 | (1,912) | 15,646 | |
| Losses on sale of non-QM residential mortgage loans | 595 | — | — | — | — | 595 | — | |
| Core net income | <u>\$ 27,887</u> | <u>\$ 26,639</u> | <u>\$ 15,698</u> | <u>\$ 15,438</u> | <u>\$ 20,607</u> | <u>\$ 85,661</u> | <u>\$ 92,942</u> | |
| Average total assets | \$ 11,257,207 | \$ 11,259,144 | \$ 10,371,842 | \$ 9,759,529 | \$ 9,947,367 | \$ 10,667,670 | \$ 10,418,102 | |
| Core return on average assets | 0.98 % | 0.94 % | 0.61 % | 0.64 % | 0.82 % | 0.80 % | 0.89 % | |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

| <i>Adjusted Net Income and Adjusted ROAA - Pre-Tax Pre-Provision - Customers Bancorp</i> (dollars in thousands except per share data) | | | | | | | Twelve Months Ended December 31, | |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------------------------|--|
| | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | 2019 | 2018 | |
| GAAP net income | \$ 27,526 | \$ 27,066 | \$ 9,296 | \$ 15,440 | \$ 17,862 | \$ 79,327 | \$ 71,695 | |
| Reconciling items: | | | | | | | | |
| Income tax expense | 7,451 | 8,020 | 2,491 | 4,831 | 5,109 | 22,793 | 19,359 | |
| Provision for loan and lease losses | 9,689 | 4,426 | 5,346 | 4,767 | 1,385 | 24,227 | 5,642 | |
| Severance expense | — | — | 490 | — | 1,869 | 490 | 1,869 | |
| Loss upon acquisition of interest-only GNMA securities | — | — | 7,476 | — | — | 7,476 | — | |
| Merger and acquisition related expenses | 100 | — | — | — | 470 | 100 | 4,391 | |
| Losses on sale of multi-family loans | — | — | — | — | 1,161 | — | 1,161 | |
| Legal reserves | — | 2,000 | — | — | — | 2,000 | — | |
| (Gains) losses on investment securities | (310) | (2,334) | 347 | (2) | 101 | (2,300) | 20,293 | |
| Losses on sale of non-QM residential mortgage loans | 782 | — | — | — | — | 782 | — | |
| Adjusted net income - pre-tax pre-provision | <u>\$ 45,238</u> | <u>\$ 39,178</u> | <u>\$ 25,446</u> | <u>\$ 25,036</u> | <u>\$ 27,957</u> | <u>\$ 134,895</u> | <u>\$ 124,410</u> | |
| Average total assets | \$ 11,257,207 | \$ 11,259,144 | \$ 10,371,842 | \$ 9,759,529 | \$ 9,947,367 | \$ 10,667,670 | \$ 10,418,102 | |
| Adjusted ROAA - pre-tax pre-provision | 1.59 % | 1.38 % | 0.98 % | 1.04 % | 1.12 % | 1.26 % | 1.19 % | |

**Core Return on Average Common Equity -
Customers Bancorp**

| <i>(dollars in thousands except per share data)</i> | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Twelve Months Ended December 31, | |
|---|------------------|------------------|------------------|------------------|------------------|---|------------------|
| | | | | | | 2019 | 2018 |
| GAAP net income to common shareholders | \$ 23,911 | \$ 23,451 | \$ 5,681 | \$ 11,825 | \$ 14,247 | \$ 64,868 | \$ 57,236 |
| Reconciling items (after tax): | | | | | | | |
| Severance expense | — | — | 373 | — | 1,421 | 373 | 1,421 |
| Loss upon acquisition of interest-only GNMA securities | — | — | 5,682 | — | — | 5,682 | — |
| Merger and acquisition related expenses | 76 | — | — | — | 355 | 76 | 3,312 |
| Losses on sale of multi-family loans | — | — | — | — | 868 | — | 868 |
| Legal reserves | — | 1,520 | — | — | — | 1,520 | — |
| (Gains) losses on investment securities | (310) | (1,947) | 347 | (2) | 101 | (1,912) | 15,646 |
| Losses on sale of non-QM residential mortgage loans | 595 | — | — | — | — | 595 | — |
| Core earnings | <u>\$ 24,272</u> | <u>\$ 23,024</u> | <u>\$ 12,083</u> | <u>\$ 11,823</u> | <u>\$ 16,992</u> | <u>\$ 71,202</u> | <u>\$ 78,483</u> |
| Average total common shareholders' equity | \$ 819,018 | \$ 787,885 | \$ 768,592 | \$ 751,133 | \$ 745,226 | \$ 781,860 | \$ 724,505 |
| Core return on average common equity | 11.76 % | 11.59 % | 6.31 % | 6.38 % | 9.05 % | 9.11 % | 10.83 % |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

