

Webcast

Date: Tuesday, January 25, 2022
Time: 9:00 AM EST

The live audio webcast, presentation slides, and earnings press release will be made available at <https://www.customersbank.com/investor-relations/> and at the Customers Bancorp 4th Quarter Earnings Webcast.

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

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

Institutional Background

Customers Bancorp, Inc. (NYSE:CUBI) is a bank holding company located in West Reading, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank, a full-service bank with \$19.6 billion in assets at December 31, 2021. A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking and lending services to small and medium-sized businesses, professionals, individuals and families. Services and products are available wherever permitted by law through mobile-first apps, online portals, and a network of offices and branches. Customers Bank provides blockchain-based digital payments via the Customers Bank Instant Token (CBIT™) which allows clients to make instant payments in U.S. dollars, 24 hours a day, 7 days a week, 365 days a year.

“Safe Harbor” Statement

In addition to historical information, this press release may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “project,” or similar expressions generally indicate a forward-looking statement. These forward-looking statements involve risks and uncertainties that are subject to change based on various important factors (some of which, in whole or in part, are beyond Customers Bancorp, Inc.’s control). Numerous competitive, economic, regulatory, legal and technological events and factors, among others, could cause Customers Bancorp, Inc.’s financial performance to differ materially from the goals, plans, objectives, intentions and expectations expressed in such forward-looking statements, including: the impact of the ongoing pandemic on the U.S. economy and customer behavior, the

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

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Twelve Months Ended December 31,	
						2021	2020
Interest income:							
Loans and leases	\$ 198,000	\$ 233,097	\$ 153,608	\$ 152,117	\$ 145,414	\$ 736,822	\$ 512,048
Investment securities	15,202	8,905	8,327	7,979	6,777	40,413	24,206
Other	835	849	946	1,019	902	3,649	7,050
Total interest income	214,037	242,851	162,881	161,115	153,093	780,884	543,304
Interest expense:							
Deposits	15,415	15,915	15,653	15,658	16,107	62,641	92,045
FHLB advances	51	5	963	5,192	5,749	6,211	21,637
Subordinated debt	2,688	2,689	2,689	2,689	2,688	10,755	10,755
FRB PPP liquidity facility, federal funds purchased and other borrowings	2,189	4,350	4,819	4,845	5,603	16,203	15,179
Total interest expense	20,343	22,959	24,124	28,384	30,147	95,810	139,616
Net interest income	193,694	219,892	138,757	132,731	122,946	685,074	403,688
Provision (benefit) for credit losses on loans and leases	13,890	13,164	3,291	(2,919)	(2,913)	27,426	62,774
Net interest income after provision (benefit) for credit losses on loans and leases	179,804	206,728	135,466	135,650	125,859	657,648	340,914
Non-interest income:							
Interchange and card revenue	84	83	84	85	91	336	646
Deposit fees	1,026	994	891	863	823	3,774	2,526
Commercial lease income	5,378	5,213	5,311	5,205	4,853	21,107	18,139
Bank-owned life insurance	1,984	1,988	2,765	1,679	1,744	8,416	7,009
Mortgage warehouse transactional fees	2,262	3,100	3,265	4,247	3,681	12,874	11,535
Gain (loss) on sale of SBA and other loans	2,493	5,359	1,900	1,575	1,689	11,327	2,009
Loan fees	2,513	1,909	1,670	1,436	1,746	7,527	5,652
Mortgage banking income (loss)	262	425	386	463	346	1,536	1,693
Gain (loss) on sale of investment securities	(49)	6,063	1,812	23,566	44	31,392	20,078
Unrealized gain (loss) on investment securities	—	—	1,746	974	1,387	2,720	1,447
Loss on sale of foreign subsidiaries	—	—	(2,840)	—	—	(2,840)	—
Unrealized gain (loss) on derivatives	586	524	(439)	2,537	804	3,208	(3,951)
Loss on cash flow hedge derivative terminations	—	—	—	(24,467)	—	(24,467)	—
Other	452	(72)	271	305	(1,125)	957	(2,965)
Total non-interest income	16,991	25,586	16,822	18,468	16,083	77,867	63,818
Non-interest expense:							
Salaries and employee benefits	29,940	26,268	28,023	23,971	25,600	108,202	94,067
Technology, communication and bank operations	22,657	21,281	19,618	19,988	16,021	83,544	50,668
Professional services	7,058	6,871	6,882	5,877	4,732	26,688	13,557
Occupancy	4,336	2,704	2,482	2,621	2,742	12,143	11,362
Commercial lease depreciation	4,625	4,493	4,415	4,291	3,982	17,824	14,715
FDIC assessments, non-income taxes and regulatory fees	2,427	2,313	2,602	2,719	2,642	10,061	11,661
Loan servicing	4,361	4,265	1,700	437	879	10,763	3,431
Merger and acquisition related expenses	—	—	—	418	709	418	1,367
Loan workout	226	198	102	(261)	123	265	3,143
Advertising and promotion	344	302	313	561	—	1,520	1,796
Deposit relationship adjustment fees	—	6,216	—	—	—	6,216	—
Other	5,574	5,098	4,686	1,305	2,503	16,663	9,209
Total non-interest expense	81,548	80,009	70,823	61,927	59,933	294,307	214,976
Income before income tax expense	115,247	152,305	81,465	92,191	82,009	441,208	189,756
Income tax expense	12,993	36,263	20,124	17,560	23,447	86,940	46,717
Net income from continuing operations	\$ 102,254	\$ 116,042	\$ 61,341	\$ 74,631	\$ 58,562	\$ 354,268	\$ 143,039

(continued)

