



**customers
bancorp**

Let's take on tomorrow.

"A Digital-Forward Super-Community Bank"

Investor Presentation: Q3 2022

October 2022

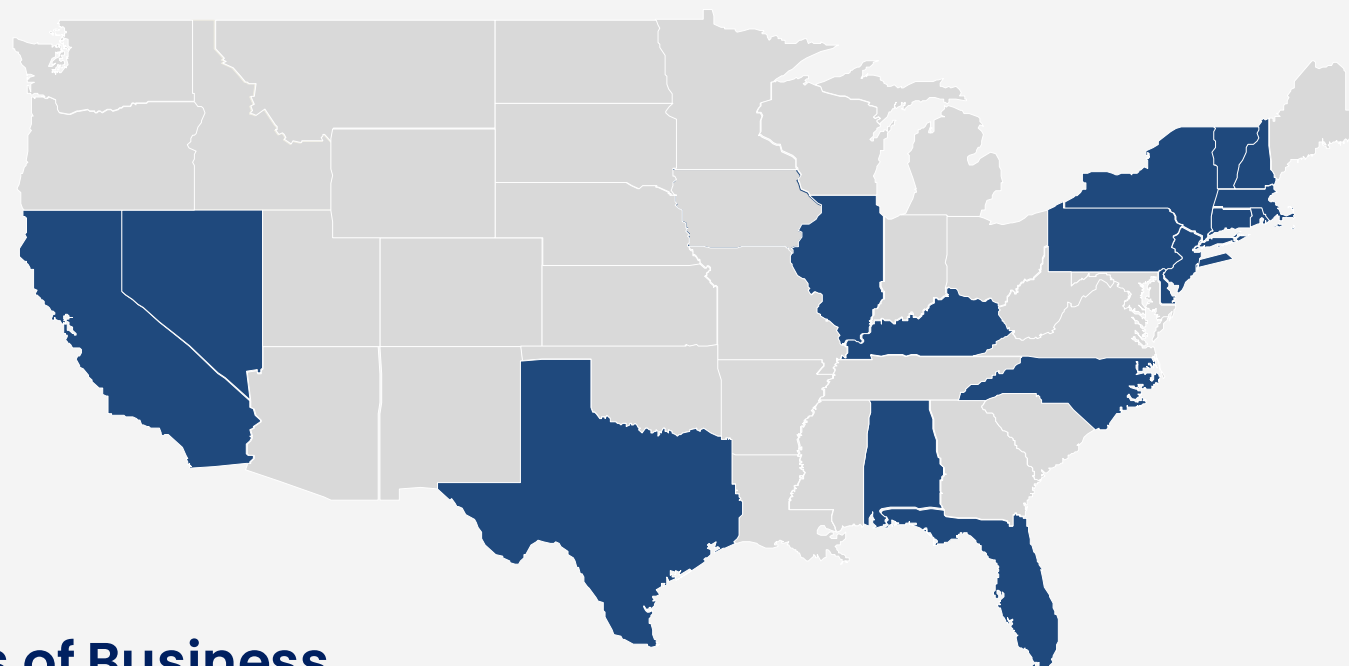
Forward-Looking Statements



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

Corporate & Specialty Banking

- Lender Finance
- Fund Finance
- Financial Institutions Group
- Real Estate Specialty Finance
- Loans to Mortgage Companies
- 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 ¹	39
FTE Employees	672
Market Capitalization As of 10/21/2022	\$1.0B
Total Assets	\$20.4B
Tangible Book Value ²	\$38.35
Share price As of 10/21/2022	\$31.17

Data as of 09/30/2022, unless otherwise noted.

- (1) Offices includes branches, executive offices, Private Banking Offices and Loan Production Offices.
 (2) Non-GAAP Measure, refer to Appendix for reconciliation.

Highlights – GAAP



Q3'22	Q3'22 (vs. Q3'21)		
Highlights	Profitability	Balance Sheet	Credit
Diluted EPS \$1.85	3.16% vs. 4.58% NIM	\$20.4B +7% Total Assets	0.14% -13 bps NPA Ratio³
Net Income ¹ \$61.4M	1.24% vs. 2.33% ROAA	\$15.3B -1% Total Loans and Leases	0.95% -07 bps Reserve Coverage
ROCE 19.3%	NA Adjusted PTPP ROAA²	\$17.5B +3% Total Deposits³	466.3% vs. 252.7% Reserves to NPLs³

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

Highlights – Adjusted/Core



Q3'22 (vs. Q3'21)

Q3'22 (vs. Q3'21)

Highlights

Profitability

Balance Sheet

Credit

Core EPS¹ | **Core EPS ex PPP^{1,2}**
\$2.48 | **\$2.30**
 -26% | +140%

3.18%
 vs. 3.24%
NIM^{1,2}

\$19.2B
 +36%
Core Assets^{1,2}

0.14%
 -13 bps
NPA Ratio

Core Earnings¹ | **Core Earnings ex PPP^{1,2}**
\$82.3M | **\$76.4 M**
 -28% | +135%

1.64%
 vs. 2.35%
Core ROAA¹

\$14.2B
 +34%
Total Loans and Leases^{1,2}

1.03%
 -62 bps
Reserve Coverage^{1,2}

Core ROCE¹
25.9%
 vs. 42.2%

1.95%
 vs. 3.36%
Adjusted PTPPROAA¹

\$17.5B
 +3%
Total Deposits

466.3%
 vs. 252.7%
Reserves to NPLs

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

Strategic initiatives we have implemented to best position us for the current and future external environment



CREDIT & PORTFOLIO MIX

- **Growth focused in variable rate specialty lending¹ verticals** with extremely low credit risk.
- **Portfolio mix² shift to low risk verticals YoY**
 - Specialty Lending C&I¹: 19% to 37%
 - Consumer installment portfolio: 15% to 10%
- \$2.7B of the \$3.6B loan growth ex PPP YoY in specialty lending¹ is from low to no loss verticals **Lender Finance-\$1.6B, Fund Finance-\$1.0B and FIG-\$0.1B**
- **Enhanced loan level stress-testing activities and proprietary technology enabled portfolio monitoring** to proactively manage and take action, if needed

CAPITAL

- **Managing balance sheet size** by slowing outsized total asset growth: ~0.1B,+1% QoQ and \$1.3B,+7% YoY
- **Sale of \$500 million of consumer installment loans** resulting in lower portfolio credit risk and capital boost
- **Transfer of \$500 million of AFS securities to HTM in Q2'22** avoided further potential material unrealized loss in AOCI
- **Earnings growth consistently benefitting capital** despite AOCI headwinds

MARGIN

- **Loan portfolio remix** expected to be complete in Q4 2022 **supporting NIM expansion in 2023**
- **Disciplined risk-adjusted pricing with targeted 3%+ spread** over projected funding cost
- **Strategic sales from lower yielding AFS book** redeployed in higher beta earning assets
- **Declining proportion of lower yielding PPP loans from 26% to 6% YoY** as percentage of total assets leaves additional room for **NIM expansion**

LIQUIDITY & FUNDING

- **Liquidity almost doubled YoY to ~\$10B while proactively paying down \$4.8B in PPPLF balances.**
- Significant core deposit opportunities by **onboarding teams and new product development** through transaction banking product and services
- Significant Liquidity and strong deposit pipeline to **fund future core loan growth and transition of the BMTX DSA**
- **Deposit growth of \$2.5B from FIG group since Q3'20**

TECHNOLOGY

- **Onboarded 300+ CBIT customers to-date** bringing in over \$1.9 billion in deposits
- Launch our initial MPL **Banking-as-a-Service** program pilot in Q4'22 and target \$10M+ in annual revenue
- Launched **Transaction Banking platform** to enable continued **low cost deposit generation** beginning in 2023
- Build out of proprietary **front-end digital platform** to **service the SMB Vendor/Dealer Market** to add to **SMB bundle** offering with expected launch **by Q1'23**

ORGANIZATIONAL EFFICIENCY

- **Organizational and leadership changes streamlined our structure while enhancing our ability to achieve our strategic business priorities**
- Despite significant growth, operating expenses did not increase over the prior quarter and a year ago quarter
- Realigned the scope and areas of responsibility to simplify the organization structure
- Better positioned to serve our clients while maintaining industry leading efficiency ratio of ~43%³

1. Includes owner occupied CRE (\$0.2B) for Q3'22 2. Excludes the impact of PPP forgiveness
3. Core efficiency ratio for Q3'22. Non-GAAP measure. Refer to appendix for reconciliation

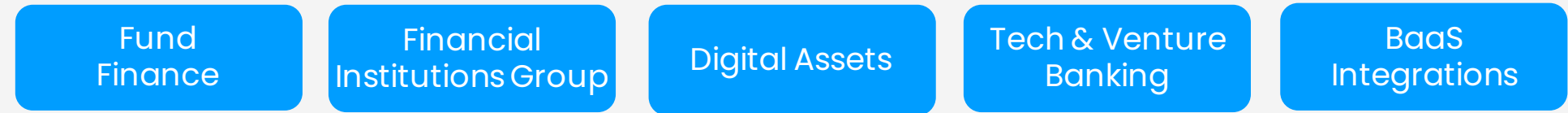
Tech-Enabled Banking: Commercial Treasury Services, Payments and BaaS



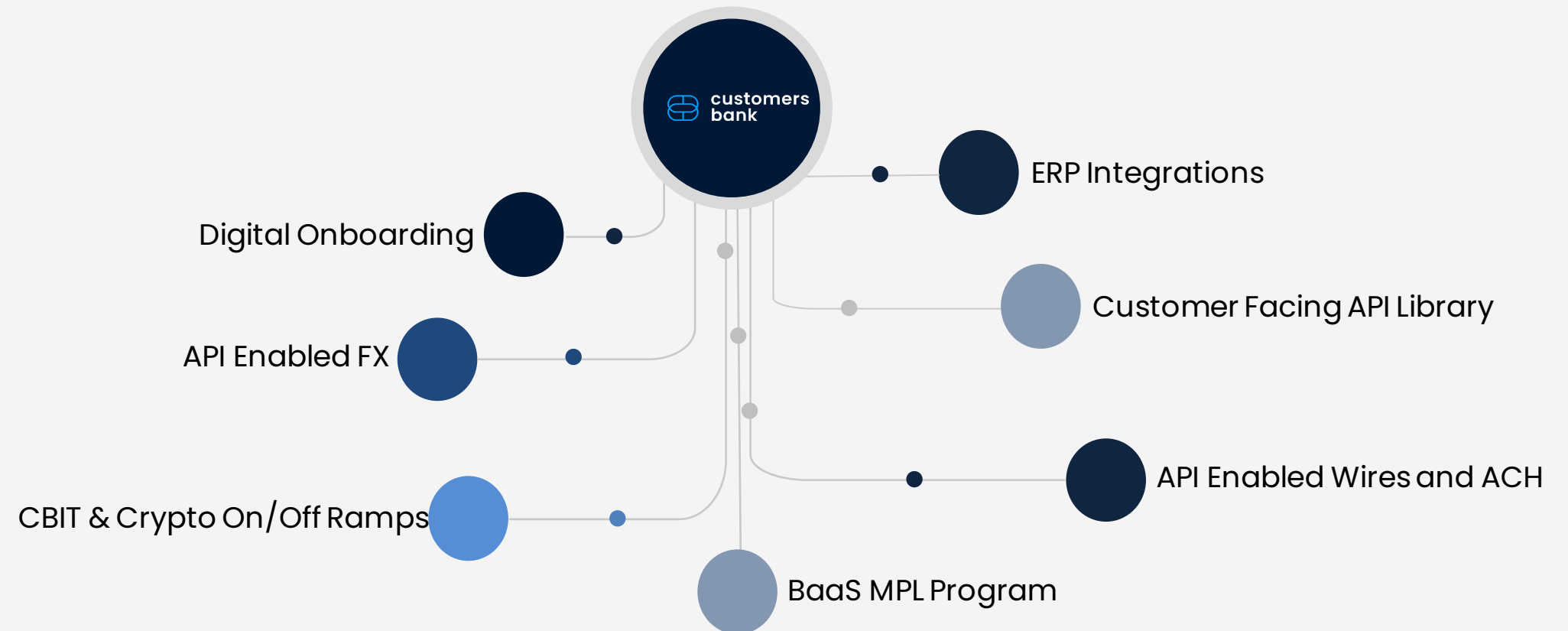
CUBI's proprietary tech-led product suite will drive:

