



**customers  
bancorp**

**Let's take on tomorrow.**

"A Digital-Forward Super-Community Bank"

Investor Presentation: Q2 2022

July 2022

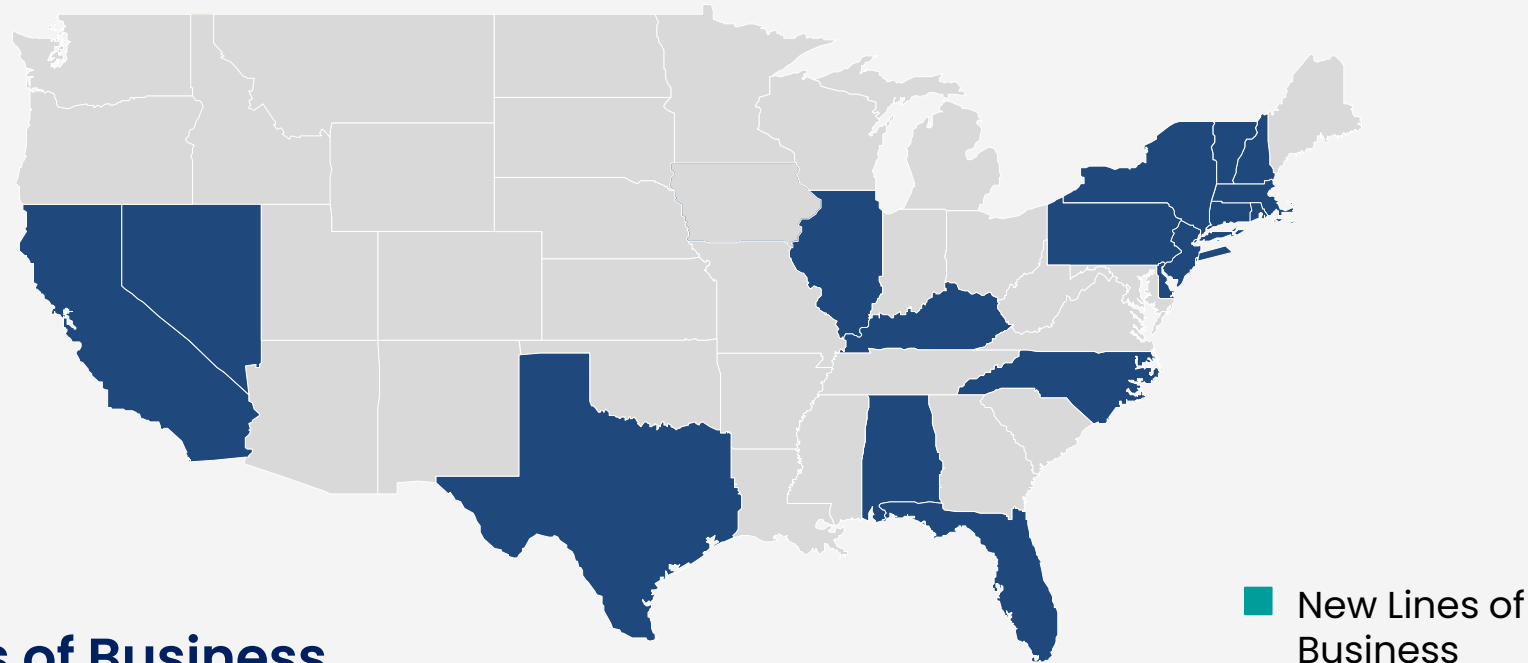
# Forward-Looking Statements



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

# Customers Bancorp Snapshot

## A Digital-Forward Super-Community Bank



### Lines of Business

#### Community Banking

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

#### Specialty Banking

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

#### Digital Banking

##### Consumer

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

##### BaaS

- MPL Program

##### Commercial

- Digital Asset Banking
- SMB Bundle
- Credit Card

##### Transaction Banking

- Treasury Services
- Payments

## Customers Bancorp, Inc.

NYSE: CUBI

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

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

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

# Highlights - GAAP



## Q2'22 (vs. Q2'21)

### Highlights

**Diluted EPS**  
**\$1.68**  
 -2%

**Net Income<sup>1</sup>**  
**\$56.5M**  
 -3%

**ROCE**  
**18.2%**  
 vs. 23.2%

## Q2'22 (vs. Q2'21)

### Profitability

**3.38%**  
 vs. 2.98%  
**NIM**

**1.17%**  
 vs. 1.27%  
**ROAA**

**NA**  
**Adjusted PTPP ROAA<sup>2</sup>**

### Balance Sheet

**\$20.3B**  
 +3%  
**Total Assets**

**\$15.7B**  
 -8%  
**Total Loans and Leases**

**\$16.9B**  
 +22%  
**Total Deposits<sup>3</sup>**

### Credit

**0.14%**  
 -10 bps  
**NPA Ratio<sup>3</sup>**

**1.14%**  
 +25 bps  
**Reserve Coverage**

**557.8%**  
 vs. 270.0%  
**Reserves to NPLs<sup>3</sup>**

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

# Highlights – Adjusted/Core



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

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

# Business Line Accomplishments and Strategic Priorities



## Community

## Specialty

## Digital

### 2022 PRIORITIES

#### Geographic expansion

- Continue to recruit regional C&I teams in adjacent and expansion markets

#### Continued Growth of Existing Verticals

- Achieve double digit loan growth across all verticals

#### SBA Growth

- Grow originations by at least 50%

#### Specialty Lending Expansion

- Continue to recruit specialty lending teams and add to existing teams to support future growth
- Evaluate new banking verticals including Digital Asset Lending
- New lending verticals are expected to surpass \$1B in outstanding in 2022

#### Continued Growth of Existing Verticals

- Achieve double digit loan growth across all verticals (ex MWH)

#### Consumer:

- Continue to index portfolio mix to direct originations
- Expand cross-sell with products

#### Commercial:

- Continue to scale CBIT customers and significantly grow deposits
- Digital SMB bundle product pilot launch to cross-sell to digital SMB customers

#### Banking-as-a-Service

- Achieve \$5M+ of run rate revenue in H2'22

### 2022 Q2 ACCOMPLISHMENTS

#### Geographic expansion

- Strengthened presence and reputation in local markets laying the foundation for continued production growth and team recruitment

#### Continued Growth of Existing Verticals

- Net loan growth of 8% QoQ from Mid-Atlantic region C&I
- Successful re-launch of relationship focused multifamily program resulting in loan growth of \$300M+

#### SBA Growth

- SBA production growth of 29% QoQ and 88% YoY
- Continue to advance digital lending program pilot

#### Specialty Lending Expansion

- Fund Finance crossed outstanding balance of ~\$1B in Q2'22 with goal of ~\$2B in outstandings by Q4'22
- Onboarded a team to launch a technology enhanced Small Ticket/SMB Vendor Finance product within our Equipment Finance business
- Digital Asset Lending initiative diligence progressing with initial loans expected to be originated in H2'22

#### Continued Growth of Existing Verticals

- Industry leading growth in existing verticals
  - Fund Finance (+183% QoQ)
  - Lender Finance (+34% QoQ)
  - RE Specialty Finance (+28% QoQ)
  - Equipment Finance (+7% QoQ)

#### Consumer:

- Crossed over \$2B in lifetime direct personal loan originations

#### Commercial:

- Onboarded 90 new CBIT customers continuing to enhance the existing platform nodes
- On track for Digital SMB bundle product pilot launch in Q3'22 which will now also include Equipment Financing

#### Banking-as-a-Service

- Expect to launch our initial MPL program pilot in H2'22

#### Transaction Banking

- Launching a broad suite of API-enabled Treasury Services and Payments offerings to attract low cost deposits and fee income