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

| (dollars in thousands except per share data) | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Twelve Months Ended December 31, | |
|---|------------------|------------------|------------------|------------------|------------------|-------------------------------------|-------------------|
| | | | | | | 2019 | 2018 |
| GAAP net income to common shareholders | \$ 23,911 | \$ 23,451 | \$ 5,681 | \$ 11,825 | \$ 14,247 | \$ 64,868 | \$ 57,236 |
| Reconciling items: | | | | | | | |
| Income tax expense | 7,451 | 8,020 | 2,491 | 4,831 | 5,109 | 22,793 | 19,359 |
| Provision for loan and lease losses | 9,689 | 4,426 | 5,346 | 4,767 | 1,385 | 24,227 | 5,642 |
| Severance expense | — | — | 490 | — | 1,869 | 490 | 1,869 |
| Loss upon acquisition of interest-only GNMA securities | — | — | 7,476 | — | — | 7,476 | — |
| Merger and acquisition related expenses | 100 | — | — | — | 470 | 100 | 4,391 |
| Losses on sale of multi-family loans | — | — | — | — | 1,161 | — | 1,161 |
| Legal reserves | — | 2,000 | — | — | — | 2,000 | — |
| (Gains) losses on investment securities | (310) | (2,334) | 347 | (2) | 101 | (2,300) | 20,293 |
| Losses on sale of non-QM residential mortgage loans | 782 | — | — | — | — | 782 | — |
| Pre-tax pre-provision adjusted net income available to common shareholders | <u>\$ 41,623</u> | <u>\$ 35,563</u> | <u>\$ 21,831</u> | <u>\$ 21,421</u> | <u>\$ 24,342</u> | <u>\$ 120,436</u> | <u>\$ 109,951</u> |
| Average total common shareholders' equity | \$ 819,018 | \$ 787,885 | \$ 768,592 | \$ 751,133 | \$ 745,226 | \$ 781,860 | \$ 724,505 |
| Adjusted ROCE - pre-tax pre-provision | 20.16 % | 17.91 % | 11.39 % | 11.57 % | 12.96 % | 15.40 % | 15.18 % |

Net Interest Margin, Tax Equivalent - Customers Bancorp

| (dollars in thousands except per share data) | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | Twelve Months Ended December 31, | |
|--|------------------|------------------|------------------|------------------|------------------|-------------------------------------|-------------------|
| | | | | | | 2019 | 2018 |
| GAAP net interest income | \$ 77,593 | \$ 75,735 | \$ 64,679 | \$ 59,304 | \$ 61,524 | \$ 277,310 | \$ 257,877 |
| Tax-equivalent adjustment | 187 | 184 | 183 | 181 | 171 | 735 | 685 |
| Net interest income tax equivalent | <u>\$ 77,780</u> | <u>\$ 75,919</u> | <u>\$ 64,862</u> | <u>\$ 59,485</u> | <u>\$ 61,695</u> | <u>\$ 278,045</u> | <u>\$ 258,562</u> |
| Average total interest earning assets | \$ 10,676,730 | \$ 10,667,198 | \$ 9,851,150 | \$ 9,278,413 | \$ 9,518,120 | \$ 10,123,708 | \$ 10,011,799 |
| Net interest margin, tax equivalent | 2.89 % | 2.83 % | 2.64 % | 2.59 % | 2.57 % | 2.75 % | 2.58 % |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

