



**Customers Bancorp, Inc.** (NYSE:CUBI)

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## **Customers Bancorp Reports Results for Full Year and Fourth Quarter 2022**

### **Full Year 2022 Highlights**

- 2022 net income available to common shareholders was \$218.4 million, or \$6.51 per diluted share; ROAA was 1.13% and ROCE was 17.40%.
- 2022 core earnings\* were \$256.4 million, or \$7.63 per diluted share; Core ROAA\* was 1.32% and Core ROCE\* was 20.43%.
- 2022 core earnings excluding Paycheck Protection Program\* ("PPP") were \$218.7 million, or \$6.51 per diluted share, up 46.2% over 2021. This included a pre-tax provision release of \$36.8 million, or \$0.86 per diluted share, from the sale of \$500.0 million of consumer installment loans in Q3 2022, and other full year 2022 core earnings (excluding PPP)\* of \$5.65.
- 2022 adjusted pre-tax pre-provision net income\* was \$400.7 million; adjusted pre-tax pre-provision ROAA\* was 1.99%; adjusted pre-tax pre-provision ROCE\* was 31.16%.
- Year-over-year loan growth was \$1.2 billion, or 8.4%. Year-over-year loan growth excluding PPP\* was \$3.5 billion, or 30.7%, led by our low-risk variable rate corporate and specialty lending verticals.
- Year-over-year deposit growth was \$1.4 billion, up 8.2%.
- 2022 net interest margin, tax equivalent was 3.19%. 2022 net interest margin, tax equivalent, excluding the impact of PPP loans\* was 3.16%.
- 2022 provision for credit losses on loans and leases of \$59.5 million was largely driven by the impact of loan growth, net of the sale of consumer installment loans in Q3 2022, the recognition of weaker macroeconomic forecasts, and certain one-time charge-offs.
- Non-performing assets were \$30.8 million, or 0.15% of total assets, at December 31, 2022 compared to \$49.8 million, or 0.25% of total assets, at December 31, 2021. Allowance for credit losses on loans and leases equaled 426% of non-performing loans at December 31, 2022, compared to 278% at December 31, 2021.
- Book value per share and tangible book value per share\* grew year over year by \$1.76 or 4.7%, despite increased AOCI losses of \$158.1 million over the same time period. Tangible book value per share\* has grown by 77.9% over the past 5 years, significantly higher than the industry average of 2% for mid-cap banks <sup>(1)</sup>.

- Repurchased 830,145 common shares for \$33.2 million in 2022, leaving 1.9 million of common shares authorized to be repurchased by September 2023.

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\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

(1) Mid-cap banks as reported by KRX Index.

## Fourth Quarter 2022 Highlights

- Q4 2022 net income available to common shareholders was \$25.6 million, or \$0.77 per diluted share; ROAA was 0.55% and ROCE was 8.05%.
- Q4 2022 core earnings\* were \$39.4 million, or \$1.19 per diluted share; Core ROAA\* was 0.81% and Core ROCE\* was 12.36%.
- Q4 2022 core earnings (excluding PPP)\* were \$45.3 million, or \$1.37 per diluted share, up 22.9% over Q4 2021.
- Q4 2022 adjusted pre-tax pre-provision net income\* was \$81.4 million; adjusted pre-tax pre-provision ROAA\* was 1.56%; adjusted pre-tax pre-provision ROCE\* was 24.59%.
- Q4 2022 loan growth was \$458.0 million, or 3.0%. Q4 2022 loan growth excluding PPP\* was \$614.5 million, or 4.3%, led by our low-risk variable rate corporate and specialty lending verticals.
- Q4 2022 deposit growth was \$634.5 million, or 3.6%.
- Q4 2022 net interest margin, tax equivalent was 2.67%. Q4 2022 net interest margin, tax equivalent, excluding the impact of PPP loans\* was 2.87%.
- Q4 2022 provision for credit losses on loans and leases of \$27.9 million was largely driven by the impact of loan growth, the recognition of weaker macroeconomic forecasts, and one-time charge-offs of \$11.0 million for loans originated pursuant to the PPP program.
- Non-performing assets were \$30.8 million, or 0.15% of total assets, at December 31, 2022 compared to \$28.0 million, or 0.14% of total assets, at September 30, 2022. Allowance for credit losses on loans and leases equaled 426% of non-performing loans at December 31, 2022, compared to 466% at September 30, 2022.
- Q4 2022 book value per share and tangible book value per share\* grew by \$0.62 or 1.6%, despite increased AOCI losses of \$7.0 million over the same time period.
- Repurchased 166,000 common shares for \$5.3 million in Q4 2022.

## CEO Commentary

**West Reading, PA, January 25, 2023** - “We delivered another solid quarter and are extremely pleased with our 2022 results despite the challenging interest rate and economic environment,” said Customers Bancorp Chairman and CEO, Jay Sidhu. “Our Q4 2022 GAAP earnings were negatively impacted by after-tax securities net losses of \$13.5 million, or \$0.41 per diluted share, which will benefit net interest margin in the short-term and has an earn back of roughly one year as well as after-tax net losses on PPP loans of \$6.0 million, or \$0.18 per diluted share. However, we are very pleased to report that Q4 2022 earnings from the core bank\* were \$1.37 per diluted share, beating internal targets and estimates, and bringing full year 2022 core earnings (excluding PPP)\* per share to \$6.51. Our responsible organic growth strategy is laser focused on credit quality with 90% of our growth in low credit risk verticals. We

have taken prudent risk management strategic actions over the past several quarters to ensure we are well positioned from a capital, credit, liquidity and earnings perspective especially as we head into a highly uncertain 2023. We are also pleased to report that we beat the upper end of our 2022 core earnings per share, excluding PPP\* target of \$4.75 - \$5.00 by 13%, even before considering the Q3 2022 pre-tax provision release of \$36.8 million. Core loan\* growth in 2022 was led by increases in low-risk variable rate specialty lending verticals of \$3.0 billion. Asset quality remains exceptional and credit reserves are extremely robust at 426% of total non-performing loans. Our loan and deposit pipelines remain strong and we are very focused on improving our margins, moderating our growth, controlling our expenses, actively buying back common shares to the extent we are trading below book value, and creating exceptional value for our shareholders. We remain very optimistic about our future,” Mr. Jay Sidhu continued.

Core earnings excluding PPP\* for Q4 2022 were \$45.3 million, or \$1.37 per diluted share, calculated as shown below.

*(Dollars in thousands, except per share data)*

|   | <u>USD</u>              | <u>Per share</u>      |
|---|-------------------------|-----------------------|
| GAAP net income available to shareholders             | \$ 25,623               | \$ 0.77               |
| Less: PPP net loss, after-tax                         | <u>(5,956)</u>          | <u>(0.18)</u>         |
| GAAP net income to common shareholders, excluding PPP | 31,579                  | 0.95                  |
| Losses on investment securities                       | 13,543                  | 0.41                  |
| Derivative credit valuation adjustment                | <u>202</u>              | <u>0.01</u>           |
| Core earnings, excluding PPP                          | <u><u>\$ 45,324</u></u> | <u><u>\$ 1.37</u></u> |

# Financial Highlights

| (Dollars in thousands, except per share data)                  | At or Three Months Ended |                   |                     |           | Twelve Months Ended |                   |                     |    |         |    |         |    |          |         |
|--|--------------------------|-------------------|---------------------|-----------|---------------------|-------------------|---------------------|----|---------|----|---------|----|----------|---------|
|  | December 31, 2022        | December 31, 2021 | Increase (Decrease) |           | December 31, 2022   | December 31, 2021 | Increase (Decrease) |    |         |    |         |    |          |         |
|  |                          |                   |                     |           |                     |                   |                     |    |         |    |         |    |          |         |
| <b>Profitability Metrics:</b>                                  |                          |                   |                     |           |                     |                   |                     |    |         |    |         |    |          |         |
| Net income available for common shareholders                   | \$                       | 25,623            | \$                  | 98,647    | \$                  | (73,024)          | (74.0)%             | \$ | 218,402 | \$ | 300,134 | \$ | (81,732) | (27.2)% |
| Diluted earnings per share                                     | \$                       | 0.77              | \$                  | 2.87      | \$                  | (2.10)            | (73.2)%             | \$ | 6.51    | \$ | 8.91    | \$ | (2.40)   | (26.9)% |
| Core earnings*   | \$                       | 39,368            | \$                  | 101,213   | \$                  | (61,845)          | (61.1)%             | \$ | 256,415 | \$ | 344,700 | \$ | (88,285) | (25.6)% |
| Core earnings per share*                                       | \$                       | 1.19              | \$                  | 2.95      | \$                  | (1.76)            | (59.7)%             | \$ | 7.63    | \$ | 10.23   | \$ | (2.60)   | (25.4)% |
| Core earnings, excluding PPP*                                  | \$                       | 45,324            | \$                  | 36,890    | \$                  | 8,434             | 22.9 %              | \$ | 218,746 | \$ | 149,650 | \$ | 69,096   | 46.2 %  |
| Core earnings per share, excluding PPP*                        | \$                       | 1.37              | \$                  | 1.07      | \$                  | 0.30              | 28.0 %              | \$ | 6.51    | \$ | 4.44    | \$ | 2.07     | 46.6 %  |
| Return on average assets ("ROAA")                              |                          | 0.55 %            |                     | 2.08 %    |                     | (1.53)            |                     |    | 1.13 %  |    | 1.64 %  |    | (0.51)   |         |
| Core ROAA*   |                          | 0.81 %            |                     | 2.13 %    |                     | (1.32)            |                     |    | 1.32 %  |    | 1.86 %  |    | (0.54)   |         |
| Core ROAA, excluding PPP*                                      |                          | 0.93 %            |                     | 0.80 %    |                     | 0.13              |                     |    | 1.14 %  |    | 0.84 %  |    | 0.30     |         |
| Return on average common equity ("ROCE")                       |                          | 8.05 %            |                     | 33.18 %   |                     | (25.13)           |                     |    | 17.40 % |    | 28.75 % |    | (11.35)  |         |
| Core ROCE*   |                          | 12.36 %           |                     | 34.04 %   |                     | (21.68)           |                     |    | 20.43 % |    | 33.02 % |    | (12.59)  |         |
| Adjusted pre-tax pre-provision net income*                     | \$                       | 81,377            | \$                  | 130,595   | \$                  | (49,218)          | (37.7)%             | \$ | 400,712 | \$ | 471,046 | \$ | (70,334) | (14.9)% |
| Adjusted pre-tax pre-provision net income ROAA, excluding PPP* |                          | 1.67 %            |                     | 1.37 %    |                     | 0.30              |                     |    | 1.81 %  |    | 1.44 %  |    | 0.37     |         |
| Net interest margin, tax equivalent                            |                          | 2.67 %            |                     | 4.14 %    |                     | (1.47)            |                     |    | 3.19 %  |    | 3.70 %  |    | (0.51)   |         |
| Net interest margin, tax equivalent, excluding PPP             |                          | 2.87 %            |                     | 3.12 %    |                     | (0.25)            |                     |    | 3.16 %  |    | 3.16 %  |    | —        |         |
| Loan yield   |                          | 5.64 %            |                     | 5.48 %    |                     | 0.16              |                     |    | 5.00 %  |    | 4.73 %  |    | 0.27     |         |
| Loan yield, excluding PPP*                                     |                          | 5.86 %            |                     | 4.41 %    |                     | 1.45              |                     |    | 5.05 %  |    | 4.37 %  |    | 0.68     |         |
| Cost of deposits   |                          | 2.73 %            |                     | 0.36 %    |                     | 2.37              |                     |    | 1.31 %  |    | 0.44 %  |    | 0.87     |         |
| Efficiency ratio   |                          | 49.20 %           |                     | 38.70 %   |                     | 10.50             |                     |    | 44.81 % |    | 40.38 % |    | 4.43     |         |
| Core efficiency ratio*   |                          | 49.12 %           |                     | 38.14 %   |                     | 10.98             |                     |    | 43.02 % |    | 37.54 % |    | 5.48     |         |
| <b>Balance Sheet Trends:</b>                                   |                          |                   |                     |           |                     |                   |                     |    |         |    |         |    |          |         |
| Total assets   | \$20,896,112             |                   | \$19,575,028        |           | \$                  | 1,321,084         | 6.7 %               |    |         |    |         |    |          |         |
| Total assets, excluding PPP*                                   | \$19,897,959             |                   | \$16,325,020        |           | \$                  | 3,572,939         | 21.9 %              |    |         |    |         |    |          |         |
| Total loans and leases   | \$15,794,671             |                   | \$14,568,885        |           | \$                  | 1,225,786         | 8.4 %               |    |         |    |         |    |          |         |
| Total loans and leases, excluding PPP*                         | \$14,796,518             |                   | \$11,318,877        |           | \$                  | 3,477,641         | 30.7 %              |    |         |    |         |    |          |         |
| Non-interest bearing demand deposits                           | \$                       | 1,885,045         | \$                  | 4,459,790 | \$                  | (2,574,745)       | (57.7)%             |    |         |    |         |    |          |         |
| Total deposits   | \$18,156,953             |                   | \$16,777,924        |           | \$                  | 1,379,029         | 8.2 %               |    |         |    |         |    |          |         |
| <b>Capital Metrics:</b>  |                          |                   |                     |           |                     |                   |                     |    |         |    |         |    |          |         |
| Common Equity  | \$                       | 1,265,167         | \$                  | 1,228,423 | \$                  | 36,744            | 3.0 %               |    |         |    |         |    |          |         |
| Tangible Common Equity*  | \$                       | 1,261,538         | \$                  | 1,224,687 | \$                  | 36,851            | 3.0 %               |    |         |    |         |    |          |         |
| Common Equity to Total Assets                                  |                          | 6.05 %            |                     | 6.28 %    |                     | (0.23)            |                     |    |         |    |         |    |          |         |
| Tangible Common Equity to Tangible Assets*                     |                          | 6.04 %            |                     | 6.26 %    |                     | (0.22)            |                     |    |         |    |         |    |          |         |
| Tangible Common Equity to Tangible Assets, excluding PPP*      |                          | 6.34 %            |                     | 7.50 %    |                     | (1.16)            |                     |    |         |    |         |    |          |         |
| Book Value per common share                                    | \$                       | 39.08             | \$                  | 37.32     | \$                  | 1.76              | 4.7 %               |    |         |    |         |    |          |         |
| Tangible Book Value per common share*                          | \$                       | 38.97             | \$                  | 37.21     | \$                  | 1.76              | 4.7 %               |    |         |    |         |    |          |         |
| Common equity Tier 1 capital ratio <sup>(1)</sup>              |                          | 9.5 %             |                     | 10.0 %    |                     | (0.5)             |                     |    |         |    |         |    |          |         |
| Total risk based capital ratio <sup>(1)</sup>                  |                          | 12.0 %            |                     | 12.9 %    |                     | (0.9)             |                     |    |         |    |         |    |          |         |

(1) Regulatory capital ratios as of December 31, 2022 are estimates.

\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

## Paycheck Protection Program (PPP)

We funded, either directly or indirectly, about 358,000 loans totaling \$10.3 billion. Through the program, we earned close to \$350 million of deferred origination fees from the SBA, which was significantly accretive to our earnings and capital levels as these loans were forgiven by the government. In Q4 2022, we recognized only \$4 million of these fees in earnings as forgiveness levels were slower than expected, bringing total fees recognized to date to \$322 million, and \$26 million remaining to be recognized in 2023. "As we've stated previously, it is difficult to predict the timing of PPP forgiveness. We expect most of the fees to be recognized over the next two quarters; however, because we fully paid off the FRB PPP liquidity facility in third quarter 2021, these loans are currently being funded with higher cost funding, reducing their short-term profitability. This was particularly evident in Q4 2022 as higher PPP-related expenses resulted in a total negative impact to Q4 2022 earnings of \$0.18 per diluted share. This included negative net interest income of \$2.8 million resulting from higher funding costs, \$11.0 million of one-time charge-offs increasing provision expense, and a \$7.5 million gain resulting from a legal settlement with one of our third party PPP service providers. These one-time charge-offs are before the impact of any contractual indemnities or recoveries we may receive in future periods," commented Customers Bancorp CFO, Carla Leibold.

