



**customers  
bancorp**

**Let's take on tomorrow.**

"A Forward-Thinking Bank with Strong Risk Management"

Investor Presentation: Q3 2023

October 2023

# Forward-Looking Statements



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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: a continuation of the recent turmoil in the banking industry, responsive measures taken by us and regulatory authorities to mitigate and manage related risks, regulatory actions taken that address related issues and the costs and obligations associated therewith, the impact of COVID-19 and its variants 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, 2022, 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.

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# A Forward-Thinking Bank with Strong Risk Management



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## Q3'23 Earnings Review

Significant earnings beat driven by organic growth, higher margin, and well-controlled expenses amplified by outsized discount accretion

Results exceeded consensus estimates excluding outsized discount accretion

## Strength of the Franchise

Meaningful enhancement of franchise value in 2023 due to market disruption

Venture Banking team 100% self-funded and operating "business as usual"

\$1.3 billion of core deposit growth drove the repayment of \$0.9 billion of wholesale CDs and \$0.5 billion of borrowings

Core deposit growth was granular and broad-based across the franchise

## Strong Capital and Liquidity

TCE/TA<sup>1</sup> increased 50 bps QoQ on a static balance sheet

CET1<sup>2</sup> increased to 11.3%; achieved target range one quarter ahead of the plan

Immediately available liquidity remains >200% of uninsured deposits<sup>3</sup>

## Maintaining Superior Credit Quality

NPA ratio low at just 0.14% and credit outlook remains stable

Minimal exposure to higher-risk CRE asset classes (office ~1% of HFI loan portfolio)

## Management Outlook

Optimistic about continued improvement in balance sheet, capital position and profitability

Expect to exceed full year core EPS guidance

1. Non-GAAP measure, refer to appendix for reconciliation  
2. Capital ratios are estimated pending final regulatory report  
3. Adjusted to account for affiliate and collateralized deposits

## Our Priorities Remain Unchanged



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Moderate growth by focusing on holistic and strategic relationships and building a strong franchise

Focus on further strengthening our balance sheet, improving liquidity, capital ratios and margins

Not deviate from strong risk management principles:

- ✓ Superior credit quality
- ✓ Sound interest rate risk management
- ✓ Maintain robust liquidity
- ✓ Strong capital ratios
- ✓ Positive operating leverage

# Financial Highlights



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Q3'23		Q3'23 (vs. Q2'23)		
Highlights		Profitability	Balance Sheet	Credit
Diluted EPS <b>\$2.58</b>	Core EPS <sup>1,2</sup> <b>\$2.59</b>	3.70% vs. 3.15% <b>NIM</b>	\$21.9B -1% <b>Total Assets</b>	0.14% +1 bps <b>NPA Ratio</b>
Net Income <b>\$83.0 M</b>	Core Earnings <sup>1,2</sup> <b>\$83.3 M</b>	1.57% vs. 0.88% <b>ROAA</b>	1.57% vs. 1.03% <b>Core ROAA<sup>1,2</sup></b>	\$13.7B -1% <b>Total Loans and Leases</b>
ROCE <b>24.0%</b>	Core ROCE <sup>1,2</sup> <b>24.1%</b>	2.32% vs. 1.79% <b>Core PTPP ROAA<sup>1,2</sup></b>	\$18.2B +1% <b>Total Deposits</b>	466% vs. 494% <b>Reserves to NPLs</b>

1. Adjusted for loss on investment securities of \$0.5 million offset by gain on derivative credit valuation adjustment of \$0.2 million  
 2. Non-GAAP measure, refer to appendix for reconciliation

# Successfully Executing on Deposit Franchise Transformation

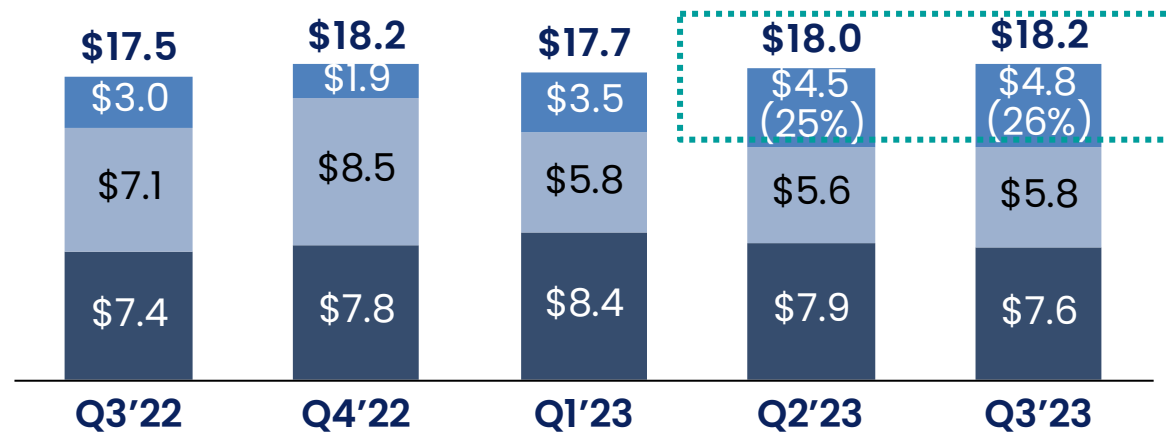


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## Total Deposits

\$ billions

- Total deposits increased \$245 million QoQ while paying down \$937 million in wholesale CDs
- Core deposit growth of \$1.3 billion QoQ and \$2.1 billion over the last two quarters
- Third consecutive quarterly increase in NIB deposits; YTD growth of \$2.9 billion