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



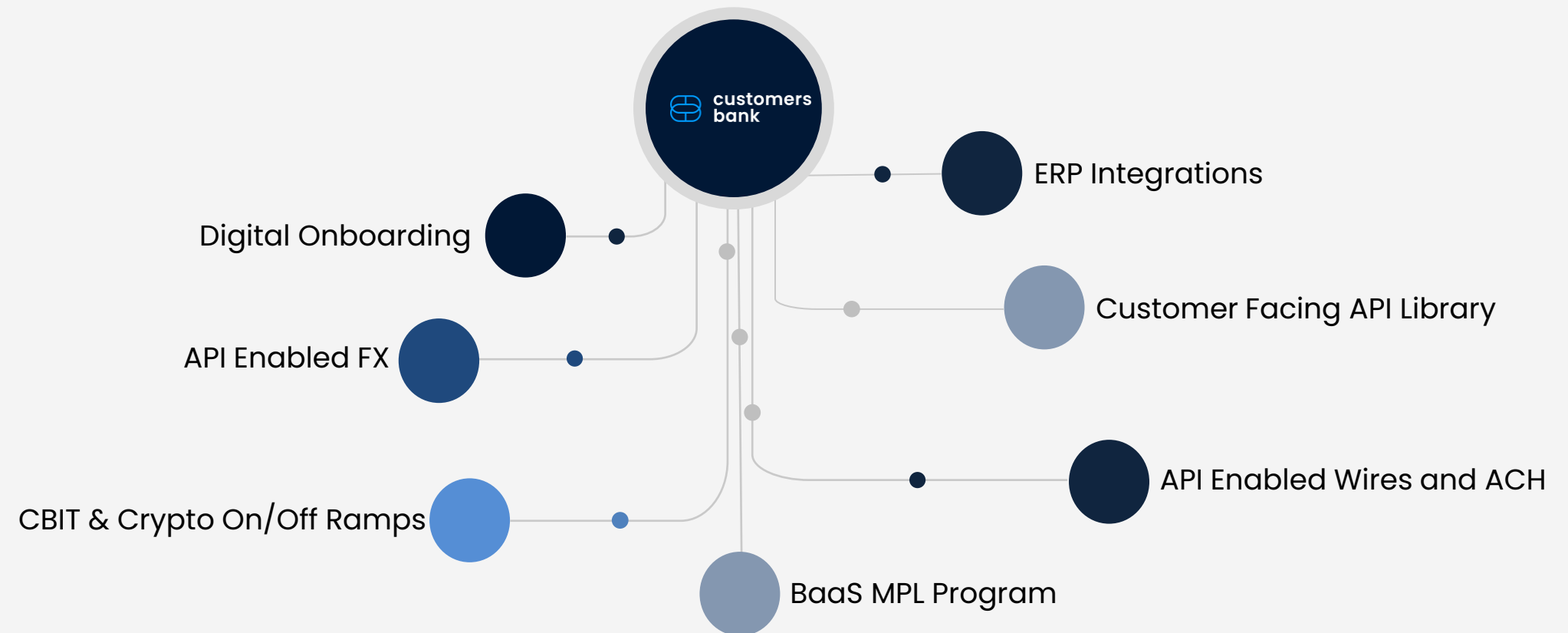
**CUBI's proprietary tech-led** product suite will drive:

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

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



API-enabled Digital Solutions

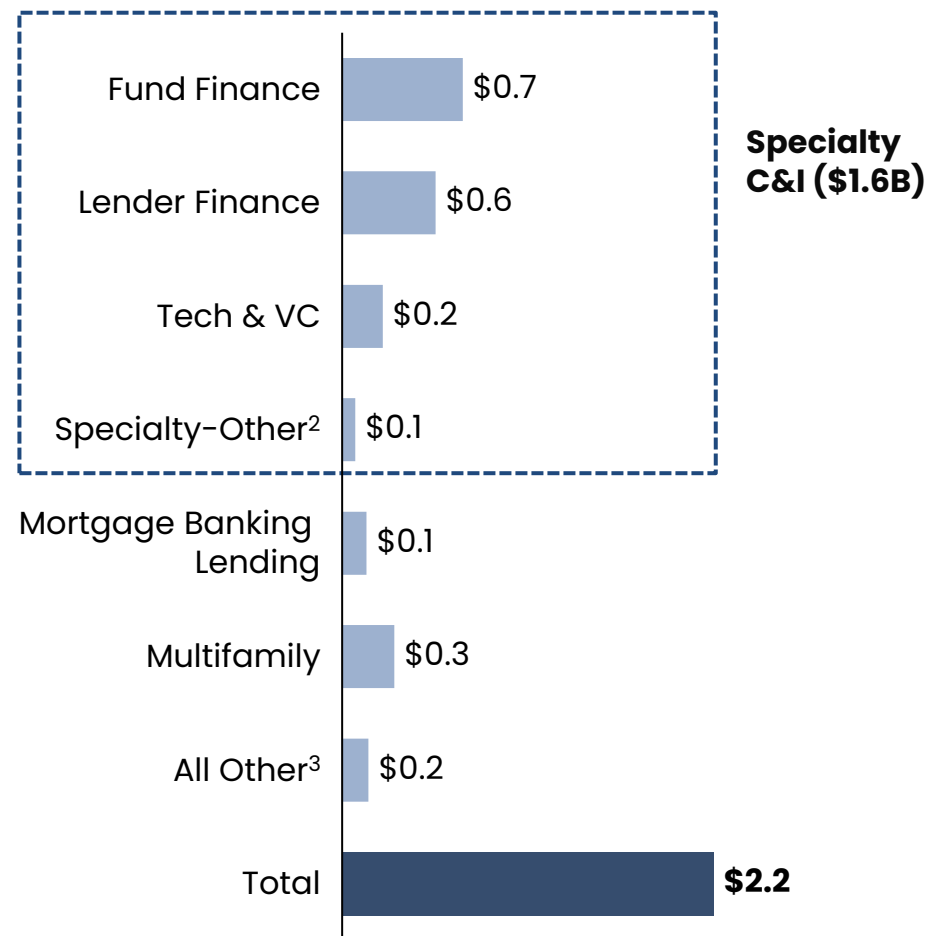


# Loan growth of \$2.2B in Q2 driven by low-risk variable rate lending verticals



## Core Loan growth composition ex PPP<sup>1</sup>

\$ billions, Q2'22



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

### Lender Finance

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

### Fund Finance

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

### Tech & VC

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

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

2. Includes RESF, Healthcare and other segments

3. Includes Community banking C&I, Consumer, Investment CRE

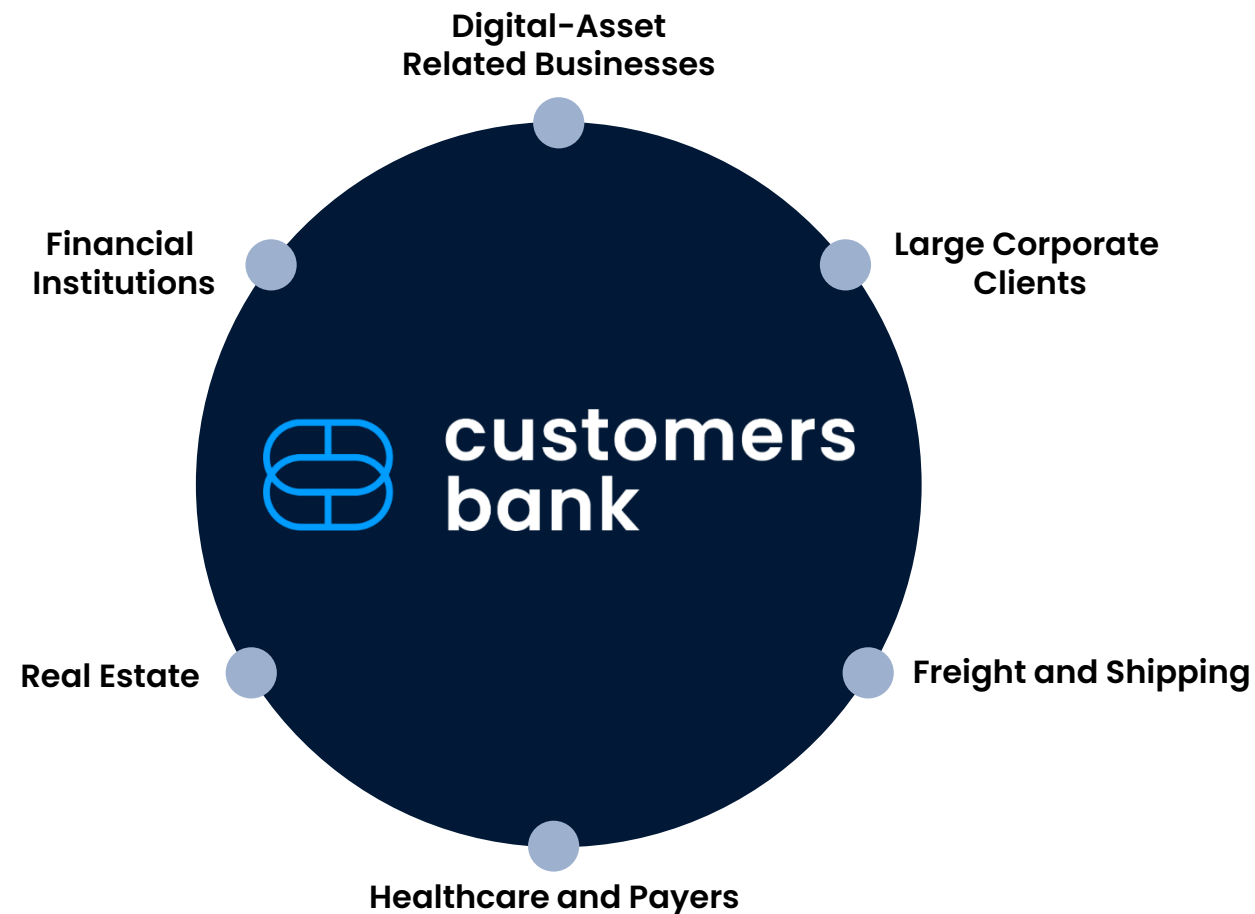


# A Blockchain-based, instant payments platform generating \$2.1B in low-cost deposits



## Introducing: Customers Bank Instant Token (CBIT™)

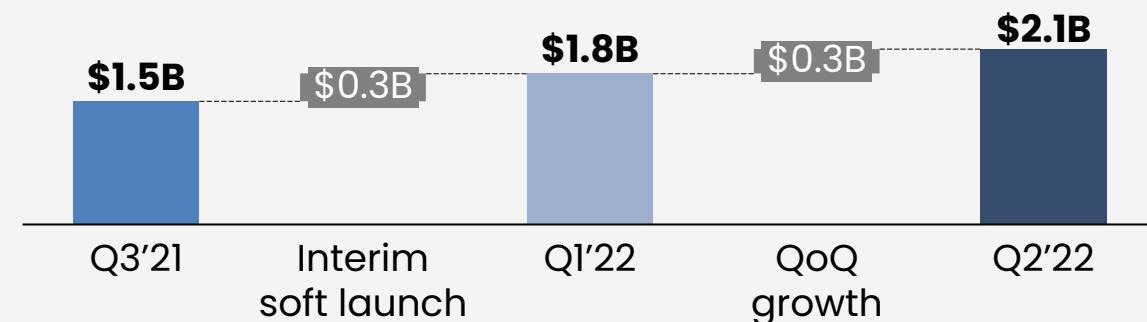
An Instant Payments Tool to Serve Diverse Potential Commercial Clients in 2022 and Beyond