## Key Balance Sheet Trends

### Loans and Leases

The following table presents the composition of total loans and leases as of the dates indicated:

| <i>(Dollars in thousands)</i>             | <b>December 31,<br/>2022</b> | <b>% of<br/>Total</b> | <b>September 30,<br/>2022</b> | <b>% of<br/>Total</b> | <b>December 31,<br/>2021</b> | <b>% of<br/>Total</b> |
|---|------------------------------|-----------------------|-------------------------------|-----------------------|------------------------------|-----------------------|
| Commercial:                               |                              |                       |                               |                       |                              |                       |
| Commercial & industrial:                  |                              |                       |                               |                       |                              |                       |
| Specialty lending                         | \$ 5,412,887                 | 34.3 %                | \$ 5,103,974                  | 33.3 %                | \$ 2,403,991                 | 16.5 %                |
| Other commercial & industrial             | 1,135,336                    | 7.2                   | 1,064,332                     | 7.0                   | 942,679                      | 6.5                   |
| Multifamily                               | 2,217,098                    | 14.0                  | 2,267,376                     | 14.8                  | 1,486,308                    | 10.2                  |
| Loans to mortgage companies               | 1,447,919                    | 9.2                   | 1,708,587                     | 11.1                  | 2,362,438                    | 16.2                  |
| Commercial real estate owner occupied     | 885,339                      | 5.6                   | 726,670                       | 4.7                   | 654,922                      | 4.5                   |
| Loans receivable, PPP                     | 998,153                      | 6.3                   | 1,154,632                     | 7.5                   | 3,250,008                    | 22.3                  |
| Commercial real estate non-owner occupied | 1,290,730                    | 8.2                   | 1,263,211                     | 8.2                   | 1,121,238                    | 7.7                   |
| Construction                              | 162,009                      | 1.0                   | 136,133                       | 0.9                   | 198,981                      | 1.4                   |
| Total commercial loans and leases         | 13,549,471                   | 85.8                  | 13,424,915                    | 87.5                  | 12,420,565                   | 85.3                  |
| Consumer:                                 |                              |                       |                               |                       |                              |                       |
| Residential                               | 498,781                      | 3.1                   | 466,888                       | 3.0                   | 350,984                      | 2.4                   |
| Manufactured housing                      | 45,076                       | 0.3                   | 46,990                        | 0.3                   | 52,861                       | 0.3                   |
| Installment:                              |                              |                       |                               |                       |                              |                       |
| Personal                                  | 1,306,376                    | 8.3                   | 1,056,432                     | 6.9                   | 1,392,862                    | 9.6                   |
| Other                                     | 394,967                      | 2.5                   | 341,463                       | 2.3                   | 351,613                      | 2.4                   |
| Total consumer loans                      | 2,245,200                    | 14.2                  | 1,911,773                     | 12.5                  | 2,148,320                    | 14.7                  |
| Total loans and leases                    | <u>\$ 15,794,671</u>         | <u>100.0 %</u>        | <u>\$ 15,336,688</u>          | <u>100.0 %</u>        | <u>\$ 14,568,885</u>         | <u>100.0 %</u>        |

Commercial and industrial ("C&I") loans and leases, including specialty lending, increased \$3.2 billion, or 95.7% year-over-year, to \$6.5 billion. Practically all of the increases in outstanding balances were in the low-risk variable rate secured categories of Capital Call Lines and Lender Finance (collectively referred to as Fund Finance). Multifamily loans increased \$730.8 million, or 49.2%, to \$2.2 billion, commercial real estate owner occupied loans increased \$230.4 million, or 35.2%, to \$885.3 million, commercial real estate non-owner occupied loans increased \$169.5 million, or 15.1% to \$1.3 billion and residential loans increased \$147.8 million, or 42.1%, to \$498.8 million year-over-year. These increases in loans and leases were partially offset by a decrease in total consumer installment loans of \$43.1 million, or

2.5%, to \$1.7 billion primarily due to the sale of \$500.0 million of consumer installment loans in Q3 2022 offsetting new originations and originations and purchases of certain consumer installment loans with the intent to sell and a decrease in construction loans of \$37.0 million, or 18.6%, to \$162.0 million.

### Allowance for Credit Losses on Loans and Leases

The following table presents allowance for credit losses on loans and leases (information as of the dates and periods indicated):

|   | At or Three Months Ended |                       |                        | At or Three Months Ended |                      |                        |
|---|--------------------------|-----------------------|------------------------|--------------------------|----------------------|------------------------|
|   | December 31,<br>2022     | September 30,<br>2022 | Increase<br>(Decrease) | December 31,<br>2022     | December 31,<br>2021 | Increase<br>(Decrease) |
| <i>(Dollars in thousands)</i>   |                          |                       |                        |                          |                      |                        |
| Allowance for credit losses on loans and leases   | \$ 130,924               | \$ 130,197            | \$ 727                 | \$ 130,924               | \$ 137,804           | \$ (6,880)             |
| Provision (benefit) for credit losses on loans and leases                                 | \$ 27,891                | \$ (7,836)            | \$ 35,727              | \$ 27,891                | \$ 13,890            | \$ 14,001              |
| Net charge-offs (recoveries) from loans held for investment                               | \$ 27,164                | \$ 18,497             | \$ 8,667               | \$ 27,164                | \$ 7,582             | \$ 19,582              |
| Annualized net charge-offs (recoveries) to average loans and leases                       | 0.70 %                   | 0.47 %                |                        | 0.70 %                   | 0.21 %               |                        |
| Coverage of credit loss reserves for loans and leases held for investment                 | 0.93 %                   | 0.95 %                |                        | 0.93 %                   | 1.12 %               |                        |
| Coverage of credit loss reserves for loans and leases held for investment, excluding PPP* | 1.00 %                   | 1.03 %                |                        | 1.00 %                   | 1.53 %               |                        |

\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

The increase in net charge-offs in Q4 2022 compared to Q3 2022 was primarily due to one-time charge-offs of \$11.0 million for certain loans originated under the PPP program that were subsequently determined to be ineligible for SBA forgiveness and guarantee and were deemed uncollectible.

### Provision (Benefit) for Credit Losses

|   | Three Months Ended   |                       |                        | Three Months Ended   |                      |                        |
|---|----------------------|-----------------------|------------------------|----------------------|----------------------|------------------------|
|   | December 31,<br>2022 | September 30,<br>2022 | Increase<br>(Decrease) | December 31,<br>2022 | December 31,<br>2021 | Increase<br>(Decrease) |
| <i>(Dollars in thousands)</i>   |                      |                       |                        |                      |                      |                        |
| Provision (benefit) for credit losses on loans and leases                   | \$ 27,891            | \$ (7,836)            | \$ 35,727              | \$ 27,891            | \$ 13,890            | \$ 14,001              |
| Provision (benefit) for credit losses on available for sale debt securities | 325                  | (158)                 | 483                    | 325                  | —                    | 325                    |
| Provision (benefit) for credit losses on unfunded commitments               | 28,216               | (7,994)               | 36,210                 | 28,216               | 13,890               | 14,326                 |
| Total provision (benefit) for credit losses                                 | 153                  | 254                   | (101)                  | 153                  | 352                  | (199)                  |
|   | \$ 28,369            | \$ (7,740)            | \$ 36,109              | \$ 28,369            | \$ 14,242            | \$ 14,127              |

The provision for credit losses on loans and leases in Q4 2022 was \$27.9 million, compared to a benefit to provision of \$7.8 million in Q3 2022. The provision in Q4 2022 was primarily due to loan growth, one-time charge-offs of \$11.0 million for certain loans originated under the PPP program that were subsequently determined to be ineligible for SBA forgiveness and guarantee and ultimately deemed uncollectible and our recognition of weaker macroeconomic forecasts, as compared to a benefit to provision in Q3 2022 primarily from the sale of \$500.0 million of consumer installment loans in connection with the Company's balance sheet optimization initiatives. The sale transaction resulted in approximately \$36.8 million of release in allowance for credit losses in Q3 2022, which was included in core earnings\* and contributed approximately \$0.86 per diluted share. The provision for credit losses on available for sale investment securities in Q4 2022 was \$0.3 million compared to a benefit to provision of \$0.2 million in Q3 2022.

The provision for credit losses on loans and leases in Q4 2022 was \$27.9 million, compared to a provision of \$13.9 million in Q4 2021. The provision in Q4 2022 was primarily due to loan growth, one-time charge-offs of \$11.0 million

for certain loans originated under the PPP program that were subsequently determined to be ineligible for SBA forgiveness and guarantee and ultimately deemed uncollectible and our recognition of weaker macroeconomic forecasts. The provision for credit losses on available for sale investment securities in Q4 2022 was \$0.3 million compared to no provision in Q4 2021.

## Asset Quality

The following table presents asset quality metrics as of the dates indicated:

| <i>(Dollars in thousands)</i>              | <b>December 31,<br/>2022</b> | <b>September 30,<br/>2022</b> | <b>Increase<br/>(Decrease)</b> | <b>December 31,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>Increase<br/>(Decrease)</b> |
|--|------------------------------|-------------------------------|--------------------------------|------------------------------|------------------------------|--------------------------------|
| <b>Non-performing assets ("NPAs"):</b>     |                              |                               |                                |                              |                              |                                |
| Nonaccrual / non-performing loans ("NPLs") | \$ 30,737                    | \$ 27,919                     | \$ 2,818                       | \$ 30,737                    | \$ 49,620                    | \$ (18,883)                    |
| Non-performing assets                      | \$ 30,783                    | \$ 27,965                     | \$ 2,818                       | \$ 30,783                    | \$ 49,760                    | \$ (18,977)                    |
| NPLs to total loans and leases             | 0.19 %                       | 0.18 %                        |                                | 0.19 %                       | 0.34 %                       |                                |
| Reserves to NPLs                           | 425.95 %                     | 466.34 %                      |                                | 425.95 %                     | 277.72 %                     |                                |
| NPAs to total assets                       | 0.15 %                       | 0.14 %                        |                                | 0.15 %                       | 0.25 %                       |                                |
| <b>Loans and leases risk ratings:</b>      |                              |                               |                                |                              |                              |                                |
| Commercial loans and leases <sup>(1)</sup> |                              |                               |                                |                              |                              |                                |
| Pass                                       | \$ 10,793,980                | \$ 10,262,647                 | \$ 531,333                     | \$ 10,793,980                | \$ 6,389,228                 | \$ 4,404,752                   |
| Special Mention                            | 138,829                      | 104,560                       | 34,269                         | 138,829                      | 230,065                      | (91,236)                       |
| Substandard                                | 291,118                      | 329,878                       | (38,760)                       | 291,118                      | 266,939                      | 24,179                         |
| Total commercial loans and leases          | 11,223,927                   | 10,697,085                    | 526,842                        | 11,223,927                   | 6,886,232                    | 4,337,695                      |
| Consumer loans                             |                              |                               |                                |                              |                              |                                |
| Performing                                 | 1,899,376                    | 1,893,977                     | 5,399                          | 1,899,376                    | 2,114,950                    | (215,574)                      |
| Non-performing                             | 21,591                       | 16,680                        | 4,911                          | 21,591                       | 17,116                       | 4,475                          |
| Total consumer loans                       | 1,920,967                    | 1,910,657                     | 10,310                         | 1,920,967                    | 2,132,066                    | (211,099)                      |
| Loans and leases receivable                | <u>\$ 13,144,894</u>         | <u>\$ 12,607,742</u>          | <u>\$ 537,152</u>              | <u>\$ 13,144,894</u>         | <u>\$ 9,018,298</u>          | <u>\$ 4,126,596</u>            |

(1) Excludes loan receivable, PPP, as eligible PPP loans are fully guaranteed by the Small Business Administration.

Over the last decade, we have developed a suite of commercial loan products with one particularly important common denominator: relatively low credit risk assumption. The Bank's C&I, loans to mortgage companies, corporate and specialty lending lines of business, and multifamily loans for example, are characterized by conservative underwriting standards and low loss rates. Because of this emphasis, the Bank's credit quality to date has been incredibly healthy despite an adverse economic environment. Maintaining strong asset quality also requires a highly active portfolio monitoring process. In addition to frequent client outreach and monitoring at the individual loan level, we employ a bottom-up data driven approach to analyze the commercial portfolio. Exposure to industry segments and CRE significantly impacted by COVID-19 initially is not substantial.

Total consumer installment loans were approximately 8.1% of total assets at December 31, 2022, 10.8% of total loans and leases and 11.5% of core loans\*, and were supported by an allowance for credit losses of \$68.7 million. At December 31, 2022, our consumer installment portfolio had the following characteristics: average original FICO score of 740, average debt-to-income of 19.0% and average borrower income of \$107 thousand.

Non-performing loans at December 31, 2022 were essentially flat at 0.19% of total loans and leases, compared to 0.18% at September 30, 2022 and 0.34% at December 31, 2021.

## Deposits

The following table presents the composition of our deposit portfolio as of the dates indicated:

| <i>(Dollars in thousands)</i> | <b>December 31,<br/>2022</b> | <b>% of<br/>Total</b> | <b>September 30,<br/>2022</b> | <b>% of<br/>Total</b> | <b>December 31,<br/>2021</b> | <b>% of<br/>Total</b> |
|-------------------------------|------------------------------|-----------------------|-------------------------------|-----------------------|------------------------------|-----------------------|
| Demand, non-interest bearing  | \$ 1,885,045                 | 10.4 %                | \$ 2,993,793                  | 17.1 %                | \$ 4,459,790                 | 26.6 %                |
| Demand, interest bearing      | 8,476,027                    | 46.7                  | 7,124,663                     | 40.7                  | 6,488,406                    | 38.7                  |
| Total demand deposits         | 10,361,072                   | 57.1                  | 10,118,456                    | 57.8                  | 10,948,196                   | 65.3                  |
| Savings                       | 811,798                      | 4.5                   | 592,002                       | 3.4                   | 973,317                      | 5.8                   |
| Money market                  | 2,734,217                    | 15.1                  | 4,913,967                     | 28.0                  | 4,349,073                    | 25.9                  |
| Time deposits                 | 4,249,866                    | 23.3                  | 1,898,013                     | 10.8                  | 507,338                      | 3.0                   |
| Total deposits                | <u>\$ 18,156,953</u>         | <u>100.0 %</u>        | <u>\$ 17,522,438</u>          | <u>100.0 %</u>        | <u>\$ 16,777,924</u>         | <u>100.0 %</u>        |

Total deposits increased \$1.4 billion, or 8.2%, to \$18.2 billion at December 31, 2022 as compared to a year ago. Time deposits increased \$3.7 billion, or 737.7%, to \$4.2 billion. This increase was offset partially by decreases in money market deposits of \$1.6 billion, or 37.1%, to \$2.7 billion, total demand deposits of \$587.1 million, or 5.4%, to \$10.4 billion and savings deposits of \$161.5 million, or 16.6%, to \$811.8 million. The total cost of deposits increased by 237 basis points to 2.73% in Q4 2022 from 0.36% in the prior year primarily due to higher market interest rates and a shift in deposit mix.

## Capital

The following table presents certain capital amounts and ratios as of the dates indicated:

| <i>(Dollars in thousands except per share data)</i>       | <b>December 31,<br/>2022</b> | <b>September 30,<br/>2022</b> | <b>December 31,<br/>2021</b> |
|---|------------------------------|-------------------------------|------------------------------|
| <b>Customers Bancorp, Inc.</b>                            |                              |                               |                              |
| Common Equity   | \$ 1,265,167                 | \$ 1,249,137                  | \$ 1,228,423                 |
| Tangible Common Equity*                                   | \$ 1,261,538                 | \$ 1,245,508                  | \$ 1,224,687                 |
| Common Equity to Total Assets                             | 6.05 %                       | 6.13 %                        | 6.28 %                       |
| Tangible Common Equity to Tangible Assets*                | 6.04 %                       | 6.12 %                        | 6.26 %                       |
| Tangible Common Equity to Tangible Assets, excluding PPP* | 6.34 %                       | 6.48 %                        | 7.50 %                       |
| Book Value per common share                               | \$ 39.08                     | \$ 38.46                      | \$ 37.32                     |
| Tangible Book Value per common share*                     | \$ 38.97                     | \$ 38.35                      | \$ 37.21                     |
| Common equity Tier 1 capital ratio <sup>(1)</sup>         | 9.5 %                        | 9.8 %                         | 10.0 %                       |
| Total risk based capital ratio <sup>(1)</sup>             | 12.0 %                       | 12.5 %                        | 12.9 %                       |

(1) Regulatory capital ratios as of December 31, 2022 are estimates.

\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

Customers Bancorp's common equity increased \$36.7 million to \$1.3 billion, and tangible common equity\* increased \$36.9 million to \$1.3 billion at December 31, 2022 compared to a year ago, respectively, as earnings of \$218.4 million more than offset a negative impact to accumulated other comprehensive income ("AOCI") from increased unrealized losses on investment securities of \$158.1 million (net of taxes). Similarly, book value per common share increased to \$39.08 from \$37.32, and tangible book value per common share\* increased to \$38.97 at December 31, 2022 from \$37.21 at December 31, 2021, respectively. Customers remains well capitalized by all regulatory measures.

At the Customers Bancorp level, the total risk based capital ratio (estimate), common equity to total assets ratio and tangible common equity to tangible assets ratio ("TCE ratio"), excluding PPP loans\*, were 12.0%, 6.05% and 6.34%, respectively, at December 31, 2022.

At the Customers Bank level, capital levels remained strong and well above regulatory minimums. At December 31, 2022, estimated Tier 1 capital and total risk-based capital were 11.1% and 12.2%, respectively.