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

	Q4	Q3	Q2	Q1	Q4	Twelve Months Ended	
						December 31,	
	2021	2021	2021	2021	2020	2021	2020
Loss from discontinued operations before income taxes	\$ —	\$ —	\$ —	\$ (20,354)	\$ (3,539)	\$ (20,354)	\$ (13,798)
Income tax expense (benefit) from discontinued operations	1,585	—	—	17,682	(1,222)	19,267	(3,337)
Net loss from discontinued operations	<u>(1,585)</u>	<u>—</u>	<u>—</u>	<u>(38,036)</u>	<u>(2,317)</u>	<u>(39,621)</u>	<u>(10,461)</u>
Net income	100,669	116,042	61,341	36,595	56,245	314,647	132,578
Preferred stock dividends	2,022	2,981	3,299	3,391	3,414	11,693	14,041
Loss on redemption of preferred stock	—	2,820	—	—	—	2,820	—
Net income available to common shareholders	\$ 98,647	\$ 110,241	\$ 58,042	\$ 33,204	\$ 52,831	\$ 300,134	\$ 118,537
Basic earnings per common share from continuing operations	\$ 3.07	\$ 3.40	\$ 1.80	\$ 2.23	\$ 1.74	\$ 10.51	\$ 4.09
Basic earnings per common share	3.02	3.40	1.80	1.04	1.67	9.29	3.76
Diluted earnings per common share from continuing operations	2.92	3.25	1.72	2.17	1.73	10.08	4.07
Diluted earnings per common share	2.87	3.25	1.72	1.01	1.65	8.91	3.74

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

(Dollars in thousands)

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
ASSETS					
Cash and due from banks	\$ 35,238	\$ 51,169	\$ 36,837	\$ 3,123	\$ 78,090
Interest earning deposits	482,794	1,000,885	393,663	512,241	615,264
Cash and cash equivalents	518,032	1,052,054	430,500	515,364	693,354
Investment securities, at fair value	3,817,150	1,866,697	1,526,792	1,441,904	1,210,285
Loans held for sale	16,254	29,957	34,540	46,106	79,086
Loans receivable, mortgage warehouse, at fair value	2,284,325	2,557,624	2,855,284	3,407,622	3,616,432
Loans receivable, PPP	3,250,008	4,957,357	6,305,056	5,178,089	4,561,365
Loans and leases receivable	9,018,298	7,970,599	7,772,142	7,536,489	7,575,368
Allowance for credit losses on loans and leases	(137,804)	(131,496)	(125,436)	(128,736)	(144,176)
Total loans and leases receivable, net of allowance for credit losses on loans and leases	14,414,827	15,354,084	16,807,046	15,993,464	15,608,989
FHLB, Federal Reserve Bank, and other restricted stock	64,584	57,184	39,895	69,420	71,368
Accrued interest receivable	92,239	93,514	90,009	83,186	80,412
Bank premises and equipment, net	8,890	9,944	10,391	10,943	11,225
Bank-owned life insurance	333,705	331,423	329,421	281,923	280,067
Goodwill and other intangibles	3,736	3,794	3,853	3,911	3,969
Other assets	305,611	310,271	362,661	371,439	338,438
Assets of discontinued operations	—	—	—	—	62,055
Total assets	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248
LIABILITIES AND SHAREHOLDERS' EQUITY					
Demand, non-interest bearing deposits	\$ 4,459,790	\$ 4,954,331	\$ 2,699,869	\$ 2,687,628	\$ 2,356,998
Interest bearing deposits	12,318,134	12,016,694	11,174,070	9,784,812	8,952,931
Total deposits	16,777,924	16,971,025	13,873,939	12,472,440	11,309,929
Federal funds purchased	75,000	—	—	365,000	250,000
FHLB advances	700,000	—	—	850,000	850,000
Other borrowings	223,086	223,151	124,240	124,138	124,037
Subordinated debt	181,673	181,603	181,534	181,464	181,394
FRB PPP liquidity facility	—	—	3,865,865	3,284,156	4,415,016
Accrued interest payable and other liabilities	251,128	448,844	338,801	351,741	152,082
Liabilities of discontinued operations	—	—	—	—	39,704
Total liabilities	18,208,811	17,824,623	18,384,379	17,628,939	17,322,162
Preferred stock	137,794	137,794	217,471	217,471	217,471
Common stock	34,722	33,818	33,634	33,519	32,986
Additional paid in capital	542,391	525,894	519,294	515,318	455,592
Retained earnings	705,732	607,085	496,844	438,802	438,581
Accumulated other comprehensive income (loss), net	(4,980)	1,488	5,266	5,391	(5,764)
Treasury stock, at cost	(49,442)	(21,780)	(21,780)	(21,780)	(21,780)
Total shareholders' equity	1,366,217	1,284,299	1,250,729	1,188,721	1,117,086
Total liabilities & shareholders' equity	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248

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

(Dollars in thousands)

	Three Months Ended					
	December 31, 2021		September 30, 2021		December 31, 2020	
	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets						
Interest earning deposits	\$ 1,568,510	0.15%	\$ 1,279,983	0.15%	\$ 413,381	0.12%
Investment securities ⁽¹⁾	2,621,844	2.32%	1,511,319	2.36%	1,120,491	2.42%
Loans and leases:						
Commercial loans to mortgage companies	2,289,061	3.02%	2,658,020	3.14%	3,518,371	3.06%
Multi-family loans	1,327,732	3.72%	1,443,846	3.64%	1,871,956	3.70%
Commercial & industrial loans and leases ⁽²⁾	3,514,186	3.71%	3,024,620	3.76%	2,801,172	3.96%
Loans receivable, PPP	3,898,607	8.35%	5,778,367	8.04%	4,782,606	2.45%
Non-owner occupied commercial real estate loans	1,334,184	3.80%	1,346,629	3.73%	1,358,541	3.80%
Residential mortgages	314,551	3.68%	325,851	3.50%	400,771	3.80%
Installment loans	1,657,049	8.96%	1,615,411	9.21%	1,253,679	8.50%
Total loans and leases ⁽³⁾	14,335,370	5.48%	16,192,744	5.71%	15,987,096	3.62%
Other interest-earning assets	50,709	1.81%	49,780	2.86%	81,031	3.80%
Total interest-earning assets	18,576,433	4.57%	19,033,826	5.06%	17,601,999	3.46%
Non-interest-earning assets	637,808		705,514		573,400	
Assets of discontinued operations	—		—		75,320	
Total assets	\$ 19,214,241		\$19,739,340		\$ 18,250,719	
Liabilities						
Interest checking accounts	5,258,982	0.58%	4,537,421	0.67%	2,240,959	0.86%
Money market deposit accounts	5,293,529	0.43%	5,131,433	0.43%	4,166,635	0.60%
Other savings accounts	1,189,899	0.45%	1,376,077	0.50%	1,205,592	0.74%
Certificates of deposit	541,528	0.51%	614,404	0.59%	833,689	1.30%
Total interest-bearing deposits ⁽⁴⁾	12,283,938	0.50%	11,659,335	0.54%	8,446,875	0.76%
Federal funds purchased	815	0.15%	—	—%	120,891	0.10%
FRB PPP liquidity facility	—	—%	2,788,897	0.35%	4,684,756	0.35%
Borrowings	465,600	4.20%	371,077	4.90%	1,155,321	3.40%
Total interest-bearing liabilities	12,750,353	0.63%	14,819,309	0.62%	14,407,843	0.83%
Non-interest-bearing deposits ⁽⁴⁾	4,817,835		3,335,198		2,543,529	
Total deposits and borrowings	17,568,188	0.46%	18,154,507	0.50%	16,951,372	0.71%
Other non-interest-bearing liabilities	328,782		310,519		162,723	
Liabilities of discontinued operations	—		—		52,742	
Total liabilities	17,896,970		18,465,026		17,166,837	
Shareholders' equity	1,317,271		1,274,314		1,083,882	
Total liabilities and shareholders' equity	\$ 19,214,241		\$19,739,340		\$ 18,250,719	
Interest spread		4.11%		4.56%		2.75%
Net interest margin		4.14%		4.58%		2.78%
Net interest margin tax equivalent ⁽⁵⁾		4.14%		4.59%		2.78%
Net interest margin tax equivalent excl. PPP ⁽⁶⁾		3.12%		3.24%		3.04%