1. Differentiated primary commercial banking relationships
2. Franchise value from sticky multi-product customer integrations
3. Low-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

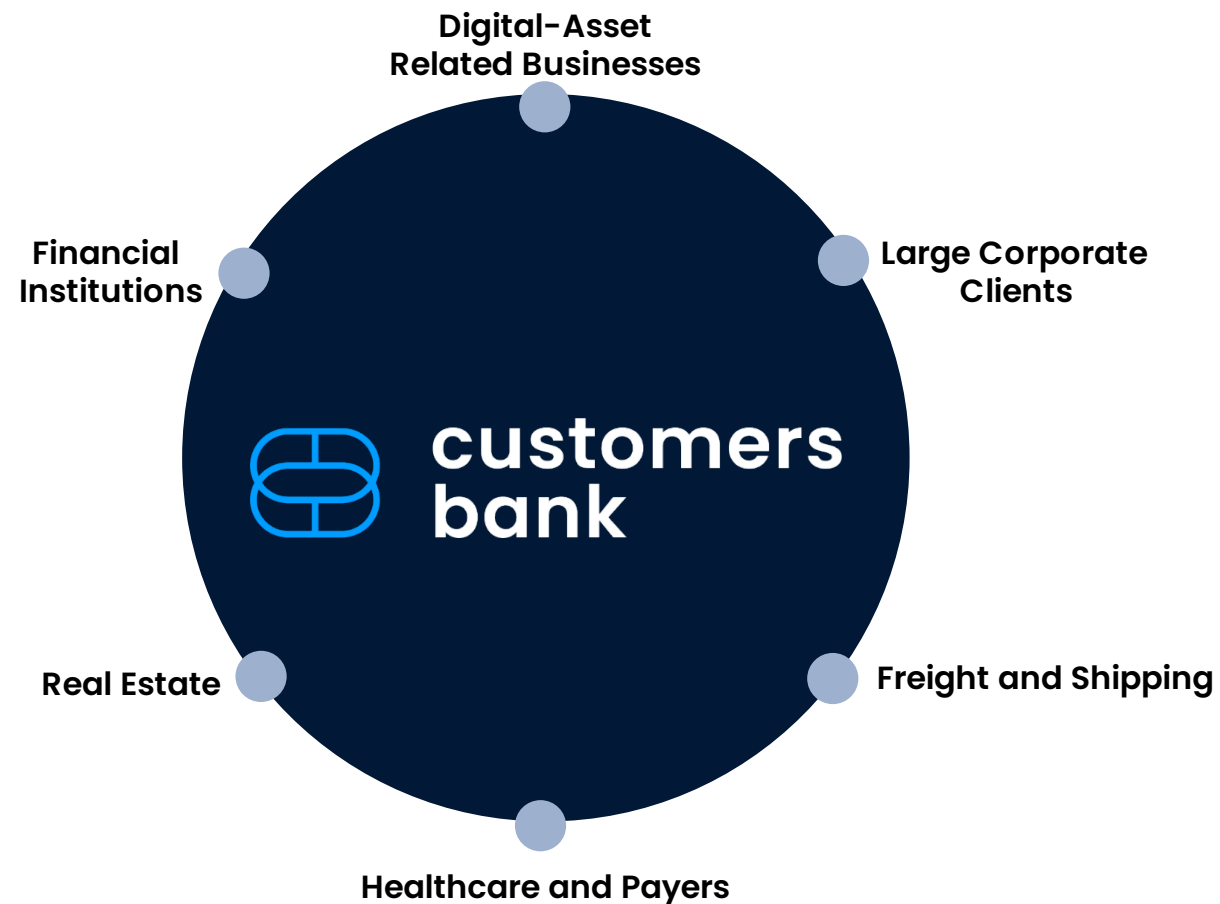


A Blockchain-based, instant payments platform to generate low-cost deposits



Customers Bank Instant Token (CBIT™)

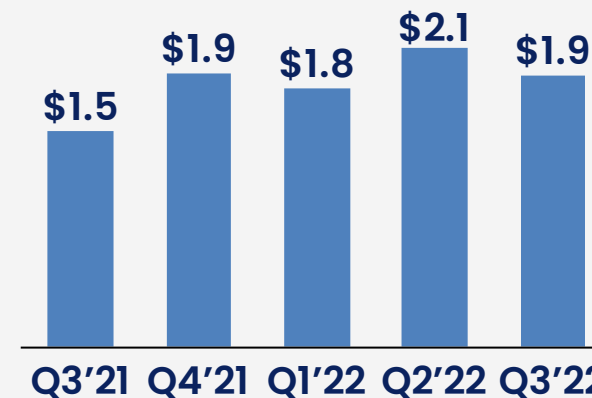
An Instant Payments Tool to Serve Diverse Potential Commercial Clients in 2022 and Beyond



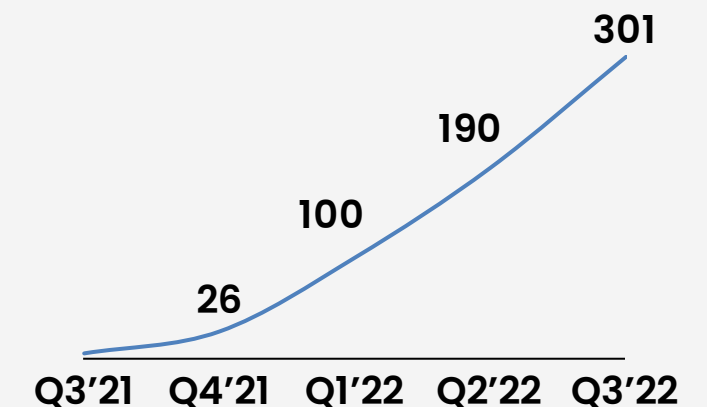
Overview

- API connected platform with customers
- CBIT deposits stable at ~\$1.9 billion over the last few quarters
- Onboarded 111 new customers in Q3'22 bring total customers to 301
- Compliance-first, best-in-class onboarding process.
- CBIT adoption central to our strategy. Digital banking team closely integrated with the business unit heads

Deposits \$ billions



Number of CBIT customers



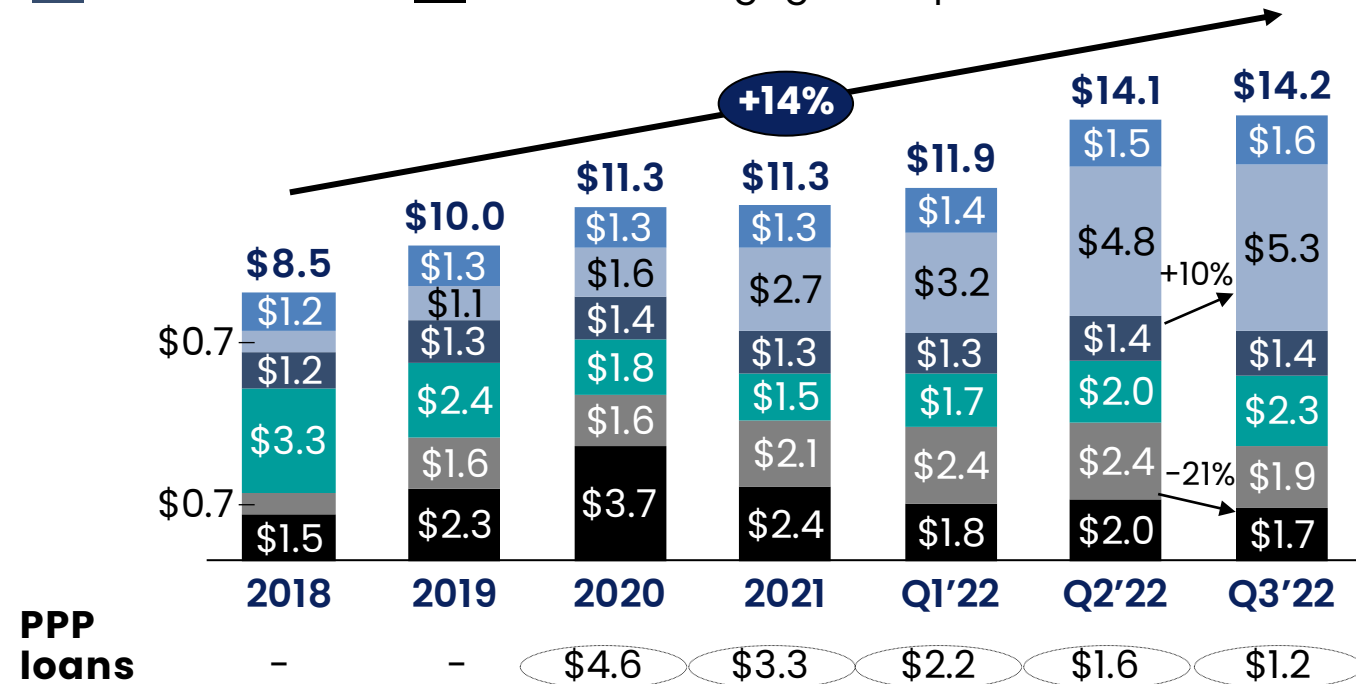
Balance Sheet: Loan Growth and Loan yield



Loans ex PPP¹

\$ billions

- Community C&I
- Multifamily
- Specialty C&I²
- Consumer³
- Investment CRE
- Loans to Mortgage Companies



- Loan growth ex PPP¹: +\$0.1B QoQ, 1% QoQ, +\$3.6B YoY
- Specialty C&I: +\$0.5B QoQ, 10% QoQ, +\$3.3B YoY
- Net growth of \$0.1B this quarter driven by Specialty C&I (\$0.5B), Multifamily (\$0.3B) Community C&I (\$0.1B) offset in part by consumer installment loan sale of (\$0.5B) and loans to mortgage companies decline of (\$0.3B)

Loan yield ex PPP¹

percent



- Loan yield increased by ~59 bps in Q3'22 driven by higher proportion of floating rate loans