## Overview

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

## Deposit Inflow as a Result of CBIT Launch



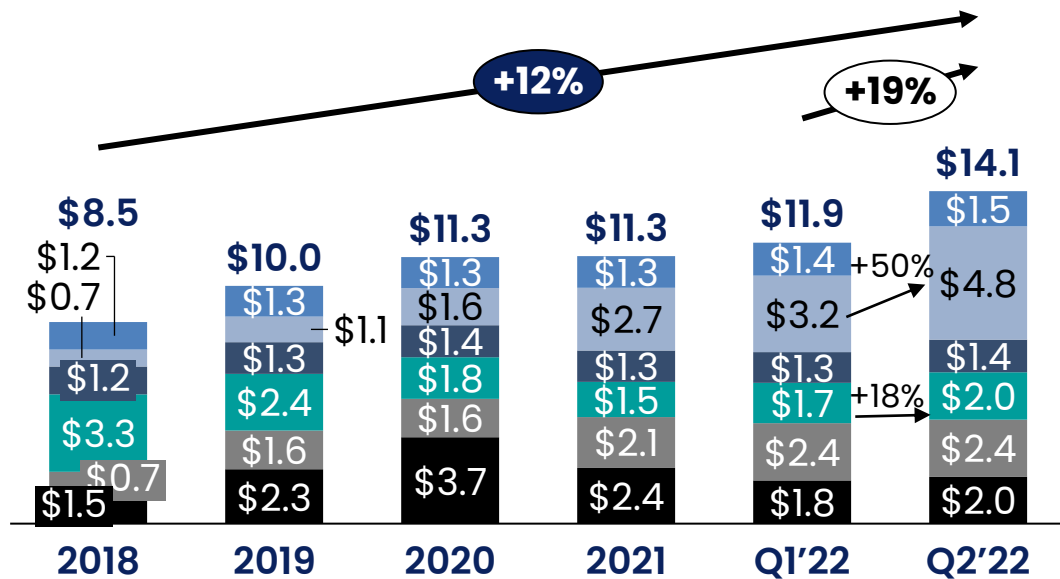
# Balance Sheet: Loan and Deposit Growth & Mix



## Loans ex PPP<sup>1</sup>

\$ billions

- Community C&I
- Specialty C&I
- Investment CRE
- Multifamily
- Consumer<sup>2</sup>
- Mortgage Banking Lending



## PPP loans

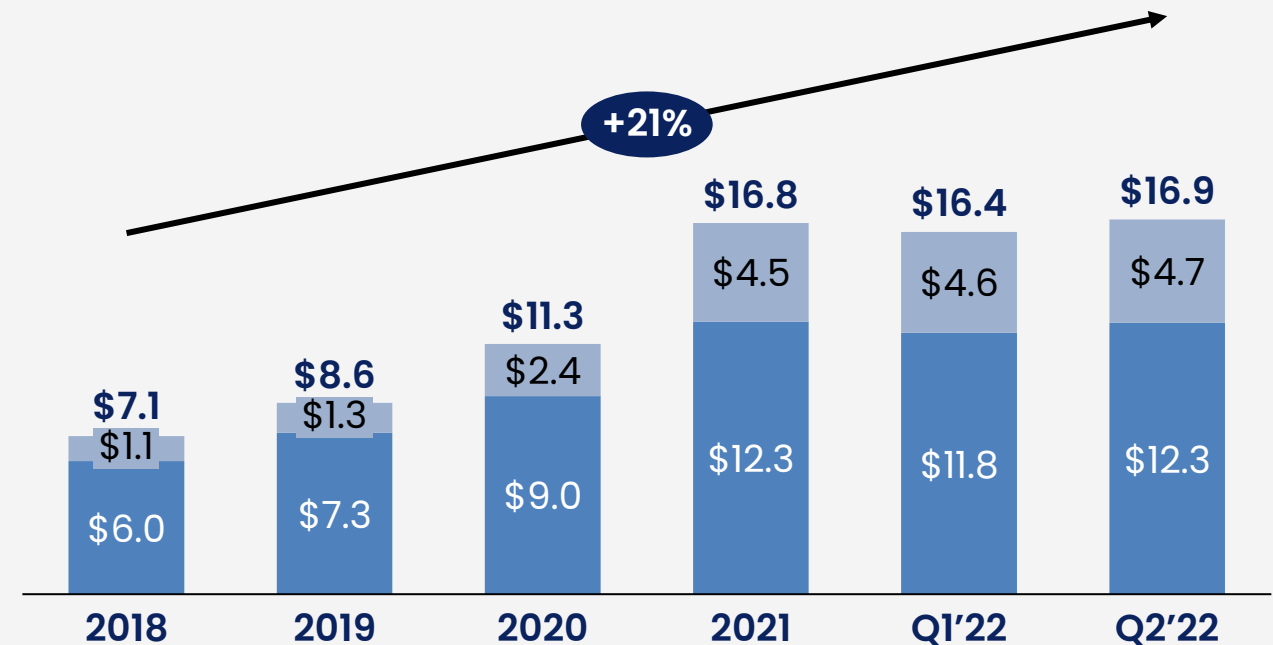
2018	-	-	\$4.6	\$3.3	\$2.2	\$1.6
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- Loan growth ex PPP<sup>1</sup>: +\$2.2B QoQ, 19% QoQ, 32% YoY
- Specialty C&I: +\$1.6B QoQ, 50% QoQ, 192% YoY
- \$829M loan growth ex PPP in the month of Jun'22

## Deposits

\$ billions

- Non-interest bearing deposits
- Interest bearing deposits



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

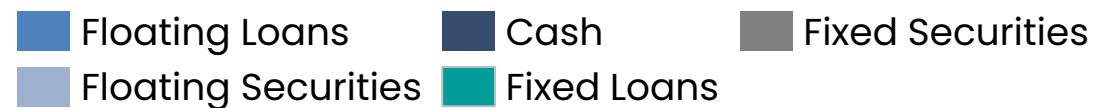
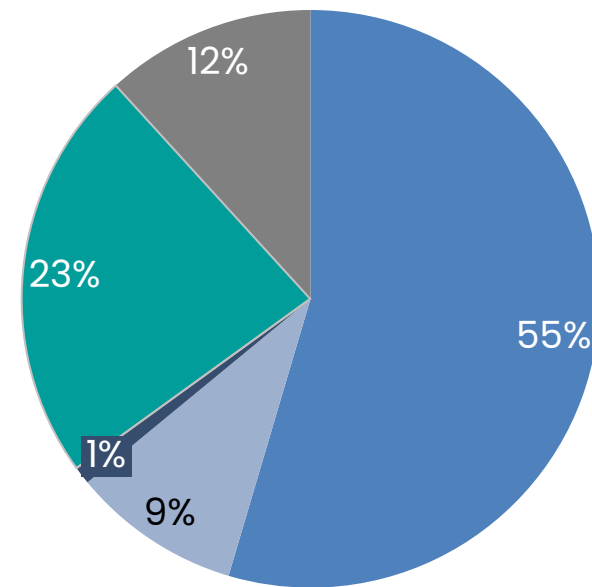
1. Non-GAAP Measure, refer to Appendix for reconciliation.  
 2. Includes consumer installment (\$1.9B), Mortgages (\$0.5B) and Manufactured housing