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

(2) Includes owner occupied commercial real estate loans.

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

(4) Total costs of deposits (including interest bearing and non-interest bearing) were 0.36%, 0.42% and 0.58% for the three months ended December 31, 2021, September 30, 2021 and December 31, 2020, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended December 31, 2021, September 30, 2021 and December 31, 2020, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis, as described in note (5) for the three months ended December 31, 2021, September 30, 2021 and December 31, 2020, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

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

(Dollars in thousands)

	Twelve Months Ended			
	December 31, 2021		December 31, 2020	
	Average Balance	Average Yield or Cost (%)	Average Balance	Average Yield or Cost (%)
Assets				
Interest earning deposits	\$ 1,169,416	0.14%	\$ 564,218	0.59%
Investment securities ⁽¹⁾	1,753,649	2.30%	836,815	2.89%
Loans and leases:				
Commercial loans to mortgage companies	2,699,300	3.09%	2,668,642	3.11%
Multi-family loans	1,501,878	3.77%	2,020,640	3.85%
Commercial & industrial loans and leases ⁽²⁾	3,068,005	3.75%	2,581,119	4.12%
Loans receivable, PPP	5,108,192	5.46%	3,121,157	2.10%
Non-owner occupied commercial real estate loans	1,349,563	3.81%	1,368,684	3.91%
Residential mortgages	339,845	3.65%	422,696	3.82%
Installment loans	1,517,165	9.14%	1,264,255	8.68%
Total loans and leases ⁽³⁾	<u>15,583,948</u>	4.73%	<u>13,447,193</u>	3.81%
Other interest-earning assets	59,308	3.48%	85,091	4.41%
Total interest-earning assets	<u>18,566,321</u>	4.21%	<u>14,933,317</u>	3.64%
Non-interest-earning assets	633,615		592,770	
Assets of discontinued operations	—		78,714	
Total assets	<u>\$ 19,199,936</u>		<u>\$ 15,604,801</u>	
Liabilities				
Interest checking accounts	\$ 4,006,354	0.69%	\$ 2,098,138	0.89%
Money market deposit accounts	4,933,027	0.47%	3,657,422	0.96%
Other savings accounts	1,358,708	0.56%	1,162,472	1.44%
Certificates of deposit	619,859	0.72%	1,357,688	1.58%
Total interest-bearing deposits ⁽⁴⁾	<u>10,917,948</u>	0.57%	<u>8,275,720</u>	1.11%
Federal funds purchased	22,110	0.07%	239,481	0.19%
FRB PPP liquidity facility	2,636,925	0.35%	2,537,744	0.35%
Borrowings	610,503	3.92%	1,265,279	3.02%
Total interest-bearing liabilities	<u>14,187,486</u>	0.68%	<u>12,318,224</u>	1.13%
Non-interest-bearing deposits ⁽⁴⁾	3,470,788		2,052,376	
Total deposits and borrowings	<u>17,658,274</u>	0.54%	<u>14,370,600</u>	0.97%
Other non-interest-bearing liabilities	304,078		148,045	
Liabilities of discontinued operations	—		53,916	
Total liabilities	<u>17,962,352</u>		<u>14,572,561</u>	
Shareholders' equity	<u>1,237,584</u>		<u>1,032,240</u>	
Total liabilities and shareholders' equity	<u>\$ 19,199,936</u>		<u>\$ 15,604,801</u>	
Interest spread		<u>3.66%</u>		<u>2.67%</u>
Net interest margin		<u>3.69%</u>		<u>2.70%</u>
Net interest margin tax equivalent ⁽⁵⁾		<u>3.70%</u>		<u>2.71%</u>
Net interest margin tax equivalent excl. PPP ⁽⁶⁾		<u>3.16%</u>		<u>2.96%</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 0.44% and 0.89% for the twelve months ended December 31, 2021 and 2020, respectively.