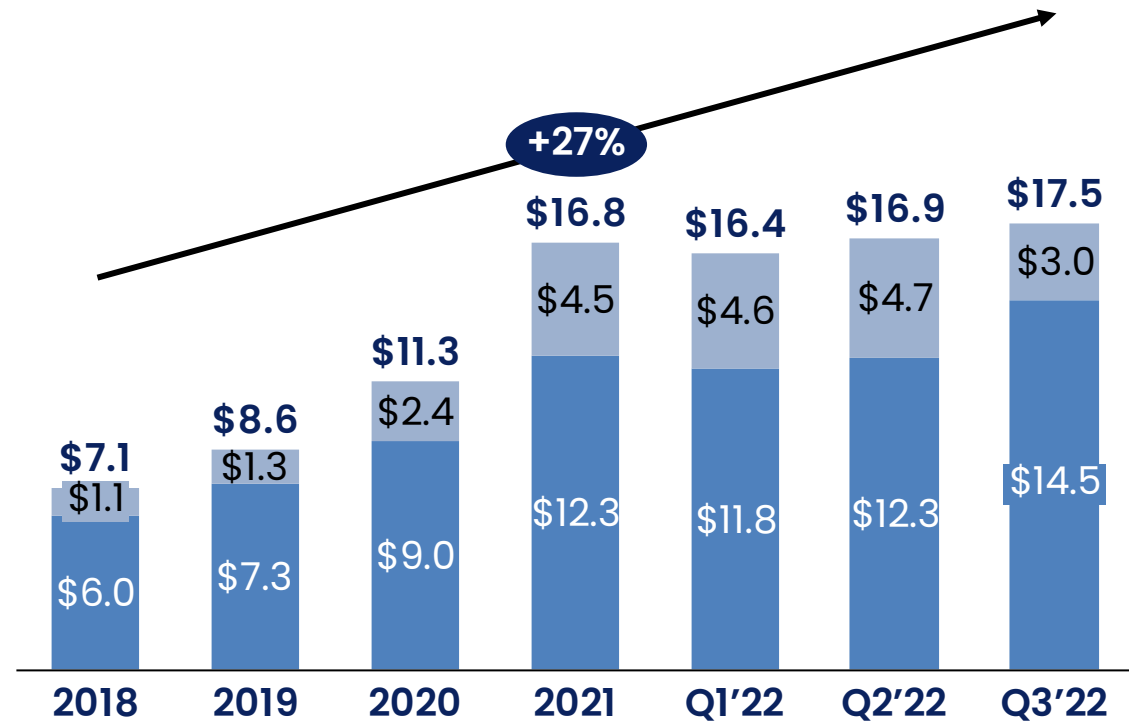
1. Non-GAAP Measure, refer to Appendix for reconciliation. 2. Includes owner occupied CRE (\$0.2B)
 3. Includes consumer installment (\$1.4B), Mortgages (\$0.5B) and Manufactured housing

Balance Sheet: Deposit Growth & Deposit cost

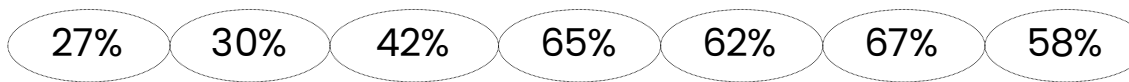


Deposits \$ billions

■ Non-interest bearing deposits
■ Interest bearing deposits



DDA %



- Total deposit growth: +\$0.6B QoQ, 3% QoQ, +\$0.6B YoY, 3% YoY
- Proportion of DDAs has increased from 27% in 2018 to 58% in Q3'22 and is well above the pre-pandemic levels

Deposit cost percent

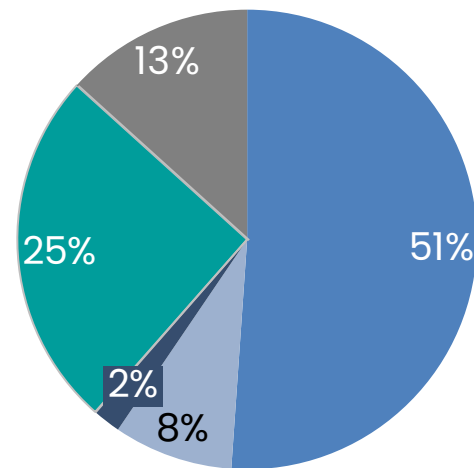


Interest Rate Sensitive Earning Asset Mix



Interest earning assets mix¹

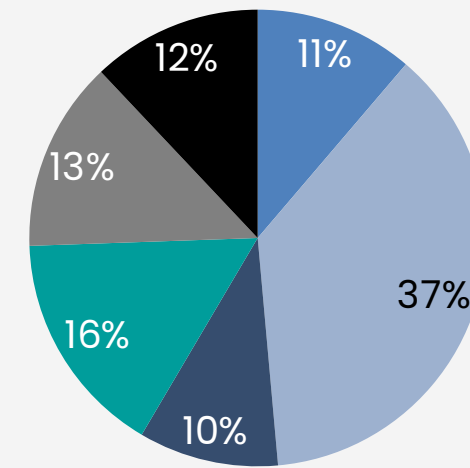
Q3'22, percent



- ~62% of interest earning assets are market sensitive which is greater than the proportion of market sensitive liabilities

Loan mix ex PPP²

percent



As of Q3'22

86% Commercial Loans

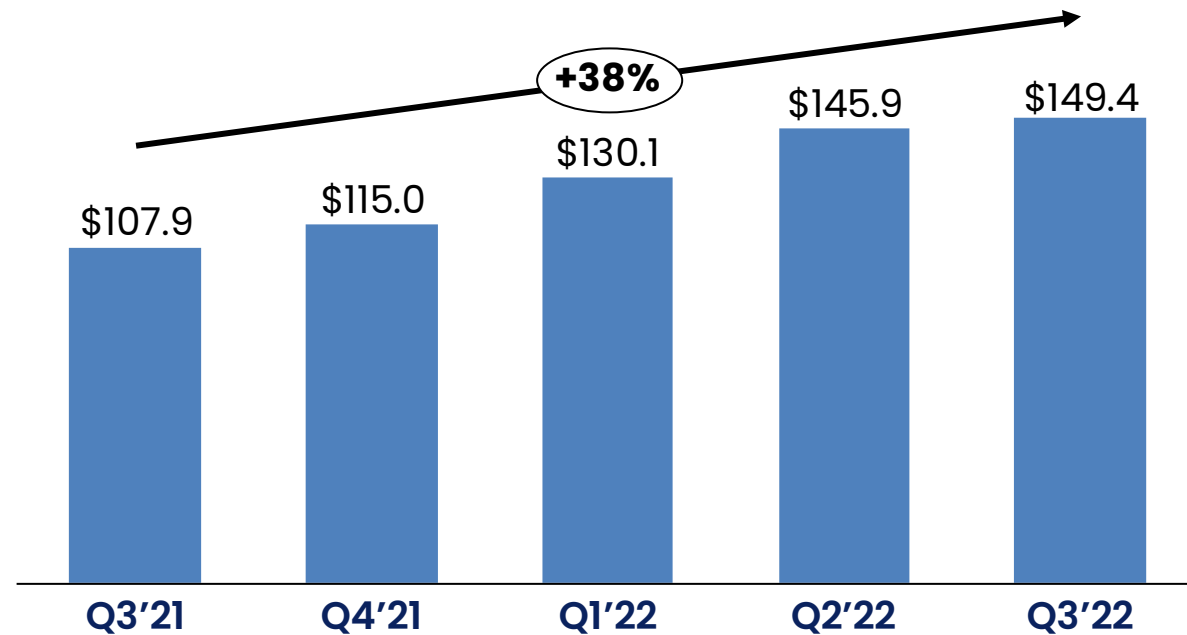
- Significant improvement in loan mix with greater proportion of lower credit risk verticals
- Pipeline remains strong especially in C&I
- Loan mix ex PPP²: Consumer installment (~10% declined from 15% YoY), Consumer mortgages⁵ (~4%)

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 owner occupied CRE (\$0.2B)
 4. Includes consumer installment (\$1.4B), Mortgages (\$0.5B) and Manufactured housing 5. Includes Mortgages and Home Equity loans

Income Statement: Net interest income and margin

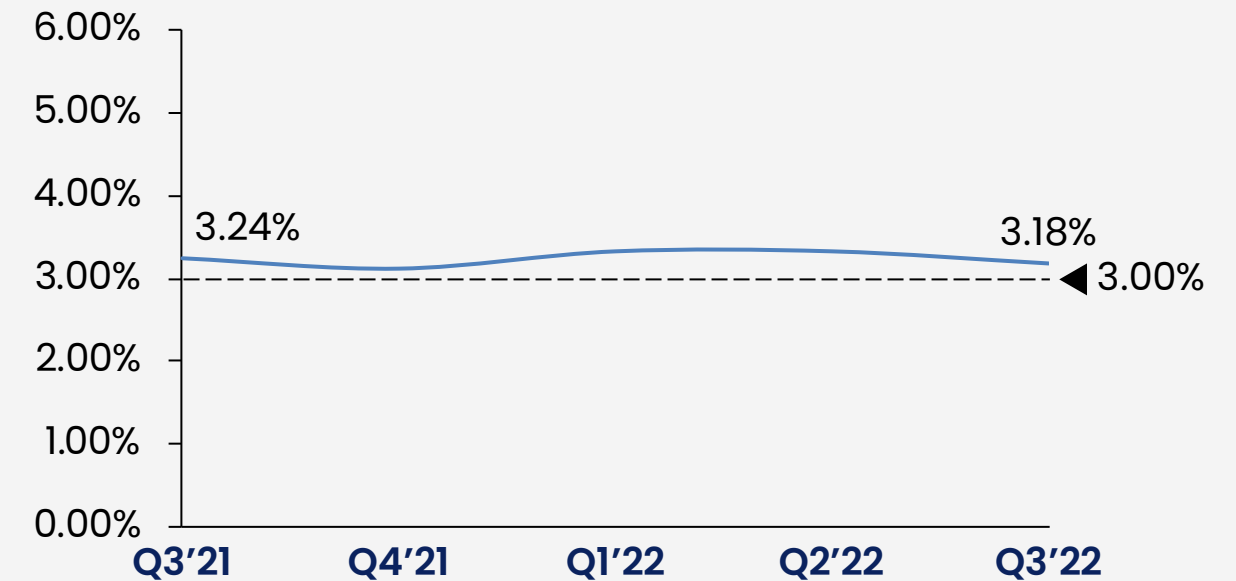


NII ex PPP¹
\$ millions



- Strong NII growth: +2% QoQ, +38% YoY
- NII growth driven by strong loan growth in C&I including specialty lending verticals

NIM ex PPP²
percent



- NIM excluding PPP consistently above 3.00%

1. Non-GAAP Measure, refer to Appendix for reconciliation
2. NIM excluding PPP, tax equivalent, refer to appendix for reconciliation

