



**customers  
bancorp**

**Let's take on tomorrow.**

“A Forward-Thinking Bank with Strong Risk Management”

Investor Presentation: Q1 2023

April 2023

# Forward-Looking Statements



Let's take on tomorrow.

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

©2023 CUSTOMERS BANCORP, INC. / ALL RIGHTS RESERVED



# A Forward-Thinking Bank with Strong Risk Management



Let's take on tomorrow.



Let's take on tomorrow.

## Q1'23 Earnings Review

Comfortably beat consensus estimates  
Net interest margin expected to expand by ~20 basis points during the year

## Strength of the Franchise

Diversified and stable deposit base (81% insured<sup>1</sup>)  
Dramatic increase in non-interest bearing operating deposits in Q1'23 from commercial customers

## Strong Liquidity Position

\$9.4 billion of immediately available liquidity covers approximately 272% of uninsured deposits<sup>1</sup>

## Strengthening Capital Base

Clear path to 11.0%-11.5% CET1 by YE'23 through organic capital generation and balance sheet optimization

## Maintaining Superior Credit Quality

70% of loan portfolio and over 95% of net growth over last 6 quarters in low-to-no credit risk verticals<sup>2</sup>  
406% Reserves to NPLs at the end of Q1'23

## Management Outlook

Optimistic about continued improvement in balance sheet and profitability

1. Adjusted to include affiliate and collateralized deposits

2. Includes multifamily, fund finance, loans to mortgage companies, real estate specialty finance, equipment finance, SBA government guaranteed, tech & venture, FIG, healthcare, mortgages

## Our Priorities

- With a potential looming recession, we will further moderate growth/shrink and focus on further strengthening our balance sheet while improving capital ratios and margins
- We will not deviate from strong risk management principles
  - Superior credit quality
  - Focus on interest rate risk management
  - Maintain robust liquidity
  - Positive operating leverage

# Financial Highlights – GAAP



Let's take on tomorrow.

Q1'23	Q1'23 (vs. Q4'22)		
Highlights	Profitability	Balance Sheet	Credit
<p><b>Diluted EPS</b> <b>\$1.55</b></p>	<p>2.96% vs. 2.67% <b>NIM</b></p>	<p>\$21.8B +4% <b>Total Assets</b></p>	<p>0.15% 0 bps <b>NPA Ratio</b></p>
<p><b>Net Income<sup>1</sup></b> <b>\$50.3M</b></p>	<p>1.03% vs. 0.55% <b>ROAA</b></p>	<p>\$15.1B -5% <b>Total Loans and Leases</b></p>	<p>\$32.1M +5% <b>NPLs</b></p>
<p><b>ROCE</b> <b>16.0%</b></p>		<p>\$17.7B -2% <b>Total Deposits</b></p>	<p>406% vs. 426% <b>Reserves to NPLs</b></p>

1. Net income to common shareholders

# Financial Highlights – Adjusted/Core



Let's take on tomorrow.

Q1'23 (vs. Q4'22)	Q1'23 (vs. Q4'22)		
Highlights	Profitability	Balance Sheet	Credit
<p><b>Core EPS<sup>1</sup></b>   <b>Core EPS ex PPP<sup>1,2</sup></b>  <b>\$1.58</b>   <b>\$1.28</b>                      +33%   -7%</p>	<p><b>2.80%</b>                      vs. 2.87%  <b>NIM<sup>1,2</sup></b></p>	<p><b>\$21.5B</b>                      +8%  <b>Core Assets<sup>1,2</sup></b></p>	<p><b>0.15%</b>                      0 bps  <b>NPA Ratio</b></p>
<p><b>Core Earnings<sup>1</sup></b>   <b>Core Earnings ex PPP<sup>1,2</sup></b>  <b>\$51.1M</b>   <b>\$41.5 M</b>                      +30%   -8%</p>	<p><b>0.87%</b>                      vs. 0.93%  <b>Core ROAA ex PPP<sup>1,2</sup></b></p>	<p><b>\$14.8B</b>                      +0%  <b>Total Loans and Leases<sup>1,2</sup></b></p>	<p><b>\$32.1M</b>                      +5%  <b>NPLs</b></p>
<p><b>Core ROCE<sup>1</sup></b>  <b>16.3%</b>                      vs. 12.4%</p>	<p><b>1.53%</b>                      vs. 1.67%  <b>Adjusted PTPP ROAA ex PPP<sup>1,2</sup></b></p>	<p><b>\$17.7B</b>                      -2%  <b>Total Deposits</b></p>	<p><b>406%</b>                      vs. 426%  <b>Reserves to NPLs</b></p>

1. Non-GAAP measure, refer to appendix for reconciliation  
 2. Ex PPP

2.0 STRENGTH OF THE FRANCHISE

# Significant Non-Interest Bearing Deposit Remix with Industry Leading Insured Deposits of 81%

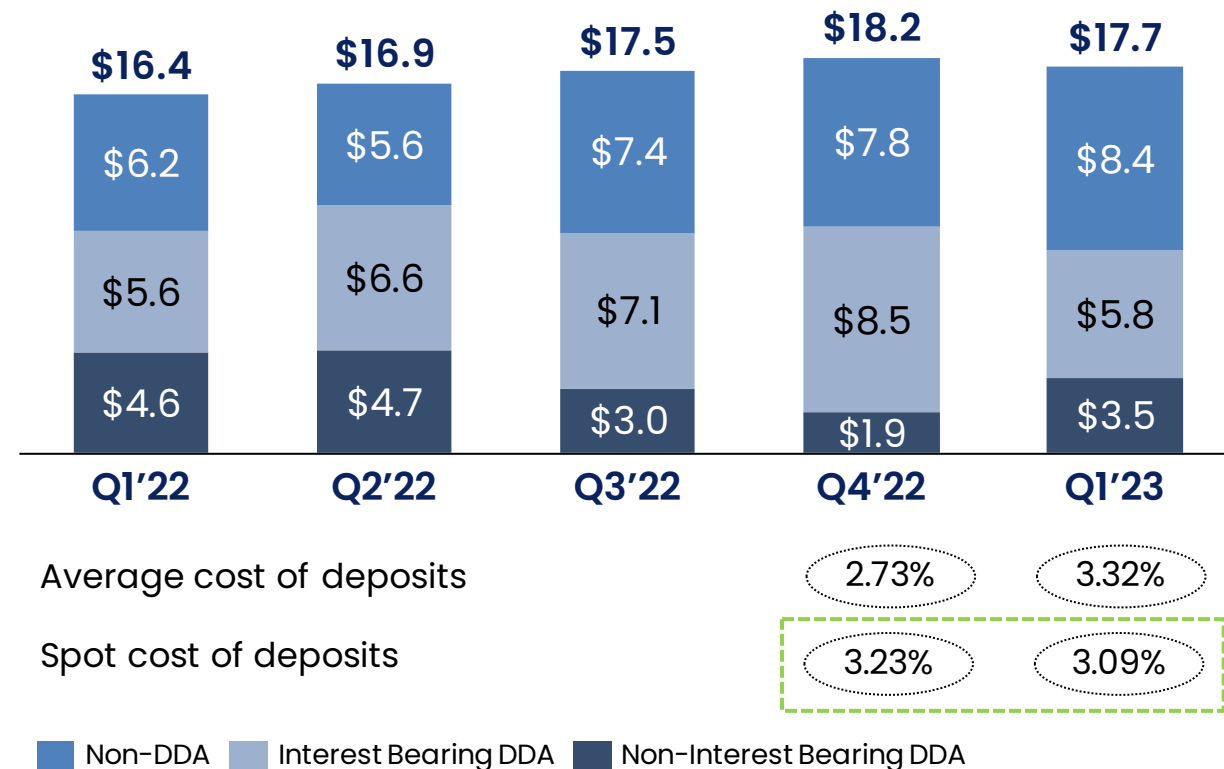


Let's take on tomorrow.

## Total Deposits

\$ billions

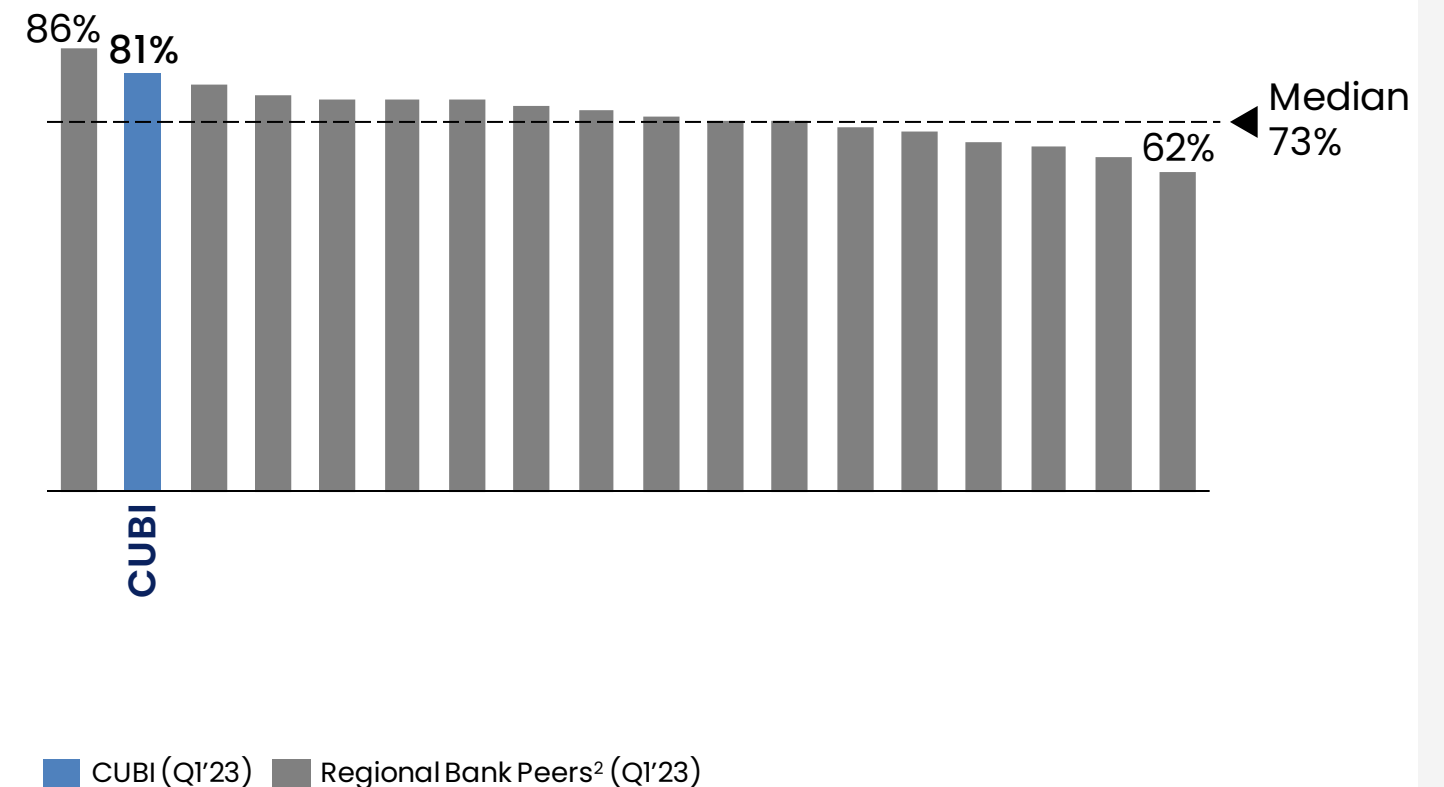
- Total deposits down less than \$150 million since 02/28 (0.8% decline)
- Spot cost of deposits declined 14 basis points in Q1'23
- \$1.6 billion growth in non-interest bearing DDAs in Q1'23