(5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the twelve months ended December 31, 2021 and 2020, presented to approximate interest income as a taxable asset. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

(6) Non-GAAP tax-equivalent basis as described in note (5), for the twelve months ended December 31, 2021 and 2020, excluding net interest income from PPP loans and related borrowings, along with the related PPP loan balances and PPP fees receivable from interest-earning assets. Management uses non-GAAP measures to present historical periods comparable to the current period presentation. In addition, management believes the use of these non-GAAP measures provides additional clarity when assessing Customers' financial results. These disclosures should not be viewed as substitutes for results determined to be in accordance with U.S. GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

PERIOD END LOAN AND LEASE COMPOSITION - UNAUDITED

(Dollars in thousands)

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Commercial:					
Multi-family	\$ 1,486,308	\$ 1,387,166	\$ 1,497,485	\$ 1,659,529	\$ 1,761,301
Loans to mortgage companies	2,362,438	2,626,483	2,922,217	3,463,490	3,657,350
Commercial & industrial	3,346,670	2,604,367	2,293,723	2,164,784	2,304,206
Commercial real estate owner occupied	654,922	656,044	653,649	590,093	572,338
Loans receivable, PPP	3,250,008	4,957,357	6,305,056	5,178,089	4,561,365
Commercial real estate non-owner occupied	1,121,238	1,144,643	1,206,646	1,194,832	1,213,815
Construction	198,981	198,607	179,198	156,837	140,905
Total commercial loans and leases	<u>12,420,565</u>	<u>13,574,667</u>	<u>15,057,974</u>	<u>14,407,654</u>	<u>14,211,280</u>
Consumer:					
Residential	350,984	260,820	273,493	295,654	323,322
Manufactured housing	52,861	55,635	57,904	59,977	62,243
Installment	1,744,475	1,624,415	1,577,651	1,405,021	1,235,406
Total consumer loans	<u>2,148,320</u>	<u>1,940,870</u>	<u>1,909,048</u>	<u>1,760,652</u>	<u>1,620,971</u>
Total loans and leases	<u>\$ 14,568,885</u>	<u>\$ 15,515,537</u>	<u>\$ 16,967,022</u>	<u>\$ 16,168,306</u>	<u>\$ 15,832,251</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

PERIOD END DEPOSIT COMPOSITION - UNAUDITED

(Dollars in thousands)

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Demand, non-interest bearing	\$ 4,459,790	\$ 4,954,331	\$ 2,699,869	\$ 2,687,628	\$ 2,356,998
Demand, interest bearing	6,488,406	5,023,081	4,206,355	3,228,941	2,384,691
Total demand deposits	<u>10,948,196</u>	<u>9,977,412</u>	<u>6,906,224</u>	<u>5,916,569</u>	<u>4,741,689</u>
Savings	973,317	1,310,343	1,431,756	1,483,482	1,314,817
Money market	4,349,073	5,090,121	4,908,809	4,406,508	4,601,492
Time deposits	507,338	593,149	627,150	665,881	651,931
Total deposits	<u>\$ 16,777,924</u>	<u>\$ 16,971,025</u>	<u>\$ 13,873,939</u>	<u>\$ 12,472,440</u>	<u>\$ 11,309,929</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

ASSET QUALITY - UNAUDITED

(Dollars in thousands)	As of December 31, 2021					As of September 30, 2021					As of December 31, 2020				
	Total loans	Non accrual / NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs	Total loans	Non accrual / NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs	Total loans	Non accrual / NPLs	Allowance for credit losses	Total NPLs to total loans	Total reserves to total NPLs
Loan type															
Multi-family	\$ 1,486,308	\$ 22,654	\$ 4,477	1.52 %	19.76 %	\$ 1,369,876	\$ 24,524	\$ 4,397	1.79 %	17.93 %	\$ 1,761,301	\$ 21,728	\$ 12,620	1.23 %	58.08 %
Commercial & industrial ⁽¹⁾	3,424,783	6,096	12,702	0.18 %	208.37 %	2,673,226	6,951	10,860	0.26 %	156.24 %	2,289,441	8,453	12,239	0.37 %	144.79 %
Commercial real estate owner occupied	654,922	2,475	3,213	0.38 %	129.82 %	656,044	2,412	3,617	0.37 %	149.96 %	572,338	3,411	9,512	0.60 %	278.86 %
Commercial real estate non-owner occupied	1,121,238	2,815	6,210	0.25 %	220.60 %	1,144,643	2,845	7,375	0.25 %	259.23 %	1,196,564	2,356	19,452	0.20 %	825.64 %
Construction	198,981	—	692	— %	— %	198,607	—	886	— %	— %	140,905	—	5,871	— %	— %
Total commercial loans and leases receivable	6,886,232	34,040	27,294	0.49 %	80.18 %	6,042,396	36,732	27,135	0.61 %	73.87 %	5,960,549	35,948	59,694	0.60 %	166.06 %
Residential	334,730	7,727	2,383	2.31 %	30.84 %	248,153	7,738	1,912	3.12 %	24.71 %	317,170	9,911	3,977	3.12 %	40.13 %
Manufactured housing	52,861	3,563	4,278	6.74 %	120.07 %	55,635	3,520	4,410	6.33 %	125.28 %	62,243	2,969	5,189	4.77 %	174.77 %
Installment	1,744,475	3,783	103,849	0.22 %	2745.15 %	1,624,415	3,544	98,039	0.22 %	2766.34 %	1,235,406	3,211	75,316	0.26 %	2345.56 %
Total consumer loans receivable	2,132,066	15,073	110,510	0.71 %	733.17 %	1,928,203	14,802	104,361	0.77 %	705.05 %	1,614,819	16,091	84,482	1.00 %	525.03 %
Loans and leases receivable ⁽¹⁾	9,018,298	49,113	137,804	0.54 %	280.59 %	7,970,599	51,534	131,496	0.65 %	255.16 %	7,575,368	52,039	144,176	0.69 %	277.05 %
Loans receivable, PPP	3,250,008	—	—	— %	— %	4,957,357	—	—	— %	— %	4,561,365	—	—	— %	— %
Loans receivable, mortgage warehouse, at fair value	2,284,325	—	—	— %	— %	2,557,624	—	—	— %	— %	3,616,432	—	—	— %	— %
Total loans held for sale	16,254	507	—	3.12 %	— %	29,957	507	—	1.69 %	— %	79,086	18,469	—	23.35 %	— %
Total portfolio	\$14,568,885	\$ 49,620	\$ 137,804	0.34 %	277.72 %	\$15,515,537	\$ 52,041	\$ 131,496	0.34 %	252.68 %	\$15,832,251	\$ 70,508	\$ 144,176	0.45 %	204.48 %

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

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

(Dollars in thousands)