Average cost of deposits

3.11%

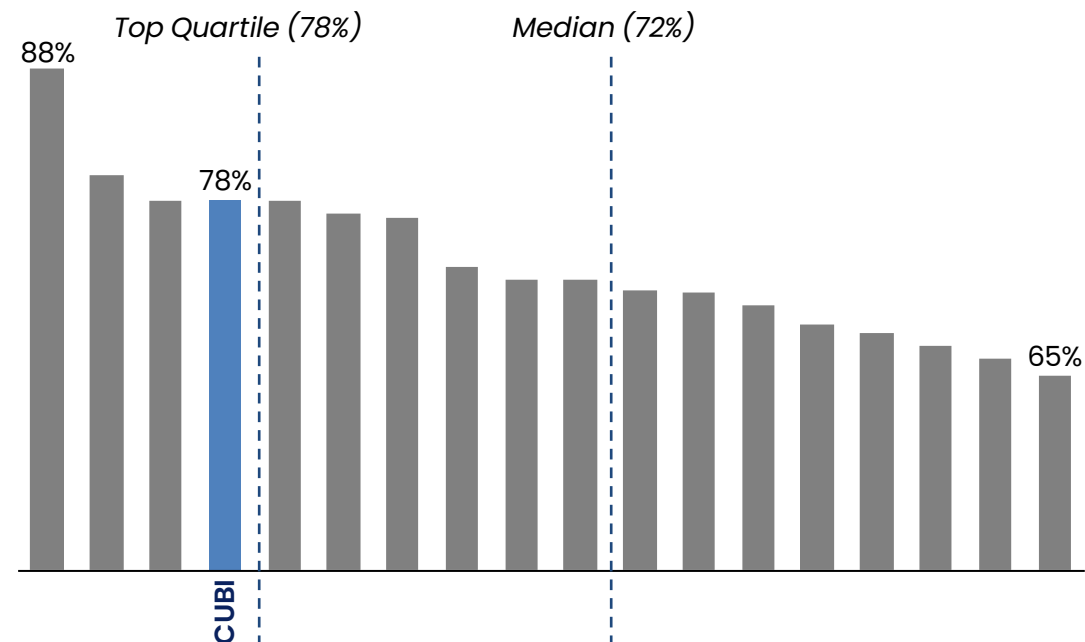
3.24%

■ Non-Interest Bearing DDA ■ Interest Bearing DDA ■ Non-DDA

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

percent

- CUBI's insured deposits<sup>1</sup> as a percentage of total deposits is 78% – among the top quartile of regional bank peers<sup>2</sup>



■ CUBI (Q3'23) ■ Regional Bank Peers<sup>2</sup> (MRQ)

1. Adjusted to account for affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used  
 2. Selected 2023 proxy peers as disclosed in appendix