## Insured Deposits<sup>1</sup> / Total Deposits

percent

- CUBI's insured deposits<sup>1</sup> as a percentage of total deposits is 81% - among the highest of regional bank peers<sup>2</sup>



1. Adjusted to include affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used  
 2. Selected 2022 proxy peers as disclosed in appendix

2.0 STRENGTH OF THE FRANCHISE

# Remix into Floating Rate Low-to-No Credit Risk Loans Has Positioned the Balance Sheet to Perform in Dynamic Environments

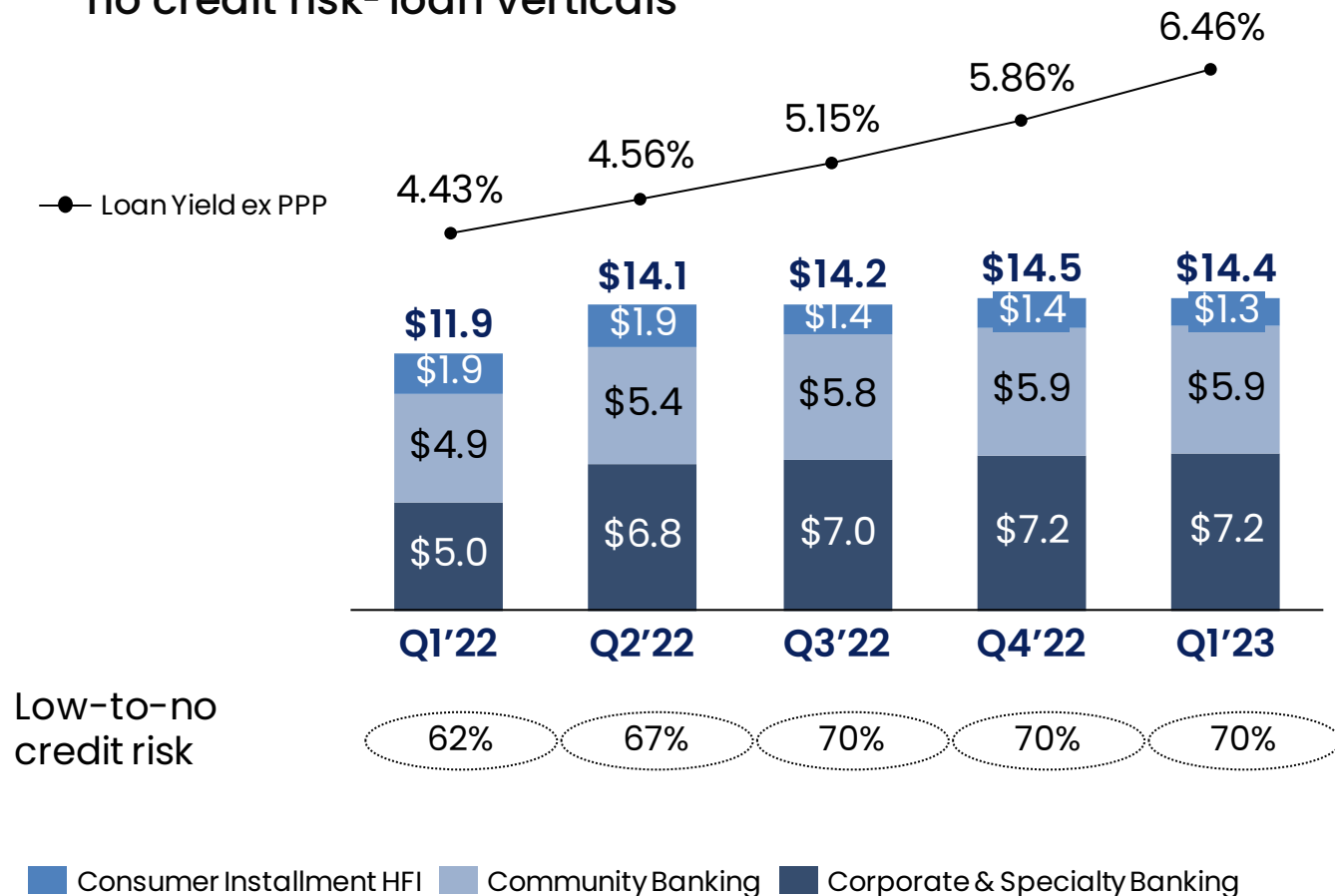


Let's take on tomorrow.

## Loans ex PPP – HFI<sup>1</sup>

\$ billions

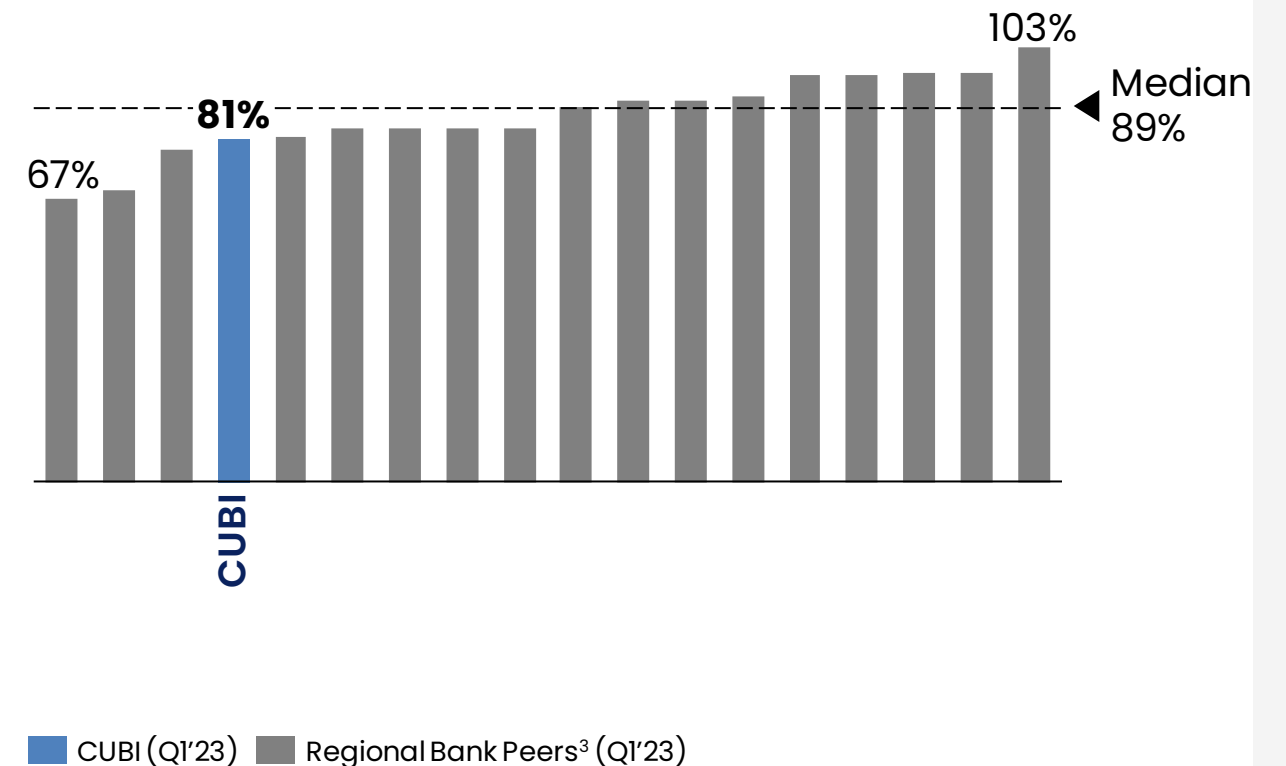
- Increase in remix to low-to-no credit risk loans to 70% in Q1'23 compared to 62% in Q1'22
- Over 95% of net growth in last six quarters in low-to-no credit risk<sup>2</sup> loan verticals



## Loans ex PPP – HFI<sup>1</sup> / Deposits

percent

- Loan to deposit ratio has been stable around 80% since Q2'22
- Q1'23 loan to deposit ratio of 81% is below the regional bank peer<sup>3</sup> median



1. Non-GAAP measure, refer to appendix for reconciliation

2. Includes multifamily, fund finance, loans to mortgage companies, real estate specialty finance, equipment finance, SBA government guaranteed, tech & venture, FIG, healthcare, mortgages

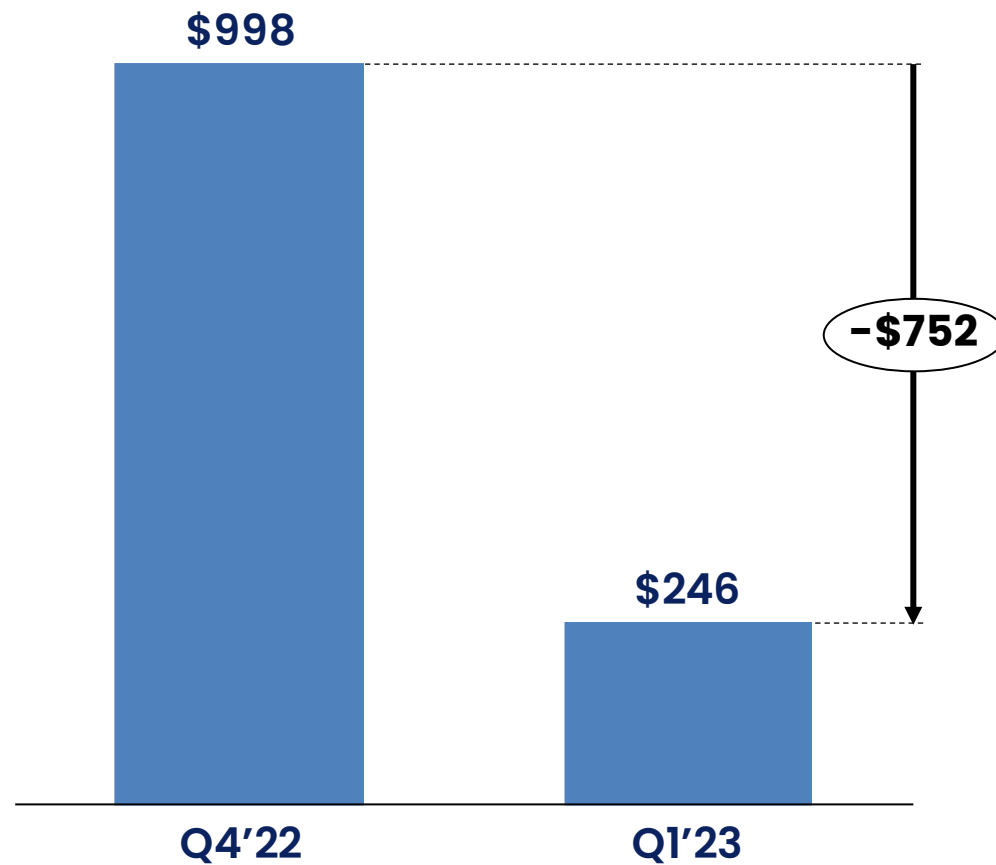
3. Selected 2022 proxy peers as disclosed in appendix