	Q4	Q3	Q2	Q1	Q4	Twelve Months Ended	
	2021	2021	2021	2021	2020	December 31,	
						2021	2020
<i>Loan type</i>							
Multi-family	\$ —	\$ —	\$ —	\$ 1,132	\$ —	\$ 1,132	\$ —
Commercial & industrial	240	116	(283)	375	155	448	139
Commercial real estate owner occupied	66	50	(1)	134	12	249	51
Commercial real estate non-owner occupied	(14)	943	(59)	(10)	(35)	860	24,486
Construction	(3)	(3)	(114)	(5)	(6)	(125)	(128)
Residential	(6)	54	(12)	40	46	76	(26)
Installment	7,299	5,944	7,060	10,855	8,300	31,158	30,285
Total net charge-offs (recoveries) from loans held for investment	\$ 7,582	\$ 7,104	\$ 6,591	\$ 12,521	\$ 8,472	\$ 33,798	\$ 54,807

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. The non-GAAP measures presented are not necessarily comparable to non-GAAP measures that may be presented by other financial institutions. Although non-GAAP financial measures are frequently used in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under GAAP.

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

Core Earnings - Customers Bancorp											Twelve Months Ended December 31,			
	Q4 2021		Q3 2021		Q2 2021		Q1 2021		Q4 2020		2021		2020	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
(dollars in thousands except per share data)														
GAAP net income to common shareholders	\$98,647	\$ 2.87	\$ 110,241	\$ 3.25	\$58,042	\$ 1.72	\$33,204	\$ 1.01	\$52,831	\$ 1.65	\$300,134	\$ 8.91	\$118,537	\$ 3.74
Reconciling items (after tax):														
Net loss from discontinued operations	1,585	0.05	—	—	—	—	38,036	1.16	2,317	0.07	39,621	1.18	10,461	0.33
Severance expense	—	—	—	—	1,517	0.04	—	—	—	—	1,517	0.05	—	—
Merger and acquisition related expenses	—	—	—	—	—	—	320	0.01	508	0.02	320	0.01	1,038	0.03
Legal reserves	—	—	897	0.03	—	—	—	—	—	—	897	0.03	258	0.01
(Gains) losses on investment securities	43	0.00	(4,591)	(0.14)	(2,694)	(0.08)	(18,773)	(0.57)	(1,419)	(0.04)	(26,015)	(0.77)	(17,412)	(0.55)
Loss on sale of foreign subsidiaries	—	—	—	—	2,150	0.06	—	—	—	—	2,150	0.06	—	—
Loss on cash flow hedge derivative terminations	—	—	—	—	—	—	18,716	0.57	—	—	18,716	0.56	—	—
Derivative credit valuation adjustment	(180)	(0.01)	(198)	(0.01)	288	0.01	(1,195)	(0.04)	(448)	(0.01)	(1,285)	(0.04)	5,811	0.18
Risk participation agreement mark-to-market adjustment	—	—	—	—	—	—	—	—	—	—	—	—	(1,080)	(0.03)
Deposit relationship adjustment fees	—	—	4,707	0.14	—	—	—	—	—	—	4,707	0.14	—	—
Loss on redemption of preferred stock	—	—	2,820	0.08	—	—	—	—	—	—	2,820	0.08	—	—
Unrealized losses on loans held for sale	—	—	—	—	—	—	—	—	799	0.03	—	—	1,913	0.06
Core earnings	<u>\$100,095</u>	<u>\$ 2.92</u>	<u>\$113,876</u>	<u>\$ 3.36</u>	<u>\$59,303</u>	<u>\$ 1.76</u>	<u>\$70,308</u>	<u>\$ 2.14</u>	<u>\$54,588</u>	<u>\$ 1.71</u>	<u>\$343,582</u>	<u>\$10.20</u>	<u>\$119,526</u>	<u>\$ 3.77</u>

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

Core Earnings, excluding PPP – Customers Bancorp	Twelve Months Ended December 31,													
	Q4 2021		Q3 2021		Q2 2021		Q1 2021		Q4 2020		2021		2020	
	<i>(dollars in thousands except per share data)</i>	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD
GAAP net income to common shareholders	\$98,647	\$ 2.87	\$ 110,241	\$ 3.25	\$58,042	\$ 1.72	\$33,204	\$ 1.01	\$52,831	\$ 1.65	\$300,134	\$ 8.91	\$ 118,537	\$ 3.74
Less: PPP net income (after tax)	64,323	1.87	81,337	2.40	24,312	0.72	25,079	0.76	19,148	0.60	195,050	5.79	41,509	1.31
GAAP net income to common shareholders, excluding PPP	34,324	1.00	28,904	0.85	33,730	1.00	8,125	0.25	33,683	1.05	105,084	3.12	77,028	2.43
Reconciling items (after tax):														
Net loss from discontinued operations	1,585	0.05	–	–	–	–	38,036	1.16	2,317	0.07	39,621	1.18	10,461	0.33
Severance expense	–	–	–	–	1,517	0.04	–	–	–	–	1,517	0.05	–	–
Merger and acquisition related expenses	–	–	–	–	–	–	320	0.01	508	0.02	320	0.01	1,038	0.03
Legal reserves	–	–	897	0.03	–	–	–	–	–	–	897	0.03	258	0.01
(Gains) losses on investment securities	43	0.00	(4,591)	(0.14)	(2,694)	(0.08)	(18,773)	(0.57)	(1,419)	(0.04)	(26,015)	(0.77)	(17,412)	(0.55)
Loss on sale of foreign subsidiaries	–	–	–	–	2,150	0.06	–	–	–	–	2,150	0.06	–	–
Loss on cash flow hedge derivative terminations	–	–	–	–	–	–	18,716	0.57	–	–	18,716	0.56	–	–
Derivative credit valuation adjustment	(180)	(0.01)	(198)	(0.01)	288	0.01	(1,195)	(0.04)	(448)	(0.01)	(1,285)	(0.04)	5,811	0.18
Risk participation agreement mark-to-market adjustment	–	–	–	–	–	–	–	–	–	–	–	–	(1,080)	(0.03)
Deposit relationship adjustment fees	–	–	4,707	0.14	–	–	–	–	–	–	4,707	0.14	–	–
Loss on redemption of preferred stock	–	–	2,820	0.08	–	–	–	–	–	–	2,820	0.08	–	–
Unrealized losses on loans held for sale	–	–	–	–	–	–	–	–	799	0.03	–	–	1,913	0.06
Core earnings, excluding PPP	<u>\$35,772</u>	<u>\$ 1.04</u>	<u>\$32,539</u>	<u>\$0.96</u>	<u>\$34,991</u>	<u>\$ 1.04</u>	<u>\$45,229</u>	<u>\$ 1.38</u>	<u>\$35,440</u>	<u>\$ 1.10</u>	<u>\$148,532</u>	<u>\$ 4.41</u>	<u>\$ 78,017</u>	<u>\$ 2.46</u>