# Net Interest Margin Expanded Significantly in Q3'23

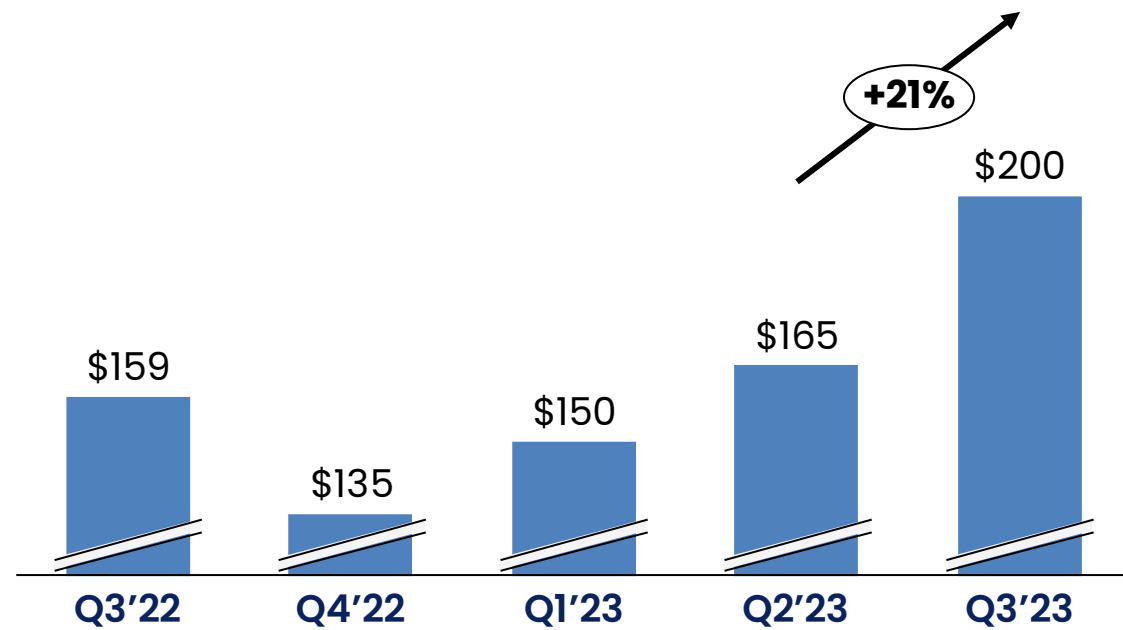


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## Net Interest Income

\$ millions

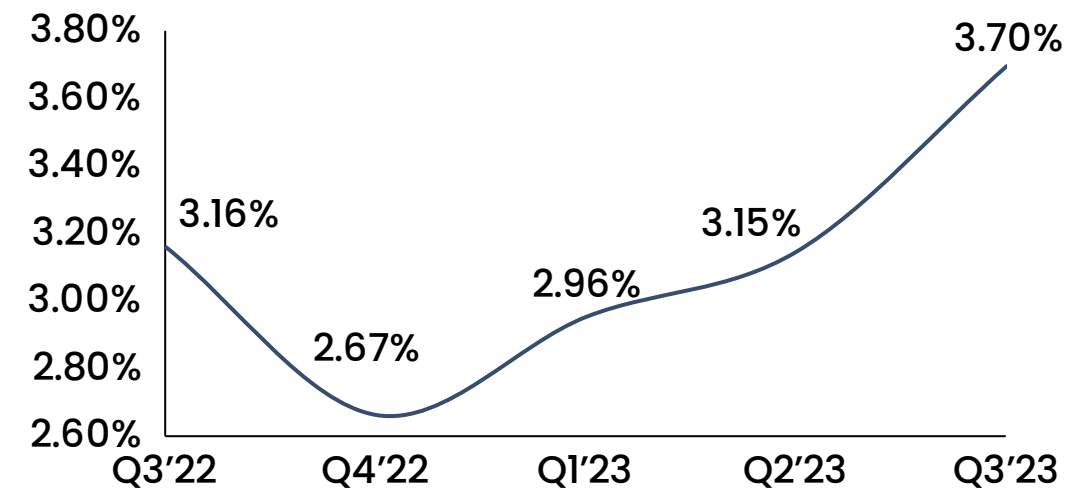
- Third consecutive quarter of substantial increase in net interest income
- Outsized discount accretion of approximately \$27 million unlikely to occur in subsequent periods



## NIM

percent

- Continued margin expansion despite industry headwinds driven by higher yield on earning assets



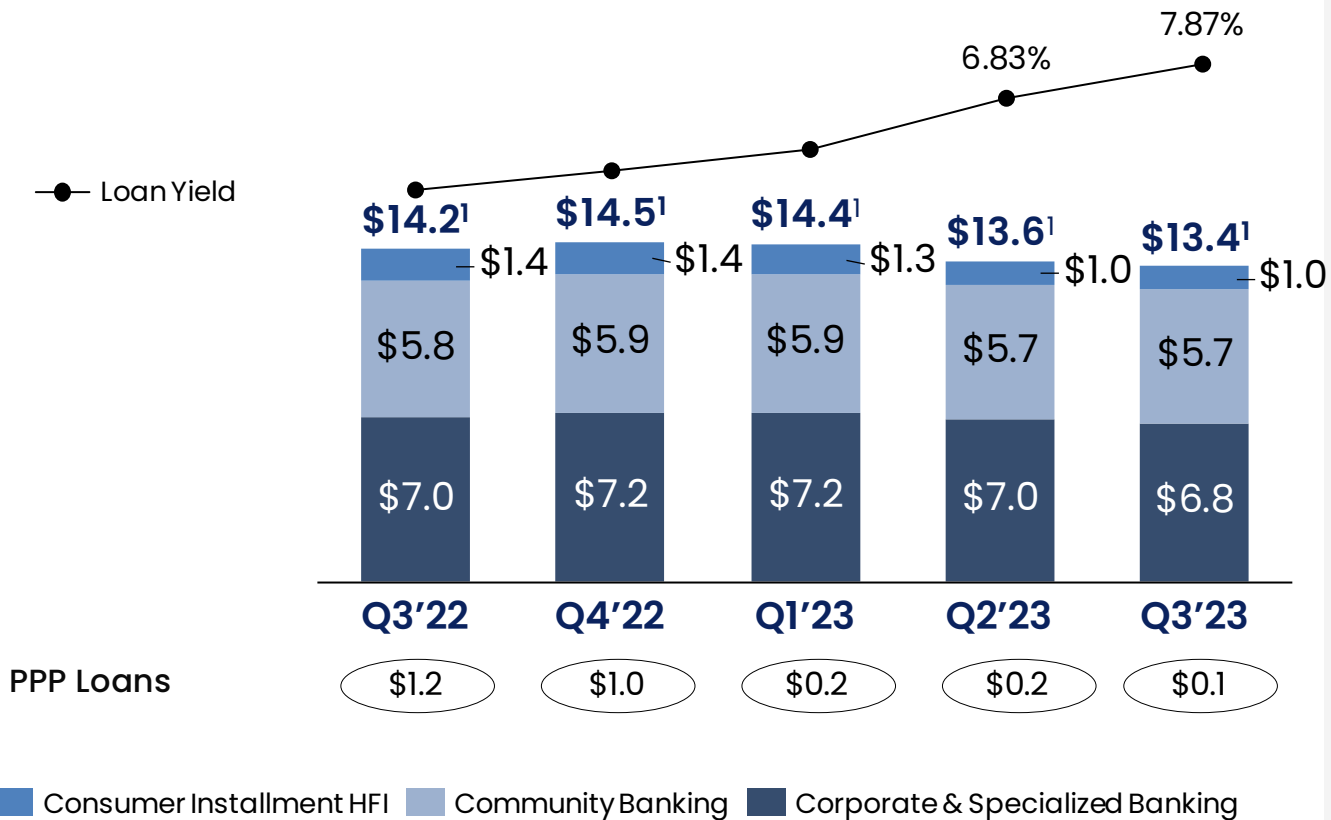
# Strategic Portfolio Remix Complete and Continuing to Maintain Strong Liquidity Position