# Payroll Protection Program Was a Huge Success

## PPP Loans

\$ millions



- PPP program nearly complete with a \$750 million reduction in loans outstanding in Q1'23
- By the end of Q2'23, we are projecting that ~\$100 million of PPP loans will repay over their ~4 year maturity
- \$22 million in deferred fee income recognized in Q1'23
- CUBI will no longer report financial metrics excluding PPP beginning in Q2'23

# Our Securities Portfolio is Best-Positioned Among All Regional Banks

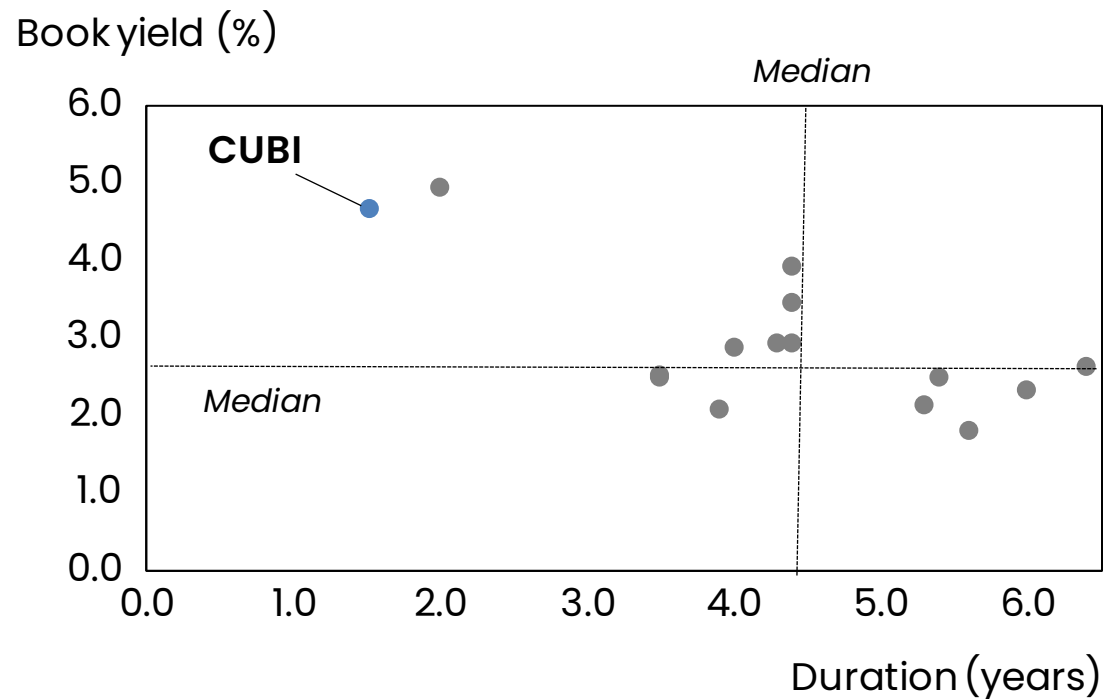


Let's take on tomorrow.

## Investment Securities – AFS

Book yield and duration

- Best-in-industry IRR/ALM and bond portfolio management
- Securities portfolio generates high spot book yield (4.91%) with the shortest duration (1.5 years) among regional bank peers<sup>1</sup>

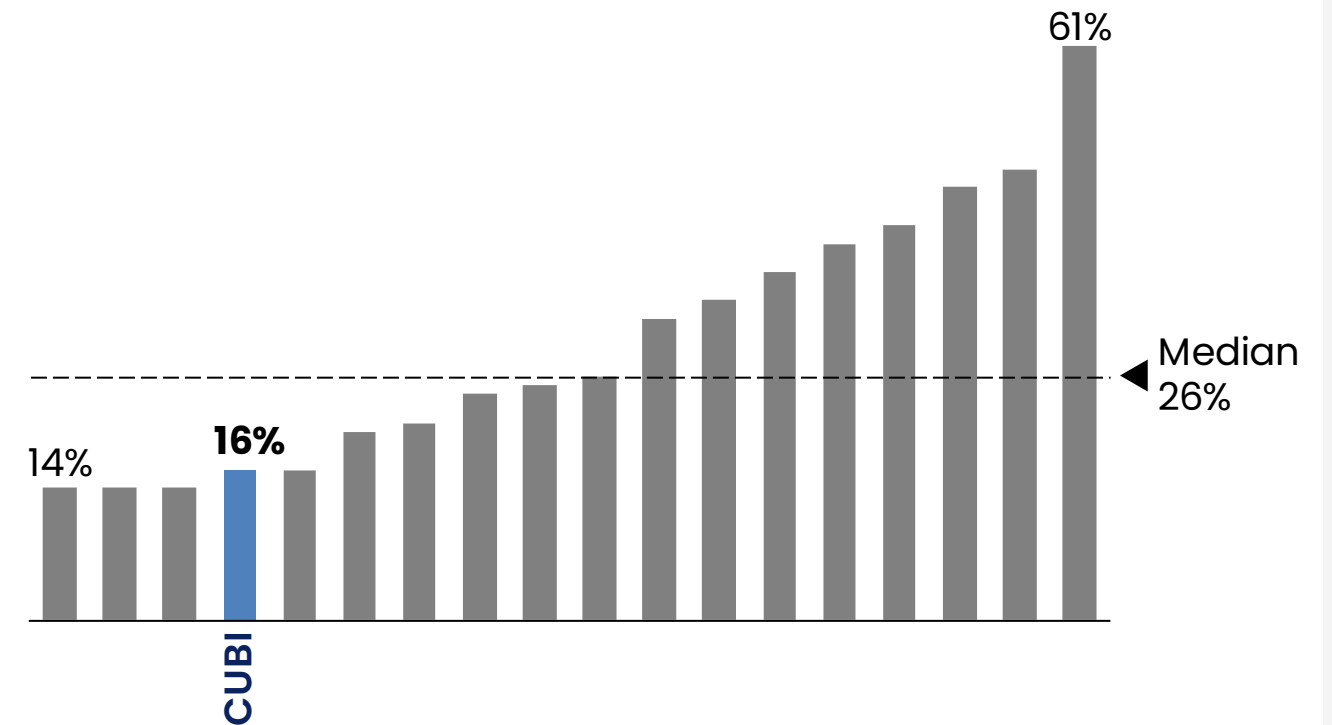


● CUBI (Q1'23) ● Regional Bank Peers<sup>1</sup> (Q1'23)

## AFS + HTM Unrealized Losses as % of TCE

percent

- CUBI's AFS + HTM unrealized losses as % of TCE is one of the lowest among regional bank peers<sup>2</sup>



■ CUBI (Q4'22) ■ Regional Bank Peers<sup>2</sup> (Q4'22)

1. Selected 2022 proxy peers as disclosed in appendix excluding FNB, Fulton, Sandy Spring (Q1'23 data not available)

2. Selected 2022 proxy peers as disclosed in appendix

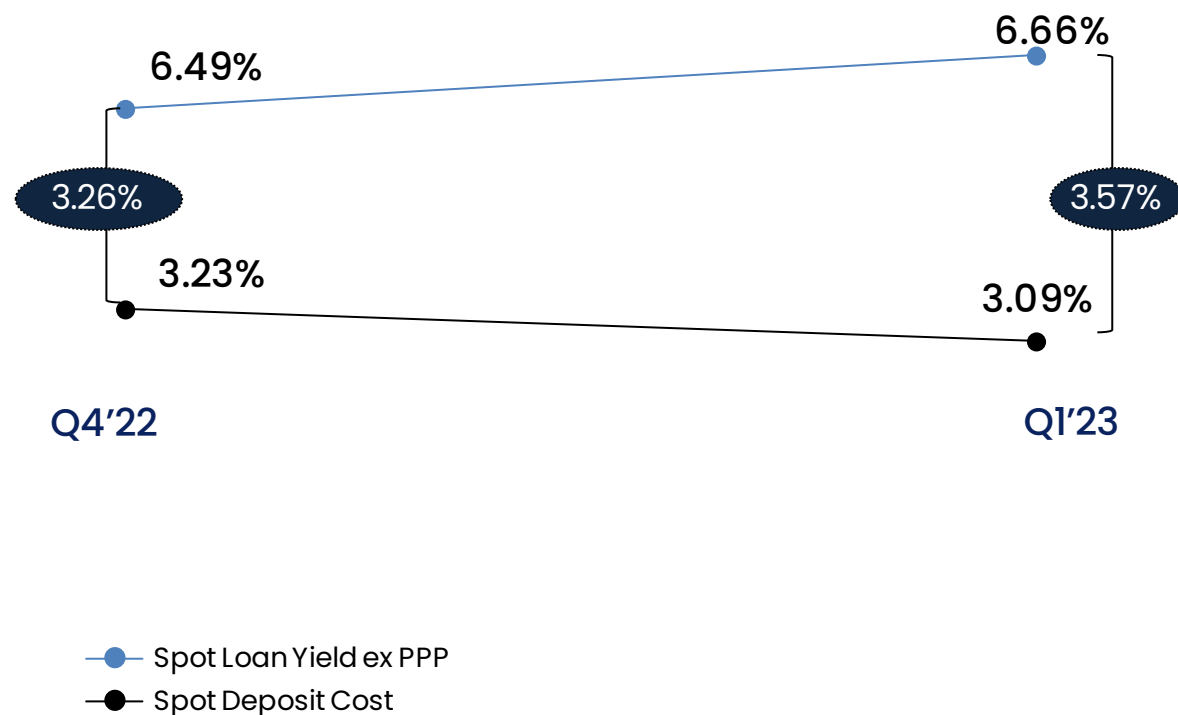
# Net Interest Margin is Expected to Expand Throughout 2023



Let's take on tomorrow.