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Return on Average Assets - Customers Bancorp

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Twelve Months Ended December 31,	
						2021	2020
GAAP net income	\$ 100,669	\$ 116,042	\$ 61,341	\$ 36,595	\$ 56,245	\$ 314,647	\$ 132,578
Reconciling items (after tax):							
Net loss from discontinued operations	1,585	—	—	38,036	2,317	39,621	10,461
Severance expense	—	—	1,517	—	—	1,517	—
Merger and acquisition related expenses	—	—	—	320	508	320	1,038
Legal reserves	—	897	—	—	—	897	258
(Gains) losses on investment securities	43	(4,591)	(2,694)	(18,773)	(1,419)	(26,015)	(17,412)
Loss on sale of foreign subsidiaries	—	—	2,150	—	—	2,150	—
Loss on cash flow hedge derivative terminations	—	—	—	18,716	—	18,716	—
Derivative credit valuation adjustment	(180)	(198)	288	(1,195)	(448)	(1,285)	5,811
Risk participation agreement mark-to-market adjustment	—	—	—	—	—	—	(1,080)
Deposit relationship adjustment fees	—	4,707	—	—	—	4,707	—
Unrealized losses on loans held for sale	—	—	—	—	799	—	1,913
Core net income	\$ 102,117	\$ 116,857	\$ 62,602	\$ 73,699	\$ 58,002	\$ 355,275	\$ 133,567
Average total assets	\$19,214,241	\$19,739,340	\$19,306,948	\$18,525,721	\$18,250,719	\$19,199,936	\$15,604,801
Core return on average assets	2.11 %	2.35 %	1.30 %	1.61 %	1.26 %	1.85 %	0.86 %

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

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Twelve Months Ended December 31,	
						2021	2020
GAAP net income	\$ 100,669	\$ 116,042	\$ 61,341	\$ 36,595	\$ 56,245	\$ 314,647	\$ 132,578
Reconciling items:							
Income tax expense	12,993	36,263	20,124	17,560	23,447	86,940	46,717
Provision (benefit) for credit losses on loans and leases	13,890	13,164	3,291	(2,919)	(2,913)	27,426	62,774
Provision (benefit) for credit losses on unfunded commitments	352	669	45	(1,286)	(968)	(220)	(1,100)
Severance expense	—	—	2,004	—	—	2,004	—
Net loss from discontinued operations	1,585	—	—	38,036	2,317	39,621	10,461
Merger and acquisition related	—	—	—	418	709	418	1,367
Legal reserves	—	1,185	—	—	—	1,185	320
(Gains) losses on investment securities	49	(6,063)	(3,558)	(24,540)	(1,431)	(34,112)	(21,525)
Loss on sale of foreign subsidiaries	—	—	2,840	—	—	2,840	—
Loss on cash flow hedge derivative terminations	—	—	—	24,467	—	24,467	—
Derivative credit valuation adjustment	(203)	(261)	380	(1,562)	(625)	(1,646)	7,448
Risk participation agreement mark-to-market adjustment	—	—	—	—	—	—	(1,407)
Deposit relationship adjustment fees	—	6,216	—	—	—	6,216	—
Unrealized losses on loans held for sale	—	—	—	—	1,115	—	2,565
Adjusted net income - pre-tax pre-provision	\$ 129,335	\$ 167,215	\$ 86,467	\$ 86,769	\$ 77,896	\$ 469,786	\$ 240,198
Average total assets	\$19,214,241	\$19,739,340	\$19,306,948	\$18,525,721	\$18,250,719	\$19,199,936	\$15,604,801
Adjusted ROAA - pre-tax pre-provision	2.67 %	3.36 %	1.80 %	1.90 %	1.70 %	2.45 %	1.54 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Core Return on Average Common Equity - Customers Bancorp						Twelve Months Ended December 31,	
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	2021	2020
<i>(dollars in thousands except per share data)</i>							
GAAP net income to common shareholders	\$ 98,647	\$ 110,241	\$ 58,042	\$ 33,204	\$ 52,831	\$ 300,134	\$ 118,537
Reconciling items (after tax):							
Net loss from discontinued operations	1,585	—	—	38,036	2,317	39,621	10,461
Severance expense	—	—	1,517	—	—	1,517	—
Merger and acquisition related	—	—	—	320	508	320	1,038
Legal reserves	—	897	—	—	—	897	258
(Gains) losses on investment securities	43	(4,591)	(2,694)	(18,773)	(1,419)	(26,015)	(17,412)
Loss on sale of foreign subsidiaries	—	—	2,150	—	—	2,150	—
Loss on cash flow hedge derivative terminations	—	—	—	18,716	—	18,716	—
Derivative credit valuation adjustment	(180)	(198)	288	(1,195)	(448)	(1,285)	5,811
Risk participation agreement mark-to-market adjustment	—	—	—	—	—	—	(1,080)
Deposit relationship adjustment fees	—	4,707	—	—	—	4,707	—
Loss on redemption of preferred stock	—	2,820	—	—	—	2,820	—
Unrealized losses on loans held for sale	—	—	—	—	799	—	1,913
Core earnings	<u>\$ 100,095</u>	<u>\$ 113,876</u>	<u>\$ 59,303</u>	<u>\$ 70,308</u>	<u>\$ 54,588</u>	<u>\$ 343,582</u>	<u>\$ 119,526</u>
Average total common shareholders' equity	\$1,179,478	\$1,071,566	\$1,002,624	\$ 918,795	\$ 866,411	\$1,043,906	\$ 814,769
Core return on average common equity	33.67 %	42.16 %	23.72 %	31.03 %	25.06 %	32.91 %	14.67 %