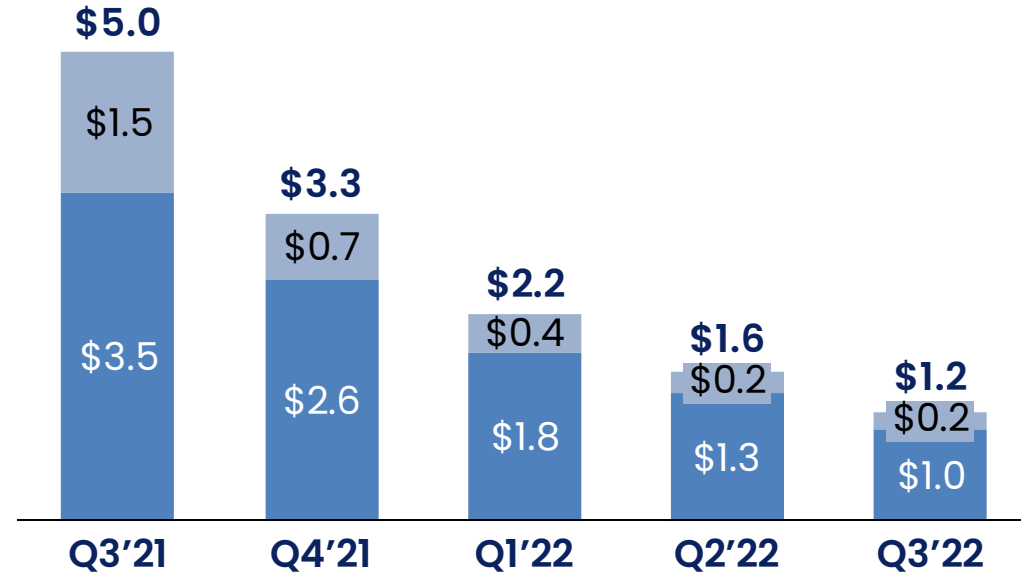
Paycheck Protection Program: Loans and Fees



PPP loans¹

\$ billions

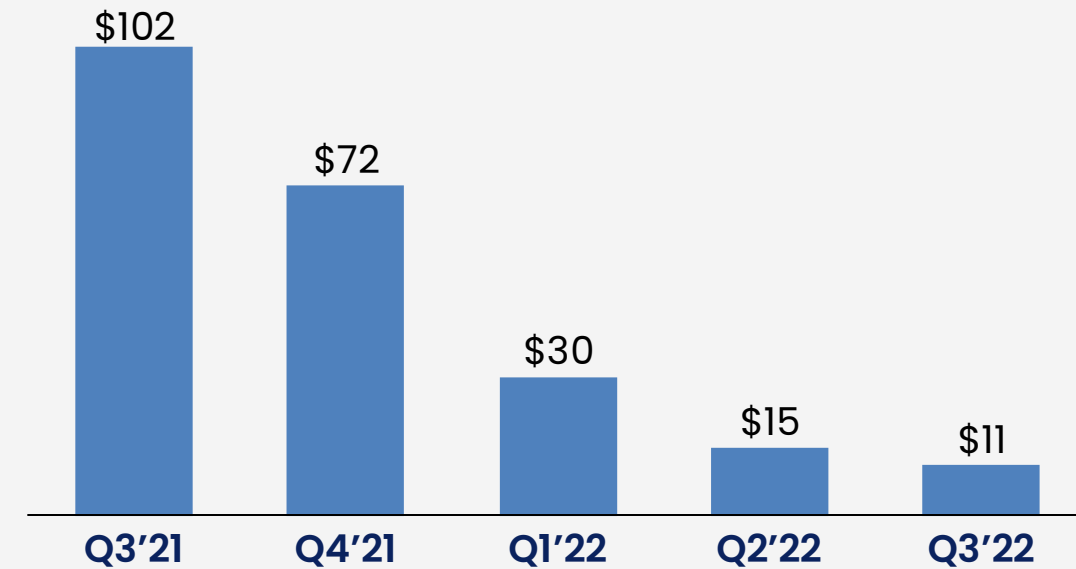
■ Rounds 1 & 2 ■ Round 3



- Reduction of ~\$0.4B of PPP loans balance in Q3'22

Fee income recognized from PPP¹

\$ millions



- ~\$350 million of origination fee income from the program
- ~\$30 million of remaining deferred origination fees to be recognized

1. As of 09/30/2022 includes all PPP loans facilitated by Customers Bank (originated and purchased).

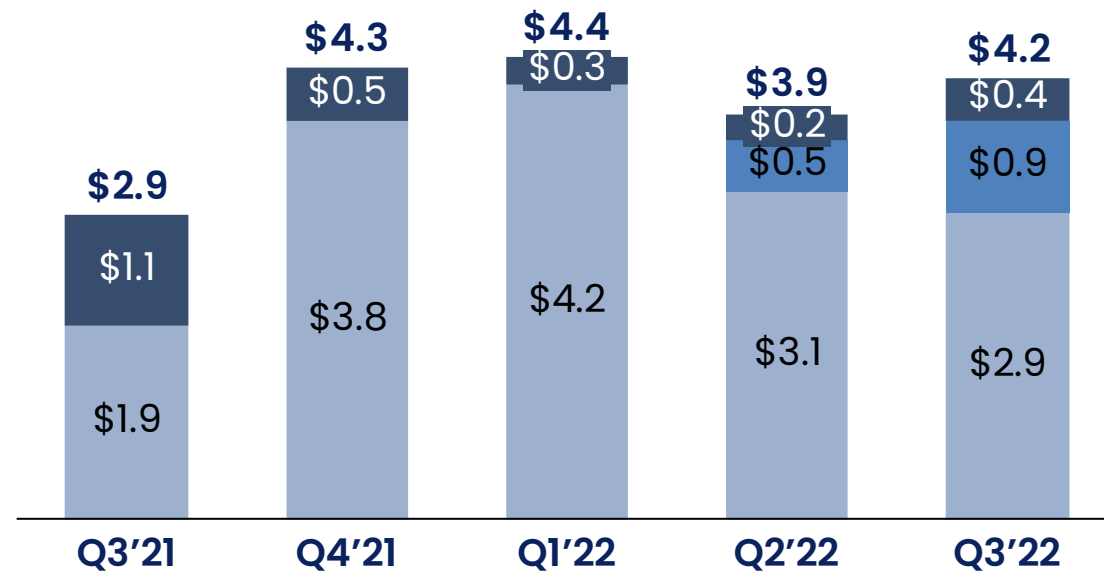
Liquidity and Investment Securities Mix



Liquidity

\$ billions

- Cash and Cash equivalents
- Investment securities AFS
- Investment securities HTM

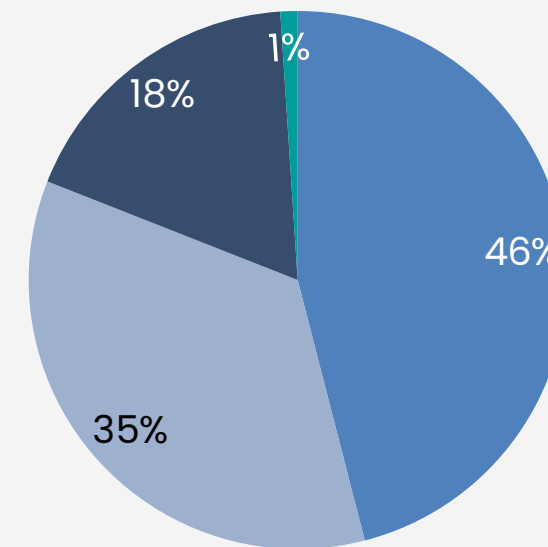


- Purchased \$400 million of senior notes from a securitization collateralized by associated sale of consumer loans

Investment Securities AFS Mix (~50% floating rate)

As of Q3' 2022, percent

- MBS & CMO
- ABS¹
- Corporates
- Other



- Majority of investment securities are deployed in MBS & CMO and ABS¹
- Ample liquidity to fund future loan growth
- Portfolio characteristics (as of Q3'22)
 - Yield, net of hedges: ~3.7%
 - Effective Duration: ~1.7 years
 - Floating rate securities: ~50%