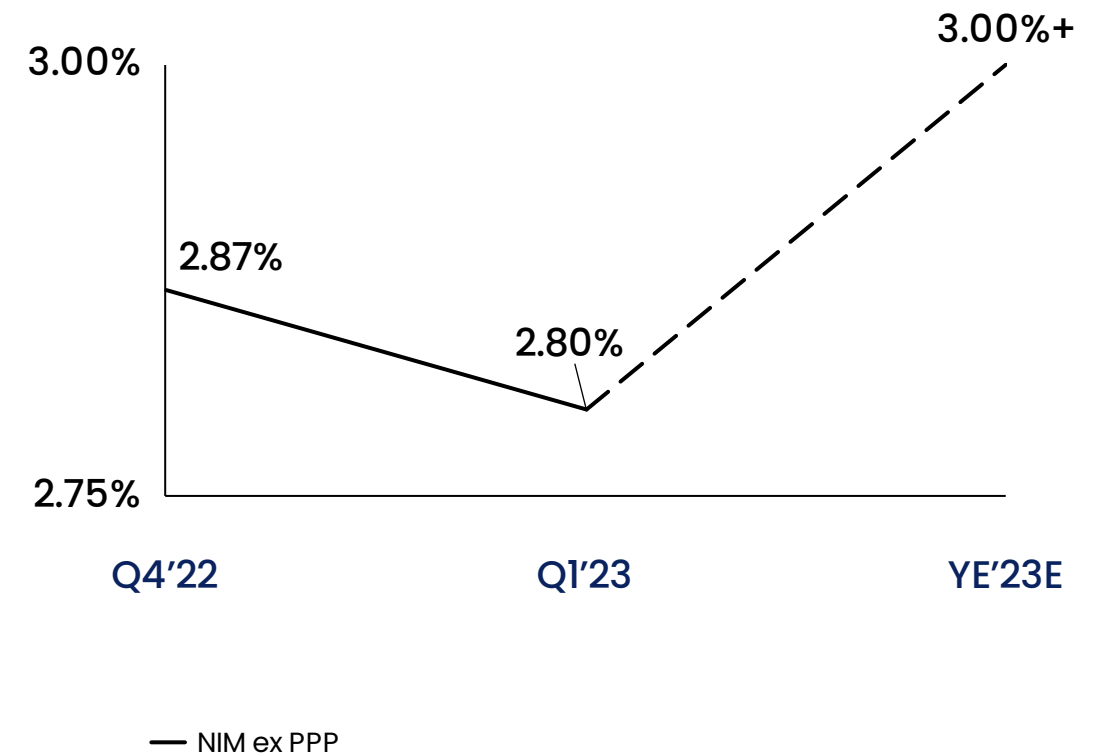
## Loan ex PPP yield vs. Deposit cost percent

- Spread between spot loan yield ex PPP and spot deposit cost has widened by 31 basis points in Q1'23 from 3.26% in Q4'22 to 3.57% in Q1'23
- This will lead to NIM expansion while the industry is expected to face deposit cost headwinds



## NIM ex PPP<sup>1</sup> percent

- NIM positioned to expand given increasing spread between spot loan yield and spot cost of deposits
- High cash balances<sup>2</sup> negatively impacted NIM by 6 basis points



1. Non-GAAP measure, refer to appendix for reconciliation  
 2. Assuming cash balance of \$0.5 billion

# Best-in-Class Efficiency Through Disciplined Expense Management

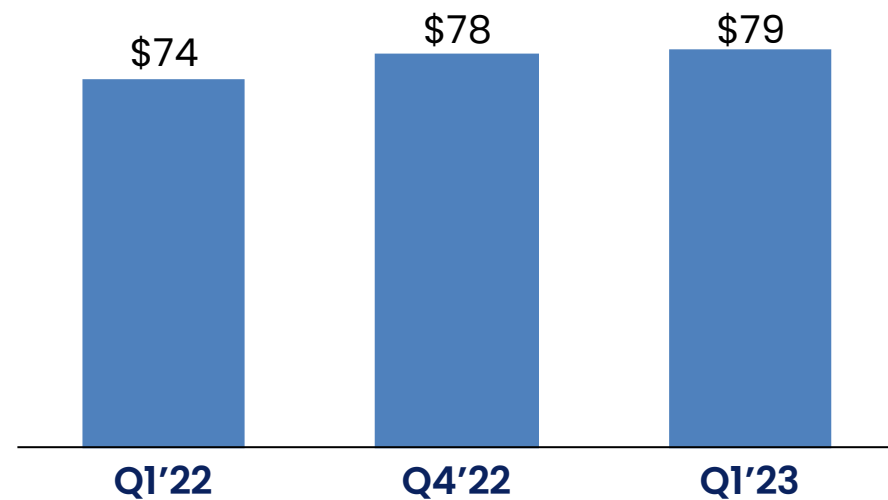


Let's take on tomorrow.

## Core Non-Interest Expense<sup>1</sup>

\$ millions

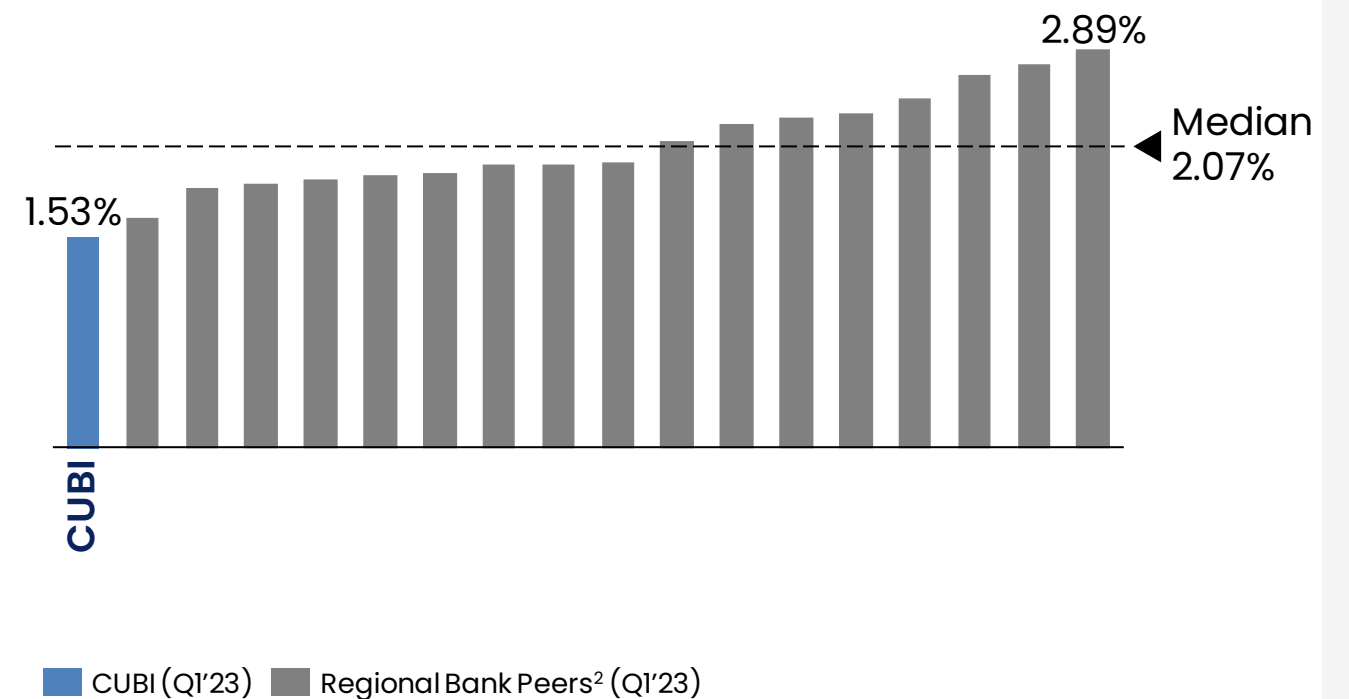
- Non-interest expense has grown ~8% over the last 12 months and only ~1% since last quarter



## Core Non-Interest Expense<sup>1</sup> / Average Assets

percent

- CUBI's non-interest expense as percent of average assets is best-in-class and the lowest among regional bank peers<sup>2</sup>



1. Annualized core non-interest expense. Non-GAAP measure, refer to appendix for reconciliation  
2. Selected 2022 proxy peers as disclosed in appendix

3.0 STRONG LIQUIDITY POSITION

# Robust Liquidity Position with More Than 2.7x Coverage of Uninsured Deposits is the Highest in the Industry

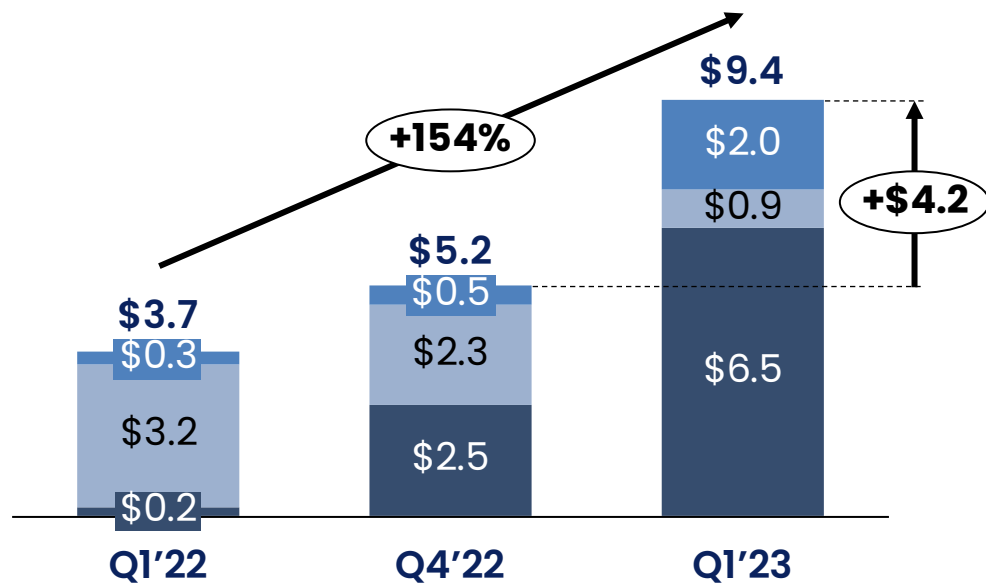


Let's take on tomorrow.