## Key Profitability Trends

### Net Interest Income

Net interest income totaled \$135.1 million in Q4 2022, a decrease of \$23.9 million from Q3 2022, primarily due to lower PPP net interest income of \$12.4 million resulting from reduced recognition of deferred fees of \$7.0 million driven by lower loan forgiveness in Q4 2022 and increased funding costs of \$5.0 million, reflecting increases in funding rates. Net interest income earned by the core bank\* decreased \$11.5 million over Q3 2022, reflecting the \$500.0 million consumer loan sale in Q3 2022, higher funding costs, and shift in funding mix. The increase in interest income on investment securities and core loans\* of \$12.4 million and \$25.7 million, respectively, mostly due to higher interest rates on variable loans in specialty lending, were offset by higher expenses paid on deposits, fed funds, FHLB advances and other borrowings of \$57.6 million from a shift in deposit mix and higher interest rates during Q4 2022. Excluding PPP loans, average interest-earning assets increased \$0.5 billion. Interest-earning asset growth was primarily driven by increases in C&I loans and leases, mostly in specialty lending, investment securities and interest earning deposits, partially offset by decreases in commercial loans to mortgage companies and consumer installment loans. Compared to Q3 2022, total loan yields increased 56 basis points to 5.64% primarily due to higher interest rates on variable rate loans in specialty lending. Excluding PPP loans, the Q4 2022 total loan yield\* was 71 basis points higher than Q3 2022 reflecting increased interest rates and the variable rate nature of the loan portfolio.

Net interest income totaled \$135.1 million in Q4 2022, a decrease of \$58.6 million from Q4 2021, primarily due to lower PPP interest income of \$74.8 million resulting from reduced recognition of deferred fees of \$68.0 million driven by lower loan forgiveness in Q4 2022. This decrease was offset in part by increased net interest income earned by the core bank of \$22.9 million, up 20% over Q4 2021, including increased interest income on investment securities and core loans\* of \$27.8 million and \$95.6 million, respectively, mostly due to higher average balances and interest rates on variable loans in specialty lending. In addition, higher expenses paid on deposits, fed funds, FHLB advances and other borrowings of \$114.2 million resulted mainly from a shift in deposit mix and higher interest rates during Q4 2022. Excluding PPP loans, average interest-earning assets increased \$4.5 billion. Interest-earning asset growth was primarily driven by increases in C&I loans and leases, mostly in specialty lending, investment securities, multifamily loans and residential mortgages, offset in part by decreases in commercial loans to mortgage companies and interest earning deposits. Compared to Q4 2021, total loan yields increased 16 basis points to 5.64% primarily due to higher interest rates on variable rate loans in specialty lending, partially offset by lower PPP yields driven by lower deferred fee recognition. Excluding PPP loans, the Q4 2022 total loan yield\* was 145 basis points higher than Q4 2021 reflecting increased interest rates and the variable rate nature of the loan portfolio.

## Non-Interest Income

The following table presents details of non-interest income for the periods indicated:

| <i>(Dollars in thousands)</i>                   | Three Months Ended   |                       |                        | Three Months Ended   |                      |                        |
|---|----------------------|-----------------------|------------------------|----------------------|----------------------|------------------------|
|   | December 31,<br>2022 | September 30,<br>2022 | Increase<br>(Decrease) | December 31,<br>2022 | December 31,<br>2021 | Increase<br>(Decrease) |
| Interchange and card revenue                    | \$ 71                | \$ 72                 | \$ (1)                 | \$ 71                | \$ 84                | \$ (13)                |
| Deposit fees                                    | 958                  | 989                   | (31)                   | 958                  | 1,026                | (68)                   |
| Commercial lease income                         | 8,135                | 7,097                 | 1,038                  | 8,135                | 5,378                | 2,757                  |
| Bank-owned life insurance                       | 1,975                | 3,449                 | (1,474)                | 1,975                | 1,984                | (9)                    |
| Mortgage warehouse transactional fees           | 1,295                | 1,545                 | (250)                  | 1,295                | 2,262                | (967)                  |
| Gain (loss) on sale of SBA and other loans      | —                    | 106                   | (106)                  | —                    | 2,493                | (2,493)                |
| Loss on sale of consumer installment loans      | —                    | (23,465)              | 23,465                 | —                    | —                    | —                      |
| Loan fees                                       | 4,017                | 3,008                 | 1,009                  | 4,017                | 2,513                | 1,504                  |
| Mortgage banking income                         | 90                   | 125                   | (35)                   | 90                   | 262                  | (172)                  |
| Gain (loss) on sale of investment securities    | (16,937)             | (2,135)               | (14,802)               | (16,937)             | (49)                 | (16,888)               |
| Unrealized gain (loss) on investment securities | 28                   | (259)                 | 287                    | 28                   | —                    | 28                     |
| Unrealized gain (loss) on derivatives           | 43                   | 563                   | (520)                  | 43                   | 586                  | (543)                  |
| Legal settlement gain                           | 7,519                | —                     | 7,519                  | 7,519                | —                    | 7,519                  |
| Other   | 151                  | (112)                 | 263                    | 151                  | 452                  | (301)                  |
| Total non-interest income                       | <u>\$ 7,345</u>      | <u>\$ (9,017)</u>     | <u>\$ 16,362</u>       | <u>\$ 7,345</u>      | <u>\$ 16,991</u>     | <u>\$ (9,646)</u>      |

Non-interest income totaled \$7.3 million for Q4 2022, an increase of \$16.4 million compared to Q3 2022. The increase was primarily due to \$23.5 million of loss realized from the sale of \$500 million of consumer installment loans as part of our balance sheet optimization initiatives in Q3 2022, which included the write-off of deferred origination costs and other transaction-related expenses, a \$7.5 million gain from a court-approved settlement with a third party PPP service provider in Q4 2022 and higher commercial lease income and loan fees from continued growth. These increases were partially offset by higher losses realized from the sale of investment securities of \$14.8 million to rebalance the investment portfolio with higher interest-earning securities and lower bank-owned life insurance income primarily due to death benefits received in Q3 2022.

Non-interest income totaled \$7.3 million for Q4 2022, a decrease of \$9.6 million compared to Q4 2021. The decrease was primarily due to lower gains realized from the sales of SBA and other loans, higher losses realized from the sale of investment securities of \$16.9 million to rebalance the investment portfolio with higher interest-earning securities and lower mortgage warehouse transactional fees in Q4 2022 compared to Q4 2021 from lower housing activity due to rising interest rates, offset partially by \$7.5 million of the gain from a court-approved settlement with a third party PPP service provider in Q4 2022 and higher commercial lease income and loan fees from continued growth.

## Non-Interest Expense

The following table presents details of non-interest expense for the periods indicated:

| <i>(Dollars in thousands)</i>                          | Three Months Ended   |                       |                        | Three Months Ended   |                      |                        |
|--|----------------------|-----------------------|------------------------|----------------------|----------------------|------------------------|
|  | December 31,<br>2022 | September 30,<br>2022 | Increase<br>(Decrease) | December 31,<br>2022 | December 31,<br>2021 | Increase<br>(Decrease) |
| Salaries and employee benefits                         | \$ 29,194            | \$ 31,230             | \$ (2,036)             | \$ 29,194            | \$ 29,940            | \$ (746)               |
| Technology, communication and bank operations          | 18,604               | 19,588                | (984)                  | 18,604               | 22,657               | (4,053)                |
| Professional services                                  | 6,825                | 6,269                 | 556                    | 6,825                | 7,058                | (233)                  |
| Occupancy  | 3,672                | 2,605                 | 1,067                  | 3,672                | 4,336                | (664)                  |
| Commercial lease depreciation                          | 6,518                | 5,966                 | 552                    | 6,518                | 4,625                | 1,893                  |
| FDIC assessments, non-income taxes and regulatory fees | 2,339                | 2,528                 | (189)                  | 2,339                | 2,427                | (88)                   |
| Loan servicing   | 4,460                | 3,851                 | 609                    | 4,460                | 4,361                | 99                     |
| Loan workout   | 714                  | 217                   | 497                    | 714                  | 226                  | 488                    |
| Advertising and promotion                              | 1,111                | 762                   | 349                    | 1,111                | 344                  | 767                    |
| Other  | 4,982                | 3,182                 | 1,800                  | 4,982                | 5,574                | (592)                  |
| Total non-interest expense                             | <u>\$ 78,419</u>     | <u>\$ 76,198</u>      | <u>\$ 2,221</u>        | <u>\$ 78,419</u>     | <u>\$ 81,548</u>     | <u>\$ (3,129)</u>      |

The management of non-interest expenses remains a priority for us. However, this will not be at the expense of not making adequate investments with new technologies to support efficient and responsible growth.

Non-interest expenses totaled \$78.4 million in Q4 2022, \$2.2 million higher than Q3 2022. The increase was primarily attributable to increases of \$1.1 million in occupancy mostly due to increased lease related expenses, \$0.6 million in loan servicing for consumer installment loans, \$0.6 million in professional fees primarily for legal fees associated with a settlement with a third party SBA service provider, \$0.6 million in commercial lease depreciation from continued growth in our equipment finance business, \$0.5 million in loan workout related legal fees mostly related to a commercial mortgage warehouse borrower that filed for bankruptcy and \$1.8 million in other non-interest expenses primarily associated with our team members' return to office and increases in business development related expenses and charitable contributions. These increases were offset partially by decreases in salaries and employee benefits of \$2.0 million primarily due to lower headcount and incentives, \$1.4 million in one-time severance expenses recorded in Q3 2022 and \$1.0 million in technology, processing and deposit servicing-related expenses mostly due to lower deposit servicing fees paid to BM Technologies offset by higher software licenses and fees paid for software as a service.

Non-interest expenses totaled \$78.4 million in Q4 2022, a decrease of \$3.1 million compared to Q4 2021. The decrease was primarily attributable to decreases of \$4.1 million in technology, processing and deposit servicing-related expenses mostly due to lower deposit servicing and interchange maintenance fees paid to BM Technologies, \$0.7 million in salaries and employee benefits primarily due to lower incentives and \$0.7 million in occupancy primarily due to expenses associated with the relocation of the Bank headquarters recorded in Q4 2021. These decreases were offset in part by increases of \$1.9 million in commercial lease depreciation from continued growth and \$0.8 million in advertising and promotion due to higher spending on media for our deposit products.

## Taxes

Income tax expense from continuing operations decreased by \$10.8 million to \$7.1 million in Q4 2022 from \$17.9 million in Q3 2022 primarily due to lower pre-tax income and increased investment tax credits.

Income tax expense from continuing operations decreased by \$5.9 million to \$7.1 million in Q4 2022 from \$13.0 million in Q4 2021 primarily due to lower pre-tax income, partially offset by reduced investment tax credits.

The effective tax rate from continuing operations for Q4 2022 was 19.9% and 21.7% for the twelve months ended December 31, 2022. Customers expects the full-year 2023 effective tax rate from continuing operations to be approximately 22% to 24%.

## Outlook

“Looking ahead, we expect to moderate growth as we optimize the balance sheet, further build out our deposit franchise, maximize our efficiency ratio with prudent expense management, and actively buy back common shares to the extent we remain trading below book value. We expect 2023 core loan growth to be in the low-to-mid single digits with tighter margins in the first half of 2023 and wider margins in the second half of 2023. Deposits are expected to remain relatively flat with a focus on reducing high cost deposits. Full year 2023 net interest margin is expected to be between 2.85% - 3.05%. 2023 Core EPS (excluding PPP) is expected to be between \$6.00 - \$6.25 with a return on common equity of over 15%. Core non interest expense (excluding BM Technologies expense) is expected to increase between 8% - 10% in 2023 and we are targeting a CET 1 ratio of approximately 9.5%. We are focused on improving the quality of our balance sheet and deposit franchise, improving our net interest margin, and achieving a book value in excess of \$45 by year-end 2023. Customers Bancorp stock at the close of business on January 20, 2023 was trading at \$31.12, only 0.8 times tangible book value\* at December 31, 2022,” concluded Mr. Sam Sidhu.

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\* Non-GAAP measure. Customers' reasons for the use of the non-GAAP measure and a detailed reconciliation between the non-GAAP measure and the comparable GAAP amount are included at the end of this document.

## Webcast

Date: Thursday, January 26, 2023  
Time: 9:00 AM EDT

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 our Communications Director, David Patti at [dpatti@customersbank.com](mailto: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 one of the nation's top-performing banking companies with over \$20 billion in assets, making it one of the 100 largest bank holding companies in the US. Through its primary subsidiary, Customers Bank, commercial and consumer clients benefit from a full suite of technology-enabled tailored product experience delivered by best-in-class customer service. A pioneer in Banking-as-a-Service and digital banking products, Customers Bank is one of the very few banks that provides a blockchain-based 24/7/365 digital payment solution. In addition to traditional lines such as C&I lending, commercial real estate lending, and multifamily lending, Customers Bank also provides a number of national corporate banking services for Fund Finance, Equipment Finance, Financial Institutions, Technology and Venture, and Healthcare clients. Major accolades include:

- #3 top-performing bank with over \$10 billion in assets at year-end 2021 per S&P Global S&P Global Market Intelligence,
- #6 in top-performing banks with assets between \$10 billion and \$50 billion in 2021 per American Banker, and
- #21 out of the 100 largest publicly traded banks in 2022 per Forbes.

A member of the Federal Reserve System with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender. Learn more: [www.customersbank.com](http://www.customersbank.com).

## “Safe Harbor” Statement

In addition to historical information, this press release may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “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 the economy have on the performance of our loan and lease portfolio, the market value of our investment securities, the continued success and

acceptance of our blockchain payments system, the demand for our products and services and the availability of sources of funding, the effects of actions by the federal government, including the Board of Governors of the Federal Reserve System and other government agencies, that affect market interest rates and the money supply, 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 any 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.

## Q4 2022 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended December 31, 2022 and the preceding four quarters, and full year 2022 and 2021:

### CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

#### EARNINGS SUMMARY - UNAUDITED

| <i>(Dollars in thousands, except per share data and stock price data)</i>                 | Q4         | Q3         | Q2         | Q1         | Q4         | Twelve Months Ended |            |
|---|------------|------------|------------|------------|------------|---------------------|------------|
|   | 2022       | 2022       | 2022       | 2021       | 2021       | December 31,        | 2021       |
| <b>GAAP Profitability Metrics:</b>  |            |            |            |            |            |                     |            |
| Net income available to common shareholders (from continuing and discontinued operations) | \$ 25,623  | \$ 61,364  | \$ 56,519  | \$ 74,896  | \$ 98,647  | \$ 218,402          | \$ 300,134 |
| Per share amounts:  |            |            |            |            |            |                     |            |
| Earnings per share - basic  | \$ 0.79    | \$ 1.89    | \$ 1.73    | \$ 2.27    | \$ 3.02    | \$ 6.69             | \$ 9.29    |
| Earnings per share - diluted  | \$ 0.77    | \$ 1.85    | \$ 1.68    | \$ 2.18    | \$ 2.87    | \$ 6.51             | \$ 8.91    |
| Book value per common share <sup>(1)</sup>  | \$ 39.08   | \$ 38.46   | \$ 37.46   | \$ 37.61   | \$ 37.32   | \$ 39.08            | \$ 37.32   |
| CUBI stock price <sup>(1)</sup>   | \$ 28.34   | \$ 29.48   | \$ 33.90   | \$ 52.14   | \$ 65.37   | \$ 28.34            | \$ 65.37   |
| CUBI stock price as % of book value <sup>(1)</sup>  | 73 %       | 77 %       | 90 %       | 139 %      | 175 %      | 73 %                | 175 %      |
| Average shares outstanding - basic  | 32,413,459 | 32,455,814 | 32,712,616 | 32,957,033 | 32,625,960 | 32,632,751          | 32,312,262 |
| Average shares outstanding - diluted  | 33,075,422 | 33,226,607 | 33,579,013 | 34,327,065 | 34,320,327 | 33,547,706          | 33,697,547 |
| Shares outstanding <sup>(1)</sup>   | 32,373,697 | 32,475,502 | 32,449,486 | 32,957,847 | 32,913,267 | 32,373,697          | 32,913,267 |
| Return on average assets ("ROAA")   | 0.55 %     | 1.24 %     | 1.17 %     | 1.63 %     | 2.08 %     | 1.13 %              | 1.64 %     |
| Return on average common equity ("ROCE")  | 8.05 %     | 19.33 %    | 18.21 %    | 24.26 %    | 33.18 %    | 17.40 %             | 28.75 %    |
| Net interest margin, tax equivalent   | 2.67 %     | 3.16 %     | 3.39 %     | 3.60 %     | 4.14 %     | 3.19 %              | 3.70 %     |
| Efficiency ratio  | 49.20 %    | 50.00 %    | 42.14 %    | 39.42 %    | 38.70 %    | 44.81 %             | 40.38 %    |
| <b>Non-GAAP Profitability Metrics <sup>(2)</sup>:</b>                                     |            |            |            |            |            |                     |            |
| Core earnings   | \$ 39,368  | \$ 82,270  | \$ 59,367  | \$ 75,410  | \$101,213  | \$ 256,415          | \$ 344,700 |
| Adjusted pre-tax pre-provision net income   | \$ 81,377  | \$100,994  | \$105,692  | \$112,649  | \$130,595  | \$ 400,712          | \$ 471,046 |
| Per share amounts:  |            |            |            |            |            |                     |            |
| Core earnings per share - diluted   | \$ 1.19    | \$ 2.48    | \$ 1.77    | \$ 2.20    | \$ 2.95    | \$ 7.63             | \$ 10.23   |
| Tangible book value per common share <sup>(1)</sup>                                       | \$ 38.97   | \$ 38.35   | \$ 37.35   | \$ 37.50   | \$ 37.21   | \$ 38.97            | \$ 37.21   |
| CUBI stock price as % of tangible book value <sup>(1)</sup>                               | 73 %       | 77 %       | 91 %       | 139 %      | 176 %      | 73 %                | 176 %      |
| Core ROAA   | 0.81 %     | 1.64 %     | 1.23 %     | 1.64 %     | 2.13 %     | 1.32 %              | 1.86 %     |
| Core ROCE   | 12.36 %    | 25.91 %    | 19.13 %    | 24.43 %    | 34.04 %    | 20.43 %             | 33.02 %    |
| Adjusted ROAA - pre-tax and pre-provision   | 1.56 %     | 1.95 %     | 2.11 %     | 2.39 %     | 2.70 %     | 1.99 %              | 2.45 %     |
| Adjusted ROCE - pre-tax and pre-provision   | 24.59 %    | 31.01 %    | 33.37 %    | 35.89 %    | 43.25 %    | 31.16 %             | 44.00 %    |
| Net interest margin, tax equivalent, excluding PPP  | 2.87 %     | 3.18 %     | 3.32 %     | 3.32 %     | 3.12 %     | 3.16 %              | 3.16 %     |
| Core efficiency ratio   | 49.12 %    | 42.57 %    | 41.74 %    | 39.47 %    | 38.14 %    | 43.02 %             | 37.54 %    |
| <b>Asset Quality:</b>   |            |            |            |            |            |                     |            |
| Net charge-offs   | \$ 27,164  | \$ 18,497  | \$ 13,481  | \$ 7,226   | \$ 7,582   | \$ 66,368           | \$ 33,798  |
| Annualized net charge-offs to average total loans and leases                              | 0.70 %     | 0.47 %     | 0.36 %     | 0.21 %     | 0.21 %     | 0.45 %              | 0.22 %     |
| Non-performing loans ("NPLs") to total loans and leases <sup>(1)</sup>                    | 0.19 %     | 0.18 %     | 0.18 %     | 0.31 %     | 0.34 %     | 0.19 %              | 0.34 %     |
| Reserves to NPLs <sup>(1)</sup>   | 425.95 %   | 466.34 %   | 557.76 %   | 333.15 %   | 277.72 %   | 425.95 %            | 277.72 %   |
| Non-performing assets ("NPAs") to total assets  | 0.15 %     | 0.14 %     | 0.14 %     | 0.23 %     | 0.25 %     | 0.15 %              | 0.25 %     |
| <b>Customers Bank Capital Ratios <sup>(3)</sup>:</b>                                      |            |            |            |            |            |                     |            |
| Common equity Tier 1 capital to risk-weighted assets                                      | 11.07 %    | 11.42 %    | 11.46 %    | 11.60 %    | 11.83 %    | 11.07 %             | 11.83 %    |
| Tier 1 capital to risk-weighted assets  | 11.07 %    | 11.42 %    | 11.46 %    | 11.60 %    | 11.83 %    | 11.07 %             | 11.83 %    |
| Total capital to risk-weighted assets   | 12.24 %    | 12.65 %    | 12.91 %    | 13.03 %    | 13.11 %    | 12.24 %             | 13.11 %    |
| Tier 1 capital to average assets (leverage ratio)   | 8.15 %     | 8.10 %     | 8.09 %     | 8.21 %     | 7.93 %     | 8.15 %              | 7.93 %     |

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

(2) Customers' reasons for the use of these non-GAAP measures and a detailed reconciliation between the non-GAAP measures and the comparable GAAP amounts are included at the end of this document.

(3) Regulatory capital ratios are estimated for Q4 2022 and actual for the remaining periods. In accordance with regulatory capital rules, Customers elected to apply the CECL capital transition provisions which delayed the effects of CECL on regulatory capital for two years until January 1, 2022, followed by a three-year transition period. The cumulative CECL capital transition impact as of December 31, 2021 which amounted to \$61.6 million will be phased in at 25% per year beginning on January 1, 2022 through December 31, 2024. As of December 31, 2022, our regulatory capital ratios reflected 75%, or \$46.2 million, benefit associated with the CECL transition provisions.

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

|   | Q4         | Q3         | Q2         | Q1         | Q4         | Twelve Months Ended |            |
|---|------------|------------|------------|------------|------------|---------------------|------------|
|   | 2022       | 2022       | 2022       | 2022       | 2021       | December 31,        |            |
|   |            |            |            |            |            | 2022                | 2021       |
| Interest income:  |            |            |            |            |            |                     |            |
| Loans and leases  | \$ 218,740 | \$ 200,457 | \$ 168,941 | \$ 157,175 | \$ 198,000 | \$ 745,313          | \$ 736,822 |
| Investment securities   | 42,953     | 30,546     | 25,442     | 20,295     | 15,202     | 119,236             | 40,413     |
| Interest earning deposits                                       | 6,754      | 2,949      | 919        | 330        | 604        | 10,952              | 1,585      |
| Other   | 1,200      | 1,964      | 1,032      | 5,676      | 231        | 9,872               | 2,064      |
| Total interest income   | 269,647    | 235,916    | 196,334    | 183,476    | 214,037    | 885,373             | 780,884    |
| Interest expense:   |            |            |            |            |            |                     |            |
| Deposits  | 124,366    | 65,380     | 22,781     | 13,712     | 15,415     | 226,239             | 62,641     |
| FHLB advances   | 4,464      | 4,684      | 2,316      | —          | 51         | 11,464              | 6,211      |
| Subordinated debt   | 2,688      | 2,689      | 2,689      | 2,689      | 2,688      | 10,755              | 10,755     |
| FRB PPP liquidity facility and other borrowings                 | 2,992      | 4,131      | 3,696      | 2,376      | 2,189      | 13,195              | 16,203     |
| Total interest expense  | 134,510    | 76,884     | 31,482     | 18,777     | 20,343     | 261,653             | 95,810     |
| Net interest income   | 135,137    | 159,032    | 164,852    | 164,699    | 193,694    | 623,720             | 685,074    |
| Provision (benefit) for credit losses                           | 28,216     | (7,994)    | 23,847     | 15,997     | 13,890     | 60,066              | 27,426     |
| Net interest income after provision (benefit) for credit losses | 106,921    | 167,026    | 141,005    | 148,702    | 179,804    | 563,654             | 657,648    |
| Non-interest income:  |            |            |            |            |            |                     |            |
| Interchange and card revenue                                    | 71         | 72         | 24         | 76         | 84         | 243                 | 336        |
| Deposit fees  | 958        | 989        | 964        | 940        | 1,026      | 3,851               | 3,774      |
| Commercial lease income   | 8,135      | 7,097      | 6,592      | 5,895      | 5,378      | 27,719              | 21,107     |
| Bank-owned life insurance                                       | 1,975      | 3,449      | 1,947      | 8,326      | 1,984      | 15,697              | 8,416      |
| Mortgage warehouse transactional fees                           | 1,295      | 1,545      | 1,883      | 2,015      | 2,262      | 6,738               | 12,874     |
| Gain (loss) on sale of SBA and other loans                      | —          | 106        | 1,542      | 1,507      | 2,493      | 3,155               | 11,327     |
| Loss on sale of consumer installment loans                      | —          | (23,465)   | —          | —          | —          | (23,465)            | —          |
| Loan fees   | 4,017      | 3,008      | 2,618      | 2,545      | 2,513      | 12,188              | 7,527      |
| Mortgage banking income   | 90         | 125        | 173        | 481        | 262        | 869                 | 1,536      |
| Gain (loss) on sale of investment securities                    | (16,937)   | (2,135)    | (3,029)    | (1,063)    | (49)       | (23,164)            | 31,392     |
| Unrealized gain (loss) on investment securities                 | 28         | (259)      | (203)      | (276)      | —          | (710)               | 2,720      |
| Loss on sale of foreign subsidiaries                            | —          | —          | —          | —          | —          | —                   | (2,840)    |
| Unrealized gain (loss) on derivatives                           | 43         | 563        | 821        | 964        | 586        | 2,391               | 3,208      |
| Loss on cash flow hedge derivative terminations                 | —          | —          | —          | —          | —          | —                   | (24,467)   |
| Legal settlement gain   | 7,519      | —          | —          | —          | —          | 7,519               | —          |
| Other   | 151        | (112)      | (586)      | (212)      | 452        | (759)               | 957        |
| Total non-interest income                                       | 7,345      | (9,017)    | 12,746     | 21,198     | 16,991     | 32,272              | 77,867     |
| Non-interest expense:   |            |            |            |            |            |                     |            |
| Salaries and employee benefits                                  | 29,194     | 31,230     | 25,334     | 26,607     | 29,940     | 112,365             | 108,202    |
| Technology, communication and bank operations                   | 18,604     | 19,588     | 22,738     | 24,068     | 22,657     | 84,998              | 83,544     |
| Professional services   | 6,825      | 6,269      | 7,415      | 6,956      | 7,058      | 27,465              | 26,688     |
| Occupancy   | 3,672      | 2,605      | 4,279      | 3,050      | 4,336      | 13,606              | 12,143     |
| Commercial lease depreciation                                   | 6,518      | 5,966      | 5,552      | 4,942      | 4,625      | 22,978              | 17,824     |
| FDIC assessments, non-income taxes and regulatory fees          | 2,339      | 2,528      | 1,619      | 2,383      | 2,427      | 8,869               | 10,061     |
| Loan servicing  | 4,460      | 3,851      | 4,341      | 2,371      | 4,361      | 15,023              | 10,763     |
| Merger and acquisition related expenses                         | —          | —          | —          | —          | —          | —                   | 418        |
| Loan workout  | 714        | 217        | 179        | (38)       | 226        | 1,072               | 265        |
| Advertising and promotion                                       | 1,111      | 762        | 353        | 315        | 344        | 2,541               | 1,520      |
| Deposit relationship adjustment fees                            | —          | —          | —          | —          | —          | —                   | 6,216      |
| Other   | 4,982      | 3,182      | 4,395      | 3,153      | 5,574      | 15,712              | 16,663     |
| Total non-interest expense                                      | 78,419     | 76,198     | 76,205     | 73,807     | 81,548     | 304,629             | 294,307    |
| Income before income tax expense                                | 35,847     | 81,811     | 77,546     | 96,093     | 115,247    | 291,297             | 441,208    |
| Income tax expense  | 7,136      | 17,899     | 18,896     | 19,332     | 12,993     | 63,263              | 86,940     |
| Net income from continuing operations                           | \$ 28,711  | \$ 63,912  | \$ 58,650  | \$ 76,761  | \$ 102,254 | \$ 228,034          | \$ 354,268 |

(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 |                   |
|---|------------------|------------------|------------------|------------------|------------------|---------------------|-------------------|
|   | 2022             | 2022             | 2022             | 2022             | 2021             | December 31,        |                   |
|   |                  |                  |                  |                  |                  | 2022                | 2021              |
| Loss from discontinued operations before income taxes     | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —                | \$ (20,354)       |
| Income tax expense (benefit) from discontinued operations | —                | —                | —                | —                | 1,585            | —                   | 19,267            |
| Net loss from discontinued operations                     | —                | —                | —                | —                | (1,585)          | —                   | (39,621)          |
| <b>Net income</b>   | <b>28,711</b>    | <b>63,912</b>    | <b>58,650</b>    | <b>76,761</b>    | <b>100,669</b>   | <b>228,034</b>      | <b>314,647</b>    |
| <b>Preferred stock dividends</b>                          | <b>3,088</b>     | <b>2,548</b>     | <b>2,131</b>     | <b>1,865</b>     | <b>2,022</b>     | <b>9,632</b>        | <b>11,693</b>     |
| <b>Loss on redemption of preferred stock</b>              | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>—</b>         | <b>—</b>            | <b>2,820</b>      |
| <b>Net income available to common shareholders</b>        | <b>\$ 25,623</b> | <b>\$ 61,364</b> | <b>\$ 56,519</b> | <b>\$ 74,896</b> | <b>\$ 98,647</b> | <b>\$ 218,402</b>   | <b>\$ 300,134</b> |
| Basic earnings per common share from continuing           | \$ 0.79          | \$ 1.89          | \$ 1.73          | \$ 2.27          | \$ 3.07          | \$ 6.69             | \$ 10.51          |
| Basic earnings per common share                           | 0.79             | 1.89             | 1.73             | 2.27             | 3.02             | 6.69                | 9.29              |
| Diluted earnings per common share from continuing         | 0.77             | 1.85             | 1.68             | 2.18             | 2.92             | 6.51                | 10.08             |
| operations  |                  |                  |                  |                  |                  |                     |                   |
| Diluted earnings per common share                         | 0.77             | 1.85             | 1.68             | 2.18             | 2.87             | 6.51                | 8.91              |

# CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET - UNAUDITED

(Dollars in thousands)

|   | December 31,<br>2022 | September 30,<br>2022 | June 30,<br>2022     | March 31,<br>2022    | December 31,<br>2021 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                       |                      |                      |                      |
| Cash and due from banks   | \$ 58,025            | \$ 41,520             | \$ 66,703            | \$ 55,515            | \$ 35,238            |
| Interest earning deposits   | 397,781              | 362,945               | 178,475              | 219,085              | 482,794              |
| Cash and cash equivalents   | 455,806              | 404,465               | 245,178              | 274,600              | 518,032              |
| Investment securities, at fair value  | 2,987,500            | 2,943,694             | 3,144,882            | 4,169,853            | 3,817,150            |
| Investment securities held to maturity  | 840,259              | 886,294               | 495,039              | —                    | —                    |
| Loans held for sale   | 328,312              | 5,224                 | 6,595                | 3,003                | 16,254               |
| Loans receivable, mortgage warehouse, at fair value                                       | 1,323,312            | 1,569,090             | 1,874,603            | 1,755,758            | 2,284,325            |
| Loans receivable, PPP   | 998,153              | 1,154,632             | 1,570,160            | 2,195,902            | 3,250,008            |
| Loans and leases receivable   | 13,144,894           | 12,607,742            | 12,212,995           | 10,118,855           | 9,018,298            |
| Allowance for credit losses on loans and leases   | (130,924)            | (130,197)             | (156,530)            | (145,847)            | (137,804)            |
| Total loans and leases receivable, net of allowance for credit losses on loans and leases | 15,335,435           | 15,201,267            | 15,501,228           | 13,924,668           | 14,414,827           |
| FHLB, Federal Reserve Bank, and other restricted stock                                    | 74,196               | 64,112                | 74,626               | 54,553               | 64,584               |
| Accrued interest receivable   | 123,374              | 107,621               | 98,727               | 94,669               | 92,239               |
| Bank premises and equipment, net  | 9,025                | 6,610                 | 6,755                | 8,233                | 8,890                |
| Bank-owned life insurance   | 338,441              | 336,130               | 335,153              | 332,239              | 333,705              |
| Goodwill and other intangibles  | 3,629                | 3,629                 | 3,629                | 3,678                | 3,736                |
| Other assets  | 400,135              | 408,575               | 340,184              | 298,212              | 305,611              |
| <b>Total assets</b>   | <b>\$ 20,896,112</b> | <b>\$ 20,367,621</b>  | <b>\$ 20,251,996</b> | <b>\$ 19,163,708</b> | <b>\$ 19,575,028</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                      |                       |                      |                      |                      |
| Demand, non-interest bearing deposits   | \$ 1,885,045         | \$ 2,993,793          | \$ 4,683,030         | \$ 4,594,428         | \$ 4,459,790         |
| Interest bearing deposits   | 16,271,908           | 14,528,645            | 12,261,689           | 11,821,132           | 12,318,134           |
| Total deposits  | 18,156,953           | 17,522,438            | 16,944,719           | 16,415,560           | 16,777,924           |
| Federal funds purchased   | —                    | 365,000               | 770,000              | 700,000              | 75,000               |
| FHLB advances   | 800,000              | 500,000               | 635,000              | —                    | 700,000              |
| Other borrowings  | 123,580              | 123,515               | 123,450              | 223,230              | 223,086              |
| Subordinated debt   | 181,952              | 181,882               | 181,812              | 181,742              | 181,673              |
| Accrued interest payable and other liabilities  | 230,666              | 287,855               | 243,625              | 265,770              | 251,128              |
| <b>Total liabilities</b>  | <b>19,493,151</b>    | <b>18,980,690</b>     | <b>18,898,606</b>    | <b>17,786,302</b>    | <b>18,208,811</b>    |
| Preferred stock   | 137,794              | 137,794               | 137,794              | 137,794              | 137,794              |
| Common stock  | 35,012               | 34,948                | 34,922               | 34,882               | 34,722               |
| Additional paid in capital  | 551,721              | 549,066               | 545,670              | 542,402              | 542,391              |
| Retained earnings   | 924,134              | 898,511               | 837,147              | 780,628              | 705,732              |
| Accumulated other comprehensive income (loss), net  | (163,096)            | (156,126)             | (124,881)            | (62,548)             | (4,980)              |
| Treasury stock, at cost   | (82,604)             | (77,262)              | (77,262)             | (55,752)             | (49,442)             |
| <b>Total shareholders' equity</b>   | <b>1,402,961</b>     | <b>1,386,931</b>      | <b>1,353,390</b>     | <b>1,377,406</b>     | <b>1,366,217</b>     |
| <b>Total liabilities and shareholders' equity</b>   | <b>\$ 20,896,112</b> | <b>\$ 20,367,621</b>  | <b>\$ 20,251,996</b> | <b>\$ 19,163,708</b> | <b>\$ 19,575,028</b> |