# Interest Rate Sensitive Earning Asset Mix



## Interest earning assets mix<sup>1</sup>

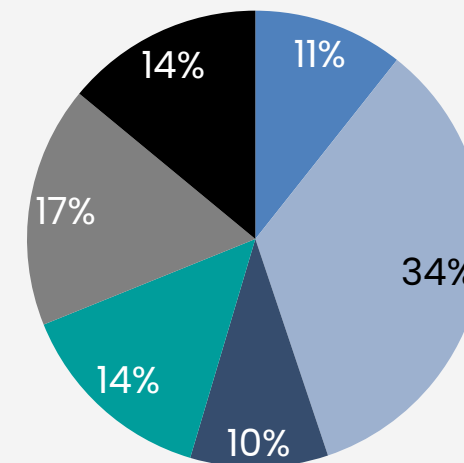
Q2'22, percent



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

## Loan mix ex PPP<sup>2</sup>

percent



As of Q2'22

**83 % Commercial Loans**

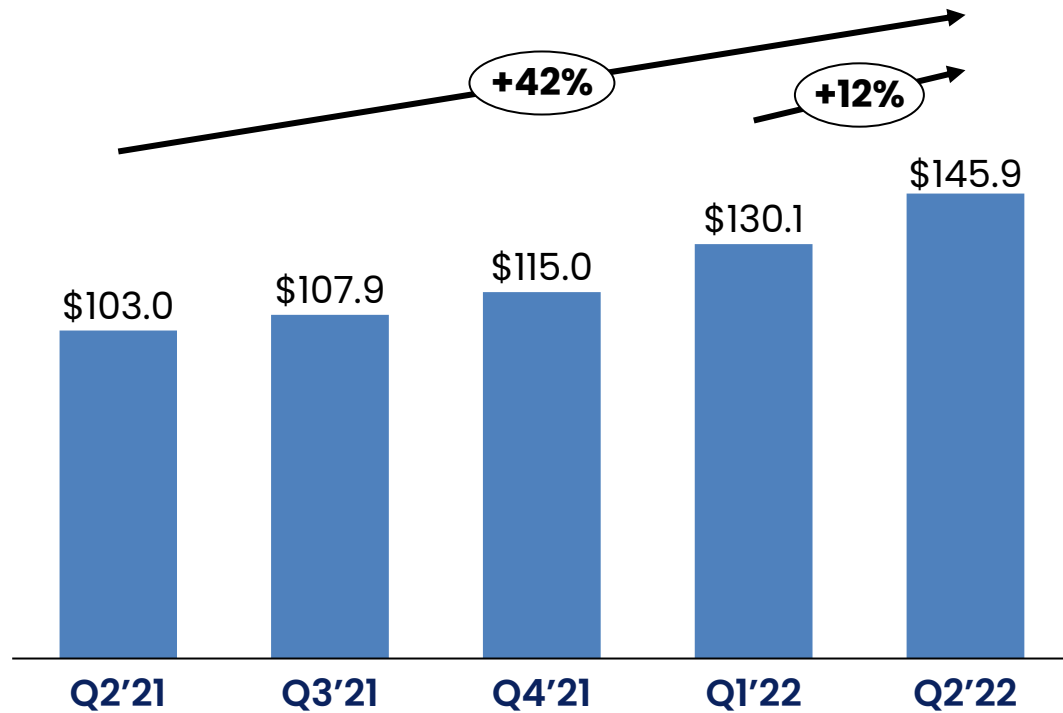
- Significant improvement in loan mix with greater proportion of lower credit risk verticals
- Pipeline remains extremely strong especially in C&I
- Loan mix ex PPP<sup>2</sup>: Consumer installment (13%), Consumer mortgages<sup>4</sup> (4%)

1. Floating rate loans and securities are defined as assets with resets less than one year and include fixed loans maturing within one year (including PPP loans).  
 2. Non-GAAP Measure, refer to Appendix for reconciliation.  
 3. Includes consumer installment (\$1.9B), Mortgages (\$0.5B) and Manufactured housing  
 4. Includes Mortgages and Home Equity loans

# Income Statement: Growth in Net Interest Income & Margin

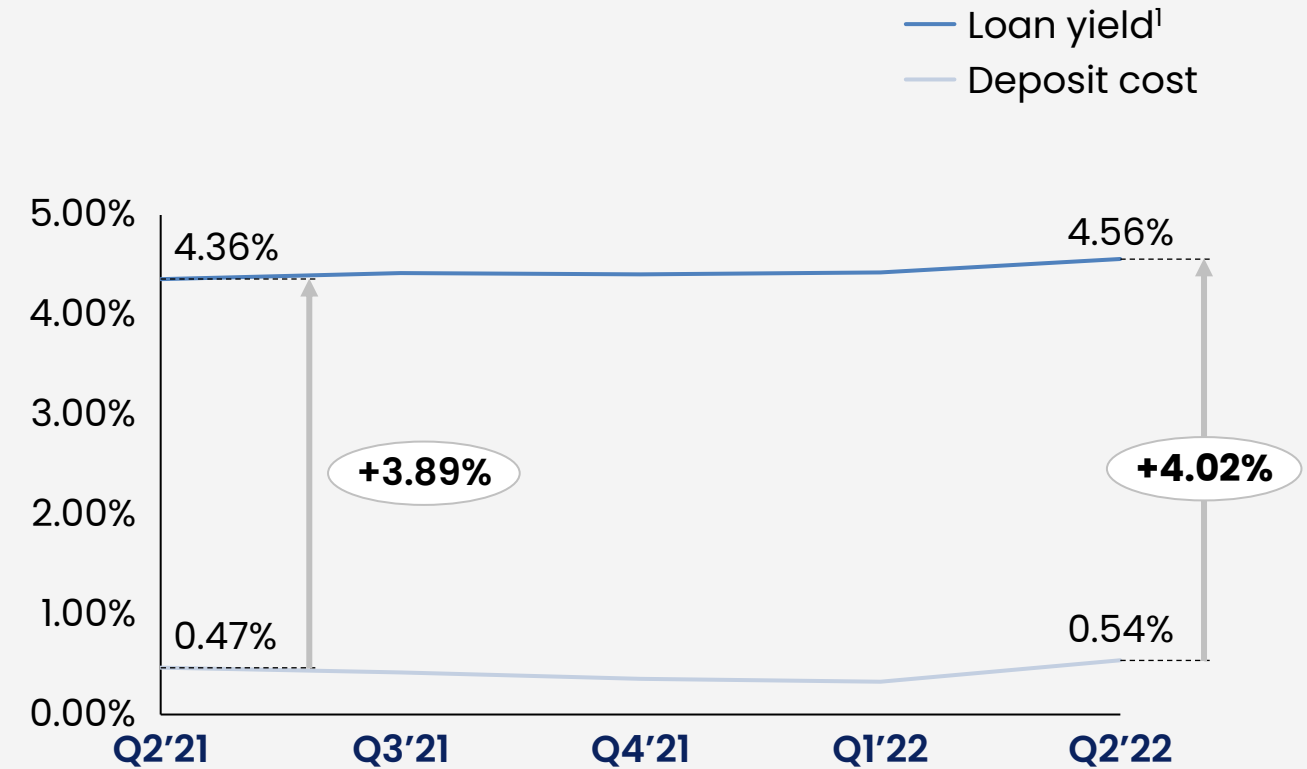


**NII ex PPP<sup>1</sup>**  
\$ millions



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

**Loan yield<sup>1</sup> and Deposit cost**  
percent



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

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

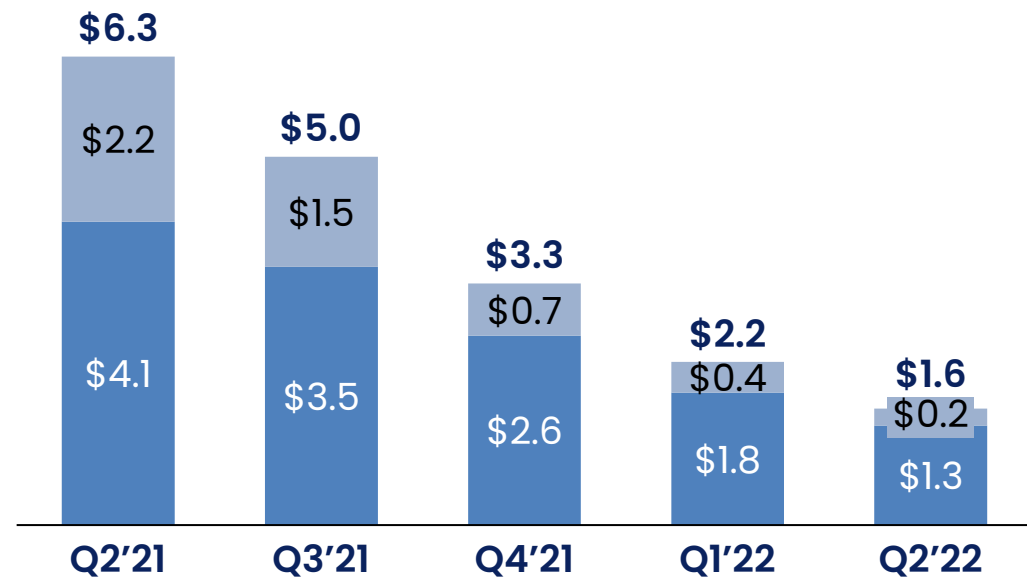
# Paycheck Protection Program: Loans and Fees