| <i>Core Efficiency Ratio - Customers Bancorp</i> | Twelve Months Ended December 31, | | | | | | |
|--|-------------------------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 | 2019 | 2018 |
| <i>(dollars in thousands except per share data)</i> | | | | | | | |
| GAAP net interest income | \$ 77,593 | \$ 75,735 | \$ 64,679 | \$ 59,304 | \$ 61,524 | \$ 277,310 | \$ 257,877 |
| GAAP non-interest income | \$ 25,813 | \$ 23,369 | \$ 12,036 | \$ 19,718 | \$ 19,877 | \$ 80,938 | \$ 58,998 |
| Loss upon acquisition of interest-only GNMA securities | — | — | 7,476 | — | — | 7,476 | — |
| (Gains) losses on investment securities | (310) | (2,334) | 347 | (2) | 101 | (2,300) | 20,293 |
| Losses on sale of multi-family loans | — | — | — | — | 1,161 | — | 1,161 |
| Losses on sale of non-QM residential mortgage loans | 782 | — | — | — | — | 782 | — |
| Core non-interest income | 26,285 | 21,035 | 19,859 | 19,716 | 21,139 | 86,896 | 80,452 |
| Core revenue | <u>\$ 103,878</u> | <u>\$ 96,770</u> | <u>\$ 84,538</u> | <u>\$ 79,020</u> | <u>\$ 82,663</u> | <u>\$ 364,206</u> | <u>\$ 338,329</u> |
| GAAP non-interest expense | \$ 58,740 | \$ 59,592 | \$ 59,582 | \$ 53,984 | \$ 57,045 | \$ 231,901 | \$ 220,179 |
| Severance expense | — | — | (490) | — | (1,869) | (490) | (1,869) |
| Legal reserves | — | (2,000) | — | — | — | (2,000) | — |
| Merger and acquisition related expenses | (100) | — | — | — | (470) | (100) | (4,391) |
| Core non-interest expense | <u>\$ 58,640</u> | <u>\$ 57,592</u> | <u>\$ 59,092</u> | <u>\$ 53,984</u> | <u>\$ 54,706</u> | <u>\$ 229,311</u> | <u>\$ 213,919</u> |
| Core efficiency ratio ⁽¹⁾ | 56.45 % | 59.51 % | 69.90 % | 68.32 % | 66.18 % | 62.96 % | 63.23 % |

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

Tangible Common Equity to Tangible Assets - Customers Bancorp

| <i>(dollars in thousands except per share data)</i> | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | Q4 2018 |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
| GAAP - Total shareholders' equity | \$ 1,052,795 | \$ 1,019,150 | \$ 991,405 | \$ 978,373 | \$ 956,816 |
| Reconciling items: | | | | | |
| Preferred stock | (217,471) | (217,471) | (217,471) | (217,471) | (217,471) |
| Goodwill and other intangibles | (15,195) | (15,521) | (15,847) | (16,173) | (16,499) |
| Tangible common equity | <u>\$ 820,129</u> | <u>\$ 786,158</u> | <u>\$ 758,087</u> | <u>\$ 744,729</u> | <u>\$ 722,846</u> |
| Total assets | \$ 11,520,717 | \$ 11,723,790 | \$ 11,182,427 | \$ 10,143,894 | \$ 9,833,425 |
| Reconciling items: | | | | | |
| Goodwill and other intangibles | (15,195) | (15,521) | (15,847) | (16,173) | (16,499) |
| Tangible assets | <u>\$ 11,505,522</u> | <u>\$ 11,708,269</u> | <u>\$ 11,166,580</u> | <u>\$ 10,127,721</u> | <u>\$ 9,816,926</u> |
| Tangible common equity to tangible assets | 7.13 % | 6.71 % | 6.79 % | 7.35 % | 7.36 % |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Tangible Book Value per Common Share - Customers Bancorp

(dollars in thousands except share and per share data)

| | <u>Q4 2019</u> | <u>Q3 2019</u> | <u>Q2 2019</u> | <u>Q1 2019</u> | <u>Q4 2018</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| GAAP - Total shareholders' equity | \$ 1,052,795 | \$ 1,019,150 | \$ 991,405 | \$ 978,373 | \$ 956,816 |
| Reconciling Items: | | | | | |
| Preferred stock | (217,471) | (217,471) | (217,471) | (217,471) | (217,471) |
| Goodwill and other intangibles | (15,195) | (15,521) | (15,847) | (16,173) | (16,499) |
| Tangible common equity | <u>\$ 820,129</u> | <u>\$ 786,158</u> | <u>\$ 758,087</u> | <u>\$ 744,729</u> | <u>\$ 722,846</u> |
| Common shares outstanding | 31,336,791 | 31,245,776 | 31,202,023 | 31,131,247 | 31,003,028 |
| Tangible book value per common share | \$ 26.17 | \$ 25.16 | \$ 24.30 | \$ 23.92 | \$ 23.32 |

Tangible Book Value per Common Share - CAGR - Customers Bancorp

(dollars in thousands except share and per share data)

| | <u>Q4 2019</u> | <u>Q4 2018</u> | <u>Q4 2017</u> | <u>Q4 2016</u> | <u>Q4 2015</u> | <u>Q4 2014</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| GAAP - Total shareholders' equity | \$ 1,052,795 | \$ 956,816 | \$ 920,964 | \$ 855,872 | \$ 553,902 | \$ 443,145 |
| Reconciling Items: | | | | | | |
| Preferred stock | (217,471) | (217,471) | (217,471) | (217,471) | (55,569) | — |
| Goodwill and other intangibles | (15,195) | (16,499) | (16,295) | (17,621) | (3,651) | (3,664) |
| Tangible common equity | <u>\$ 820,129</u> | <u>\$ 722,846</u> | <u>\$ 687,198</u> | <u>\$ 620,780</u> | <u>\$ 494,682</u> | <u>\$ 439,481</u> |
| Common shares outstanding | 31,336,791 | 31,003,028 | 31,382,503 | 30,289,917 | 26,901,801 | 26,745,529 |
| Tangible book value per common share | <u>\$ 26.17</u> | \$ 23.32 | \$ 21.90 | \$ 20.49 | \$ 18.39 | \$ 16.43 |
| CAGR | <u>9.76 %</u> | | | | | |