## Immediately Available Liquidity

\$ billions

- No FRB and BTFP borrowings as of end of Q1'23
- 80% increase in immediately available liquidity in Q1'23
- Total liquidity stands at \$11.2 billion as of Q1'23

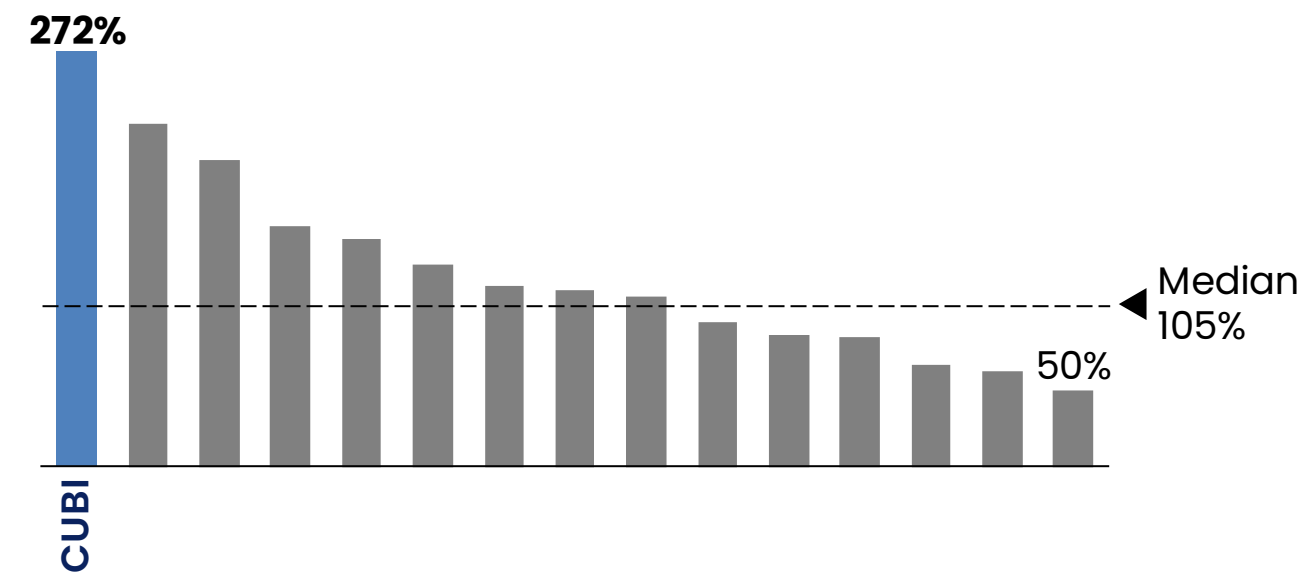


- Cash
- FHLB Available Committed Capacity
- FRB Available Committed Capacity

## Immediately Available Liquidity / Uninsured Deposits<sup>1</sup>

percent

- CUBI's ratio of immediately available liquidity to uninsured deposits<sup>1</sup> of approximately 272% is the highest among regional bank peers<sup>2</sup>



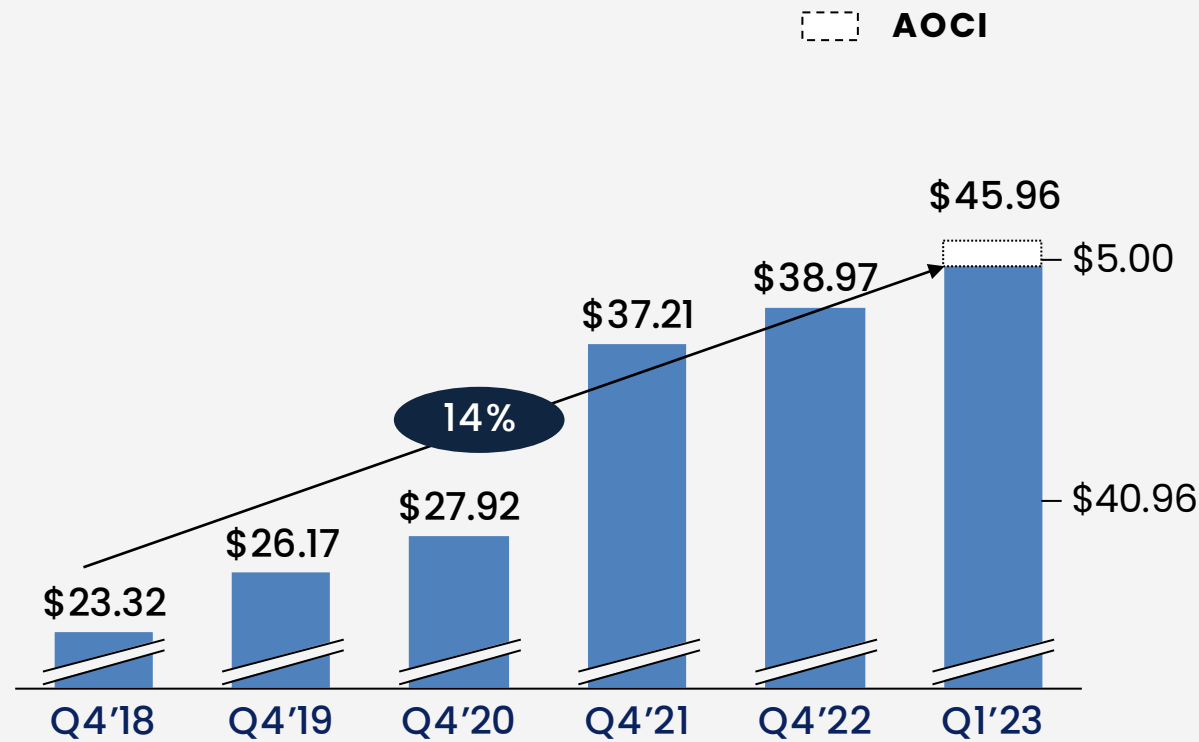
- CUBI (Q1'23)
- Regional Bank Peers<sup>2</sup> (Q1'23)

1. Adjusted to include affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used  
 2. Selected 2022 proxy peers as disclosed in appendix excluding FNB, United Community, WesBanco (Q1'23 data not available)

# Consistent Growth in Tangible Book Value

## Tangible Book Value<sup>1</sup>

Per share



Price to tangible book value per share<sup>3</sup>



- Tangible book value per share (“TBV”)<sup>1</sup> has increased 1.8x compared to a median of 1.1x for regional bank peers<sup>2</sup> since Q4'18
- TBV<sup>1</sup> increase achieved solely through organic capital generation
- TBV<sup>1</sup> increased 5% in the last quarter and 9% over the last 12 months, despite AOCI headwinds

1. Non-GAAP measure, refer to appendix for reconciliation  
 2. Selected 2022 proxy peers as disclosed in appendix (Q1'23 TBV/Q1'18 TBV)  
 3. Data as of 12/31 for each year, respectively. Q1'23 as of 03/31/2023 for TBVPS and 04/21/2023 for price

#### 4.0 STRENGTHENING CAPITAL BASE

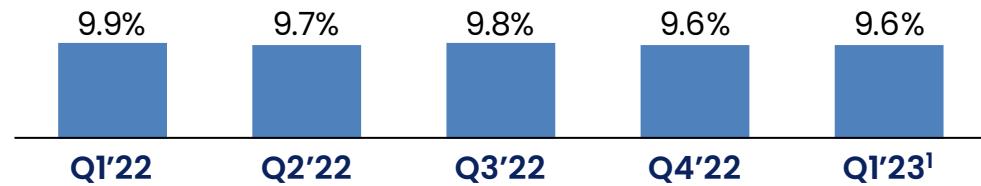
# Improving Capital Position with Decisive Commitment to Increasing Capital Levels Throughout 2023



Let's take on tomorrow.

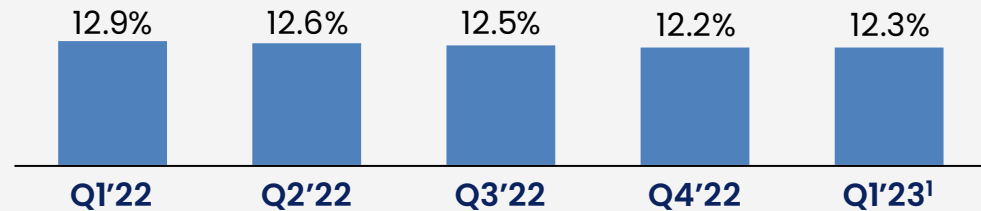
### CET1 Risk-Based Capital

percent



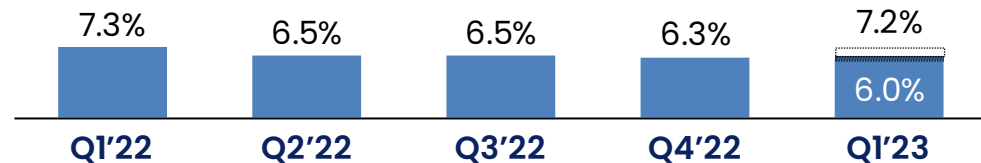
### Total Risk-Based Capital

percent



### TCE/TA ex PPP<sup>2,3</sup>

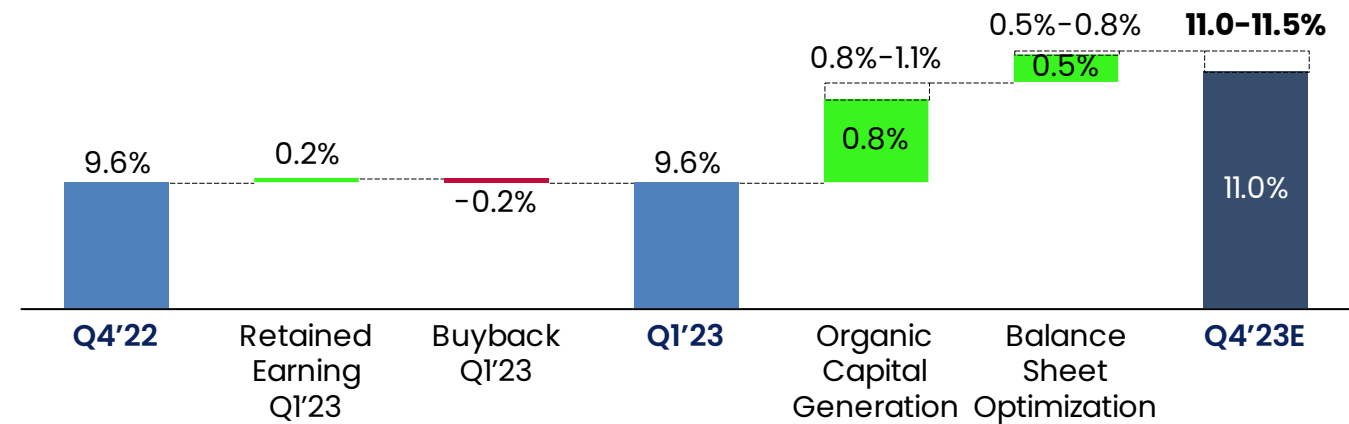
percent



AOCI  Increased Cash Balance<sup>4</sup>

### CET1 Risk-Based Capital

percent



- Balance sheet optimization achieved by exiting non-strategic credit relationships
- Elevated cash balances<sup>4</sup> negatively impacted TCE/TA ex PPP<sup>2,3</sup> by ~50 basis points

1. Capital ratios are estimated pending final regulatory report  
 2. TCE/TA ex PPP negatively impacted by ~80 basis points due to AOCI  
 3. Non-GAAP measure, refer to appendix for reconciliation  
 4. Total cash for Q1'23 (\$2,047 million) less total cash for Q4'22 (\$456 million)

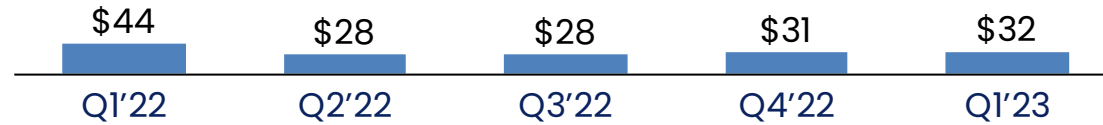
# Credit Quality Remains Strong and Reserves at ~400% of NPLs



Let's take on tomorrow.