## PPP loans<sup>1</sup>

\$ billions

■ Rounds 1 & 2 ■ Round 3

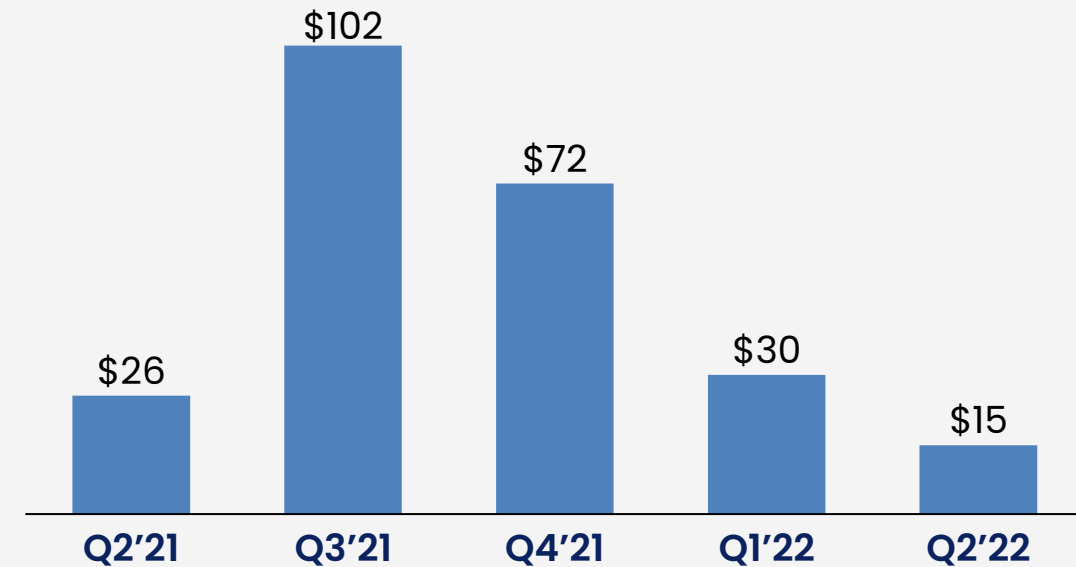


% \$ loans forgiven  
 ○ 91% — R1&2  
 ○ 73% — R3

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

## Fee income recognized from PPP<sup>1</sup>

\$ millions



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

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

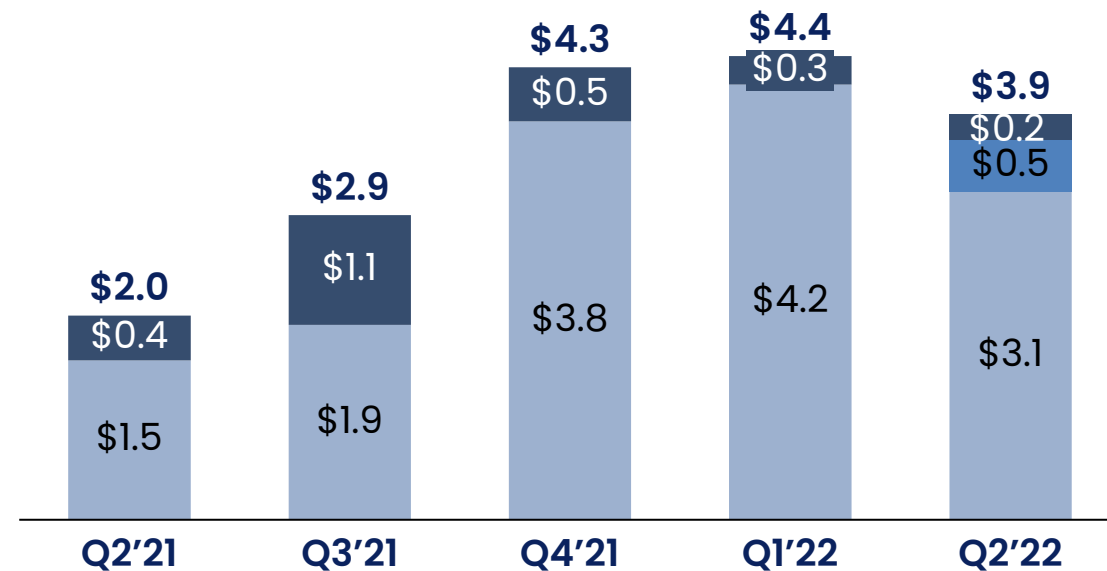
# Liquidity and Investment Securities Mix



## Liquidity

\$ billions

Cash and Cash equivalents
  Investment securities AFS
   
 Investment securities HTM

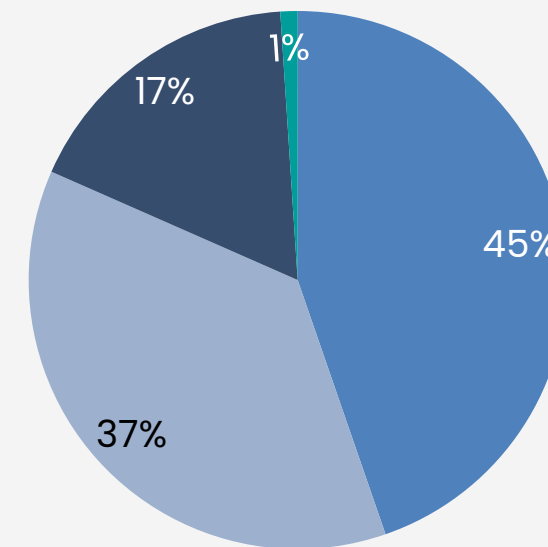


- Strategic sales of investment portfolio redeployed to fund strong loan growth
- AFS securities with fair value of \$500M re-classified to HTM in Q2'22 (Ending balance of \$495M at Q2'22) to prevent further material AOCI loss on AFS securities

## Investment Securities AFS Mix (~52% floating rate)

As of Jun 30, 2022, percent

MBS & CMO
  ABS<sup>1</sup>
 Corporates
  Other



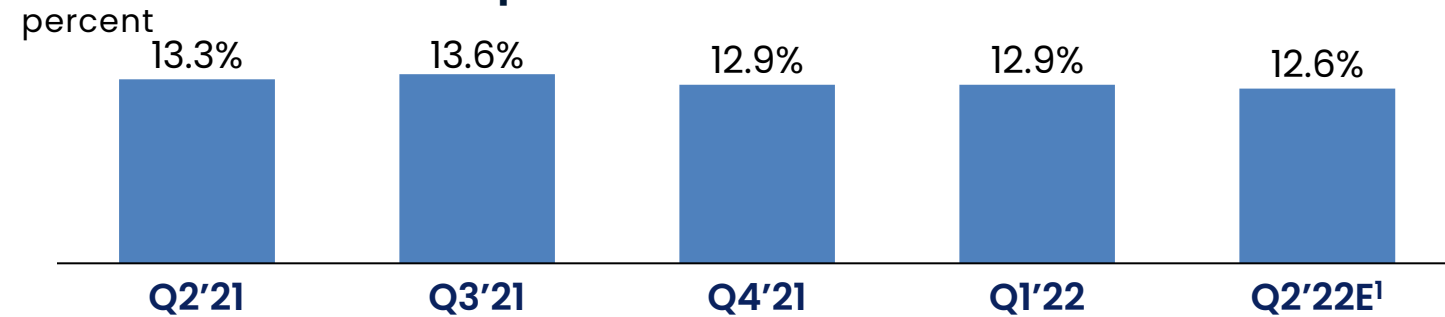
- Majority of investment securities are deployed in MBS & CMO and ABS<sup>1</sup>
- Ample liquidity to fund future loan growth
- Portfolio characteristics (as of Q2'22)
  - Yield, net of hedges: ~2.9%
  - Effective Duration: ~1.6 years
  - Floating rate securities: ~52%