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Earnings - Customers Bank Business Banking Segment

(dollars in thousands
except per share data)

| | Q4 2019 | | Q3 2019 | | Q2 2019 | | Q1 2019 | | Q4 2018 | | Twelve Months Ended December 31, | | | |
|--|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-----------------|---------------|-------------------------------------|---------------|------------------|----------------|
| | USD | Per share | 2019 | | 2018 | |
| | USD | Per share | USD | Per share | USD | Per share |
| GAAP net income to common shareholders | \$22,218 | \$0.70 | \$22,767 | \$0.72 | \$12,778 | \$0.40 | \$11,988 | \$0.38 | \$17,521 | \$0.55 | \$ 69,751 | \$2.20 | \$ 70,698 | \$ 2.19 |
| Reconciling items (after tax): | | | | | | | | | | | | | | |
| Severance expense | — | — | — | — | 359 | 0.01 | — | — | 1,421 | 0.04 | 359 | 0.01 | 1,421 | 0.04 |
| Loss upon acquisition of interest-only GNMA securities | — | — | — | — | 5,682 | 0.18 | — | — | — | — | 5,682 | 0.18 | — | — |
| Losses on sale of multi-family loans | — | — | — | — | — | — | — | — | 868 | 0.03 | — | — | 868 | 0.03 |
| Legal reserves | — | — | 760 | 0.02 | — | — | — | — | — | — | 760 | 0.02 | — | — |
| (Gains) losses on investment securities | (310) | (0.01) | (1,947) | (0.06) | 347 | 0.01 | (2) | — | 101 | — | (1,912) | (0.06) | 15,646 | 0.49 |
| Losses on sale of non-QM residential mortgage loans | 595 | 0.02 | — | — | — | — | — | — | — | — | 595 | 0.02 | — | — |
| Core earnings | <u>\$22,503</u> | <u>\$0.71</u> | <u>\$21,580</u> | <u>\$0.68</u> | <u>\$19,166</u> | <u>\$0.61</u> | <u>\$11,986</u> | <u>\$0.38</u> | <u>\$19,911</u> | <u>\$0.62</u> | <u>\$ 75,235</u> | <u>\$2.38</u> | <u>\$ 88,633</u> | <u>\$ 2.75</u> |

Core Earnings (Loss) - BankMobile Segment

(dollars in thousands
except per share data)

| | Q4 2019 | | Q3 2019 | | Q2 2019 | | Q1 2019 | | Q4 2018 | | Twelve Months Ended December 31, | | | |
|---|-----------------|---------------|-----------------|----------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|-------------------------------------|-----------------|--------------------|-----------------|
| | USD | Per share | USD | Per share | USD | Per share | USD | Per share | USD | Per share | 2019 | | 2018 | |
| | USD | Per share | USD | Per share | USD | Per share | USD | Per share | USD | Per share | USD | Per share | USD | Per share |
| GAAP net loss to common shareholders | \$ 1,693 | \$0.05 | \$ 684 | \$ 0.02 | \$(7,097) | \$(0.22) | \$ (163) | \$(0.01) | \$(3,274) | \$(0.10) | \$ (4,883) | \$(0.15) | \$ (13,462) | \$(0.42) |
| Reconciling items (after tax): | | | | | | | | | | | | | | |
| Severance expense | — | — | — | — | 13 | — | — | — | — | — | 13 | — | — | — |
| Legal reserves | — | — | 760 | 0.02 | — | — | — | — | — | — | 760 | 0.02 | — | — |
| Merger and acquisition related expenses | 76 | — | — | — | — | — | — | — | 355 | 0.01 | 76 | — | 3,312 | 0.10 |
| Core loss | <u>\$ 1,769</u> | <u>\$0.06</u> | <u>\$ 1,444</u> | <u>\$ 0.05</u> | <u>\$(7,084)</u> | <u>\$(0.22)</u> | <u>\$ (163)</u> | <u>\$(0.01)</u> | <u>\$(2,919)</u> | <u>\$(0.09)</u> | <u>\$ (4,034)</u> | <u>\$(0.13)</u> | <u>\$ (10,150)</u> | <u>\$(0.31)</u> |