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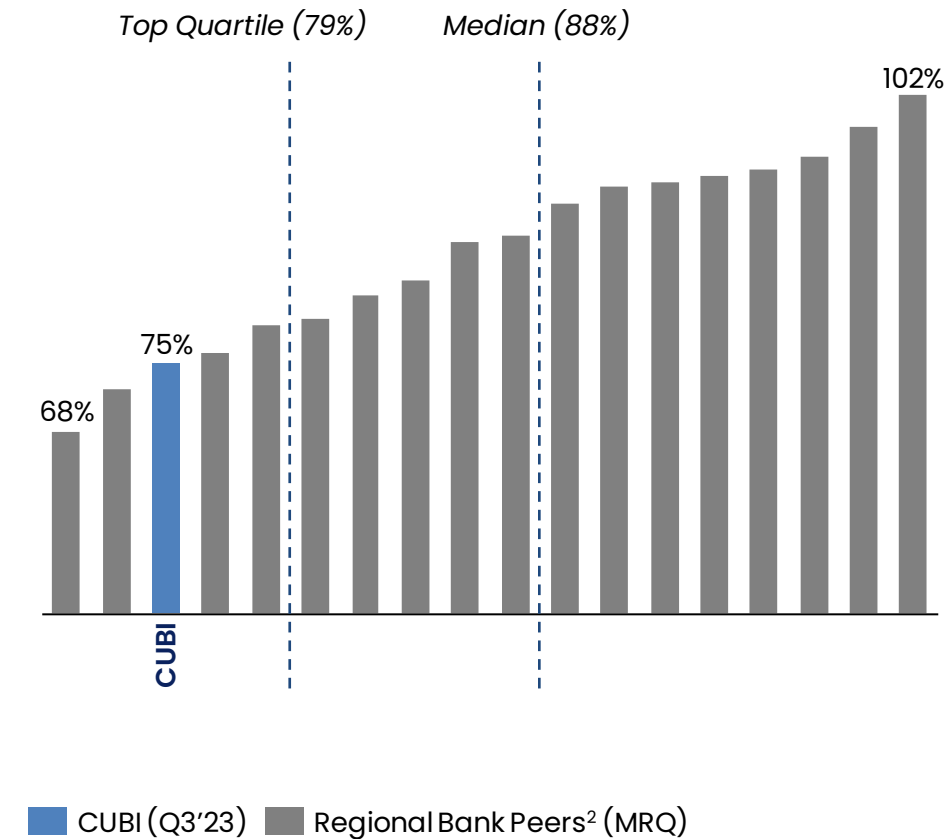
## Loans – HFI \$ billions

- Loan originations focused on holistic relationships



## Loans – HFI / Deposits percent

- Loan to deposit ratio is 75%, 13 percentage points lower than regional bank peer median



1. Non-GAAP measure, refer to appendix for reconciliation; HFI loans excluding PPP  
 2. Selected 2023 proxy peers as disclosed in appendix



# Customers Operates with Industry-Leading Efficiency

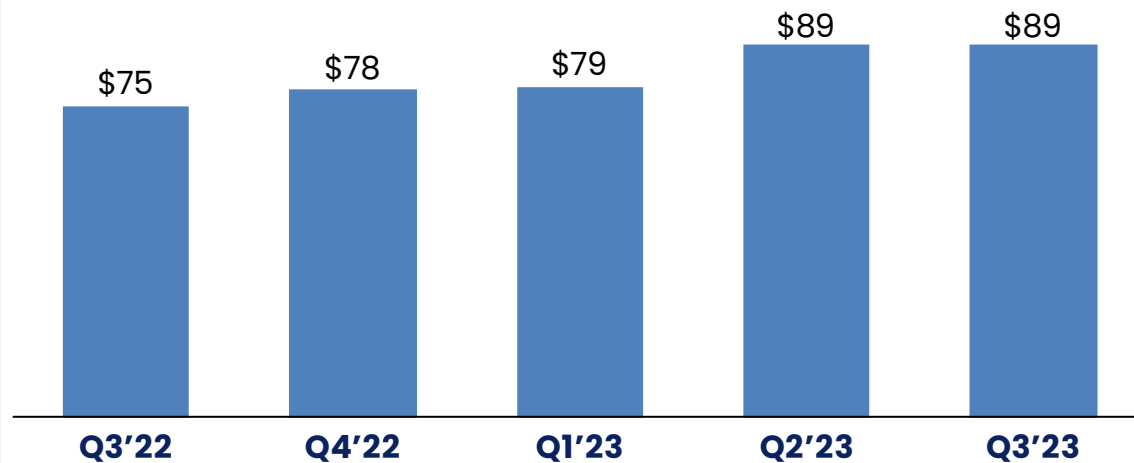


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## Core Non-Interest Expense<sup>1</sup>