1. Includes CLOs

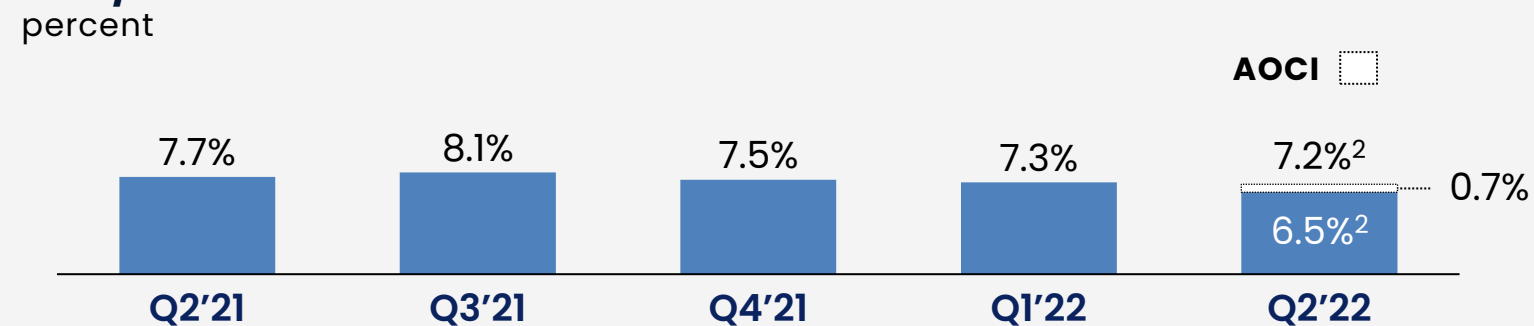
# Capital: Strong Capital Position



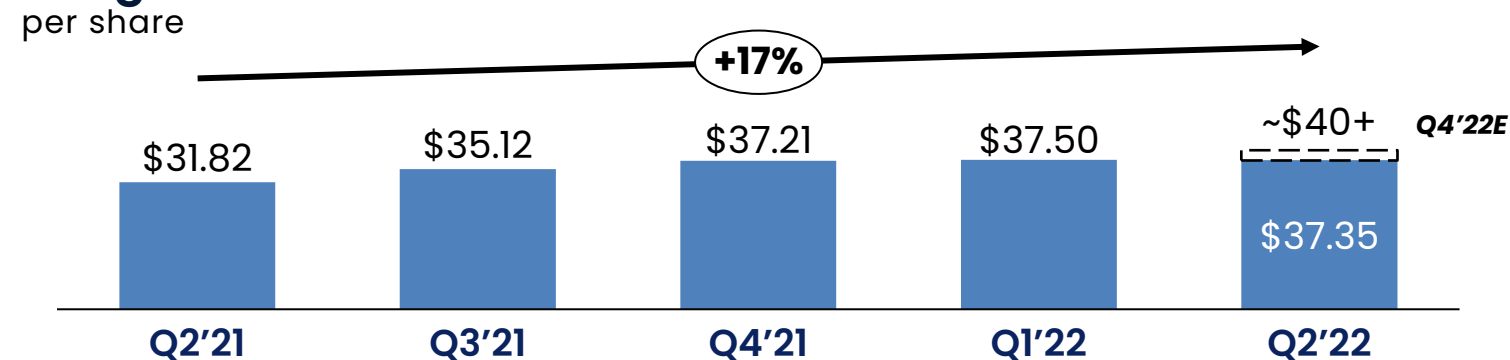
## Total risk-based capital



## TCE/TA excl PPP<sup>3</sup>



## Tangible book value<sup>3</sup>



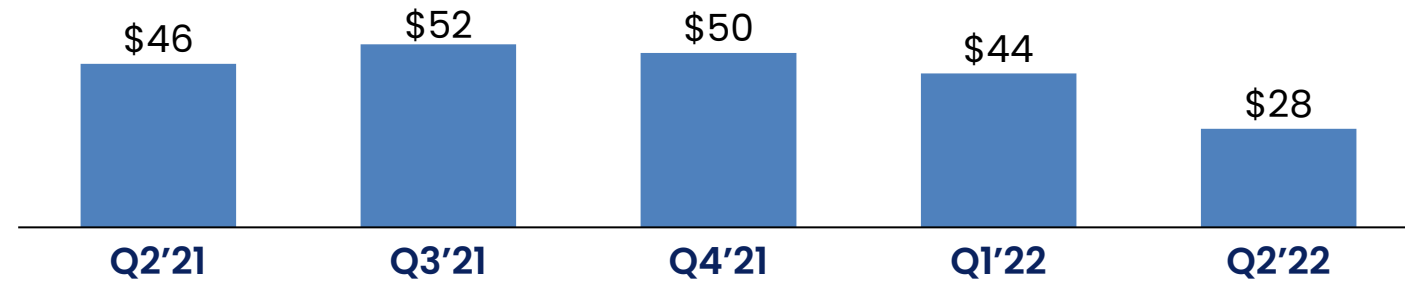
- Unrealized loss impact in AFS portfolio negatively impacted TCE/TA excl. PPP<sup>3</sup> ~0.3% in Q2'22. Total cumulative impact of ~0.7% as of Q2'22
- Expect TBV per share of \$40+ by Q4'22E
- Expect TCE/TA excl PPP<sup>3</sup> to be ~7.5% over the next 3-4 quarters

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

# Credit: Credit Quality and Reserves Remain Strong



**NPL**  
\$ millions

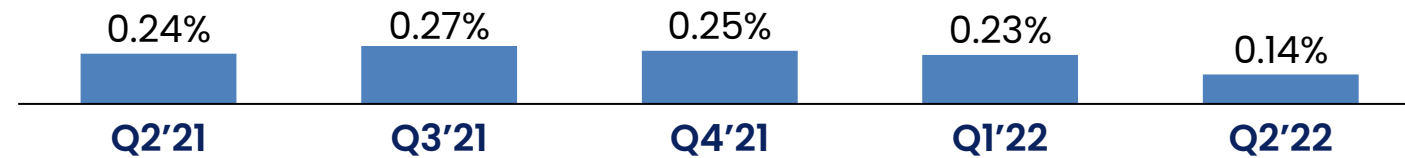


**NCO**  
\$ millions

Commercial NCO Consumer NCO



**NPA as percent of total assets**  
percent



- Credit quality remains excellent as evidenced by NPAs/Total Assets of only 0.14% at Q2'22
- The coverage ratio, excluding PPP loans<sup>2</sup> was 1.28% at Q2'22
- Reserves/NPLs was 557.8% at Q2'22
- Annualized Consumer Installment charge-offs at ~2.1%<sup>1</sup> for Q2'22. Consumer Installment Lifetime CECL reserves of ~5.9% for Q2'22 (Consumer installment portfolio WAL of ~1.7 years)

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





**customers  
bank**

Let's take on tomorrow.