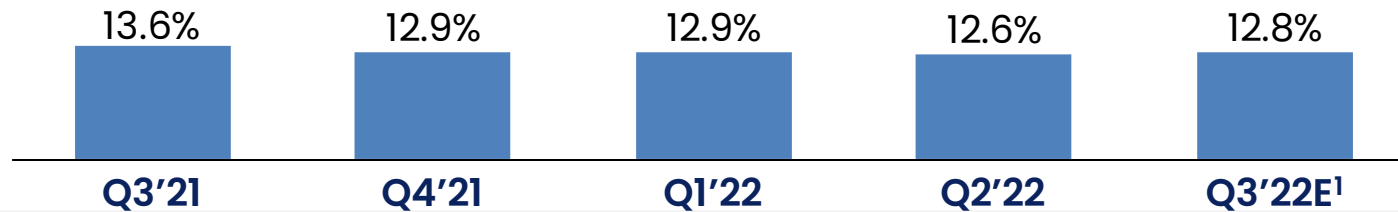
1. Includes CLOs

Capital: Strong Capital Position



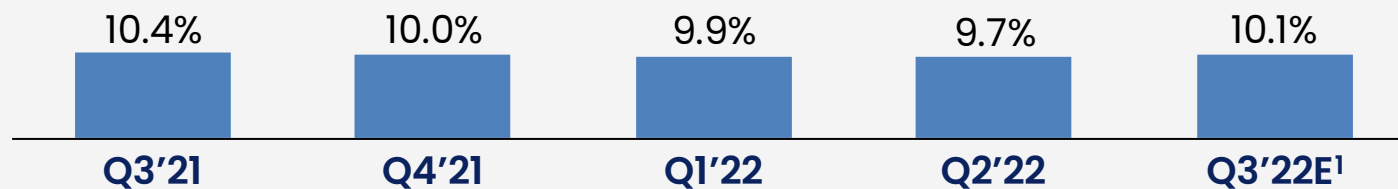
Total risk-based capital

percent



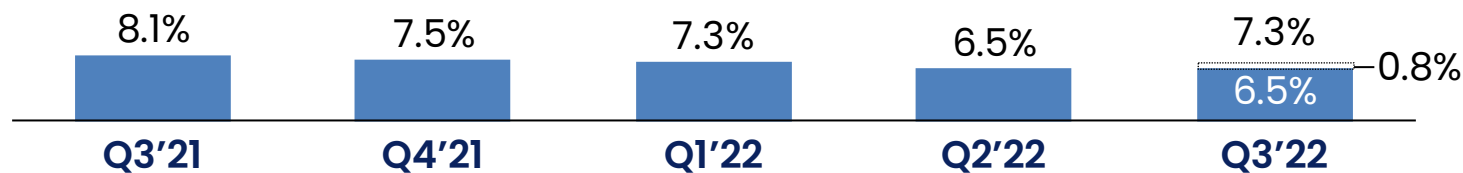
CET1 risk-based capital

percent



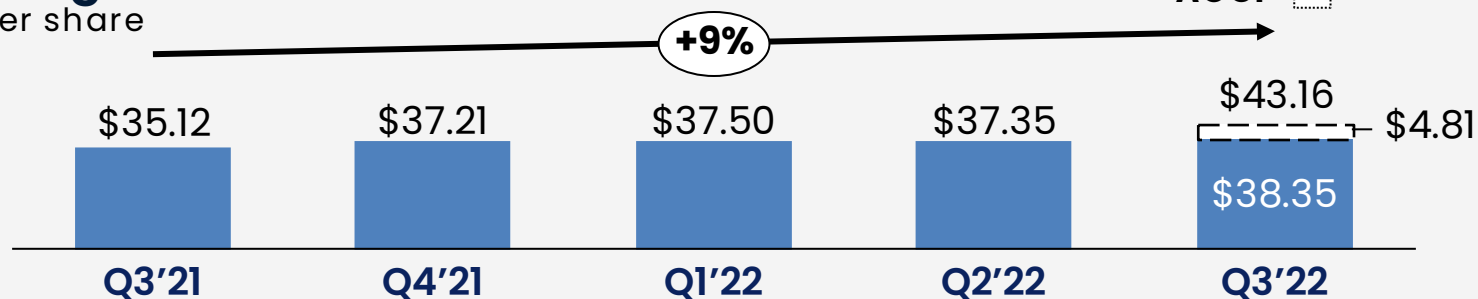
TCE/TA excl PPP²

percent



Tangible book value³

per share



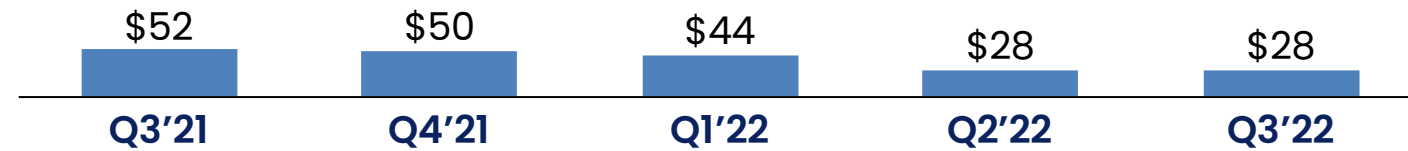
- AOCI negatively impacted TCE/TA excl. PPP² ~0.1% in Q3'22. Total cumulative impact of ~0.8% as of Q3'22
- Expect TBV per share of \$40+ by Q4'22E
- Expect TCE/TA excl PPP² to be ~7.5% over the next 3-4 quarters

1. Capital ratios are estimated pending final regulatory report. 2. TCE/TA excl PPP negatively impacted by ~0.8% due to AOCI
 3. Non-GAAP Measure, refer to Appendix for reconciliation.

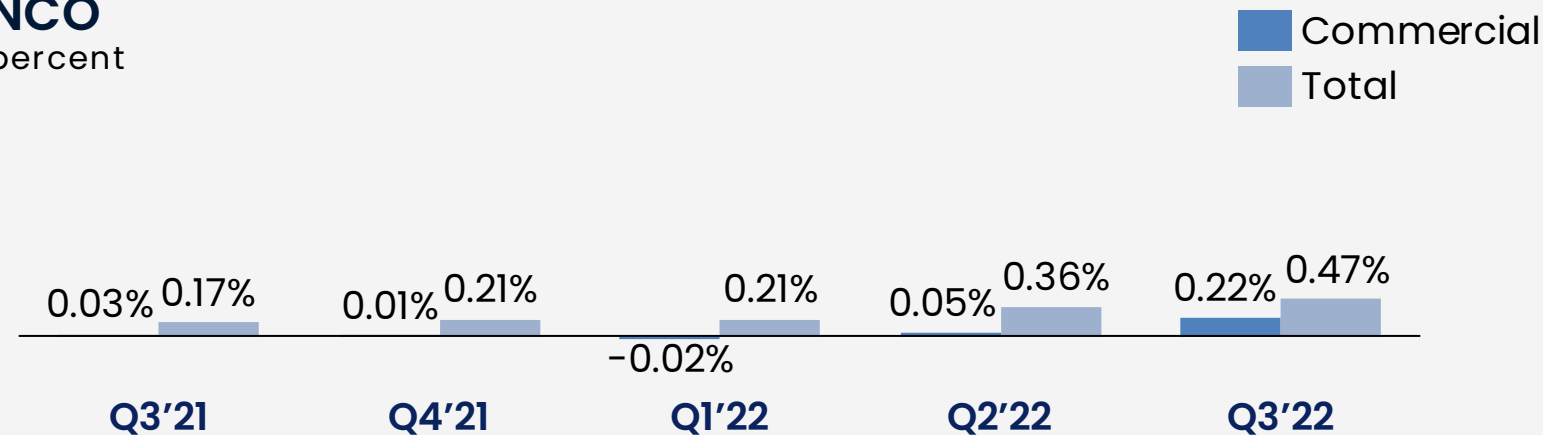
Credit: Credit Quality and Reserves Remain Strong



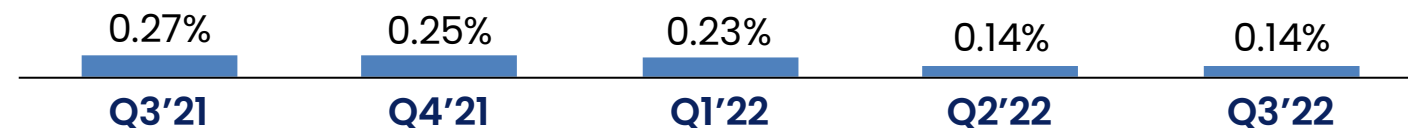
NPL
\$ millions



NCO
percent



NPA as percent of total assets
percent



- Credit quality remains excellent as evidenced by NPAs/Total Assets of only 0.14% at Q3'22
- Reserves/NPLs was 466.3% at Q3'22
- The Bank has also undertaken several steps to minimize loss risk given the current and forward-looking economic environment:
 - Loan growth in in **low-risk business lines** (Lender Finance, Funds Finance and Financial Institutions Group)
 - Continued to remain **focused on limiting exposure** to Investment CRE Office (~\$132 million), Investment CRE Retail (~\$172 million) and Hospitality (~\$452 million)
 - **Enhanced loan level stress-testing activities** to proactively take action on credits that could be impacted in stressed economic conditions



**customers
bank**

Let's take on tomorrow.

Key Investment Highlights



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



Moderating growth in this environment to **maintain/expand margin, improve capital ratios** while maintaining profitability. On track for \$6.00 or higher Core EPS in 2023.



Exceptional **credit quality**



Customer centric culture built around service and experience



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



Attractive valuation – Trading at ~0.8X¹ tangible book value and ~5X¹ 2023E consensus. We will consider buying back common stock at below tangible book

1. Based on share price as of October 21, 2022 (~\$31.17)



ANALYST COVERAGE

B. Riley Financial, Inc.

D.A. Davidson Companies

Peter Winter

Hovde Group

David Bishop

Jefferies Group LLC

Casey Haire

Keefe, Bruyette & Woods Inc.

Michael Perito

Maxim Group Inc.

Michael Diana

Piper Sandler Companies

Frank Schiraldi

Stephens Inc.

Matt Breese

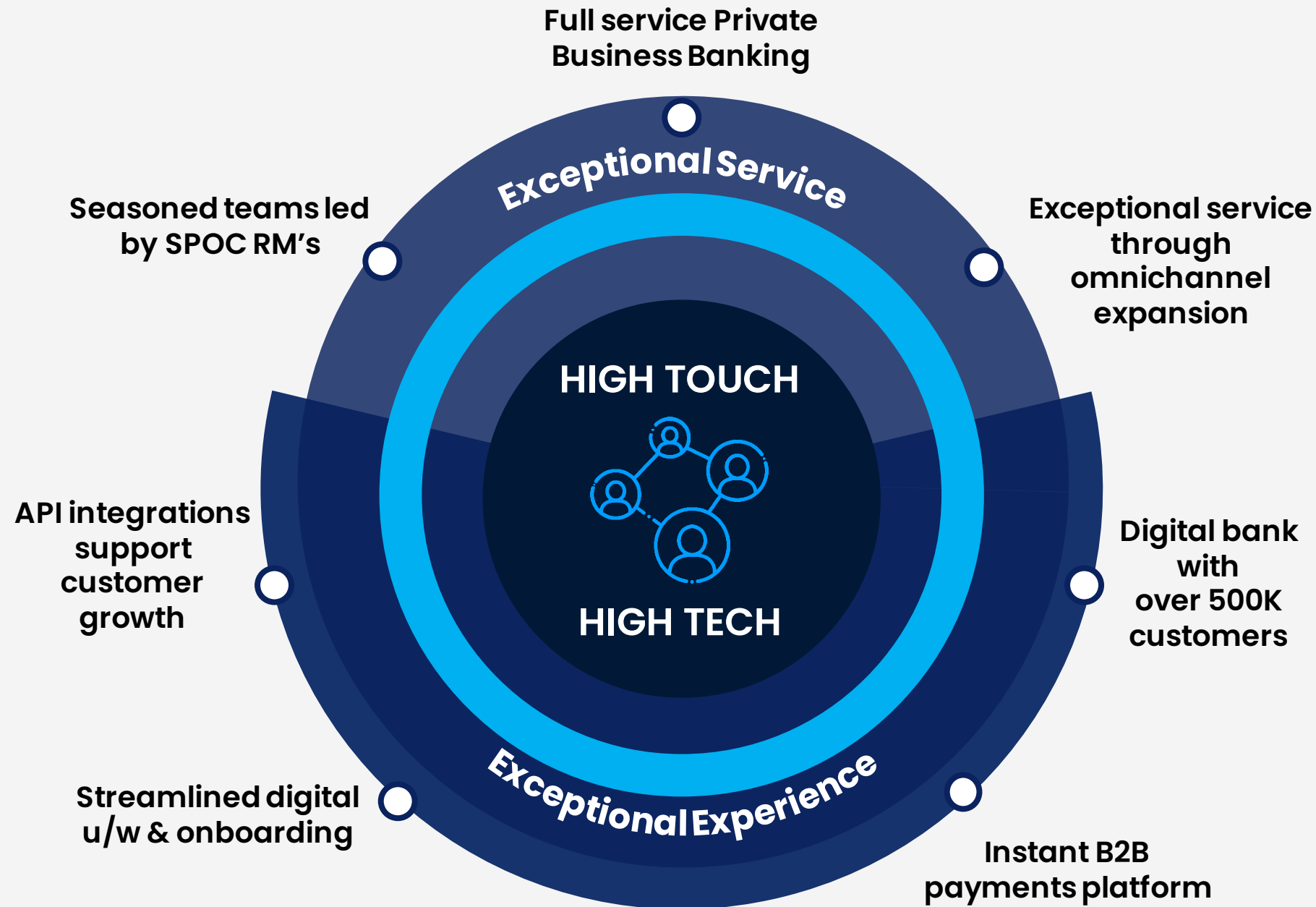
Wedbush Securities Inc.