\$ millions

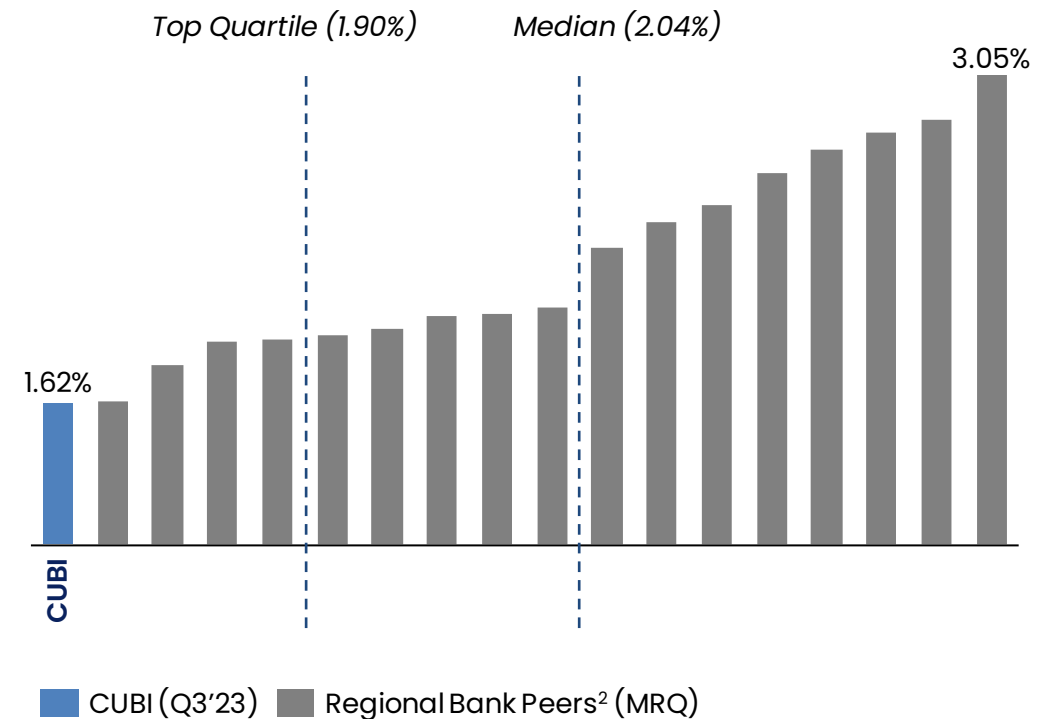
- Disciplined expense management resulting in flat core non-interest expense QoQ
- Meaningful opportunity to generate positive operating leverage at current expense levels



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

percent

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



1. Non-GAAP measure, refer to appendix for reconciliation  
 2. Selected 2023 proxy peers as disclosed in appendix

# Securities Portfolio is Best-Positioned Among Regional Bank Peers

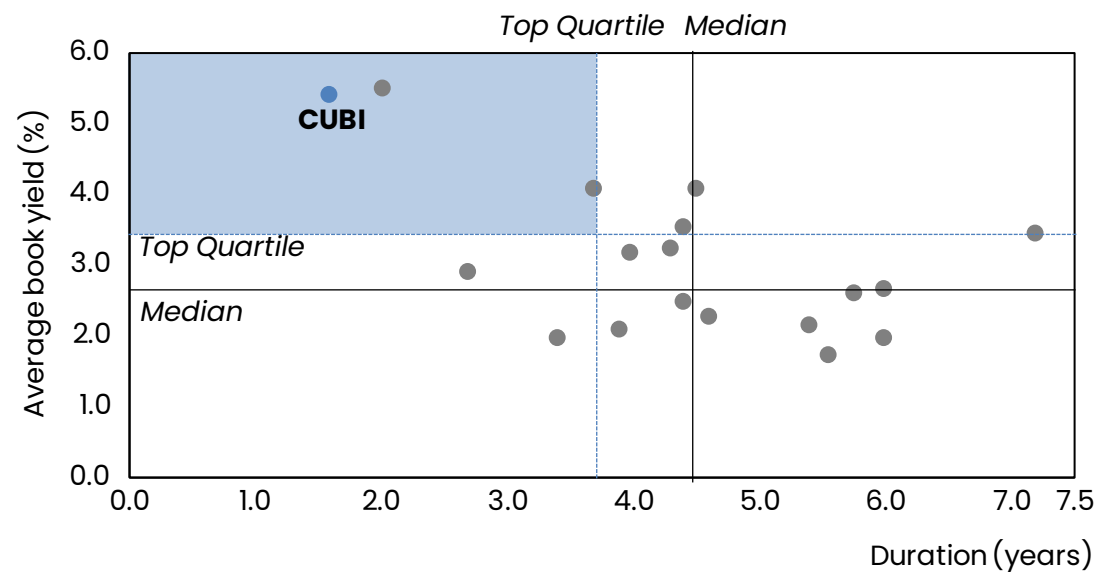


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## Investment Securities – AFS

Book yield and duration

- Strategic portfolio actions taken during Q2'22-Q4'22 continue to pay dividends
- Securities portfolio generates the second highest average yield (spot yield 5.43%) with the shortest duration (1.6 years) among regional bank peers<sup>1</sup>