**CUSTOMERS BANCORP. INC. AND SUBSIDIARIES**
**AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED**
*(Dollars in thousands)*

|  | Three Months Ended  |                            |                           |                     |                            |                           |                     |                            |                           |
|--|---------------------|----------------------------|---------------------------|---------------------|----------------------------|---------------------------|---------------------|----------------------------|---------------------------|
|  | December 31, 2022   |                            |                           | September 30, 2022  |                            |                           | December 31, 2021   |                            |                           |
|  | Average Balance     | Interest Income or Expense | Average Yield or Cost (%) | Average Balance     | Interest Income or Expense | Average Yield or Cost (%) | Average Balance     | Interest Income or Expense | Average Yield or Cost (%) |
| <b>Assets</b>  |                     |                            |                           |                     |                            |                           |                     |                            |                           |
| Interest earning deposits  | \$ 693,563          | \$ 6,754                   | 3.86%                     | \$ 528,001          | \$ 2,949                   | 2.22%                     | \$ 1,568,510        | \$ 604                     | 0.15%                     |
| Investment securities <sup>(1)</sup>                               | 4,061,555           | 42,953                     | 4.23%                     | 3,770,922           | 30,546                     | 3.24%                     | 2,621,844           | 15,202                     | 2.32%                     |
| Loans and leases:  |                     |                            |                           |                     |                            |                           |                     |                            |                           |
| Commercial & industrial:   |                     |                            |                           |                     |                            |                           |                     |                            |                           |
| Specialty lending loans and leases <sup>(2)</sup>                  | 5,529,567           | 90,885                     | 6.52%                     | 5,064,730           | 64,753                     | 5.07%                     | 2,206,910           | 19,998                     | 3.60%                     |
| Other commercial & industrial loans <sup>(2)</sup>                 | 1,670,000           | 22,796                     | 5.42%                     | 1,585,136           | 18,794                     | 4.70%                     | 1,307,276           | 12,905                     | 3.92%                     |
| Commercial loans to mortgage companies                             | 1,376,760           | 17,701                     | 5.10%                     | 1,623,624           | 17,092                     | 4.18%                     | 2,289,061           | 17,425                     | 3.02%                     |
| Multifamily loans  | 2,235,885           | 22,481                     | 3.99%                     | 2,206,953           | 20,427                     | 3.67%                     | 1,327,732           | 12,462                     | 3.72%                     |
| Loans receivable, PPP  | 1,065,919           | 7,249                      | 2.70%                     | 1,349,403           | 14,666                     | 4.31%                     | 3,898,607           | 82,086                     | 8.35%                     |
| Non-owner occupied commercial real estate loans                    | 1,430,420           | 18,536                     | 5.14%                     | 1,372,244           | 15,595                     | 4.51%                     | 1,334,184           | 12,793                     | 3.80%                     |
| Residential mortgages  | 524,344             | 5,462                      | 4.13%                     | 513,694             | 5,008                      | 3.87%                     | 314,551             | 2,919                      | 3.68%                     |
| Installment loans  | 1,555,108           | 33,630                     | 8.58%                     | 1,938,199           | 44,122                     | 9.03%                     | 1,657,049           | 37,412                     | 8.96%                     |
| Total loans and leases <sup>(3)</sup>                              | 15,388,003          | 218,740                    | 5.64%                     | 15,653,983          | 200,457                    | 5.08%                     | 14,335,370          | 198,000                    | 5.48%                     |
| Other interest-earning assets                                      | 67,907              | 1,200                      | 7.01%                     | 68,549              | 1,964                      | 11.37%                    | 50,709              | 231                        | 1.81%                     |
| <b>Total interest-earning assets</b>                               | <b>20,211,028</b>   | <b>269,647</b>             | <b>5.30%</b>              | <b>20,021,455</b>   | <b>235,916</b>             | <b>4.68%</b>              | <b>18,576,433</b>   | <b>214,037</b>             | <b>4.57%</b>              |
| Non-interest-earning assets  | 506,334             |                            |                           | 492,911             |                            |                           | 637,808             |                            |                           |
| <b>Total assets</b>  | <b>\$20,717,362</b> |                            |                           | <b>\$20,514,366</b> |                            |                           | <b>\$19,214,241</b> |                            |                           |
| <b>Liabilities</b>   |                     |                            |                           |                     |                            |                           |                     |                            |                           |
| Interest checking accounts   | 8,536,962           | 70,041                     | 3.26%                     | 6,669,787           | 33,685                     | 2.00%                     | 5,258,982           | 7,676                      | 0.58%                     |
| Money market deposit accounts                                      | 3,094,206           | 21,220                     | 2.72%                     | 5,789,991           | 24,348                     | 1.67%                     | 5,293,529           | 5,683                      | 0.43%                     |
| Other savings accounts   | 669,466             | 3,368                      | 2.00%                     | 625,908             | 1,818                      | 1.15%                     | 1,189,899           | 1,357                      | 0.45%                     |
| Certificates of deposit  | 3,259,801           | 29,737                     | 3.62%                     | 1,141,970           | 5,529                      | 1.92%                     | 541,528             | 699                        | 0.51%                     |
| Total interest-bearing deposits <sup>(4)</sup>                     | 15,560,435          | 124,366                    | 3.17%                     | 14,227,656          | 65,380                     | 1.82%                     | 12,283,938          | 15,415                     | 0.50%                     |
| Federal funds purchased  | 151,467             | 1,437                      | 3.76%                     | 513,011             | 2,871                      | 2.22%                     | 815                 | 1                          | 0.15%                     |
| Borrowings   | 819,032             | 8,707                      | 4.22%                     | 874,497             | 8,633                      | 3.92%                     | 465,600             | 4,927                      | 4.20%                     |
| <b>Total interest-bearing liabilities</b>                          | <b>16,530,934</b>   | <b>134,510</b>             | <b>3.23%</b>              | <b>15,615,164</b>   | <b>76,884</b>              | <b>1.95%</b>              | <b>12,750,353</b>   | <b>20,343</b>              | <b>0.63%</b>              |
| Non-interest-bearing deposits <sup>(4)</sup>                       | 2,514,316           |                            |                           | 3,245,963           |                            |                           | 4,817,835           |                            |                           |
| Total deposits and borrowings                                      | 19,045,250          |                            | 2.80%                     | 18,861,127          |                            | 1.62%                     | 17,568,188          |                            | 0.46%                     |
| Other non-interest-bearing liabilities                             | 271,129             |                            |                           | 255,735             |                            |                           | 328,782             |                            |                           |
| <b>Total liabilities</b>   | <b>19,316,379</b>   |                            |                           | <b>19,116,862</b>   |                            |                           | <b>17,896,970</b>   |                            |                           |
| <b>Shareholders' equity</b>  | <b>1,400,983</b>    |                            |                           | <b>1,397,504</b>    |                            |                           | <b>1,317,271</b>    |                            |                           |
| <b>Total liabilities and shareholders' equity</b>                  | <b>\$20,717,362</b> |                            |                           | <b>\$20,514,366</b> |                            |                           | <b>\$19,214,241</b> |                            |                           |
| Net interest income  |                     | 135,137                    |                           |                     | 159,032                    |                           |                     | 193,694                    |                           |
| Tax-equivalent adjustment  |                     | 342                        |                           |                     | 334                        |                           |                     | 276                        |                           |
| Net interest earnings  |                     | <u>\$ 135,479</u>          |                           |                     | <u>\$ 159,366</u>          |                           |                     | <u>\$ 193,970</u>          |                           |
| <b>Interest spread</b>   |                     |                            | <u>2.50%</u>              |                     |                            | <u>3.06%</u>              |                     |                            | <u>4.11%</u>              |
| <b>Net interest margin</b>   |                     |                            | <u>2.66%</u>              |                     |                            | <u>3.16%</u>              |                     |                            | <u>4.14%</u>              |
| <b>Net interest margin tax equivalent</b>                          |                     |                            | <u>2.67%</u>              |                     |                            | <u>3.16%</u>              |                     |                            | <u>4.14%</u>              |
| <b>Net interest margin tax equivalent excl. PPP <sup>(5)</sup></b> |                     |                            | <u>2.87%</u>              |                     |                            | <u>3.18%</u>              |                     |                            | <u>3.12%</u>              |

(continued)

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- (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 2.73%, 1.48% and 0.36% for the three months ended December 31, 2022, September 30, 2022 and December 31, 2021, respectively.
  - (5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the three months ended December 31, 2022, September 30, 2022 and December 31, 2021, presented to approximate interest income as a taxable asset and 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

**CUSTOMERS BANCORP. INC. AND SUBSIDIARIES**
**AVERAGE BALANCE SHEET / NET INTEREST MARGIN - UNAUDITED (CONTINUED)**
*(Dollars in thousands)*

|  | Twelve Months Ended |                            |                           |                     |                            |                           |
|--|---------------------|----------------------------|---------------------------|---------------------|----------------------------|---------------------------|
|  | December 31, 2022   |                            |                           | December 31, 2021   |                            |                           |
|  | Average Balance     | Interest Income or Expense | Average Yield or Cost (%) | Average Balance     | Interest Income or Expense | Average Yield or Cost (%) |
| <b>Assets</b>  |                     |                            |                           |                     |                            |                           |
| Interest earning deposits  | \$ 620,071          | \$ 10,952                  | 1.77%                     | \$ 1,169,416        | \$ 1,585                   | 0.14%                     |
| Investment securities <sup>(1)</sup>                               | 3,992,934           | 119,236                    | 2.99%                     | 1,753,649           | 40,413                     | 2.30%                     |
| Loans and leases:  |                     |                            |                           |                     |                            |                           |
| Commercial & industrial:   |                     |                            |                           |                     |                            |                           |
| Specialty lending loans and leases <sup>(2)</sup>                  | 4,357,995           | 218,189                    | 5.01%                     | 1,723,516           | 63,656                     | 3.69%                     |
| Other commercial & industrial loans <sup>(2)</sup>                 | 1,540,435           | 69,564                     | 4.52%                     | 1,344,489           | 51,536                     | 3.83%                     |
| Commercial loans to mortgage companies                             | 1,682,471           | 64,413                     | 3.83%                     | 2,699,300           | 83,350                     | 3.09%                     |
| Multifamily loans  | 1,957,672           | 73,987                     | 3.78%                     | 1,501,878           | 56,582                     | 3.77%                     |
| Loans receivable, PPP  | 1,724,659           | 79,381                     | 4.60%                     | 5,108,192           | 279,158                    | 5.46%                     |
| Non-owner occupied commercial real estate loans                    | 1,356,086           | 59,087                     | 4.36%                     | 1,349,563           | 51,430                     | 3.81%                     |
| Residential mortgages  | 492,870             | 19,048                     | 3.86%                     | 339,845             | 12,405                     | 3.65%                     |
| Installment loans  | 1,798,977           | 161,644                    | 8.99%                     | 1,517,165           | 138,705                    | 9.14%                     |
| Total loans and leases <sup>(3)</sup>                              | 14,911,165          | 745,313                    | 5.00%                     | 15,583,948          | 736,822                    | 4.73%                     |
| Other interest-earning assets                                      | 64,204              | 9,872                      | NM <sup>(6)</sup>         | 59,308              | 2,064                      | 3.48%                     |
| <b>Total interest-earning assets</b>                               | <b>19,588,374</b>   | <b>885,373</b>             | <b>4.52%</b>              | <b>18,566,321</b>   | <b>780,884</b>             | <b>4.21%</b>              |
| Non-interest-earning assets  | 521,370             |                            |                           | 633,615             |                            |                           |
| <b>Total assets</b>  | <b>\$20,109,744</b> |                            |                           | <b>\$19,199,936</b> |                            |                           |
| <b>Liabilities</b>   |                     |                            |                           |                     |                            |                           |
| Interest checking accounts   | \$ 6,853,533        | \$ 125,100                 | 1.83%                     | \$ 4,006,354        | \$ 27,605                  | 0.69%                     |
| Money market deposit accounts                                      | 4,615,574           | 57,765                     | 1.25%                     | 4,933,027           | 22,961                     | 0.47%                     |
| Other savings accounts   | 716,838             | 6,727                      | 0.94%                     | 1,358,708           | 7,584                      | 0.56%                     |
| Certificates of deposit  | 1,352,787           | 36,647                     | 2.71%                     | 619,859             | 4,491                      | 0.72%                     |
| Total interest-bearing deposits <sup>(4)</sup>                     | 13,538,732          | 226,239                    | 1.67%                     | 10,917,948          | 62,641                     | 0.57%                     |
| Federal funds purchased  | 349,581             | 5,811                      | 1.66%                     | 22,110              | 16                         | 0.07%                     |
| FRB PPP liquidity facility   | —                   | —                          | —%                        | 2,636,925           | 9,229                      | 0.35%                     |
| Borrowings   | 792,563             | 29,603                     | 3.74%                     | 610,503             | 23,924                     | 3.92%                     |
| <b>Total interest-bearing liabilities</b>                          | <b>14,680,876</b>   | <b>261,653</b>             | <b>1.78%</b>              | <b>14,187,486</b>   | <b>95,810</b>              | <b>0.68%</b>              |
| Non-interest-bearing deposits <sup>(4)</sup>                       | 3,780,185           |                            |                           | 3,470,788           |                            |                           |
| Total deposits and borrowings                                      | 18,461,061          |                            | 1.42%                     | 17,658,274          |                            | 0.54%                     |
| Other non-interest-bearing liabilities                             | 255,911             |                            |                           | 304,078             |                            |                           |
| <b>Total liabilities</b>   | <b>18,716,972</b>   |                            |                           | <b>17,962,352</b>   |                            |                           |
| <b>Shareholders' equity</b>  | <b>1,392,772</b>    |                            |                           | <b>1,237,584</b>    |                            |                           |
| <b>Total liabilities and shareholders' equity</b>                  | <b>\$20,109,744</b> |                            |                           | <b>\$19,199,936</b> |                            |                           |
| Net interest income  |                     | 623,720                    |                           |                     | 685,074                    |                           |
| Tax-equivalent adjustment  |                     | 1,185                      |                           |                     | 1,147                      |                           |
| Net interest earnings  |                     | \$ 624,905                 |                           |                     | \$ 686,221                 |                           |
| <b>Interest spread</b>   |                     |                            | <b>3.10%</b>              |                     |                            | <b>3.66%</b>              |
| <b>Net interest margin</b>   |                     |                            | <b>3.18%</b>              |                     |                            | <b>3.69%</b>              |
| <b>Net interest margin tax equivalent</b>                          |                     |                            | <b>3.19%</b>              |                     |                            | <b>3.70%</b>              |
| <b>Net interest margin tax equivalent excl. PPP <sup>(5)</sup></b> |                     |                            | <b>3.16%</b>              |                     |                            | <b>3.16%</b>              |

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

(2) Includes owner occupied commercial real estate loans.

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

(4) Total costs of deposits (including interest bearing and non-interest bearing) were 1.31% and 0.44% for the twelve months ended December 31, 2022 and 2021, respectively.

- (5) Non-GAAP tax-equivalent basis, using an estimated marginal tax rate of 26% for the twelve months ended December 31, 2022 and 2021, presented to approximate interest income as a taxable asset and 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
- (6) Not meaningful.

## CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

### PERIOD END LOAN AND LEASE COMPOSITION - UNAUDITED

(Dollars in thousands)

|   | December 31,<br>2022 | September 30,<br>2022 | June 30,<br>2022     | March 31,<br>2022    | December 31,<br>2021 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Commercial:                               |                      |                       |                      |                      |                      |
| Commercial & industrial:                  |                      |                       |                      |                      |                      |
| Specialty lending                         | \$ 5,412,887         | \$ 5,103,974          | \$ 4,599,640         | \$ 2,973,544         | \$ 2,403,991         |
| Other commercial & industrial             | 1,135,336            | 1,064,332             | 1,037,443            | 947,895              | 942,679              |
| Multifamily                               | 2,217,098            | 2,267,376             | 2,012,920            | 1,705,027            | 1,486,308            |
| Loans to mortgage companies               | 1,447,919            | 1,708,587             | 1,975,189            | 1,830,121            | 2,362,438            |
| Commercial real estate owner occupied     | 885,339              | 726,670               | 710,577              | 701,893              | 654,922              |
| Loans receivable, PPP                     | 998,153              | 1,154,632             | 1,570,160            | 2,195,902            | 3,250,008            |
| Commercial real estate non-owner occupied | 1,290,730            | 1,263,211             | 1,152,869            | 1,140,311            | 1,121,238            |
| Construction                              | 162,009              | 136,133               | 195,687              | 161,024              | 198,981              |
| Total commercial loans and leases         | 13,549,471           | 13,424,915            | 13,254,485           | 11,655,717           | 12,420,565           |
| Consumer:                                 |                      |                       |                      |                      |                      |
| Residential                               | 498,781              | 466,888               | 460,228              | 469,426              | 350,984              |
| Manufactured housing                      | 45,076               | 46,990                | 48,570               | 50,669               | 52,861               |
| Installment:                              |                      |                       |                      |                      |                      |
| Personal                                  | 1,306,376            | 1,056,432             | 1,613,628            | 1,584,011            | 1,392,862            |
| Other                                     | 394,967              | 341,463               | 287,442              | 313,695              | 351,613              |
| Total consumer loans                      | 2,245,200            | 1,911,773             | 2,409,868            | 2,417,801            | 2,148,320            |
| Total loans and leases                    | <u>\$ 15,794,671</u> | <u>\$ 15,336,688</u>  | <u>\$ 15,664,353</u> | <u>\$ 14,073,518</u> | <u>\$ 14,568,885</u> |

## CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

### PERIOD END DEPOSIT COMPOSITION - UNAUDITED

(Dollars in thousands)

|                              | December 31,<br>2022 | September 30,<br>2022 | June 30,<br>2022     | March 31,<br>2022    | December 31,<br>2021 |
|------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| Demand, non-interest bearing | \$ 1,885,045         | \$ 2,993,793          | \$ 4,683,030         | \$ 4,594,428         | \$ 4,459,790         |
| Demand, interest bearing     | 8,476,027            | 7,124,663             | 6,644,398            | 5,591,468            | 6,488,406            |
| Total demand deposits        | 10,361,072           | 10,118,456            | 11,327,428           | 10,185,896           | 10,948,196           |
| Savings                      | 811,798              | 592,002               | 640,062              | 802,395              | 973,317              |
| Money market                 | 2,734,217            | 4,913,967             | 4,254,205            | 4,981,077            | 4,349,073            |
| Time deposits                | 4,249,866            | 1,898,013             | 723,024              | 446,192              | 507,338              |
| Total deposits               | <u>\$ 18,156,953</u> | <u>\$ 17,522,438</u>  | <u>\$ 16,944,719</u> | <u>\$ 16,415,560</u> | <u>\$ 16,777,924</u> |

# CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

## ASSET QUALITY - UNAUDITED

| (Dollars in thousands)   | As of December 31, 2022 |                   |                             |                           |                              | As of September 30, 2022 |                   |                             |                           |                              | As of December 31, 2021 |                   |                             |                           |                              |
|--|-------------------------|-------------------|-----------------------------|---------------------------|------------------------------|--------------------------|-------------------|-----------------------------|---------------------------|------------------------------|-------------------------|-------------------|-----------------------------|---------------------------|------------------------------|
|  | 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 |
| <b>Loan type</b>   |                         |                   |                             |                           |                              |                          |                   |                             |                           |                              |                         |                   |                             |                           |                              |
| Commercial & industrial, including specialty <i>lenders</i> <sup>(1)</sup> | \$ 6,672,830            | \$ 1,761          | \$ 17,582                   | 0.03 %                    | 998.41 %                     | \$ 6,307,803             | \$ 4,078          | \$ 15,131                   | 0.06 %                    | 371.04 %                     | \$ 3,424,783            | \$ 6,096          | \$ 12,702                   | 0.18 %                    | 208.37 %                     |
| Multifamily  | 2,213,019               | 1,143             | 14,541                      | 0.05 %                    | 1272.18 %                    | 2,263,268                | 1,158             | 14,244                      | 0.05 %                    | 1230.05 %                    | 1,486,308               | 22,654            | 4,477                       | 1.52 %                    | 19.76 %                      |
| Commercial real estate owner occupied                                      | 885,339                 | 2,768             | 6,454                       | 0.31 %                    | 233.16 %                     | 726,670                  | 2,198             | 6,220                       | 0.30 %                    | 282.98 %                     | 654,922                 | 2,475             | 3,213                       | 0.38 %                    | 129.82 %                     |
| Commercial real estate non-owner occupied                                  | 1,290,730               | —                 | 11,219                      | — %                       | — %                          | 1,263,211                | —                 | 11,332                      | — %                       | — %                          | 1,121,238               | 2,815             | 6,210                       | 0.25 %                    | 220.60 %                     |
| Construction   | 162,009                 | —                 | 1,913                       | — %                       | — %                          | 136,133                  | —                 | 1,614                       | — %                       | — %                          | 198,981                 | —                 | 692                         | — %                       | — %                          |
| <b>Total commercial loans and leases receivable</b>                        | <b>11,223,927</b>       | <b>5,672</b>      | <b>51,709</b>               | <b>0.05 %</b>             | <b>911.65 %</b>              | <b>10,697,085</b>        | <b>7,434</b>      | <b>48,541</b>               | <b>0.07 %</b>             | <b>652.96 %</b>              | <b>6,886,232</b>        | <b>34,040</b>     | <b>27,294</b>               | <b>0.49 %</b>             | <b>80.18 %</b>               |
| Residential  | 497,952                 | 6,922             | 6,094                       | 1.39 %                    | 88.04 %                      | 465,772                  | 6,438             | 5,453                       | 1.38 %                    | 84.70 %                      | 334,730                 | 7,727             | 2,383                       | 2.31 %                    | 30.84 %                      |
| Manufactured housing   | 45,076                  | 2,410             | 4,430                       | 5.35 %                    | 183.82 %                     | 46,990                   | 2,584             | 4,482                       | 5.50 %                    | 173.45 %                     | 52,861                  | 3,563             | 4,278                       | 6.74 %                    | 120.07 %                     |
| Installment  | 1,377,939               | 9,527             | 68,691                      | 0.69 %                    | 721.01 %                     | 1,397,895                | 6,848             | 71,721                      | 0.49 %                    | 1047.33 %                    | 1,744,475               | 3,783             | 103,849                     | 0.22 %                    | 2745.15 %                    |
| <b>Total consumer loans receivable</b>                                     | <b>1,920,967</b>        | <b>18,859</b>     | <b>79,215</b>               | <b>0.98 %</b>             | <b>420.04 %</b>              | <b>1,910,657</b>         | <b>15,870</b>     | <b>81,656</b>               | <b>0.83 %</b>             | <b>514.53 %</b>              | <b>2,132,066</b>        | <b>15,073</b>     | <b>110,510</b>              | <b>0.71 %</b>             | <b>733.17 %</b>              |
| <b>Loans and leases receivable <sup>(1)</sup></b>                          | <b>13,144,894</b>       | <b>24,531</b>     | <b>130,924</b>              | <b>0.19 %</b>             | <b>533.71 %</b>              | <b>12,607,742</b>        | <b>23,304</b>     | <b>130,197</b>              | <b>0.18 %</b>             | <b>558.69 %</b>              | <b>9,018,298</b>        | <b>49,113</b>     | <b>137,804</b>              | <b>0.54 %</b>             | <b>280.59 %</b>              |
| <b>Loans receivable, PPP</b>   | <b>998,153</b>          | <b>—</b>          | <b>—</b>                    | <b>— %</b>                | <b>— %</b>                   | <b>1,154,632</b>         | <b>—</b>          | <b>—</b>                    | <b>— %</b>                | <b>— %</b>                   | <b>3,250,008</b>        | <b>—</b>          | <b>—</b>                    | <b>— %</b>                | <b>— %</b>                   |
| <b>Loans receivable, mortgage warehouse, at fair value</b>                 | <b>1,323,312</b>        | <b>—</b>          | <b>—</b>                    | <b>— %</b>                | <b>— %</b>                   | <b>1,569,090</b>         | <b>—</b>          | <b>—</b>                    | <b>— %</b>                | <b>— %</b>                   | <b>2,284,325</b>        | <b>—</b>          | <b>—</b>                    | <b>— %</b>                | <b>— %</b>                   |
| <b>Total loans held for sale</b>   | <b>328,312</b>          | <b>6,206</b>      | <b>—</b>                    | <b>1.89 %</b>             | <b>— %</b>                   | <b>5,224</b>             | <b>4,615</b>      | <b>—</b>                    | <b>88.34 %</b>            | <b>— %</b>                   | <b>16,254</b>           | <b>507</b>        | <b>—</b>                    | <b>3.12 %</b>             | <b>— %</b>                   |
| <b>Total portfolio</b>   | <b>\$ 15,794,671</b>    | <b>\$ 30,737</b>  | <b>\$ 130,924</b>           | <b>0.19 %</b>             | <b>425.95 %</b>              | <b>\$ 15,336,688</b>     | <b>\$ 27,919</b>  | <b>\$ 130,197</b>           | <b>0.18 %</b>             | <b>466.34 %</b>              | <b>\$ 14,568,885</b>    | <b>\$ 49,620</b>  | <b>\$ 137,804</b>           | <b>0.34 %</b>             | <b>277.72 %</b>              |

(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 |                  |
|--|------------------|------------------|------------------|-----------------|-----------------|---------------------|------------------|
|  | 2022             | 2022             | 2022             | 2022            | 2021            | December 31         |                  |
|  |                  |                  |                  |                 |                 | 2022                | 2021             |
| <b>Loan type</b>   |                  |                  |                  |                 |                 |                     |                  |
| Commercial & industrial, including specialty lending <sup>(1)</sup>      | \$ 12,960        | \$ 2,581         | \$ (416)         | \$ (59)         | \$ 240          | \$ 15,066           | \$ 448           |
| Multifamily  | —                | —                | 1,990            | (337)           | —               | 1,653               | 1,132            |
| Commercial real estate owner occupied                                    | (2)              | —                | (42)             | (7)             | 66              | (51)                | 249              |
| Commercial real estate non-owner occupied                                | 972              | 4,831            | 159              | (8)             | (14)            | 5,954               | 860              |
| Construction   | (10)             | (10)             | (103)            | (113)           | (3)             | (236)               | (125)            |
| Residential  | 7                | (13)             | (39)             | (2)             | (6)             | (47)                | 76               |
| Installment  | 13,237           | 11,108           | 11,932           | 7,752           | 7,299           | 44,029              | 31,158           |
| <b>Total net charge-offs (recoveries) from loans held for investment</b> | <b>\$ 27,164</b> | <b>\$ 18,497</b> | <b>\$ 13,481</b> | <b>\$ 7,226</b> | <b>\$ 7,582</b> | <b>\$ 66,368</b>    | <b>\$ 33,798</b> |

(1) Includes \$11.0 million of one-time charge-offs from certain loans originated under the PPP program that were subsequently determined to be ineligible for SBA forgiveness and guarantee and were deemed uncollectible during the three and twelve months ended December 31, 2022.

# CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

## RECONCILIATION OF GAAP TO NON-GAAP MEASURES - UNAUDITED

We believe 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 our 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 -<br>Customers Bancorp            | Twelve Months Ended<br>December 31, |           |           |           |           |           |           |           |            |           |            |           |            |           |
|---|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|-----------|------------|-----------|------------|-----------|
|   | Q4 2022                             |           | Q3 2022   |           | Q2 2022   |           | Q1 2022   |           | Q4 2021    |           | 2022       |           | 2021       |           |
|   | 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          | \$ 25,623                           | \$ 0.77   | \$ 61,364 | \$ 1.85   | \$ 56,519 | \$ 1.68   | \$ 74,896 | \$ 2.18   | \$ 98,647  | \$ 2.87   | \$ 218,402 | \$ 6.51   | \$ 300,134 | \$ 8.91   |
| Reconciling items (after tax):                  |                                     |           |           |           |           |           |           |           |            |           |            |           |            |           |
| Net loss from discontinued operations           | —                                   | —         | —         | —         | —         | —         | —         | —         | 1,585      | 0.05      | —          | —         | 39,621     | 1.18      |
| Severance expense                               | —                                   | —         | 1,058     | 0.03      | —         | —         | —         | —         | —          | —         | 1,058      | 0.03      | 1,517      | 0.05      |
| Impairments on fixed assets and leases          | —                                   | —         | 126       | 0.00      | 705       | 0.02      | 220       | 0.01      | 1,118      | 0.03      | 1,051      | 0.03      | 1,118      | 0.03      |
| Merger and acquisition related expenses         | —                                   | —         | —         | —         | —         | —         | —         | —         | —          | —         | —          | —         | 320        | 0.01      |
| Loss on sale of consumer installment loans      | —                                   | —         | 18,221    | 0.55      | —         | —         | —         | —         | —          | —         | 18,221     | 0.54      | —          | —         |
| Legal reserves                                  | —                                   | —         | —         | —         | —         | —         | —         | —         | —          | —         | —          | —         | 897        | 0.03      |
| (Gains) losses on investment securities         | 13,543                              | 0.41      | 1,859     | 0.06      | 2,494     | 0.07      | 1,030     | 0.03      | 43         | 0.00      | 18,926     | 0.56      | (26,015)   | (0.77)    |
| Loss on sale of foreign subsidiaries            | —                                   | —         | —         | —         | —         | —         | —         | —         | —          | —         | —          | —         | 2,150      | 0.06      |
| Loss on cash flow hedge derivative terminations | —                                   | —         | —         | —         | —         | —         | —         | —         | —          | —         | —          | —         | 18,716     | 0.56      |
| Derivative credit valuation adjustment          | 202                                 | 0.01      | (358)     | (0.01)    | (351)     | (0.01)    | (736)     | (0.02)    | (180)      | (0.01)    | (1,243)    | (0.04)    | (1,285)    | (0.04)    |
| Deposit relationship adjustment fees            | —                                   | —         | —         | —         | —         | —         | —         | —         | —          | —         | —          | —         | 4,707      | 0.14      |
| Loss on redemption of preferred stock           | —                                   | —         | —         | —         | —         | —         | —         | —         | —          | —         | —          | —         | 2,820      | 0.08      |
| Core earnings                                   | \$ 39,368                           | \$ 1.19   | \$ 82,270 | \$ 2.48   | \$ 59,367 | \$ 1.77   | \$ 75,410 | \$ 2.20   | \$ 101,213 | \$ 2.95   | \$ 256,415 | \$ 7.63   | \$ 344,700 | \$ 10.23  |

# CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

| Core Earnings, excluding<br>PPP - Customers Bancorp<br><br>(Dollars in thousands<br>except per share data) | Twelve Months Ended<br>December 31, |              |           |              |           |              |           |              |           |              |            |              |            |              |
|--|-------------------------------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|------------|--------------|------------|--------------|
|  | Q4 2022                             |              | Q3 2022   |              | Q2 2022   |              | Q1 2022   |              | Q4 2021   |              | 2022       |              | 2021       |              |
|  | USD                                 | Per<br>share | USD       | Per<br>share | USD       | Per<br>share | USD       | Per<br>share | USD       | Per<br>share | USD        | Per<br>share | USD        | Per<br>share |
| GAAP net income to<br>common shareholders  | \$ 25,623                           | \$ 0.77      | \$ 61,364 | \$ 1.85      | \$ 56,519 | \$ 1.68      | \$ 74,896 | \$ 2.18      | \$ 98,647 | \$ 2.87      | \$ 218,402 | \$ 6.51      | \$ 300,134 | \$ 8.91      |
| Less: PPP net income (loss)<br>(after tax)   | (5,956)                             | (0.18)       | 5,846     | 0.18         | 13,066    | 0.39         | 24,713    | 0.72         | 64,323    | 1.87         | 37,669     | 1.12         | 195,050    | 5.79         |
| Net income to common<br>shareholders, excluding<br>ppp   | 31,579                              | 0.95         | 55,518    | 1.67         | 43,453    | 1.29         | 50,183    | 1.46         | 34,324    | 1.00         | 180,733    | 5.39         | 105,084    | 3.12         |
| Reconciling items (after<br>tax):  |                                     |              |           |              |           |              |           |              |           |              |            |              |            |              |
| Net loss from discontinued<br>operations   | —                                   | —            | —         | —            | —         | —            | —         | —            | 1,585     | 0.05         | —          | —            | 39,621     | 1.18         |
| Severance expense  | —                                   | —            | 1,058     | 0.03         | —         | —            | —         | —            | —         | —            | 1,058      | 0.03         | 1,517      | 0.05         |
| Impairments on fixed assets<br>and leases  | —                                   | —            | 126       | 0.00         | 705       | 0.02         | 220       | 0.01         | 1,118     | 0.03         | 1,051      | 0.03         | 1,118      | 0.03         |
| Merger and acquisition<br>related expenses   | —                                   | —            | —         | —            | —         | —            | —         | —            | —         | —            | —          | —            | 320        | 0.01         |
| Loss on sale of consumer<br>installment loans  | —                                   | —            | 18,221    | 0.55         | —         | —            | —         | —            | —         | —            | 18,221     | 0.54         | —          | —            |
| Legal reserves   | —                                   | —            | —         | —            | —         | —            | —         | —            | —         | —            | —          | —            | 897        | 0.03         |
| (Gains) losses on<br>investment securities   | 13,543                              | 0.41         | 1,859     | 0.06         | 2,494     | 0.07         | 1,030     | 0.03         | 43        | 0.00         | 18,926     | 0.56         | (26,015)   | (0.77)       |
| Loss on sale of foreign<br>subsidiaries  | —                                   | —            | —         | —            | —         | —            | —         | —            | —         | —            | —          | —            | 2,150      | 0.06         |
| Loss on cash flow hedge<br>derivative terminations   | —                                   | —            | —         | —            | —         | —            | —         | —            | —         | —            | —          | —            | 18,716     | 0.56         |
| Derivative credit valuation<br>adjustment  | 202                                 | 0.01         | (358)     | (0.01)       | (351)     | (0.01)       | (736)     | (0.02)       | (180)     | (0.01)       | (1,243)    | (0.04)       | (1,285)    | (0.04)       |
| Deposit relationship<br>adjustment fees  | —                                   | —            | —         | —            | —         | —            | —         | —            | —         | —            | —          | —            | 4,707      | 0.14         |
| Loss on redemption of<br>preferred stock   | —                                   | —            | —         | —            | —         | —            | —         | —            | —         | —            | —          | —            | 2,820      | 0.08         |
| Core earnings, excluding<br>ppp  | \$ 45,324                           | \$ 1.37      | \$ 76,424 | \$ 2.30      | \$ 46,301 | \$ 1.38      | \$ 50,697 | \$ 1.48      | \$ 36,890 | \$ 1.07      | \$ 218,746 | \$ 6.51      | \$ 149,650 | \$ 4.44      |

# 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)

|   |                  |                  |                  |                  |                   | Twelve Months Ended<br>December 31, |                   |
|---|------------------|------------------|------------------|------------------|-------------------|-------------------------------------|-------------------|
|   | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021           | 2022                                | 2021              |
| GAAP net income                                 | \$ 28,711        | \$ 63,912        | \$ 58,650        | \$ 76,761        | \$ 100,669        | \$ 228,034                          | \$ 314,647        |
| Reconciling items (after tax):                  |                  |                  |                  |                  |                   |                                     |                   |
| Net loss from discontinued operations           | —                | —                | —                | —                | 1,585             | —                                   | 39,621            |
| Severance expense                               | —                | 1,058            | —                | —                | —                 | 1,058                               | 1,517             |
| Impairments on fixed assets and leases          | —                | 126              | 705              | 220              | 1,118             | 1,051                               | 1,118             |
| Merger and acquisition related expenses         | —                | —                | —                | —                | —                 | —                                   | 320               |
| Loss on sale of consumer installment loans      | —                | 18,221           | —                | —                | —                 | 18,221                              | —                 |
| Legal reserves                                  | —                | —                | —                | —                | —                 | —                                   | 897               |
| (Gains) losses on investment securities         | 13,543           | 1,859            | 2,494            | 1,030            | 43                | 18,926                              | (26,015)          |
| Loss on sale of foreign subsidiaries            | —                | —                | —                | —                | —                 | —                                   | 2,150             |
| Loss on cash flow hedge derivative terminations | —                | —                | —                | —                | —                 | —                                   | 18,716            |
| Derivative credit valuation adjustment          | 202              | (358)            | (351)            | (736)            | (180)             | (1,243)                             | (1,285)           |
| Deposit relationship adjustment fees            | —                | —                | —                | —                | —                 | —                                   | 4,707             |
| Core net income                                 | <u>\$ 42,456</u> | <u>\$ 84,818</u> | <u>\$ 61,498</u> | <u>\$ 77,275</u> | <u>\$ 103,235</u> | <u>\$ 266,047</u>                   | <u>\$ 356,393</u> |
| Average total assets                            | \$20,717,362     | \$20,514,366     | \$20,056,020     | \$19,129,330     | \$19,214,241      | \$20,109,744                        | \$19,199,936      |
| Core return on average assets                   | 0.81 %           | 1.64 %           | 1.23 %           | 1.64 %           | 2.13 %            | 1.32 %                              | 1.86 %            |

### Core Return on Average Assets, excluding PPP - Customers Bancorp

(Dollars in thousands except per share data)

|   |                  |                  |                  |                  |                  | Twelve Months Ended<br>December 31, |                   |
|---|------------------|------------------|------------------|------------------|------------------|-------------------------------------|-------------------|
|   | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021          | 2022                                | 2021              |
| GAAP net income                                 | \$ 28,711        | \$ 63,912        | \$ 58,650        | \$ 76,761        | \$ 100,669       | \$ 228,034                          | \$ 314,647        |
| Less: PPP net income (loss) (after tax)         | (5,956)          | 5,846            | 13,066           | 24,713           | 64,323           | 37,669                              | 195,050           |
| Net income, excluding PPP                       | 34,667           | 58,066           | 45,584           | 52,048           | 36,346           | 190,365                             | 119,597           |
| Reconciling items (after tax):                  |                  |                  |                  |                  |                  |                                     |                   |
| Net loss from discontinued operations           | —                | —                | —                | —                | 1,585            | —                                   | 39,621            |
| Severance expense                               | —                | 1,058            | —                | —                | —                | 1,058                               | 1,517             |
| Impairments on fixed assets and leases          | —                | 126              | 705              | 220              | 1,118            | 1,051                               | 1,118             |
| Merger and acquisition related expenses         | —                | —                | —                | —                | —                | —                                   | 320               |
| Loss on sale of consumer installment loans      | —                | 18,221           | —                | —                | —                | 18,221                              | —                 |
| Legal reserves                                  | —                | —                | —                | —                | —                | —                                   | 897               |
| (Gains) losses on investment securities         | 13,543           | 1,859            | 2,494            | 1,030            | 43               | 18,926                              | (26,015)          |
| Loss on sale of foreign subsidiaries            | —                | —                | —                | —                | —                | —                                   | 2,150             |
| Loss on cash flow hedge derivative terminations | —                | —                | —                | —                | —                | —                                   | 18,716            |
| Derivative credit valuation adjustment          | 202              | (358)            | (351)            | (736)            | (180)            | (1,243)                             | (1,285)           |
| Deposit relationship adjustment fees            | —                | —                | —                | —                | —                | —                                   | 4,707             |
| Core net income, excluding PPP                  | <u>\$ 48,412</u> | <u>\$ 78,972</u> | <u>\$ 48,432</u> | <u>\$ 52,562</u> | <u>\$ 38,912</u> | <u>\$ 228,378</u>                   | <u>\$ 161,343</u> |
| Average total assets                            | \$20,717,362     | \$20,514,366     | \$20,056,020     | \$19,129,330     | \$19,214,241     | \$20,109,744                        | \$19,199,936      |
| Core return on average assets, excluding PPP    | 0.93 %           | 1.53 %           | 0.97 %           | 1.11 %           | 0.80 %           | 1.14 %                              | 0.84 %            |

# CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

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

(Dollars in thousands except per share data)

|   |                  |                   |                   |                   |                   | Twelve Months Ended<br>December 31, |                   |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|-------------------|
|   | Q4 2022          | Q3 2022           | Q2 2022           | Q1 2022           | Q4 2021           | 2022                                | 2021              |
| GAAP net income   | \$ 28,711        | \$ 63,912         | \$ 58,650         | \$ 76,761         | \$ 100,669        | \$ 228,034                          | \$ 314,647        |
| Reconciling items:  |                  |                   |                   |                   |                   |                                     |                   |
| Income tax expense  | 7,136            | 17,899            | 18,896            | 19,332            | 12,993            | 63,263                              | 86,940            |
| Provision (benefit) for credit losses                         | 28,216           | (7,994)           | 23,847            | 15,997            | 13,890            | 60,066                              | 27,426            |
| Provision (benefit) for credit losses on unfunded commitments | 153              | 254               | 608               | (109)             | 352               | 906                                 | (220)             |
| Severance expense   | —                | 1,363             | —                 | —                 | —                 | 1,363                               | 2,004             |
| Net loss from discontinued operations                         | —                | —                 | —                 | —                 | 1,585             | —                                   | 39,621            |
| Impairments on fixed assets and leases                        | —                | 162               | 914               | 286               | 1,260             | 1,362                               | 1,260             |
| Merger and acquisition related expenses                       | —                | —                 | —                 | —                 | —                 | —                                   | 418               |
| Loss on sale of consumer installment loans                    | —                | 23,465            | —                 | —                 | —                 | 23,465                              | —                 |
| Legal reserves  | —                | —                 | —                 | —                 | —                 | —                                   | 1,185             |
| (Gains) losses on investment securities                       | 16,909           | 2,394             | 3,232             | 1,339             | 49                | 23,874                              | (34,112)          |
| Loss on sale of foreign subsidiaries                          | —                | —                 | —                 | —                 | —                 | —                                   | 2,840             |
| Loss on cash flow hedge derivative terminations               | —                | —                 | —                 | —                 | —                 | —                                   | 24,467            |
| Derivative credit valuation adjustment                        | 252              | (461)             | (455)             | (957)             | (203)             | (1,621)                             | (1,646)           |
| Deposit relationship adjustment fees                          | —                | —                 | —                 | —                 | —                 | —                                   | 6,216             |
| Adjusted net income - pre-tax pre-provision                   | <u>\$ 81,377</u> | <u>\$ 100,994</u> | <u>\$ 105,692</u> | <u>\$ 112,649</u> | <u>\$ 130,595</u> | <u>\$ 400,712</u>                   | <u>\$ 471,046</u> |
| Average total assets  | \$20,717,362     | \$20,514,366      | \$20,056,020      | \$19,129,330      | \$19,214,241      | \$20,109,744                        | \$19,199,936      |
| Adjusted ROAA - pre-tax pre-provision                         | 1.56 %           | 1.95 %            | 2.11 %            | 2.39 %            | 2.70 %            | 1.99 %                              | 2.45 %            |

### Adjusted Net Income and Adjusted ROAA - Pre-Tax Pre-Provision, excluding PPP - Customers Bancorp

(Dollars in thousands except per share data)

|   |                  |                  |                  |                  |                  | Twelve Months Ended<br>December 31, |                   |
|---|------------------|------------------|------------------|------------------|------------------|-------------------------------------|-------------------|
|   | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021          | 2022                                | 2021              |
| GAAP net income   | \$ 28,711        | \$ 63,912        | \$ 58,650        | \$ 76,761        | \$ 100,669       | \$ 228,034                          | \$ 314,647        |
| Less: PPP net income (loss) (after tax)                       | (5,956)          | 5,846            | 13,066           | 24,713           | 64,323           | 37,669                              | 195,050           |
| Net income, excluding PPP                                     | 34,667           | 58,066           | 45,584           | 52,048           | 36,346           | 190,365                             | 119,597           |
| Reconciling items:  |                  |                  |                  |                  |                  |                                     |                   |
| Income tax expense  | 7,136            | 17,899           | 18,896           | 19,332           | 12,993           | 63,263                              | 86,940            |
| Provision (benefit) for credit losses                         | 28,216           | (7,994)          | 23,847           | 15,997           | 13,890           | 60,066                              | 27,426            |
| Provision (benefit) for credit losses on unfunded commitments | 153              | 254              | 608              | (109)            | 352              | 906                                 | (220)             |
| Severance expense   | —                | 1,363            | —                | —                | —                | 1,363                               | 2,004             |
| Net loss from discontinued operations                         | —                | —                | —                | —                | 1,585            | —                                   | 39,621            |
| Impairments on fixed assets and leases                        | —                | 162              | 914              | 286              | 1,260            | 1,362                               | 1,260             |
| Merger and acquisition related expenses                       | —                | —                | —                | —                | —                | —                                   | 418               |
| Loss on sale of consumer installment loans                    | —                | 23,465           | —                | —                | —                | 23,465                              | —                 |
| Legal reserves  | —                | —                | —                | —                | —                | —                                   | 1,185             |
| (Gains) losses on investment securities                       | 16,909           | 2,394            | 3,232            | 1,339            | 49               | 23,874                              | (34,112)          |
| Loss on sale of foreign subsidiaries                          | —                | —                | —                | —                | —                | —                                   | 2,840             |
| Loss on cash flow hedge derivative terminations               | —                | —                | —                | —                | —                | —                                   | 24,467            |
| Derivative credit valuation adjustment                        | 252              | (461)            | (455)            | (957)            | (203)            | (1,621)                             | (1,646)           |
| Deposit relationship adjustment fees                          | —                | —                | —                | —                | —                | —                                   | 6,216             |
| Adjusted net income - pre-tax pre-provision, excluding PPP    | <u>\$ 87,333</u> | <u>\$ 95,148</u> | <u>\$ 92,626</u> | <u>\$ 87,936</u> | <u>\$ 66,272</u> | <u>\$ 363,043</u>                   | <u>\$ 275,996</u> |
| Average total assets  | \$20,717,362     | \$20,514,366     | \$20,056,020     | \$19,129,330     | \$19,214,241     | \$20,109,744                        | \$19,199,936      |
| Adjusted ROAA - pre-tax pre-provision, excluding PPP          | 1.67 %           | 1.84 %           | 1.85 %           | 1.86 %           | 1.37 %           | 1.81 %                              | 1.44 %            |

# 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

(Dollars in thousands except per share data)

|   |                  |                  |                  |                  |                   | Twelve Months Ended<br>December 31, |                   |
|---|------------------|------------------|------------------|------------------|-------------------|-------------------------------------|-------------------|
|   | Q4 2022          | Q3 2022          | Q2 2022          | Q1 2022          | Q4 2021           | 2022                                | 2021              |
| GAAP net income to common shareholders          | \$ 25,623        | \$ 61,364        | \$ 56,519        | \$ 74,896        | \$ 98,647         | \$ 218,402                          | \$ 300,134        |
| Reconciling items (after tax):                  |                  |                  |                  |                  |                   |                                     |                   |
| Net loss from discontinued operations           | —                | —                | —                | —                | 1,585             | —                                   | 39,621            |
| Severance expense                               | —                | 1,058            | —                | —                | —                 | 1,058                               | 1,517             |
| Impairments on fixed assets and leases          | —                | 126              | 705              | 220              | 1,118             | 1,051                               | 1,118             |
| Merger and acquisition related expenses         | —                | —                | —                | —                | —                 | —                                   | 320               |
| Loss on sale of consumer installment loans      | —                | 18,221           | —                | —                | —                 | 18,221                              | —                 |
| Legal reserves                                  | —                | —                | —                | —                | —                 | —                                   | 897               |
| (Gains) losses on investment securities         | 13,543           | 1,859            | 2,494            | 1,030            | 43                | 18,926                              | (26,015)          |
| Loss on sale of foreign subsidiaries            | —                | —                | —                | —                | —                 | —                                   | 2,150             |
| Loss on cash flow hedge derivative terminations | —                | —                | —                | —                | —                 | —                                   | 18,716            |
| Derivative credit valuation adjustment          | 202              | (358)            | (351)            | (736)            | (180)             | (1,243)                             | (1,285)           |
| Deposit relationship adjustment fees            | —                | —                | —                | —                | —                 | —                                   | 4,707             |
| Loss on redemption of preferred stock           | —                | —                | —                | —                | —                 | —                                   | 2,820             |
| Core earnings                                   | <u>\$ 39,368</u> | <u>\$ 82,270</u> | <u>\$ 59,367</u> | <u>\$ 75,410</u> | <u>\$ 101,213</u> | <u>\$ 256,415</u>                   | <u>\$ 344,700</u> |
| Average total common shareholders' equity       | \$1,263,190      | \$1,259,711      | \$1,244,819      | \$1,252,022      | \$1,179,478       | \$1,254,979                         | \$1,043,906       |
| Core return on average common equity            | 12.36 %          | 25.91 %          | 19.13 %          | 24.43 %          | 34.04 %           | 20.43 %                             | 33.02 %           |