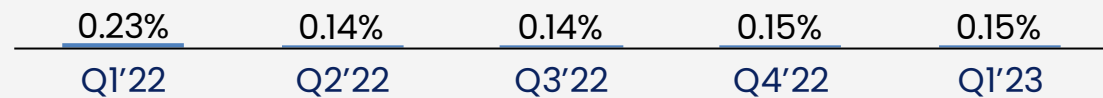
## NPLs

\$ millions



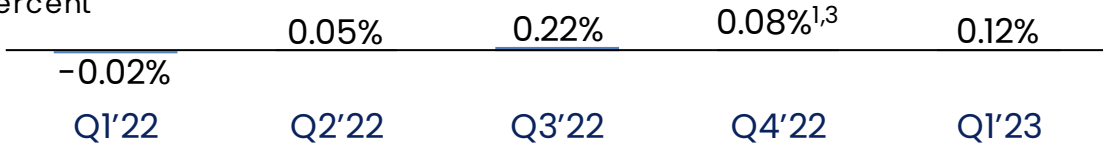
## NPAs as Percent of Total Assets

percent



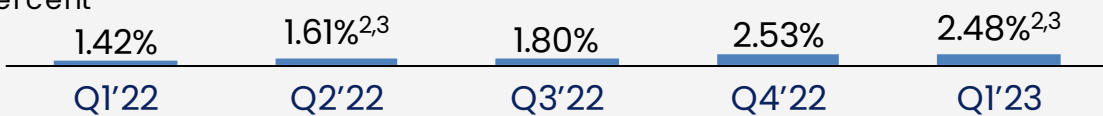
## Commercial NCOs

percent



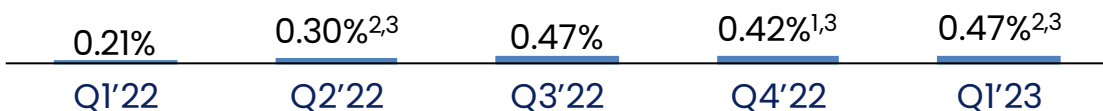
## Consumer NCOs

percent



## Total NCOs

percent



## Continue to maintain superior credit quality

- Commercial real estate (ex multifamily) for CUBI is 12% of total loans<sup>4</sup> vs. 31% for regional bank peer<sup>5</sup> median
- Commercial real estate plus multifamily for CUBI is 27% of total loans<sup>4</sup> vs. 35% for regional bank peer<sup>5</sup> median
- Strategic decision to avoid the office sector of commercial real estate
  - Less than 1% of loan book or \$165 million in outstanding balances as of Q1'23
  - Average loan size of ~\$3 million
  - LTV of 59% and DSCR of 1.81 : 1.00
  - All loans are located in-market on the east coast

1. Excluding PPP related one-time charge-offs of ~\$11.0 million in Q4'22 (prior to \$7.5 million legal settlement gain and impact of contractual indemnities and recoveries we may receive in future periods)  
 2. Excludes \$2.2 million charge-offs of overdrawn deposit accounts for consumer serviced deposits in Q2'22. Excludes \$0.7 million charge-offs of overdrawn deposit accounts for consumer serviced deposits in Q1'23  
 3. Non-GAAP measure, refer to appendix for reconciliation  
 4. As of Q4'22 for CUBI and peers  
 5. Selected 2022 proxy peers as disclosed in appendix



# Continue to De-risk the Consumer Installment Portfolio Through Lowering Balances While Increasing Credit Quality

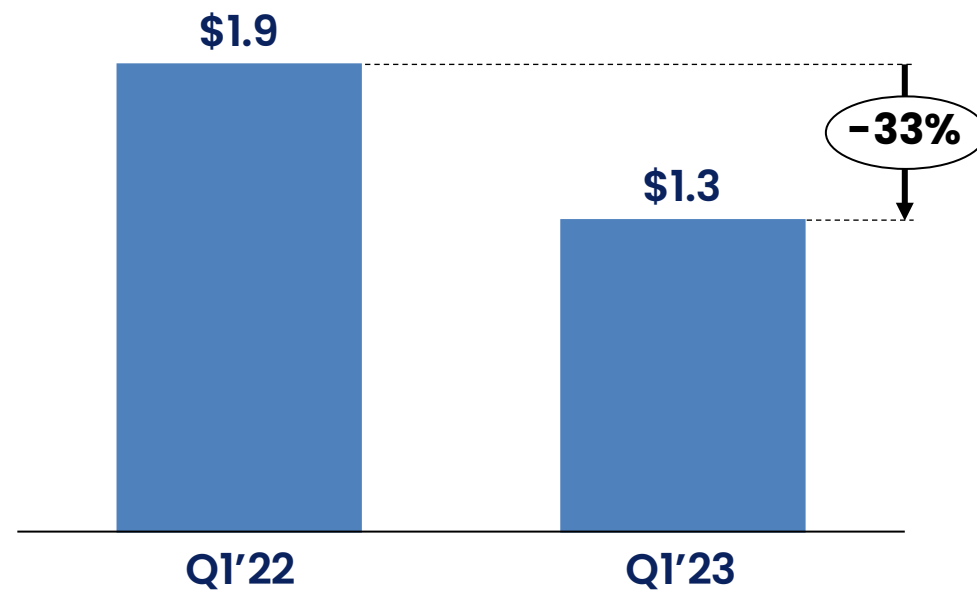


Let's take on tomorrow.

## Consumer Installment HFI

\$ billions












- The consumer installment HFI portfolio has declined 33% over the last 12 months



- Continued shift to asset-lite strategy to generate fee and “fee-like” revenues
- Average portfolio loan characteristics<sup>1</sup>:
  - Duration: 1.9 years
  - DTI: 20%
  - FICO score: 737
  - Borrower income: \$106k
- Proportion of consumer loans with 750+ FICO score has increased from 27% to 34% over the last 12 months
- Proportion of consumer loans with borrower income >\$100k has increased from 37% to 42% over the last 12 months

1. At time of origination

# Management Outlook

Metrics	Prior Guidance – FY 2023	Revised Outlook – FY 2023
Assets	-	 Flat to some decline
Loans ex PPP <sup>1</sup>	Low-mid single digits growth	 Flat to some decline
Deposits	Flattish with focus on reducing high-cost deposits	
NIM ex PPP <sup>1</sup>	2.85–3.05%	 Expanding margin throughout the year
Core non-interest expense	8–10% growth <sup>2</sup>	 5–7% growth <sup>2</sup>
Tax rate	22–24%	
Core EPS ex PPP <sup>1</sup>	\$6.00–6.25	 ~\$6.00
Core ROCE <sup>1</sup>	15.0%+	
CET1 ratio	9.5%	 11.0–11.5%
Tangible book value <sup>1</sup>	\$45.00+	
Buyback	1.9 million shares+	 ~0.5 million shares remaining

1. Non-GAAP measure, refer to appendix for reconciliation

2. Prior guidance provided was excluding BMTX expenses. Revised outlook provided is including BMTX expenses

# QUESTIONS AND ANSWERS





## ANALYST COVERAGE

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

Hal Goetsch

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

Peter Winter

### **Hovde Group**

David Bishop

### **Jefferies Group LLC**

Casey Haire

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

Michael Perito

### **Maxim Group Inc.**

Michael Diana

### **Piper Sandler Companies**

Frank Schiraldi

### **Stephens Inc.**

Matt Breese

### **Wedbush Securities Inc.**

David Chiaverini

APPENDIX



## Selected 2022 Proxy Peers



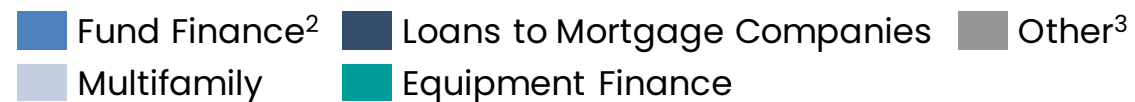
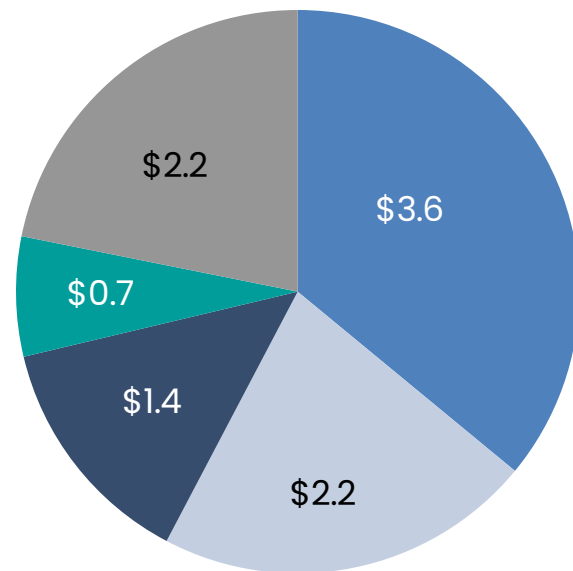
Let's take on tomorrow.