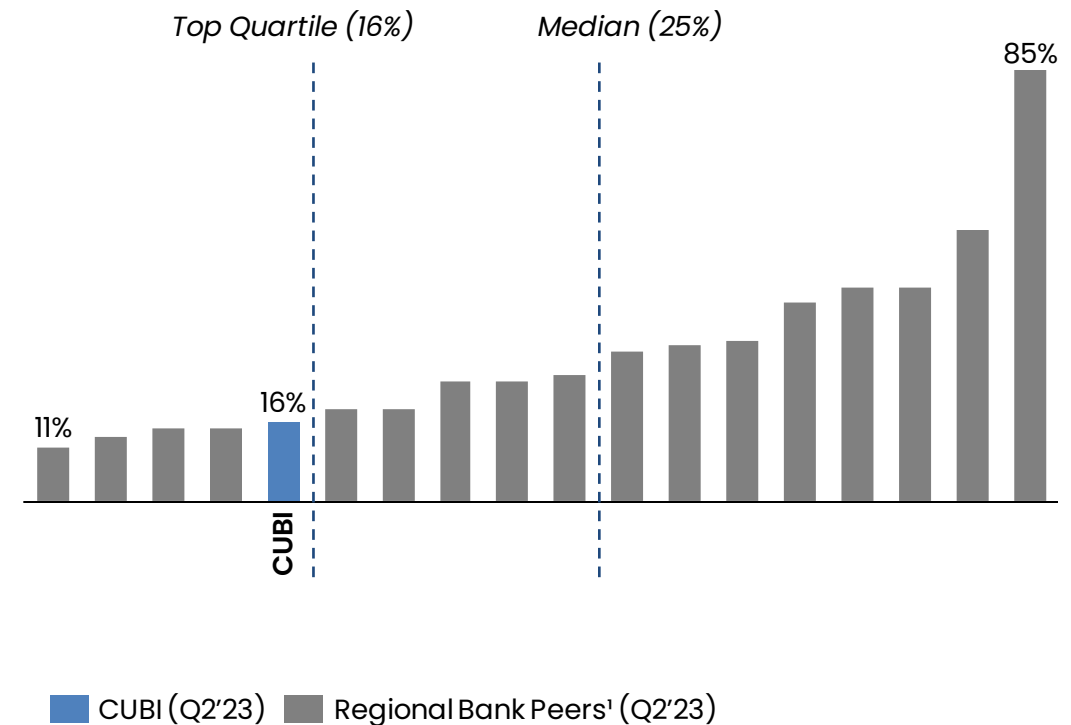


● CUBI (Q3'23) ● Regional Bank Peers<sup>1</sup> (MRQ)

## AFS + HTM Unrealized Losses as % of TCE<sup>2</sup>

percent

- CUBI's AOCI as % of TCE<sup>2</sup> declined by 224 bps from Q2'23 to Q3'23
- CUBI's AFS + HTM unrealized losses as % of TCE<sup>2</sup> is among the top quartile of regional bank peers<sup>1</sup>



1. Selected 2023 proxy peers as disclosed in appendix  
 2. Non-GAAP measure, refer to appendix for reconciliation

# Robust Liquidity Position with More Than 200% Coverage of Uninsured Deposits

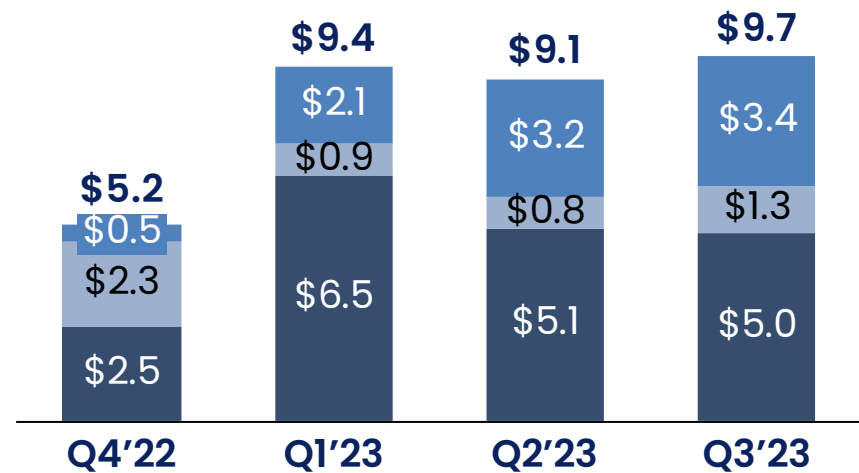


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## Immediately Available Liquidity

\$ billions

- Redeemed \$510 million of callable FHLB advances with core deposit growth
- Total overall liquidity of \$11.7 billion as of Q3'23 increased by \$507 million QoQ