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

(Dollars in thousands except per share data)

|  |                  |                  |                   |                   |                   | Twelve Months Ended<br>December 31, |                   |
|--|------------------|------------------|-------------------|-------------------|-------------------|-------------------------------------|-------------------|
|  | Q4 2022          | Q3 2022          | Q2 2022           | Q1 2022           | Q4 2021           | 2022                                | 2021              |
| GAAP net income to common shareholders                                     | \$ 25,623        | \$ 61,364        | \$ 56,519         | \$ 74,896         | \$ 98,647         | \$ 218,402                          | \$ 300,134        |
| Reconciling items:   |                  |                  |                   |                   |                   |                                     |                   |
| Income tax expense   | 7,136            | 17,899           | 18,896            | 19,332            | 12,993            | 63,263                              | 86,940            |
| Provision (benefit) for credit losses                                      | 28,216           | (7,994)          | 23,847            | 15,997            | 13,890            | 60,066                              | 27,426            |
| Provision (benefit) for credit losses on unfunded commitments              | 153              | 254              | 608               | (109)             | 352               | 906                                 | (220)             |
| Net loss from discontinued operations                                      | —                | —                | —                 | —                 | 1,585             | —                                   | 39,621            |
| Severance expense  | —                | 1,363            | —                 | —                 | —                 | 1,363                               | 2,004             |
| Impairments on fixed assets and leases                                     | —                | 162              | 914               | 286               | 1,260             | 1,362                               | 1,260             |
| Merger and acquisition related expenses                                    | —                | —                | —                 | —                 | —                 | —                                   | 418               |
| Loss on sale of consumer installment loans                                 | —                | 23,465           | —                 | —                 | —                 | 23,465                              | —                 |
| Legal reserves   | —                | —                | —                 | —                 | —                 | —                                   | 1,185             |
| (Gains) losses on investment securities                                    | 16,909           | 2,394            | 3,232             | 1,339             | 49                | 23,874                              | (34,112)          |
| Loss on sale of foreign subsidiaries                                       | —                | —                | —                 | —                 | —                 | —                                   | 2,840             |
| Loss on cash flow hedge derivative terminations                            | —                | —                | —                 | —                 | —                 | —                                   | 24,467            |
| Derivative credit valuation adjustment                                     | 252              | (461)            | (455)             | (957)             | (203)             | (1,621)                             | (1,646)           |
| Deposit relationship adjustment fees                                       | —                | —                | —                 | —                 | —                 | —                                   | 6,216             |
| Loss on redemption of preferred stock                                      | —                | —                | —                 | —                 | —                 | —                                   | 2,820             |
| Pre-tax pre-provision adjusted net income available to common shareholders | <u>\$ 78,289</u> | <u>\$ 98,446</u> | <u>\$ 103,561</u> | <u>\$ 110,784</u> | <u>\$ 128,573</u> | <u>\$ 391,080</u>                   | <u>\$ 459,353</u> |
| Average total common shareholders' equity                                  | \$1,263,190      | \$1,259,711      | \$1,244,819       | \$1,252,022       | \$1,179,478       | \$1,254,979                         | \$1,043,906       |
| Adjusted ROCE - pre-tax pre-provision                                      | 24.59 %          | 31.01 %          | 33.37 %           | 35.89 %           | 43.25 %           | 31.16 %                             | 44.00 %           |

# 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, excluding PPP - Customers Bancorp

(Dollars in thousands except per share data)

|  |                     |                     |                     |                     |                     | Twelve Months Ended<br>December 31, |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------------------|---------------------|
|  | Q4 2022             | Q3 2022             | Q2 2022             | Q1 2022             | Q4 2021             | 2022                                | 2021                |
| GAAP net interest income                           | \$ 135,137          | \$ 159,032          | \$ 164,852          | \$ 164,699          | \$ 193,694          | \$ 623,720                          | \$ 685,074          |
| PPP net interest (income) expense                  | 2,791               | (9,632)             | (18,946)            | (34,615)            | (78,647)            | (60,402)                            | (261,279)           |
| Tax-equivalent adjustment                          | 342                 | 334                 | 270                 | 239                 | 276                 | 1,185                               | 1,147               |
| Net interest income, tax equivalent, excluding PPP | <u>\$ 138,270</u>   | <u>\$ 149,734</u>   | <u>\$ 146,176</u>   | <u>\$ 130,323</u>   | <u>\$ 115,323</u>   | <u>\$ 564,503</u>                   | <u>\$ 424,942</u>   |
| GAAP average total interest earning assets         | \$20,211,028        | \$20,021,455        | \$19,525,936        | \$18,572,308        | \$18,576,433        | \$19,588,374                        | \$18,566,321        |
| Average PPP loans                                  | (1,065,919)         | (1,349,403)         | (1,863,429)         | (2,641,318)         | (3,898,607)         | (1,724,659)                         | (5,108,192)         |
| Adjusted average total interest earning assets     | <u>\$19,145,109</u> | <u>\$18,672,052</u> | <u>\$17,662,507</u> | <u>\$15,930,990</u> | <u>\$14,677,826</u> | <u>\$17,863,715</u>                 | <u>\$13,458,129</u> |
| Net interest margin, tax equivalent, excluding PPP | 2.87 %              | 3.18 %              | 3.32 %              | 3.32 %              | 3.12 %              | 3.16 %                              | 3.16 %              |

### Loan Yield, excluding PPP

(Dollars in thousands except per share data)

|   |                     |                     |                     |                     |                     | Twelve Months Ended<br>December 31, |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------------------|---------------------|
|   | Q4 2022             | Q3 2022             | Q2 2022             | Q1 2022             | Q4 2021             | 2022                                | 2021                |
| Interest income on loans and leases                             | \$ 218,740          | \$ 200,457          | \$ 168,941          | \$ 157,175          | \$ 198,000          | \$ 745,313                          | \$ 736,822          |
| PPP interest income   | (7,249)             | (14,666)            | (20,572)            | (36,894)            | (82,086)            | (79,381)                            | (279,157)           |
| Interest income on core loans (Loans and leases, excluding PPP) | <u>\$ 211,491</u>   | <u>\$ 185,791</u>   | <u>\$ 148,369</u>   | <u>\$ 120,281</u>   | <u>\$ 115,914</u>   | <u>\$ 665,932</u>                   | <u>\$ 457,665</u>   |
| Average total loans and leases                                  | \$15,388,003        | \$15,653,983        | \$14,918,498        | \$13,656,991        | \$14,335,370        | \$14,911,165                        | \$15,583,948        |
| Average PPP loans   | (1,065,919)         | (1,349,403)         | (1,863,429)         | (2,641,318)         | (3,898,607)         | (1,724,659)                         | (5,108,192)         |
| Adjusted average total loans and leases                         | <u>\$14,322,084</u> | <u>\$14,304,580</u> | <u>\$13,055,069</u> | <u>\$11,015,673</u> | <u>\$10,436,763</u> | <u>\$13,186,506</u>                 | <u>\$10,475,756</u> |
| Loan yield, excluding PPP                                       | 5.86 %              | 5.15 %              | 4.56 %              | 4.43 %              | 4.41 %              | 5.05 %                              | 4.37 %              |

### Core Efficiency Ratio - Customers Bancorp

(Dollars in thousands except per share data)

|   |                   |                   |                   |                   |                   | Twelve Months Ended<br>December 31, |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|-------------------|
|   | Q4 2022           | Q3 2022           | Q2 2022           | Q1 2022           | Q4 2021           | 2022                                | 2021              |
| GAAP net interest income                        | \$ 135,137        | \$ 159,032        | \$ 164,852        | \$ 164,699        | \$ 193,694        | \$ 623,720                          | \$ 685,074        |
| GAAP non-interest income                        | \$ 7,345          | \$ (9,017)        | \$ 12,746         | \$ 21,198         | \$ 16,991         | \$ 32,272                           | \$ 77,867         |
| Loss on sale of consumer installment loans      | —                 | 23,465            | —                 | —                 | —                 | 23,465                              | —                 |
| (Gains) losses on investment securities         | 16,909            | 2,394             | 3,232             | 1,339             | 49                | 23,874                              | (34,112)          |
| Derivative credit valuation adjustment          | 252               | (461)             | (455)             | (957)             | (203)             | (1,621)                             | (1,646)           |
| Loss on cash flow hedge derivative terminations | —                 | —                 | —                 | —                 | —                 | —                                   | 24,467            |
| Loss on sale of foreign subsidiaries            | —                 | —                 | —                 | —                 | —                 | —                                   | 2,840             |
| Core non-interest income                        | <u>24,506</u>     | <u>16,381</u>     | <u>15,523</u>     | <u>21,580</u>     | <u>16,837</u>     | <u>77,990</u>                       | <u>69,416</u>     |
| Core revenue                                    | <u>\$ 159,643</u> | <u>\$ 175,413</u> | <u>\$ 180,375</u> | <u>\$ 186,279</u> | <u>\$ 210,531</u> | <u>\$ 701,710</u>                   | <u>\$ 754,490</u> |
| GAAP non-interest expense                       | \$ 78,419         | \$ 76,198         | \$ 76,205         | \$ 73,807         | \$ 81,548         | \$ 304,629                          | \$ 294,307        |
| Severance expense                               | —                 | (1,363)           | —                 | —                 | —                 | (1,363)                             | (2,004)           |
| Impairments on fixed assets and leases          | —                 | (162)             | (914)             | (286)             | (1,260)           | (1,362)                             | (1,260)           |
| Legal reserves                                  | —                 | —                 | —                 | —                 | —                 | —                                   | (1,185)           |
| Merger and acquisition related expenses         | —                 | —                 | —                 | —                 | —                 | —                                   | (418)             |
| Deposit relationship adjustment fees            | —                 | —                 | —                 | —                 | —                 | —                                   | (6,216)           |
| Core non-interest expense                       | <u>\$ 78,419</u>  | <u>\$ 74,673</u>  | <u>\$ 75,291</u>  | <u>\$ 73,521</u>  | <u>\$ 80,288</u>  | <u>\$ 301,904</u>                   | <u>\$ 283,224</u> |
| Core efficiency ratio <sup>(1)</sup>            | 49.12 %           | 42.57 %           | 41.74 %           | 39.47 %           | 38.14 %           | 43.02 %                             | 37.54 %           |

(1) 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 2022             | Q3 2022             | Q2 2022             | Q1 2022             | Q4 2021             |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| GAAP total shareholders' equity           | \$ 1,402,961        | \$ 1,386,931        | \$ 1,353,390        | \$ 1,377,406        | \$ 1,366,217        |
| Reconciling items:                        |                     |                     |                     |                     |                     |
| Preferred stock                           | (137,794)           | (137,794)           | (137,794)           | (137,794)           | (137,794)           |
| Goodwill and other intangibles            | (3,629)             | (3,629)             | (3,629)             | (3,678)             | (3,736)             |
| Tangible common equity                    | <u>\$ 1,261,538</u> | <u>\$ 1,245,508</u> | <u>\$ 1,211,967</u> | <u>\$ 1,235,934</u> | <u>\$ 1,224,687</u> |
| GAAP total assets                         | \$20,896,112        | \$20,367,621        | \$20,251,996        | \$19,163,708        | \$19,575,028        |
| Reconciling items:                        |                     |                     |                     |                     |                     |
| Goodwill and other intangibles            | (3,629)             | (3,629)             | (3,629)             | (3,678)             | (3,736)             |
| Tangible assets                           | <u>\$20,892,483</u> | <u>\$20,363,992</u> | <u>\$20,248,367</u> | <u>\$19,160,030</u> | <u>\$19,571,292</u> |
| Tangible common equity to tangible assets | 6.04 %              | 6.12 %              | 5.99 %              | 6.45 %              | 6.26 %              |

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

(Dollars in thousands except per share data)

|  | Q4 2022             | Q3 2022             | Q2 2022             | Q1 2022             | Q4 2021             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| GAAP total shareholders' equity                          | \$ 1,402,961        | \$ 1,386,931        | \$ 1,353,390        | \$ 1,377,406        | \$ 1,366,217        |
| Reconciling items:                                       |                     |                     |                     |                     |                     |
| Preferred stock  | (137,794)           | (137,794)           | (137,794)           | (137,794)           | (137,794)           |
| Goodwill and other intangibles                           | (3,629)             | (3,629)             | (3,629)             | (3,678)             | (3,736)             |
| Tangible common equity                                   | <u>\$ 1,261,538</u> | <u>\$ 1,245,508</u> | <u>\$ 1,211,967</u> | <u>\$ 1,235,934</u> | <u>\$ 1,224,687</u> |
| GAAP total assets  | \$20,896,112        | \$20,367,621        | \$20,251,996        | \$19,163,708        | \$19,575,028        |
| Loans receivable, PPP                                    | (998,153)           | (1,154,632)         | (1,570,160)         | (2,195,902)         | (3,250,008)         |
| Total assets, excluding PPP                              | <u>\$19,897,959</u> | <u>\$19,212,989</u> | <u>\$18,681,836</u> | <u>\$16,967,806</u> | <u>\$16,325,020</u> |
| Reconciling items:                                       |                     |                     |                     |                     |                     |
| Goodwill and other intangibles                           | (3,629)             | (3,629)             | (3,629)             | (3,678)             | (3,736)             |
| Tangible assets, excluding PPP                           | <u>\$19,894,330</u> | <u>\$19,209,360</u> | <u>\$18,678,207</u> | <u>\$16,964,128</u> | <u>\$16,321,284</u> |
| Tangible common equity to tangible assets, excluding PPP | 6.34 %              | 6.48 %              | 6.49 %              | 7.29 %              | 7.50 %              |

### Tangible Book Value per Common Share - Customers Bancorp

(Dollars in thousands except share and per share data)

|                                      | Q4 2022             | Q3 2022             | Q2 2022             | Q1 2022             | Q4 2021             |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| GAAP total shareholders' equity      | \$ 1,402,961        | \$ 1,386,931        | \$ 1,353,390        | \$ 1,377,406        | \$ 1,366,217        |
| Reconciling Items:                   |                     |                     |                     |                     |                     |
| Preferred stock                      | (137,794)           | (137,794)           | (137,794)           | (137,794)           | (137,794)           |
| Goodwill and other intangibles       | (3,629)             | (3,629)             | (3,629)             | (3,678)             | (3,736)             |
| Tangible common equity               | <u>\$ 1,261,538</u> | <u>\$ 1,245,508</u> | <u>\$ 1,211,967</u> | <u>\$ 1,235,934</u> | <u>\$ 1,224,687</u> |
| Common shares outstanding            | 32,373,697          | 32,475,502          | 32,449,486          | 32,957,847          | 32,913,267          |
| Tangible book value per common share | \$ 38.97            | \$ 38.35            | \$ 37.35            | \$ 37.50            | \$ 37.21            |

### Core Loans (Total Loans and Leases, excluding PPP)

(Dollars in thousands except per share data)

|  | Q4 2022              | Q3 2022             | Q2 2022              | Q1 2022              | Q4 2021             |
|--|----------------------|---------------------|----------------------|----------------------|---------------------|
| Total loans and leases                       | \$ 15,794,671        | \$15,336,688        | \$ 15,664,353        | \$ 14,073,518        | \$14,568,885        |
| Loans receivable, PPP                        | (998,153)            | (1,154,632)         | (1,570,160)          | (2,195,902)          | (3,250,008)         |
| Core Loans (Loans and leases, excluding PPP) | <u>\$ 14,796,518</u> | <u>\$14,182,056</u> | <u>\$ 14,094,193</u> | <u>\$ 11,877,616</u> | <u>\$11,318,877</u> |



# CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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

(Dollars in thousands, except per share data)

### Total Assets, excluding PPP

(Dollars in thousands except per share data)

|                             | Q4 2022              | Q3 2022              | Q2 2022              | Q1 2022              | Q4 2021              |
|-----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total assets                | \$ 20,896,112        | \$ 20,367,621        | \$ 20,251,996        | \$ 19,163,708        | \$ 19,575,028        |
| Loans receivable, PPP       | (998,153)            | (1,154,632)          | (1,570,160)          | (2,195,902)          | (3,250,008)          |
| Total assets, excluding PPP | <u>\$ 19,897,959</u> | <u>\$ 19,212,989</u> | <u>\$ 18,681,836</u> | <u>\$ 16,967,806</u> | <u>\$ 16,325,020</u> |

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

(Dollars in thousands except per share data)

|  | Q4 2022             | Q3 2022             | Q2 2022             | Q1 2022             | Q4 2021             |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Loans and leases receivable  | \$14,143,047        | \$13,762,374        | \$13,783,155        | \$12,314,757        | \$12,268,306        |
| Loans receivable, PPP  | (998,153)           | (1,154,632)         | (1,570,160)         | (2,195,902)         | (3,250,008)         |
| Loans and leases held for investment, excluding PPP                                      | <u>\$13,144,894</u> | <u>\$12,607,742</u> | <u>\$12,212,995</u> | <u>\$10,118,855</u> | <u>\$ 9,018,298</u> |
| Allowance for credit losses on loans and leases  | \$ 130,924          | \$ 130,197          | \$ 156,530          | \$ 145,847          | \$ 137,804          |
| Coverage of credit loss reserves for loans and leases held for investment, excluding PPP | 1.00 %              | 1.03 %              | 1.28 %              | 1.44 %              | 1.53 %              |