Adjusted ROCE - Pre-Tax Pre-Provision - Customers Bancorp						Twelve Months Ended December 31,	
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	2021	2020
<i>(dollars in thousands except per share data)</i>							
GAAP net income to common shareholders	\$ 98,647	\$ 110,241	\$ 58,042	\$ 33,204	\$ 52,831	\$ 300,134	\$ 118,537
Reconciling items:							
Income tax expense	12,993	36,263	20,124	17,560	23,447	86,940	46,717
Provision (benefit) for credit losses on loan and leases	13,890	13,164	3,291	(2,919)	(2,913)	27,426	62,774
Provision (benefit) for credit losses on unfunded commitments	352	669	45	(1,286)	(968)	(220)	(1,100)
Net loss from discontinued operations	1,585	—	—	38,036	2,317	39,621	10,461
Severance expense	—	—	2,004	—	—	2,004	—
Merger and acquisition related expenses	—	—	—	418	709	418	1,367
Legal reserves	—	1,185	—	—	—	1,185	320
(Gains) losses on investment securities	49	(6,063)	(3,558)	(24,540)	(1,431)	(34,112)	(21,525)
Loss on sale of foreign subsidiaries	—	—	2,840	—	—	2,840	—
Loss on cash flow hedge derivative terminations	—	—	—	24,467	—	24,467	—
Derivative credit valuation adjustment	(203)	(261)	380	(1,562)	(625)	(1,646)	7,448
Risk participation agreement mark-to-market adjustment	—	—	—	—	—	—	(1,407)
Deposit relationship adjustment fees	—	6,216	—	—	—	6,216	—
Loss on redemption of preferred stock	—	2,820	—	—	—	2,820	—
Unrealized losses on loans held for sale	—	—	—	—	1,115	—	2,565
Pre-tax pre-provision adjusted net income available to common shareholders	<u>\$ 127,313</u>	<u>\$ 164,234</u>	<u>\$ 83,168</u>	<u>\$ 83,378</u>	<u>\$ 74,482</u>	<u>\$ 458,093</u>	<u>\$ 226,157</u>
Average total common shareholders' equity	\$1,179,478	\$1,071,566	\$1,002,624	\$ 918,795	\$ 866,411	\$1,043,906	\$ 814,769
Adjusted ROCE - pre-tax pre-provision	42.82 %	60.81 %	33.27 %	36.80 %	34.20 %	43.88 %	27.76 %

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Net Interest Margin, Tax Equivalent – Customers Bancorp	Twelve Months Ended December 31,						
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	2021	2020
(dollars in thousands except per share data)							
GAAP net interest income	\$ 193,694	\$ 219,892	\$ 138,757	\$ 132,731	\$ 122,946	\$685,074	\$403,688
Tax-equivalent adjustment	276	290	289	292	219	1,147	874
Net interest income tax equivalent	<u>\$ 193,970</u>	<u>\$ 220,182</u>	<u>\$ 139,046</u>	<u>\$ 133,023</u>	<u>\$ 123,165</u>	<u>\$ 686,221</u>	<u>\$ 404,562</u>
Average total interest earning assets	\$18,576,433	\$19,033,826	\$18,698,996	\$17,943,944	\$17,601,999	\$18,566,321	\$14,933,317
Net interest margin, tax equivalent	4.14 %	4.59 %	2.98 %	3.00 %	2.78 %	3.70 %	2.71 %

Net Interest Margin, Tax Equivalent, excluding PPP – Customers Bancorp	Twelve Months Ended December 31,						
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	2021	2020
(dollars in thousands except per share data)							
GAAP net interest income	\$ 193,694	\$ 219,892	\$ 138,757	\$ 132,731	\$ 122,946	\$ 685,074	\$ 403,688
PPP net interest income	(78,647)	(112,005)	(35,785)	(34,842)	(25,257)	(261,279)	(54,583)
Tax-equivalent adjustment	276	290	289	292	219	1,147	874
Net interest income, tax equivalent, excluding PPP	<u>\$ 115,323</u>	<u>\$ 108,177</u>	<u>\$ 103,261</u>	<u>\$ 98,181</u>	<u>\$ 97,908</u>	<u>\$ 424,942</u>	<u>\$ 349,979</u>
GAAP average total interest earning assets	\$18,576,433	\$19,033,826	\$18,698,996	\$17,943,944	\$17,601,999	\$18,566,321	\$14,933,317
Average PPP loans	(3,898,607)	(5,778,367)	(6,133,184)	(4,623,213)	(4,782,606)	(5,108,192)	(3,121,157)
Adjusted average total interest earning assets	<u>\$14,677,826</u>	<u>\$13,255,459</u>	<u>\$12,565,812</u>	<u>\$13,320,731</u>	<u>\$12,819,393</u>	<u>\$13,458,129</u>	<u>\$11,812,160</u>
Net interest margin, tax equivalent, excluding PPP	3.12 %	3.24 %	3.30 %	2.99 %	3.04 %	3.16 %	2.96 %