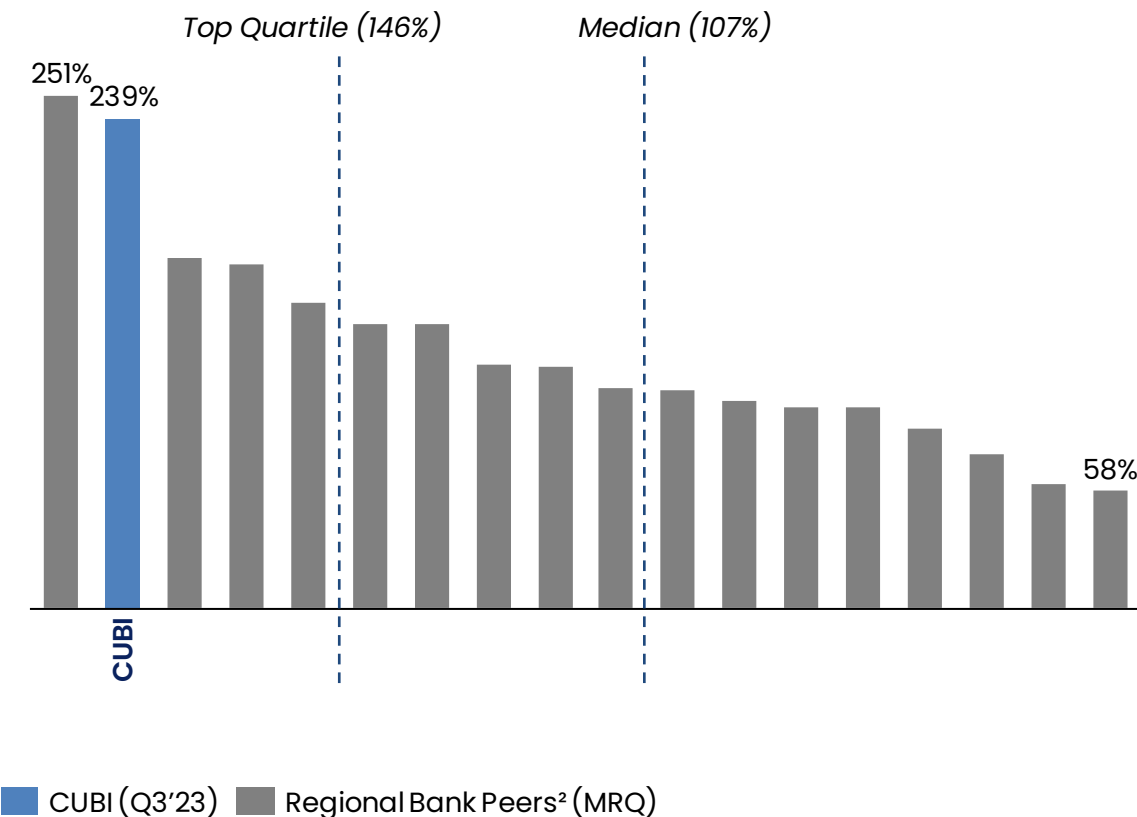


■ Cash  
■ FHLB Available Committed Capacity  
■ FRB Available Committed Capacity

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

percent

- CUBI's ratio of immediately available liquidity to uninsured deposits<sup>1</sup> of approximately 239% is the second highest among regional banks peers<sup>2</sup>



1. Adjusted to account for affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used  
 2. Selected 2023 proxy peers as disclosed in appendix

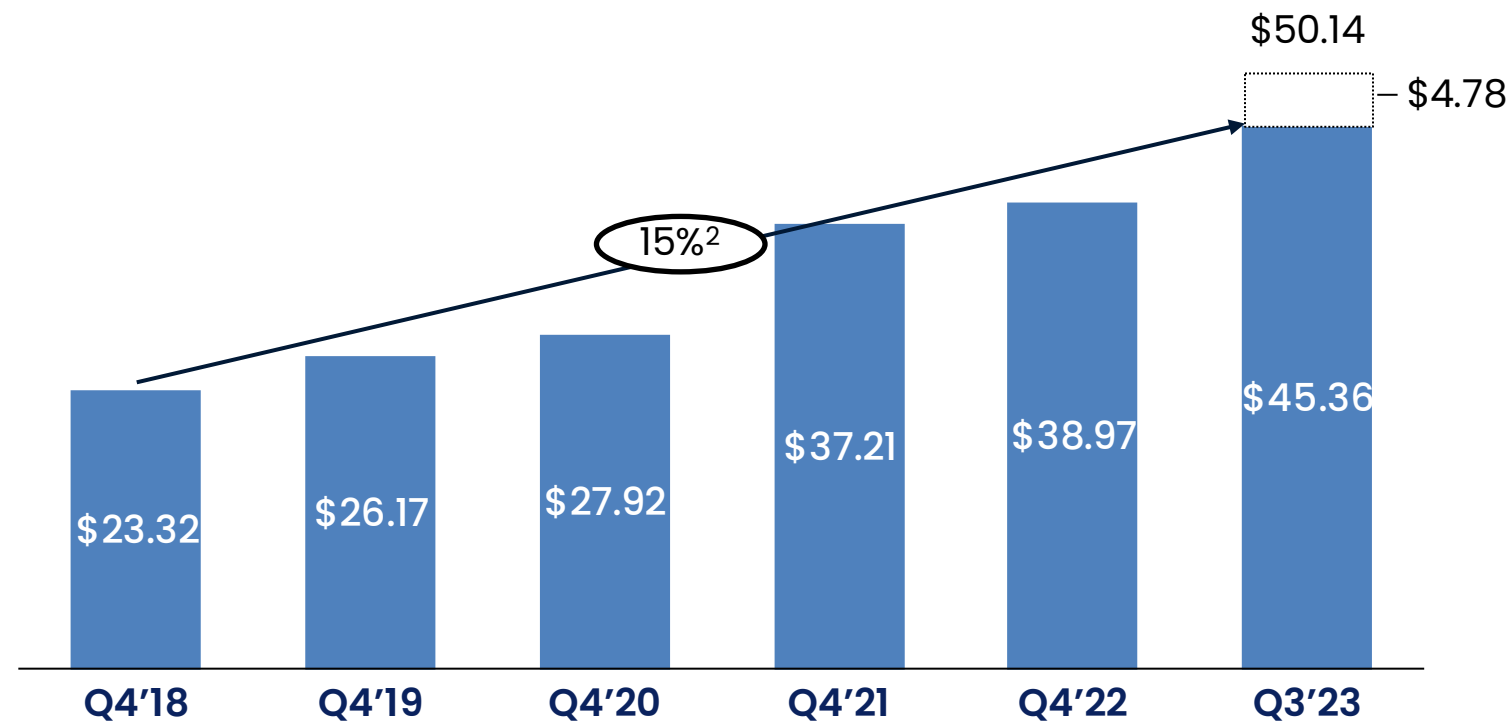
# Achieved \$45 Tangible Book Value Target One Quarter Ahead of Plan