David Chiaverini

Appendix



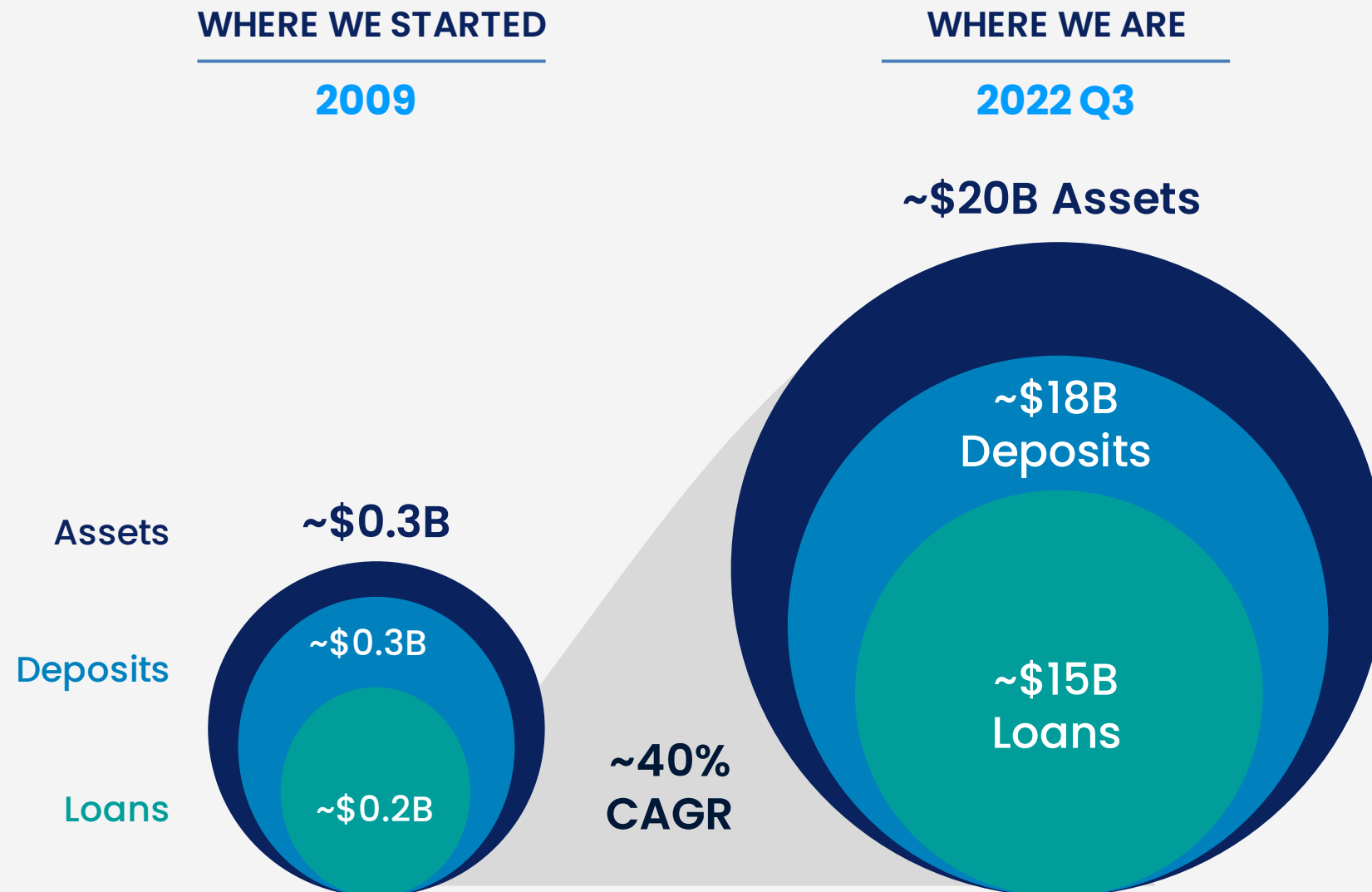
The customer is at the center of everything we do



- 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.

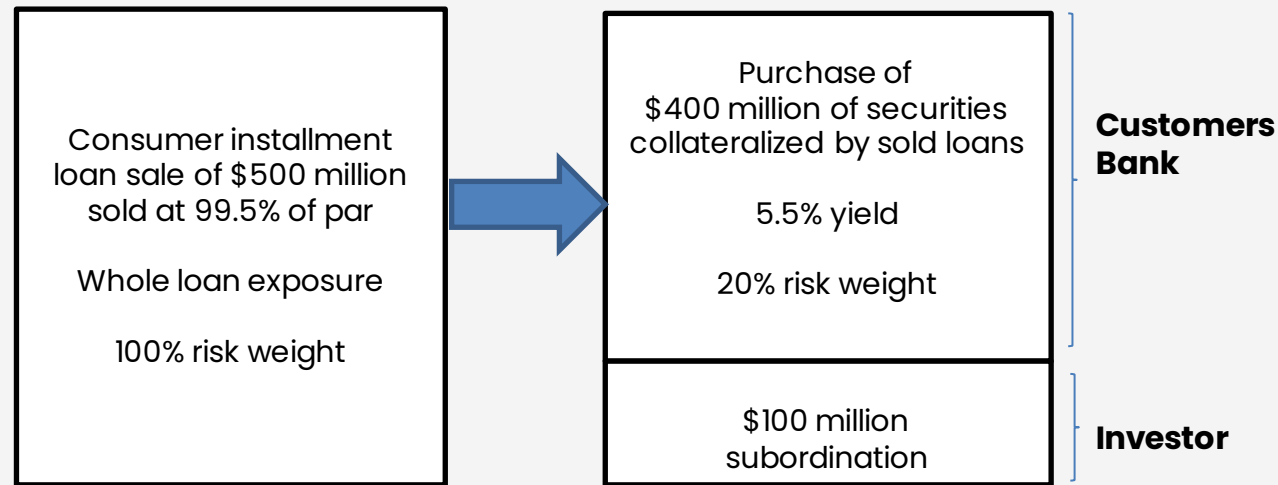


Let's take on tomorrow.

Consumer loan sale transaction results in significant capital build and lowers the perceived risk of the portfolio



Transaction Overview



Key benefits

- **Financial benefits:** Capital build through reduction in RWA of ~\$420 million and CECL release of ~\$37 million. Total Q3'22 financial benefits of ~\$13 million pre-tax, which included CECL reserve release net of loss on sale of ~\$24 million, including deferred origination cost and other transaction related expenses
- **Lowers the perceived credit risk of the consumer installment portfolio:** Sale of portfolio at 99.5% of par in the current environment validates the superior credit quality of CUBI's consumer installment loan portfolio

Collateral Summary	Q2'22	Pool Sold	Q3'22
Total outstanding	\$1.9B	\$0.5B	\$1.4B
Credit Score¹	729	714	736
DTI (%)¹	17.4	21.8	17.9

1. DTI and FICO score at time of origination.

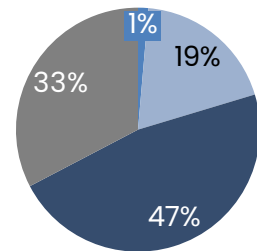
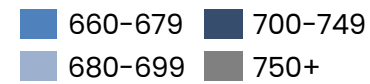
Consumer Installment Loans



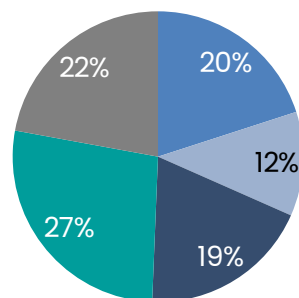
Weighted average life of ~1.7 years

FICO Score¹

Average FICO Score¹ ~736

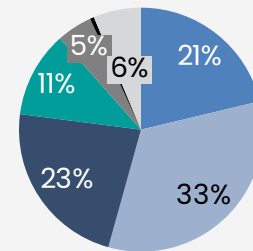
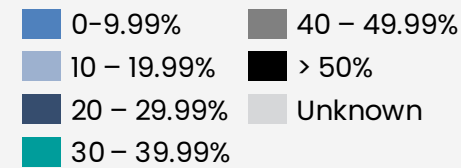


Geography

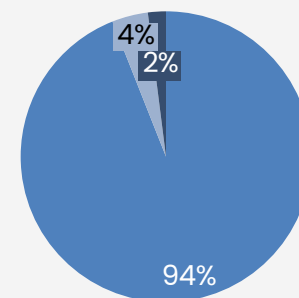
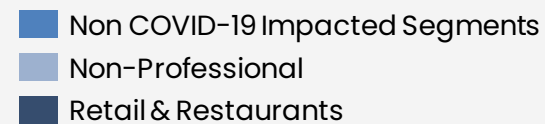


Debt to Income ratio

Average DTI ~17.9%

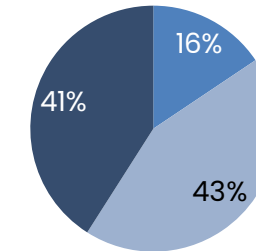


Profession

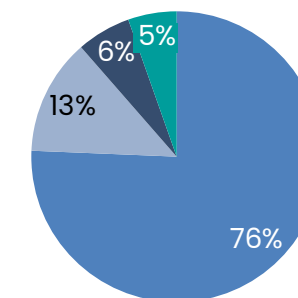


Borrower Income

Average borrower income ~\$106k



Purpose



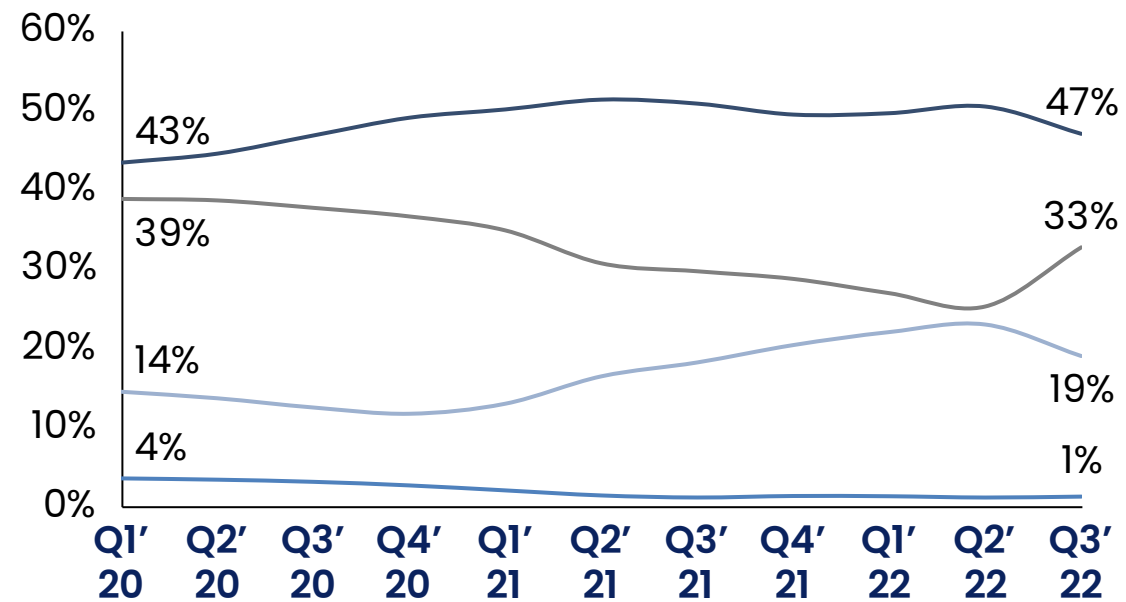
1. DTI and FICO score at time of origination.
Note: Data as of September 30, 2022