Core Efficiency Ratio – Customers Bancorp	Twelve Months Ended December 31,						
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	2021	2020
(dollars in thousands except per share data)							
GAAP net interest income	\$ 193,694	\$ 219,892	\$ 138,757	\$ 132,731	\$ 122,946	\$685,074	\$403,688
GAAP non-interest income	\$ 16,991	\$ 25,586	\$ 16,822	\$ 18,468	\$ 16,083	\$ 77,867	\$ 63,818
(Gains) losses on investment securities	49	(6,063)	(3,558)	(24,540)	(1,431)	(34,112)	(21,525)
Derivative credit valuation adjustment	(203)	(261)	380	(1,562)	(625)	(1,646)	7,448
Risk participation agreement mark-to-market adjustment	–	–	–	–	–	–	(1,407)
Unrealized losses on loans held for sale	–	–	–	–	1,115	–	2,565
Loss on cash flow hedge derivative terminations	–	–	–	24,467	–	24,467	–
Loss on sale of foreign subsidiaries	–	–	2,840	–	–	2,840	–
Core non-interest income	<u>16,837</u>	<u>19,262</u>	<u>16,484</u>	<u>16,833</u>	<u>15,142</u>	<u>69,416</u>	<u>50,899</u>
Core revenue	<u>\$ 210,531</u>	<u>\$ 239,154</u>	<u>\$ 155,241</u>	<u>\$ 149,564</u>	<u>\$ 138,088</u>	<u>\$ 754,490</u>	<u>\$ 454,587</u>
GAAP non-interest expense	\$ 81,548	\$ 80,009	\$ 70,823	\$ 61,927	\$ 59,933	\$ 294,307	\$ 214,976
Severance expense	–	–	(2,004)	–	–	(2,004)	–
Legal reserves	–	(1,185)	–	–	–	(1,185)	(320)
Merger and acquisition related expenses	–	–	–	(418)	(709)	(418)	(1,367)
Deposit relationship adjustment fees	–	(6,216)	–	–	–	(6,216)	–
Core non-interest expense	<u>\$ 81,548</u>	<u>\$ 72,608</u>	<u>\$ 68,819</u>	<u>\$ 61,509</u>	<u>\$ 59,224</u>	<u>\$ 284,484</u>	<u>\$ 213,289</u>
Core efficiency ratio ⁽ⁱ⁾	38.73 %	30.36 %	44.33 %	41.13 %	42.89 %	37.71 %	46.92 %

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

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

Tangible Common Equity to Tangible Assets - Customers Bancorp

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
GAAP total shareholders' equity	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles ⁽ⁱ⁾	(3,736)	(3,794)	(3,853)	(3,911)	(14,298)
Tangible common equity	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405	\$ 967,339	\$ 885,317
GAAP total assets	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248
Reconciling items:					
Goodwill and other intangibles ⁽ⁱ⁾	(3,736)	(3,794)	(3,853)	(3,911)	(14,298)
Tangible assets	\$ 19,571,292	\$ 19,105,128	\$ 19,631,255	\$ 18,813,749	\$ 18,424,950
Tangible common equity to tangible assets	6.26 %	5.98 %	5.24 %	5.14 %	4.80 %

(i) Includes goodwill and other intangibles reported in assets of discontinued operations.

Tangible Book Value per Common Share - Customers Bancorp

(dollars in thousands except share and per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
GAAP total shareholders' equity	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086
Reconciling Items:					
Preferred stock	(137,794)	(137,794)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles ⁽ⁱ⁾	(3,736)	(3,794)	(3,853)	(3,911)	(14,298)
Tangible common equity	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405	\$ 967,339	\$ 885,317
Common shares outstanding	\$32,913,267	\$32,537,976	\$32,353,256	\$32,238,762	\$31,705,088
Tangible book value per common share	\$ 37.21	\$ 35.12	\$ 31.82	\$ 30.01	\$ 27.92

(i) Includes goodwill and other intangibles reported in assets of discontinued operations.

Total Loans and Leases, excluding PPP

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Total loans and leases	\$ 14,568,885	\$ 15,515,537	\$ 16,967,022	\$ 16,168,306	\$ 15,832,251
Loans receivable, PPP	(3,250,008)	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)
Loans and leases, excluding PPP	\$ 11,318,877	\$ 10,558,180	\$ 10,661,966	\$ 10,990,217	\$ 11,270,886

Total Assets, excluding PPP

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Total assets	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248
Loans receivable, PPP	(3,250,008)	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)
Total assets, excluding PPP	\$ 16,325,020	\$ 14,151,565	\$ 13,330,052	\$ 13,639,571	\$ 13,877,883

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

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

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Loans and leases receivable	\$12,268,306	\$12,927,956	\$14,077,198	\$12,714,578	\$12,136,733
Loans receivable, PPP	(3,250,008)	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)
Loans and leases held for investment, excluding PPP	\$ 9,018,298	\$ 7,970,599	\$ 7,772,142	\$ 7,536,489	\$ 7,575,368
Allowance for credit losses on loans and leases	\$ 137,804	\$ 131,496	\$ 125,436	\$ 128,736	\$ 144,176
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	1.53 %	1.65 %	1.61 %	1.71 %	1.90 %

Tangible Common Equity to Tangible Assets, excluding PPP - Customers Bancorp

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
GAAP total shareholders' equity	\$ 1,366,217	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles ⁽ⁱ⁾	(3,736)	(3,794)	(3,853)	(3,911)	(14,298)
Tangible common equity	\$ 1,224,687	\$ 1,142,711	\$ 1,029,405	\$ 967,339	\$ 885,317
GAAP total assets	\$ 19,575,028	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248
Loans receivable, PPP	(3,250,008)	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)
Total assets, excluding PPP	\$ 16,325,020	\$ 14,151,565	\$ 13,330,052	\$ 13,639,571	\$ 13,877,883
Reconciling items:					
Goodwill and other intangibles ⁽ⁱ⁾	(3,736)	(3,794)	(3,853)	(3,911)	(14,298)
Tangible assets	\$ 16,321,284	\$ 14,147,771	\$ 13,326,199	\$ 13,635,660	\$ 13,863,585
Tangible common equity to tangible assets	7.50 %	8.08 %	7.72 %	7.09 %	6.39 %

(i) Includes goodwill and other intangibles reported in assets of discontinued operations.

Deferments to total loans and leases, excluding PPP

(dollars in thousands except per share data)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Total loans and leases	\$14,568,885	\$15,515,537	\$16,967,022	\$16,168,306	\$15,832,251
Loans receivable, PPP	(3,250,008)	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)
Total loans and leases, excluding PPP	\$ 11,318,877	\$10,558,180	\$10,661,966	\$10,990,217	\$11,270,886
Commercial deferments	\$ —	\$ 73,400	\$ 89,800	\$ 176,100	\$ 202,100
Consumer deferments	6,060	6,708	8,400	13,000	16,400
Total deferments	\$ 6,060	\$ 80,108	\$ 98,200	\$ 189,100	\$ 218,500
Commercial deferments to total loans and leases, excluding PPP	— %	0.7 %	0.8 %	1.6 %	1.8 %
Consumer deferments to total loans and leases, excluding PPP	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Total deferments to total loans and leases, excluding PPP	0.1 %	0.8 %	0.9 %	1.7 %	1.9 %