## Key Investment Highlights



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



Exceptional **credit quality**



**Customer centric culture** built around service and experience



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



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



**Attractive valuation** – Trading at ~1.0X<sup>1</sup> tangible book value and less than 6X<sup>1</sup> 2023E consensus

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



## **ANALYST COVERAGE**

### **B. Riley Financial, Inc.**

Steve Moss

### **D.A. Davidson Companies**

Russell Gunther

### **Hovde Group**

David Bishop

### **Jefferies Group LLC**

Casey Haire

### **Wedbush Securities Inc.**

Peter Winter

### **Keefe, Bruyette & Woods Inc.**

Michael Perito

### **Maxim Group Inc.**

Michael Diana

### **Piper Sandler Companies**

Frank Schiraldi

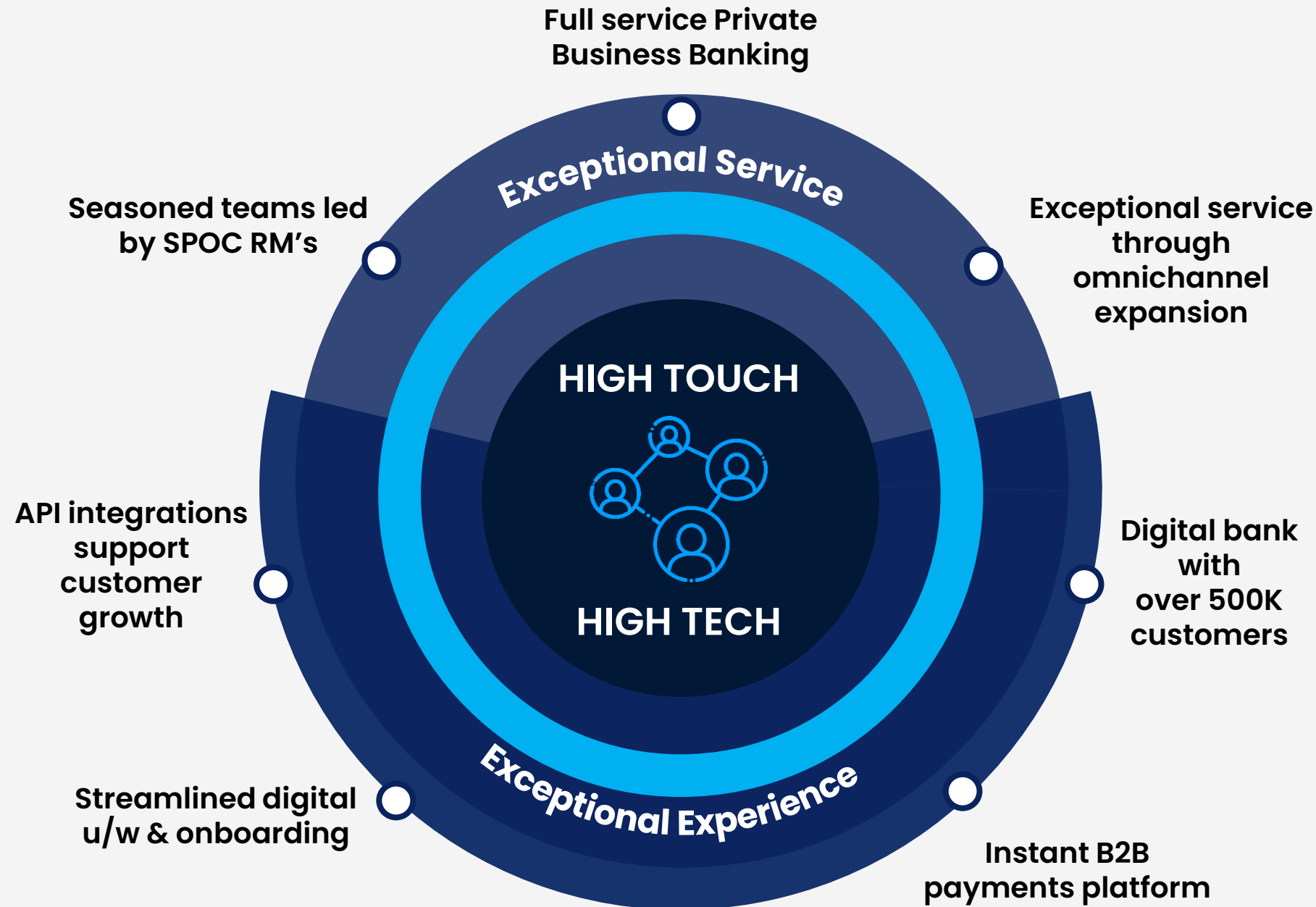
### **Stephens Inc.**

Matt Breese

# Appendix

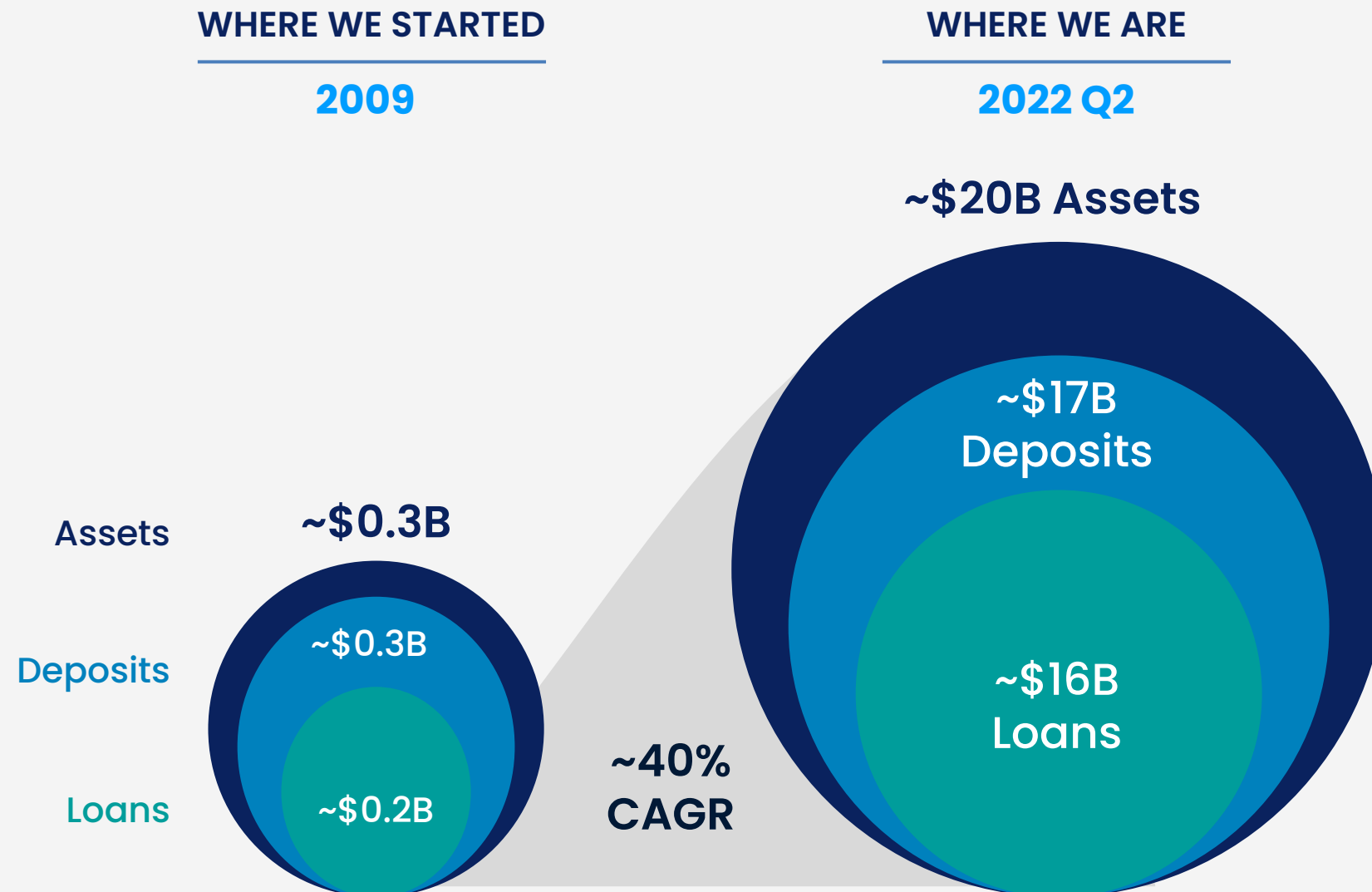


# The customer is at the center of everything we do



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

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



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

# Environmental, Social & Governance Report



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

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

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

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

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

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

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

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



Let's take on tomorrow.

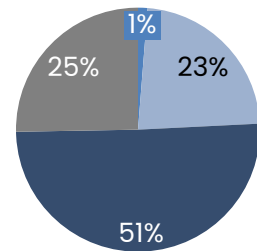
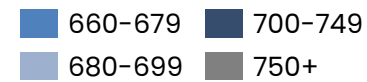
# Consumer Installment Loans



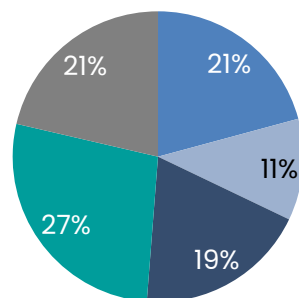
Weighted average life of ~1.7 years

## FICO Score<sup>1</sup>

Average FICO Score<sup>1</sup> ~729



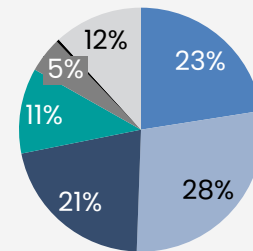
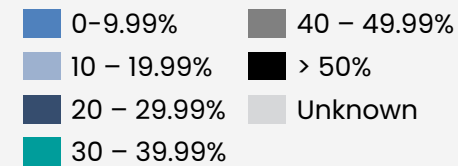
## Geography



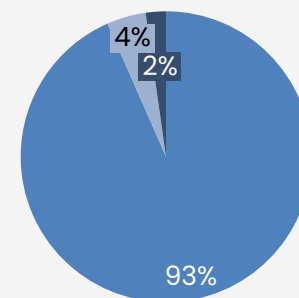
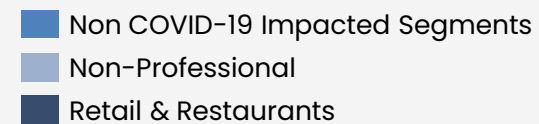
1. FICO score at time of origination.  
Note: Data as of June 30, 2022.