- Associated
- Atlantic Union
- BankUnited
- Commerce
- FB Financial
- First Financial (OH)
- First Merchants
- F.N.B.
- Fulton
- Independent
- Northwest
- Old National
- Pinnacle
- Sandy Spring
- United Community
- WesBanco
- WSFS

# 70% of Our Loan Book is in Low-to-No-Credit Risk Verticals

## Low-to-No Credit Risk Loan Portfolio

Q1'23, \$ billions



~70% of loan book<sup>1</sup> is in low-to-no risk credit risk verticals

### Fund Finance<sup>2</sup>

- No experienced delinquencies or losses since inception in 2015
- Asset-based structure provides solid credit enhancement

### Multifamily

- Only \$3.7 million in losses since inception in 2010
- All loans originated with LTV of <75%. Average DSCR of ~1.47

### Loans to Mortgage companies

- Only \$4.5 million in losses since inception in 2010
- “Agency” product continues to comprise a majority of the portfolio (~90%)

### Equipment Finance

- Only \$100k in losses since inception in 2015
- Target markets that are less susceptible to economic stress

1. Loans ex PPP – HFI  
 2. Includes capital call lines and lender finance  
 3. Includes mortgages, real estate specialty finance, tech & venture, FIG, healthcare and SBA government guaranteed

# Consumer Installment Loans – Portfolio Credit Metrics



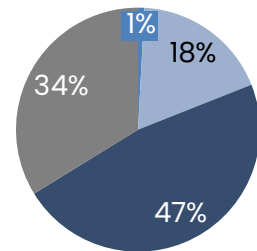
Let's take on tomorrow.

Weighted average life of ~1.9 years

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

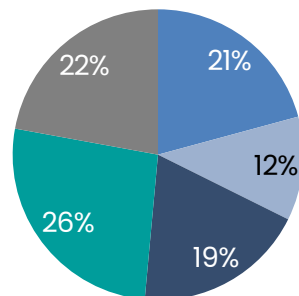
Average FICO Score<sup>1</sup> ~737

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



## Geography<sup>1</sup>

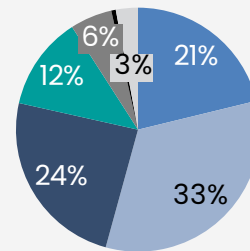
- West    Southeast
- Southwest    Northeast
- Midwest



## Debt to Income Ratio<sup>1</sup>

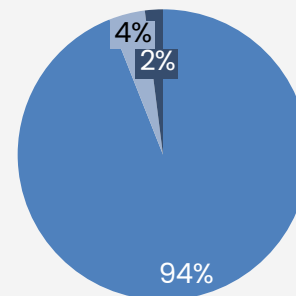
Average DTI<sup>1</sup> ~20%

- 0-9.99%    40 – 49.99%
- 10 – 19.99%    > 50%
- 20 – 29.99%    Unknown
- 30 – 39.99%



## Profession<sup>1</sup>

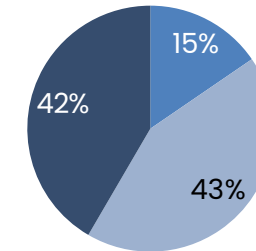
- Non COVID-19 Impacted Segments
- Non-Professional
- Retail & Restaurants



## Borrower Income<sup>1</sup>

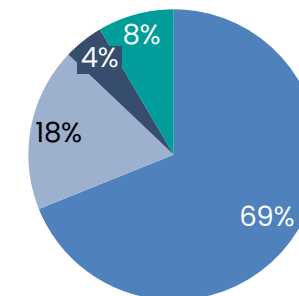
Average Borrower Income ~\$106k

- <\$50K    >\$100K
- \$50K-\$100K



## Purpose<sup>1</sup>

- Personal Loan    Home Improvement
- Specialty    Student Loan



Note: Data as of 03/31/2023. Includes consumer installment HFS loans  
1. At time of origination



# Additional Liquidity Detail



Let's take on tomorrow.

Liquidity Sources (\$000's)	1Q 23	4Q 22	3Q 22	2Q 22	1Q 22	YOY Change
Cash and Cash Equivalents	\$2,046,685	\$455,807	\$404,465	\$245,178	\$274,600	\$1,772,086
FHLB Available Borrowing Capacity	\$860,578	\$2,265,499	\$2,999,524	\$2,924,637	\$3,213,767	(\$2,353,189)
FRB Available Borrowing Capacity	\$6,516,922	\$2,510,189	\$2,557,704	\$244,802	\$214,908	\$6,302,015
Investments (MV AFS + HTM)						
US Gov't & Agency Debt	\$0	\$0	\$0	\$0	\$0	\$0
Agency & Non-Agency MBS & CMO	\$1,858,846	\$1,811,633	\$1,844,043	\$1,900,917	\$2,194,349	(\$335,503)
Municipals	\$0	\$0	\$7,351	\$7,737	\$7,950	(\$7,950)
Corporates	\$586,795	\$595,253	\$532,655	\$546,336	\$593,749	(\$6,955)
ABS (1)	\$1,324,912	\$1,394,388	\$1,421,075	\$1,160,160	\$1,347,981	(\$23,068)
Other AFS	\$26,710	\$26,485	\$24,864	\$24,771	\$25,824	\$886
Less: Pledged Securities HTM & AFS	(\$2,019,311)	(\$16,749)	(\$17,464)	(\$19,325)	(\$16,972)	(\$2,002,339)
Net Unpledged Securities	\$1,777,952	\$3,811,010	\$3,812,525	\$3,620,596	\$4,152,881	(\$2,374,929)
	<b>\$11,202,137</b>	<b>\$9,042,505</b>	<b>\$9,774,219</b>	<b>\$7,035,212</b>	<b>\$7,856,156</b>	<b>\$3,345,981</b>

(1) Includes CLOs

©2023 CUSTOMERS BANCORP, INC. / ALL RIGHTS RESERVED

# Allowance for Credit Losses for Loans and Leases



Let's take on tomorrow.

	March 31, 2023		
(\$ in thousands)	Amortized Cost <sup>2</sup>	Allowance for Credit Losses <sup>1</sup>	Lifetime Loss Rate <sup>1</sup>
<b>Loans and Leases Receivable:</b>			
<u>Commercial:</u>			
Commercial and Industrial	\$ 6,814,864	\$ 20,050	0.29 %
Multifamily	2,195,211	15,084	0.69 %
Commercial Real Estate Owner Occupied	895,314	8,472	0.95 %
Commercial Real Estate Non-Owner Occupied	1,245,248	11,032	0.89 %
Construction	188,123	2,336	1.24 %
<b>Total Commercial Loans and Leases Receivable</b>	<b>\$ 11,338,760</b>	<b>\$ 56,974</b>	<b>0.50 %</b>
<u>Consumer:</u>			
Residential Real Estate	\$ 494,815	\$ 6,853	1.38 %
Manufacturing Housing	43,272	4,339	10.03 %
Installment	1,268,505	62,115	4.90 %
<b>Total Consumer Loans Receivable</b>	<b>\$ 1,806,592</b>	<b>\$ 73,307</b>	<b>4.06 %</b>
<b>Total Loans and Leases</b>	<b>\$ 13,145,352</b>	<b>\$ 130,281</b>	<b>0.99 %<sup>3</sup></b>

Note:

1. Utilized Moody's March 2023 baseline and adverse forecast scenario with qualitative adjustments for Q1'23 provision
2. Excludes loans to mortgage companies reported at fair value, loans held for sale and PPP loans
3. Non-GAAP measure, refer to appendix for reconciliation

# Reconciliation of Non-GAAP Measures – Unaudited



Let's take on tomorrow.

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

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

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



Let's take on tomorrow.

## Core Earnings, Excluding PPP – Customers Bancorp

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

	Q1 2023		Q4 2022		Q3 2022		Q2 2022		Q1 2022	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income available to shareholders	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85	\$ 56,519	\$ 1.68	\$ 74,896	\$ 2.18
Less: PPP net income (loss) (after tax)	9,606	0.30	(5,956)	(0.18)	5,846	0.18	13,066	0.39	24,713	0.72
GAAP net income to common shareholders, excluding PPP	40,659	1.26	31,579	0.95	55,518	1.67	43,453	1.29	50,183	1.46
Reconciling items (after tax):										
Severance expense	637	0.02	—	—	1,058	0.03	—	—	—	—
Impairments on fixed assets and leases	86	0.00	—	—	126	0.00	705	0.02	220	0.01
Loss on sale of consumer installment loans	—	—	—	—	18,221	0.55	—	—	—	—
(Gains) losses on investment securities	(49)	—	13,543	0.41	1,859	0.06	2,494	0.07	1,030	0.03
Derivative credit valuation adjustment	204	0.01	202	0.01	(358)	(0.01)	(351)	(0.01)	(736)	(0.02)
<b>Core earnings</b>	<b>\$ 41,537</b>	<b>\$ 1.28</b>	<b>\$ 45,324</b>	<b>\$ 1.37</b>	<b>\$ 76,424</b>	<b>\$ 2.30</b>	<b>\$ 46,301</b>	<b>\$ 1.38</b>	<b>\$ 50,697</b>	<b>\$ 1.48</b>

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



Let's take on tomorrow.

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

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
GAAP net income	\$ 53,721	\$ 28,711	\$ 63,912	\$ 58,650	\$ 76,761
Less: PPP net income (loss) (after tax)	9,606	(5,956)	5,846	13,066	24,713
Net income, excluding PPP	44,115	34,667	58,066	45,584	52,048
Reconciling items (after tax):					
Severance expense	637	—	1,058	—	—
Impairments on fixed assets and leases	86	—	126	705	220
Loss on sale of consumer installment loans	—	—	18,221	—	—
(Gains) losses on investment securities	(49)	13,543	1,859	2,494	1,030
Derivative credit valuation adjustment	204	202	(358)	(351)	(736)
Core net income, excluding PPP	\$ 44,993	\$ 48,412	\$ 78,972	\$ 48,432	\$ 52,562
Average total assets	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366	\$ 20,056,020	\$ 19,129,330
Core return on average assets, excluding PPP	0.87%	0.93%	1.53%	0.97%	1.11%

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



Let's take on tomorrow.

**Adjusted Net Income and Adjusted ROAA -  
Pre-Tax Pre-Provision, excluding PPP - Customers Bancorp**  
(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
GAAP net income	\$ 53,721	\$ 28,711	\$ 63,912	\$ 58,650	\$ 76,761
Less: PPP net income (loss) (after tax)	9,606	(5,956)	5,846	13,066	24,713
Net income, excluding PPP	\$ 44,115	\$ 34,667	\$ 58,066	\$ 45,584	\$ 52,048
Reconciling items:					
Income tax expense	14,563	7,136	17,899	18,896	19,332
Provision (benefit) for credit losses	19,603	28,216	(7,994)	23,847	15,997
Unfunded provision	280	153	254	608	(109)
Severance expense	809	—	1,363	—	—
Impairments on fixed assets and leases	109	—	162	914	286
Loss on sale of consumer installment loans	—	—	23,465	—	—
(Gains) losses on investment securities	(62)	16,909	2,394	3,232	1,339
Derivative credit valuation adjustment	259	252	(461)	(455)	(957)
Adjusted net income - pre-tax pre-provision, excluding PPP	\$ 79,676	\$ 87,333	\$ 95,148	\$ 92,626	\$ 87,936
Average total assets	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366	\$ 20,056,020	\$ 19,129,330
Adjusted ROAA - pre-tax pre-provision, excluding PPP	1.53 %	1.67 %	1.84 %	1.85 %	1.86 %

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



Let's take on tomorrow.