CUBI Consumer Loans – Portfolio Characteristics



Portfolio FICO¹ score trends

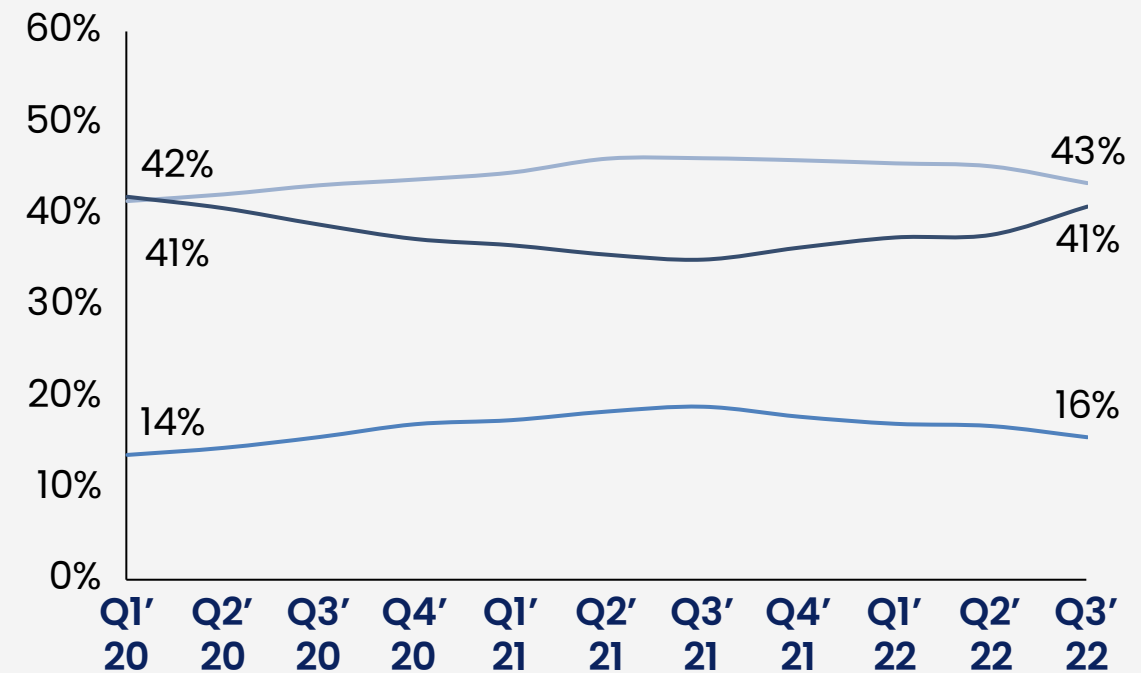
- 660-679
- 680-699
- 700-749
- 750+



- No consumer loans with FICO score < 660
- 80% of consumer loans with FICO score greater than 700
- Loans with FICO scores > 750 increase from 25% in Q2'22 to 33% in Q3'22

Portfolio borrower income trends

- <50k
- 50k-99.99k
- >100k



- 84% of consumer loans with borrower income greater than 50k
- 41% of consumer loans with borrower income greater than 100k

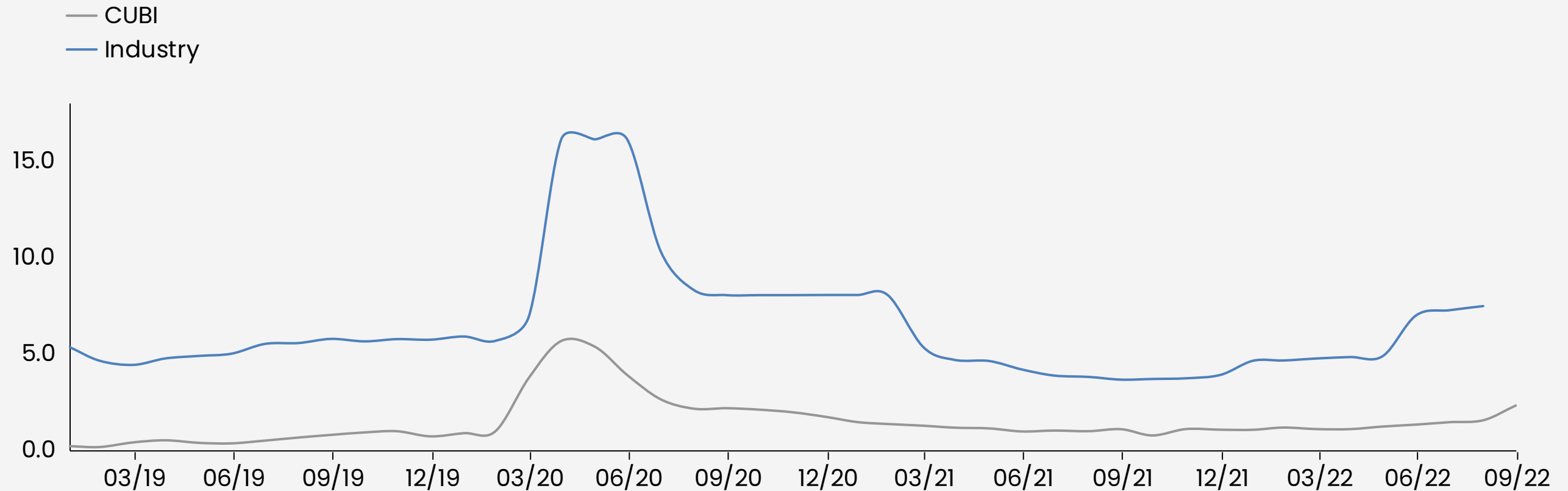
1. FICO score at time of origination.

CUBI Consumer installment loans impairment remains well below industry levels



Impairment of consumer installment loans

Percent



- CUBI portfolio impairment well below industry levels

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 August 31, 2022 for Industry and 09/30/2022 for CUBI. September'22 Industry report yet to be released.

Credit: Allowance for Credit Losses for Loans and Leases



	September 30, 2022		
(\$ in thousands)	Amortized Cost	Allowance for Credit Losses	Lifetime Loss Rate
Loans and Leases Receivable:			
<u>Commercial:</u>			
Multi-Family	2,263,268	14,244	0.63%
Commercial and Industrial	6,307,803	15,131	0.24%
Commercial Real Estate Owner Occupied	726,670	6,220	0.86%
Commercial Real Estate Non-Owner Occupied	1,263,211	11,332	0.90%
Construction	136,133	1,614	1.19%
Total Commercial Loans and Leases Receivable	\$ 10,697,085	\$ 48,541	0.45%
<u>Consumer:</u>			
Residential real estate	\$ 465,772	\$ 5,453	1.17%
Manufactured housing	46,990	4,482	9.54%
Installment	1,397,895	71,721	5.13%
Total Consumer Loans Receivable	\$ 1,910,657	\$ 81,656	4.27%
Total Loans and Leases	\$ 12,607,742	\$ 130,197	1.03%

(1) Utilized Moody's September 2022 S1+S3 forecast with qualitative adjustments for Q2 2022 provision.
(2) Excludes loans to mortgage companies reported at fair value, loans held for sale and PPP Loans.



Liquidity Sources (\$000's)	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	YOY Change
Cash and Cash Equivalents	\$1,052,055	\$518,032	\$274,600	\$245,178	\$404,465	(\$647,589)
FHLB Available Borrowing Capacity	\$2,031,551	\$1,798,374	\$3,213,767	\$2,924,637	\$2,999,524	\$967,973
FRB Available Borrowing Capacity	\$186,000	\$191,000	\$214,908	\$244,802	\$2,557,704	\$2,371,704
Investments (MV AFS + HTM)						
US Gov't & Agency Debt	\$0	\$0	\$0	\$0	\$0	\$0
Agency & Non-Agency MBS & CMO	\$871,191	\$1,838,872	\$2,194,349	\$1,900,917	\$1,844,043	\$972,852
Municipals	\$8,655	\$8,430	\$7,950	\$7,737	\$7,351	(\$1,304)
Corporates	\$440,892	\$580,046	\$593,749	\$546,336	\$532,655	\$91,763
ABS ¹	\$540,959	\$1,364,227	\$1,347,981	\$1,160,160	\$1,421,075	\$880,116
Other AFS	\$5,000	\$25,575	\$25,824	\$24,771	\$24,864	\$19,864
Less: Pledged Securities HTM	(\$12,440)	(\$11,315)	(\$16,972)	(\$19,325)	(\$17,464)	(\$5,024)
Net Unpledged Securities	\$1,854,257	\$3,805,835	\$4,152,881	\$3,620,596	\$3,812,525	\$1,958,268
	\$5,123,863	\$6,313,241	\$7,856,156	\$7,035,212	\$9,774,219	\$4,650,356

(1) Includes CLOs

Reconciliation of Non-GAAP Measures – Unaudited



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

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

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



Core Earnings – Customers Bancorp

(\$ in thousands, except per share data)

	Q3 2022		Q2 2022		Q1 2022		Q4 2021		Q3 2021	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 61,364	\$ 1.85	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18	\$ 98,647	\$ 2.87	\$ 110,241	\$ 3.25
Reconciling items (after tax):										
Net loss from discontinued operations	-	-	-	-	-	-	1,585	0.05	-	-
Severance expense	1,058	0.03	-	-	-	-	-	-	-	-
Impairments on fixed assets and leases	126	0.00	705	0.02	220	0.01	1,118	0.03	-	-
Loss on sale of consumer installment loans	18,221	0.55	-	-	-	-	-	-	-	-
Legal reserves	-	-	-	-	-	-	-	-	897	0.03
(Gains) losses on investment securities	1,859	0.06	2,494	0.07	1,030	0.03	43	0.00	(4,591)	(0.14)
Derivative credit valuation adjustment	(358)	(0.01)	(351)	(0.01)	(736)	(0.02)	(180)	(0.01)	(198)	(0.01)
Deposit relationship adjustment fees	-	-	-	-	-	-	-	-	4,707	0.14
Loss on redemption of preferred stock	-	-	-	-	-	-	-	-	2,820	0.08
Core earnings	\$ 82,270	\$ 2.48	\$ 59,367	\$ 1.77	\$ 75,410	\$ 2.20	\$ 101,213	\$ 2.95	\$ 113,876	\$ 3.36

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



Core Earnings, Excluding PPP – Customers Bancorp

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

	Q3 2022		Q2 2022		Q1 2022		Q4 2021		Q3 2021	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 61,364	\$ 1.85	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18	\$ 98,647	\$ 2.87	\$ 110,241	\$ 3.25
Less: PPP net income (after tax)	5,846	0.25	13,066	0.39	24,713	0.72	64,323	1.87	81,337	2.40
Net income to common shareholders, excluding PPP	55,518	1.59	43,453	1.29	50,183	1.46	34,324	1.00	28,904	0.85
Reconciling items (after tax):										
Net loss from discontinued operations	-	-	-	-	-	-	1,585	0.05	-	-
Severance expense	1,058	0.03	-	-	-	-	-	-	-	-
Impairments on fixed assets and leases	126	0.00	705	0.02	220	0.01	1,118	0.03	-	-
Loss on sale of consumer installment loans	18,221	0.55	-	-	-	-	-	-	-	-
Legal reserves	-	-	-	-	-	-	-	-	897	0.03
(Gains) losses on investment securities	1,859	0.06	2,494	0.07	1,030	0.03	43	0.00	(4,591)	(0.14)
Derivative credit valuation adjustment	(358)	(0.01)	(351)	(0.01)	(736)	(0.02)	(180)	(0.01)	(198)	(0.01)
Deposit relationship adjustment fees	-	-	-	-	-	-	-	-	4,707	0.14
Loss on redemption of preferred stock	-	-	-	-	-	-	-	-	2,820	0.08
Core earnings, excluding PPP	\$ 76,424	\$ 2.30	\$ 46,301	\$ 1.38	\$ 50,697	\$ 1.48	\$ 36,890	\$ 1.07	\$ 32,539	\$ 0.96