## Debt to Income ratio

Average DTI ~17.4%

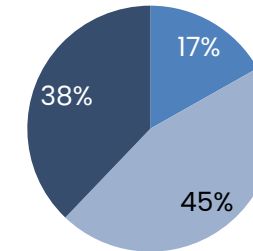


## Profession

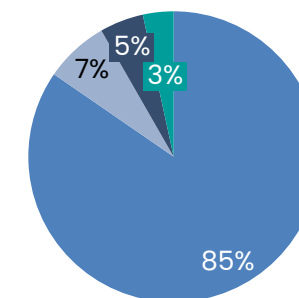


## Borrower Income

Average borrower income ~\$102k



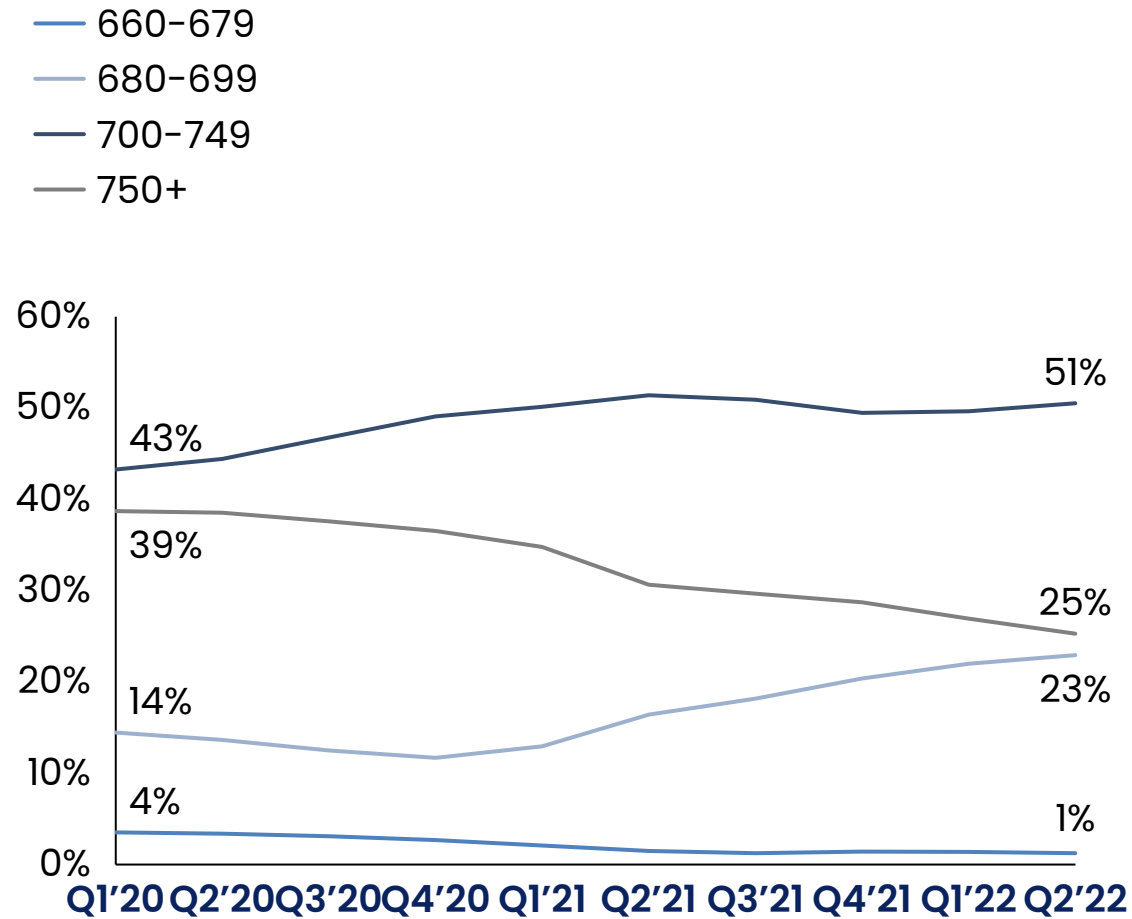
## Purpose



# CUBI Consumer Loans – Portfolio Credit trends

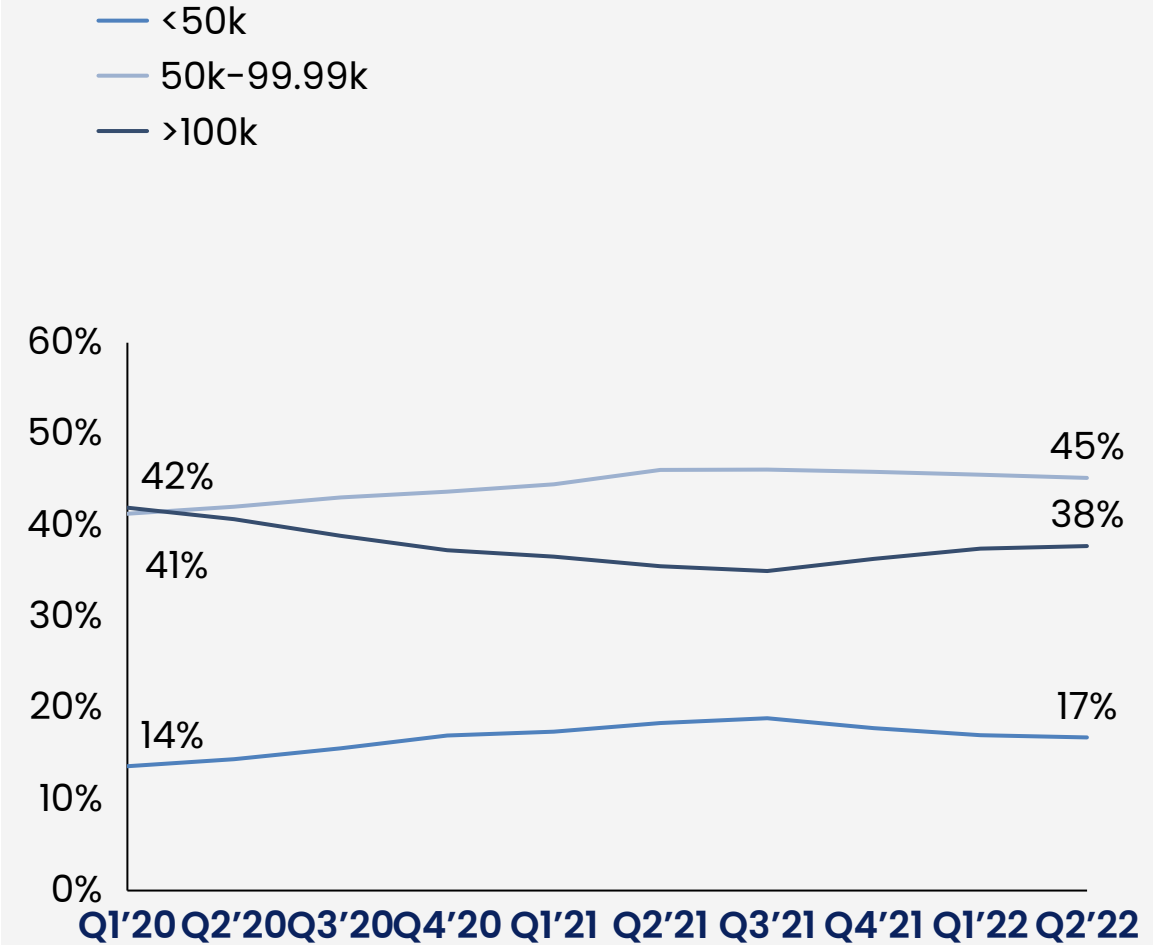


## Portfolio FICO score trends



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

## Portfolio borrower income trends



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

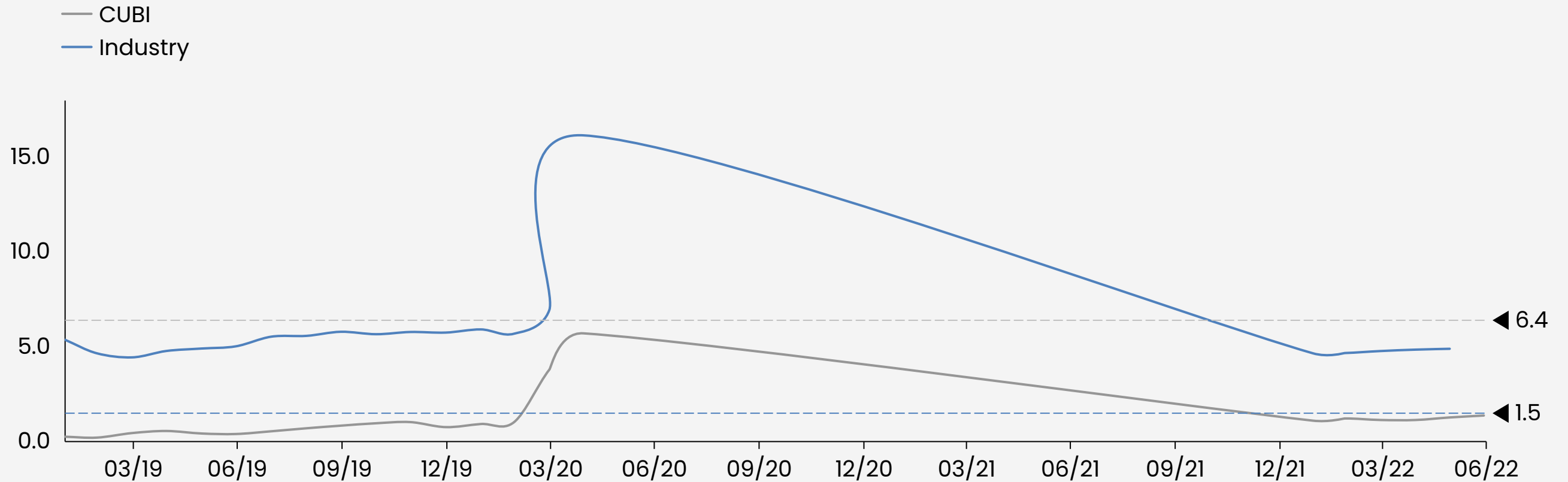


# CUBI Consumer installment loans impairment remains well below industry levels



## Impairment of consumer installment loans

Percent



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

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

# Credit: Allowance for Credit Losses for Loans and Leases



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

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



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

(1) Includes CLOs

# Reconciliation of Non-GAAP Measures – Unaudited



Customer's Bank 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 Customer's Bank's industry. These non-GAAP financial measures exclude from corresponding GAAP measures the impact of certain elements that we do not believe are representative of our ongoing financial results, which we believe enhance an overall understanding of our performance and increases comparability of our period to period results. Investors should consider our performance and financial condition as reported under GAAP and all other relevant information when assessing our performance or financial condition. The non-GAAP measures presented are not necessarily comparable to non-GAAP measures that may be presented by other financial institutions. Although non-GAAP financial measures are frequently used in the evaluation of a company, they have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results of operations or financial condition as reported under GAAP.

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

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



## Core Earnings – Customers Bancorp

(\$ in thousands, except per share data)

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

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



## Core Earnings, Excluding PPP – Customers Bancorp

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

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

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



## Core Return on Average Assets – Customers Bancorp

(\$ in thousands)

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

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



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

(\$ in thousands)

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



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



## Core Return on Average Common Equity

(\$ in thousands)

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

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



## Tangible Equity

(\$ in thousands)

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

## Tangible Book Value per Common Share - Customers Bancorp

(\$ in thousands, except per share data)

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

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



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

(\$ in thousands)

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

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



## Tangible Common Equity to Tangible Assets – Customers Bancorp

(\$ in thousands)

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

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



## Core Loans (Total loans and leases, excluding PPP)

(\$ in thousands)

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

## Total loans and leases, excluding mortgage banking lending and PPP

(\$ in thousands)

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

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



## Core Assets

(\$ in thousands)

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

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

(\$ in thousands)

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

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



## Net Interest Income, Excluding PPP – Customers Bancorp

(\$ in thousands)

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

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

(\$ in thousands)

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

## Loan Yield, excluding PPP

(\$ in thousands)

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