## Core Return on Average Common Equity – Customers Bancorp

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
GAAP net income to common shareholders	\$ 50,265	\$ 25,623	\$ 61,364	\$ 56,519	\$ 74,896
Reconciling items (after tax):					
Severance expense	637	—	1,058	—	—
Impairments on fixed assets and leases	86	—	126	705	220
Loss on sale of consumer installment loans	—	—	18,221	—	—
(Gains) losses on investment securities	(49)	13,543	1,859	2,494	1,030
Derivative credit valuation adjustment	204	202	(358)	(351)	(736)
Core earnings	\$ 51,143	\$ 39,368	\$ 82,270	\$ 59,367	\$ 75,410
Average total common shareholders' equity	\$ 1,273,780	\$ 1,263,190	\$ 1,259,711	\$ 1,244,819	\$ 1,252,022
Core return on average common equity	16.28 %	12.36 %	25.91 %	19.13 %	24.43 %

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



Let's take on tomorrow.

## Annualized Net Charge-Offs

(\$ in thousands, except percentages)

	Q1 2023			Q4 2022			Q3 2022			Q2 2022			Q1 2021		
	Average balance	Net charge-offs/(recoveries)	Annualized net charge-off to average loans	Average balance	Net charge-offs/(recoveries)	Annualized net charge-off to average loans	Average balance	Net charge-offs/(recoveries)	Annualized net charge-off to average loans	Average balance	Net charge-offs/(recoveries)	Annualized net charge-off to average loans	Average balance	Net charge-offs/(recoveries)	Annualized net charge-off to average loans
Total Commercial Loans and Leases Receivable	\$13,207,069	\$ 4,047	0.12%	\$13,308,551	\$ 13,920	0.41%	\$13,202,090	\$ 7,402	0.22%	\$12,493,335	\$ 1,588	0.05%	\$ 11,446,429	\$ (524)	-0.02%
One-time related PPP charge-off					(11,044)	0.00%									
Adjusted Total Commercial Loans and Leases Receivable	\$13,207,069	\$ 4,047	<b>0.12%</b>	13,308,551	2,876	<b>0.08%</b>	13,202,090	7,402	<b>0.22%</b>	12,493,335	1,588	<b>0.05%</b>	11,446,429	(524)	<b>-0.02%</b>
Total Consumer Loans Receivable	2,270,904	14,604	2.61%	2,079,452	13,244	2.53%	2,451,893	11,096	1.80%	2,425,163	11,893	1.97%	2,210,562	7,750	1.42%
One-time overdrawn charge-off		(712)									(2,162)				
Adjusted Total Consumer Loans and Leases Receivable	2,270,904	13,892	<b>2.48%</b>	2,079,452	13,244	<b>2.53%</b>	2,451,893	11,096	<b>1.80%</b>	2,425,163	9,731	<b>1.61%</b>	2,210,562	7,750	<b>1.42%</b>
Total loans and Leases	15,477,973	18,651	0.49%	15,388,003	27,164	0.70%	15,653,983	18,498	0.47%	14,918,498	13,481	0.36%	\$ 13,656,991	\$ 7,226	<b>0.21%</b>
Adjusted Total Loans and Leases	\$15,477,973	17,939	<b>0.47%</b>	\$ 15,388,003	\$ 16,120	<b>0.42%</b>	\$15,653,983	\$ 18,498	<b>0.47%</b>	\$ 14,918,498	\$ 11,319	<b>0.30%</b>	\$ 13,656,991	\$ 7,226	<b>0.21%</b>

© 2023 CUSTOMERS BANCORP, INC. / ALL RIGHTS RESERVED



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



Let's take on tomorrow.

**Core non-interest expense- Customers Bancorp**  
(\$ in thousands)

	<b>Q1 2023</b>	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
GAAP non-interest expense	\$ 80,133	\$ 78,419	\$ 76,198	\$ 76,205	\$ 73,807
Severance expense	(809)	—	(1,363)	—	—
Impairments on fixed assets and leases	(109)	—	(162)	(914)	(286)
Core non-interest expense	\$ 79,215	\$ 78,419	\$ 74,673	\$ 75,291	\$ 73,521

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



Let's take on tomorrow.

## Tangible Book Value per Common Share - Customers Bancorp

(\$ in thousands, except per share data)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
GAAP - Total shareholders' equity	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931	\$ 1,353,390	\$ 1,377,406
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,678)
Tangible common equity	\$ 1,279,597	\$ 1,261,538	\$ 1,245,508	\$ 1,211,967	\$ 1,235,934
Common shares outstanding	31,239,750	32,373,697	32,475,502	32,449,486	32,957,847
Tangible book value per common share	\$ 40.96	\$ 38.97	\$ 38.35	\$ 37.35	\$ 37.50

© 2023 CUSTOMERS BANCORP, INC. / ALL RIGHTS RESERVED

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



Let's take on tomorrow.

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

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
GAAP – Total shareholders' equity	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931	\$ 1,353,390	\$ 1,377,406
Reconciling items:					
Preferred stock	(137,794)	(137,794)	(137,794)	(137,794)	(137,794)
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,678)
Tangible common equity	\$ 1,279,597	\$ 1,261,538	\$ 1,245,508	\$ 1,211,967	\$ 1,235,934
GAAP total assets	\$ 21,751,614	\$ 20,896,112	\$ 20,367,621	\$ 20,251,996	\$ 19,163,708
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,678)
PPP Loans	(246,258)	(998,153)	(1,154,632)	(1,570,160)	(2,195,902)
Tangible assets, excluding PPP	\$ 21,501,727	\$ 19,894,330	\$ 19,209,360	\$ 18,678,207	\$ 16,964,128
Tangible common equity to tangible assets, excluding PPP	5.95%	6.34%	6.48%	6.49%	7.29%

© 2023 CUSTOMERS BANCORP, INC. / ALL RIGHTS RESERVED

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



Let's take on tomorrow.

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

(\$ in thousands)

	<b>Q1 2023</b>	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
Total loans and leases	\$ 15,063,034	\$ 15,794,671	\$ 15,336,688	\$ 15,664,353	\$ 14,073,518
PPP loans	(246,258)	(998,153)	(1,154,632)	(1,570,160)	(2,195,902)
Loans and leases, excluding PPP	\$ 14,816,776	\$ 14,796,518	\$ 14,182,056	\$ 14,094,193	\$ 11,877,616

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



Let's take on tomorrow.

## Interest earning assets, excluding PPP – Customers Bancorp

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest earning deposits	\$ 1,969,434	\$ 397,781	\$ 362,945	\$ 178,475	\$ 219,085
Investment securities, at FV	2,926,969	2,987,500	2,943,694	3,144,882	4,169,853
Investment securities held to maturity	870,294	840,259	886,294	495,039	—
Total Investment	\$ 5,766,697	\$ 4,225,540	\$ 4,192,933	\$ 3,818,396	\$ 4,388,938
Total loan and lease receivable	\$ 15,063,034	\$ 15,794,671	\$ 15,336,688	\$ 15,664,353	\$ 14,073,518
PPP loans	(246,258)	(998,153)	(1,154,632)	(1,570,160)	(2,195,902)
Total loan and lease receivable, excluding PPP	\$ 14,816,776	\$ 14,796,518	\$ 14,182,056	\$ 14,094,193	\$ 11,877,616
Total interest earning assets, excluding PPP	\$ 20,583,473	\$ 19,022,058	\$ 18,374,989	\$ 17,912,589	\$ 16,266,554

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

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Total loans and leases	\$ 15,063,034	\$ 15,794,671	\$ 15,336,688	\$ 15,664,353	\$ 14,073,518
PPP loans	(246,258)	(998,153)	(1,154,632)	(1,570,160)	(2,195,902)
Consumer HFS	(404,006)	(324,233)	(1,116)	(2,459)	(3,003)
Core Loans (Loans and leases, excluding PPP and consumer HFS)	\$ 14,412,770	\$ 14,472,285	\$ 14,180,940	\$ 14,091,734	\$ 11,874,613

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



Let's take on tomorrow.

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

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Loans and leases receivable	\$ 13,391,610	\$ 14,143,047	\$ 13,762,374	\$ 13,783,155	\$ 12,314,757
PPP loans	(246,258)	(998,153)	(1,154,632)	(1,570,160)	(2,195,902)
Loans and leases held for investment, excluding PPP	\$ 13,145,352	\$ 13,144,894	\$ 12,607,742	\$ 12,212,995	\$ 10,118,855
Allowance for credit losses on loans and leases	\$ 130,281	\$ 130,924	\$ 130,197	\$ 156,530	\$ 145,847
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP	0.99%	1.00%	1.03%	1.28%	1.44%

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



Let's take on tomorrow.

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

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
GAAP net interest income	\$ 149,899	\$ 135,137	\$ 159,032	\$ 164,852	\$ 164,699
PPP net interest income	(14,106)	2,791	(9,632)	(18,946)	(34,615)
Tax-equivalent adjustment	375	342	334	270	239
Net interest income, tax equivalent, excluding PPP	\$ 136,168	\$ 138,270	\$ 149,734	\$ 146,176	\$ 130,323
GAAP average total interest earning assets	\$ 20,514,677	\$ 20,211,028	\$ 20,021,455	\$ 19,525,936	\$ 18,572,308
Average PPP loans	(889,235)	(1,065,919)	(1,349,403)	(1,863,429)	(2,641,318)
Adjusted average total interest earning assets	\$ 19,625,442	\$ 19,145,109	\$ 18,672,052	\$ 17,662,507	\$ 15,930,990
Net interest margin, tax equivalent, excluding PPP	2.80 %	2.87 %	3.18 %	3.32 %	3.32 %

## Loan Yield, excluding PPP – Customers Bancorp

(\$ in thousands)

	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Interest income on loans and leases	\$ 255,913	\$ 218,740	\$ 200,457	\$ 168,941	\$ 157,175
Interest on PPP loans	(23,551)	(7,249)	(14,666)	(20,572)	(36,894)
Interest on loans and leases, excluding PPP	\$ 232,362	\$ 211,491	\$ 185,791	\$ 148,369	\$ 120,281
Average loans and leases	\$ 15,477,973	\$ 15,388,003	\$ 15,653,983	\$ 14,918,498	\$ 13,656,991
Average PPP loans	(889,235)	(1,065,919)	(1,349,403)	(1,863,429)	(2,641,318)
Adjusted average total interest earning assets	\$ 14,588,738	\$ 14,322,084	\$ 14,304,580	\$ 13,055,069	\$ 11,015,673
Loan yield, excluding PPP	6.46 %	5.82 %	5.15 %	4.56 %	4.43 %

© 2023 CUSTOMERS BANCORP, INC. / ALL RIGHTS RESERVED