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



Core Return on Average Assets – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP net income	\$ 63,912	\$ 58,650	\$ 76,761	\$ 100,669	\$ 116,042
Reconciling items (after tax):					
Net loss from discontinued operations	-	-	-	1,585	-
Severance expense	1,058	-	-	-	-
Impairments on fixed assets and leases	126	705	220	1,118	-
Loss on sale of consumer installment loans	18,221	-	-	-	-
Legal reserves	-	-	-	-	897
(Gains) losses on investment securities	1,859	2,494	1,030	43	(4,591)
Derivative credit valuation adjustment	(358)	(351)	(736)	(180)	(198)
Deposit relationship adjustment fees	-	-	-	-	4,707
Core net income	\$ 84,818	\$ 61,498	\$ 77,275	\$ 103,235	\$ 116,857
Average total assets	\$ 20,514,366	\$ 20,056,020	\$ 19,129,330	\$ 19,214,241	\$ 19,739,340
Core return on average assets	1.64%	1.23%	1.64%	2.13%	2.35%

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



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

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP net income	\$ 63,912	\$ 58,650	\$ 76,761	\$ 100,669	\$ 116,042
Reconciling items:					
Income tax expense	17,899	18,896	19,332	12,993	36,263
Provision (benefit) for credit losses	(7,994)	23,847	15,997	13,890	13,164
Provision (benefit) for credit losses on unfunded commitments	254	608	(109)	352	669
Severance expense	1,363	-	-	-	-
Net loss from discontinued operations	-	-	-	1,585	-
Impairments on fixed assets and leases	162	914	286	1,260	-
Loss on sale of consumer installment loans	23,465	-	-	-	-
Legal reserves	-	-	-	-	1,185
(Gains) losses on investment securities	2,394	3,232	1,339	49	(6,063)
Derivative credit valuation adjustment	(461)	(455)	(957)	(203)	(261)
Deposit relationship adjustment fees	-	-	-	-	6,216
Adjusted net income - pre-tax pre-provision	\$ 100,994	\$ 105,692	\$ 112,649	\$ 130,595	\$ 167,215
Average total assets	\$ 20,514,366	\$ 20,056,020	\$ 19,129,330	\$ 19,214,241	\$ 19,739,340
Adjusted ROAA - pre-tax pre-provision	1.95%	2.11%	2.39%	2.70%	3.36%

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



Core Return on Average Common Equity – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP net income to common shareholders	\$ 61,364	\$ 56,519	\$ 74,896	\$ 98,647	\$ 110,241
Reconciling items (after tax):					
Net loss from discontinued operations	-	-	-	1,585	-
Severance expense	1,058	-	-	-	-
Impairments on fixed assets and leases	126	705	220	1,118	-
Loss on sale of consumer installment loans	18,221	-	-	-	-
Legal reserves	-	-	-	-	897
(Gains) losses on investment securities	1,859	2,494	1,030	43	(4,591)
Derivative credit valuation adjustment	(358)	(351)	(736)	(180)	(198)
Deposit relationship adjustment fees	-	-	-	-	4,707
Loss on redemption of preferred stock	-	-	-	-	2,820
Core earnings	\$ 82,270	\$ 59,367	\$ 75,410	\$ 101,213	\$ 113,876
Average total common shareholders' equity	\$ 1,259,711	\$ 1,244,819	\$ 1,252,022	\$ 1,179,478	\$ 1,071,566
Core return on average common equity	25.91%	19.13%	24.43%	34.04%	42.16%

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



Core Efficiency Ratio – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP net interest income	\$ 159,032	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892
GAAP non-interest income	\$ (9,017)	\$ 12,746	\$ 21,198	\$ 16,991	\$ 25,586
Loss on sale of consumer installment loans	23,465	-	-	-	-
(Gains) losses on investment securities	2,394	3,232	1,339	49	(6,063)
Derivative credit valuation adjustment	(461)	(455)	(957)	(203)	(261)
Core non-interest income	\$ 16,381	\$ 15,523	\$ 21,580	\$ 16,837	\$ 19,262
Core revenue	\$ 175,413	\$ 180,375	\$ 186,279	\$ 210,531	\$ 239,154
GAAP non-interest expense	\$ 76,198	\$ 76,205	\$ 73,807	\$ 81,548	\$ 80,009
Severance expense	(1,363)	-	-	-	-
Impairments on fixed assets and leases	(162)	(914)	(286)	(1,260)	-
Legal reserves	-	-	-	-	(1,185)
Deposit relationship adjustment fees	-	-	-	-	(6,216)
Core non-interest expense	\$ 74,673	\$ 75,291	\$ 73,521	\$ 80,288	\$ 72,608
Core efficiency ratio (1)	42.57%	41.74%	39.47%	38.14%	30.36%

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

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



Tangible Equity – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP – Total shareholders' equity	\$ 1,386,931	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
Tangible equity	\$ 1,383,302	\$ 1,349,761	\$ 1,373,728	\$ 1,362,481	\$ 1,280,505

Tangible Book Value per Common Share – Customers Bancorp

(\$ in thousands, except per share data)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP – Total shareholders' equity	\$ 1,386,931	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
Tangible common equity	\$ 1,245,508	\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711
Common shares outstanding	32,475,502	32,449,486	32,957,847	32,913,267	32,537,976
Tangible book value per common share	\$ 38.35	\$ 37.35	\$ 37.50	\$ 37.21	\$ 35.12

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



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

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP – Total shareholders' equity	\$ 1,386,931	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
Tangible common equity	\$ 1,245,508	\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711
GAAP total assets	\$ 20,367,621	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
PPP Loans	(1,154,632)	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)
Tangible assets	\$ 19,209,360	\$ 18,678,207	\$ 16,964,128	\$ 16,321,284	\$ 14,147,771
Tangible common equity to tangible assets, excluding PPP	6.48%	6.49%	7.29%	7.50%	8.08%

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



Tangible Common Equity to Tangible Assets – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP – Total shareholders' equity	\$ 1,386,931	\$ 1,353,390	\$ 1,377,406	\$ 1,366,217	\$ 1,284,299
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
Tangible common equity	\$ 1,245,508	\$ 1,211,967	\$ 1,235,934	\$ 1,224,687	\$ 1,142,711
GAAP – Total assets	\$ 20,367,621	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
Tangible assets	\$ 20,363,992	\$ 20,248,367	\$ 19,160,030	\$ 19,571,292	\$ 19,105,128
Tangible common equity to tangible assets	6.12%	5.99%	6.45%	6.26%	5.98%

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



Core Loans (Total loans and leases, excluding PPP) – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Total loans and leases	\$ 15,336,688	\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537
PPP loans	(1,154,632)	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)
Loans and leases, excluding PPP	\$ 14,182,056	\$ 14,094,193	\$ 11,877,616	\$ 11,318,877	\$ 10,558,180

Total loans and leases, excluding loans to mortgage companies and PPP – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Total loans and leases	\$ 15,336,688	\$ 15,664,353	\$ 14,073,518	\$ 14,568,885	\$ 15,515,537
Loans to mortgage companies	(1,708,587)	(1,975,189)	(1,830,121)	(2,362,438)	(2,626,483)
PPP loans	(1,154,632)	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)
Loans and leases, excluding loans to mortgage companies and PPP	\$ 12,473,469	\$ 12,119,004	\$ 10,047,495	\$ 8,956,439	\$ 7,931,697

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



Tangible assets, excluding PPP – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP – Total assets	\$ 20,367,621	\$ 20,251,996	\$ 19,163,708	\$ 19,575,028	\$ 19,108,922
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,678)	(3,736)	(3,794)
PPP loans	(1,154,632)	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)
Tangible assets	\$ 19,209,360	\$ 18,678,207	\$ 16,964,128	\$ 16,321,284	\$ 14,147,771

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

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Loans and leases receivable	\$ 13,762,374	\$ 13,783,155	\$ 12,314,757	\$ 12,268,306	\$ 12,927,956
PPP loans	(1,154,632)	(1,570,160)	(2,195,902)	(3,250,008)	(4,957,357)
Loans and leases held for investment, excluding PPP	\$ 12,607,742	\$ 12,212,995	\$ 10,118,855	\$ 9,018,298	\$ 7,970,599
Allowance for credit losses on loans and leases	\$ 130,197	\$ 156,530	\$ 145,847	\$ 137,804	\$ 131,496
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	1.03%	1.28%	1.44%	1.53%	1.65%

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



Net Interest Income, Excluding PPP – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP net interest income	\$ 159,032	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892
PPP net interest income	(9,632)	(18,946)	(34,615)	(78,647)	(112,005)
Net interest income, excluding PPP	\$ 149,400	\$ 145,906	\$ 130,084	\$ 115,047	\$ 107,887

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

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
GAAP net interest income	\$ 159,032	\$ 164,852	\$ 164,699	\$ 193,694	\$ 219,892
PPP net interest income	(9,632)	(18,946)	(34,615)	(78,647)	(112,005)
Tax-equivalent adjustment	334	270	239	276	290
Net interest income, tax equivalent, excluding PPP	\$ 149,734	\$ 146,176	\$ 130,323	\$ 115,323	\$ 108,177
GAAP average total interest earning assets	\$ 20,021,455	\$ 19,525,936	\$ 18,572,308	\$ 18,576,433	\$ 19,033,826
Average PPP loans	(1,349,403)	(1,863,429)	(2,641,318)	(3,898,607)	(5,778,367)
Adjusted average total interest earning assets	\$ 18,672,052	\$ 17,662,507	\$ 15,930,990	\$ 14,677,826	\$ 13,255,459
Net interest margin, tax equivalent, excluding PPP	3.18%	3.32%	3.32%	3.12%	3.24%

Loan Yield, excluding PPP – Customers Bancorp

(\$ in thousands)

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Total interest on loans and leases	\$ 200,457	\$ 168,941	\$ 157,175	\$ 198,000	\$ 233,097
Interest on PPP loans	(14,666)	(20,572)	(36,894)	(82,086)	(117,102)
Interest on loans and leases, excluding PPP	\$ 185,791	\$ 148,369	\$ 120,281	\$ 115,914	\$ 115,995
Average loans and leases	\$ 15,653,983	\$ 14,918,498	\$ 13,656,991	\$ 14,335,370	\$ 16,192,744
Average PPP loans	(1,349,403)	(1,863,429)	(2,641,318)	(3,898,607)	(5,778,367)
Adjusted average total interest earning assets	\$ 14,304,580	\$ 13,055,069	\$ 11,015,673	\$ 10,436,763	\$ 10,414,377
Loan yield, excluding PPP	5.15%	4.56%	4.43%	4.41%	4.42%