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

AOCI



- 5-year CAGR in TBV<sup>1</sup> has been over 15%<sup>2</sup>
- YTD TBV<sup>1</sup> growth of 16% already exceeded 5-year CAGR despite AOCI headwinds
- On track to grow TBV<sup>1</sup> by more than 20% for the full year 2023
- TBV<sup>1</sup> has increased 1.9x since Q4'18

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1. Non-GAAP measure, refer to appendix for reconciliation  
 2. CAGR from Q4'18 to Q3'23 inclusive of impact of AOCI mark-to-market

### 3.0 STRONG CAPITAL AND LIQUIDITY

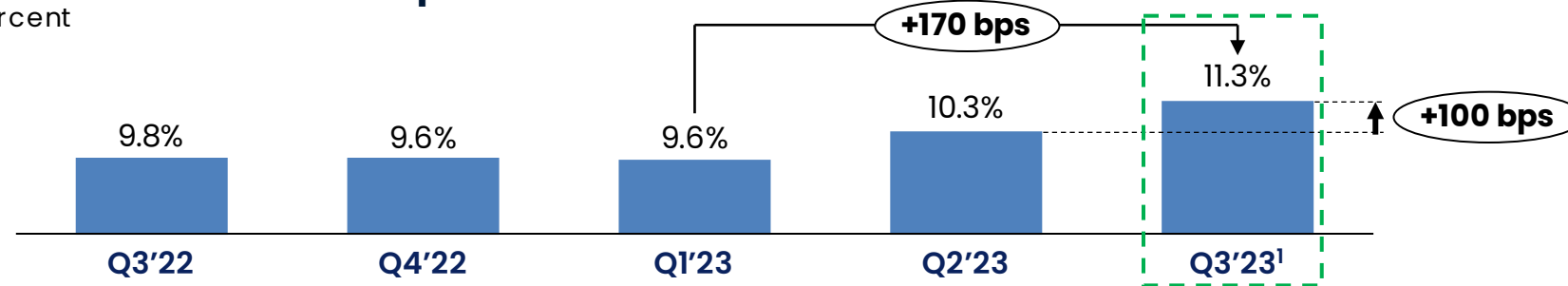
## Achieved 11.0–11.5% CET1 Capital Target Range One Quarter Ahead of Plan



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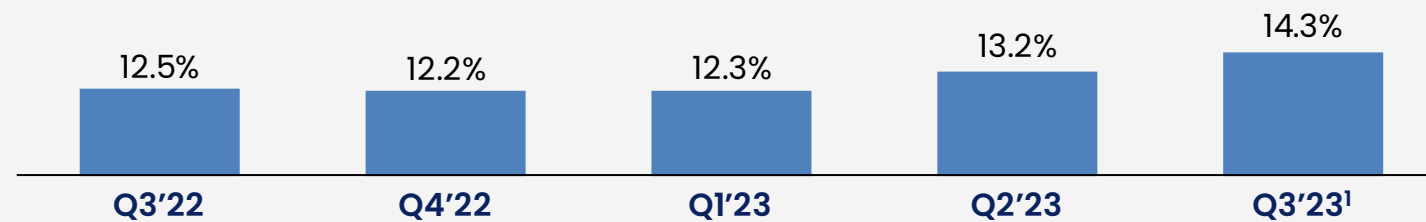
### CET1 Risk-Based Capital

percent



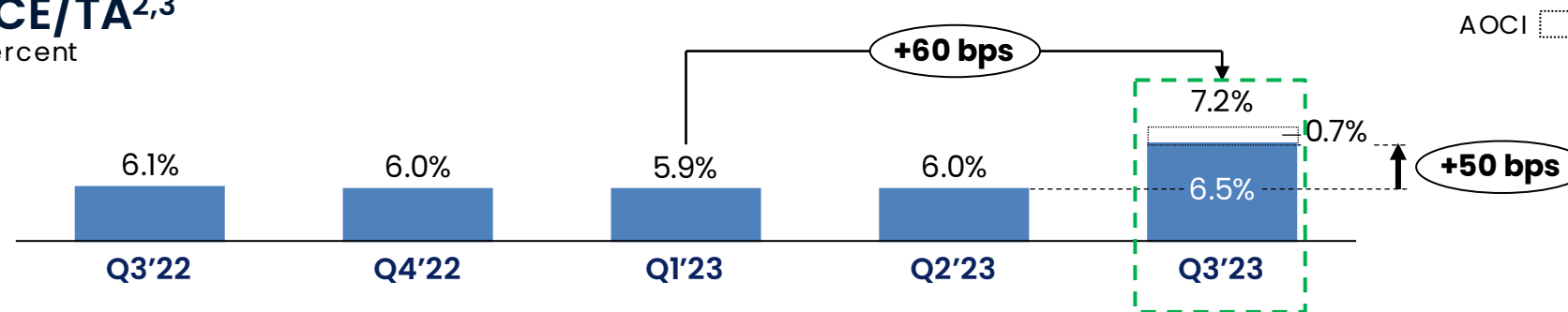
### Total Risk-Based Capital

percent



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

percent



- Increased TCE/TA<sup>3</sup> by approximately 50 bps QoQ on a flat balance sheet primarily through organic capital generation
- Increase of approximately 100 bps in CET1 during Q3'23 and 170 bps since Q1'23

1. Capital ratios are estimated pending final regulatory report  
 2. TCE/TA negatively impacted by 68 bps due to AOCI  
 3. Non-GAAP measure, refer to appendix for reconciliation

## 4.0 MAINTAINING SUPERIOR CREDIT QUALITY

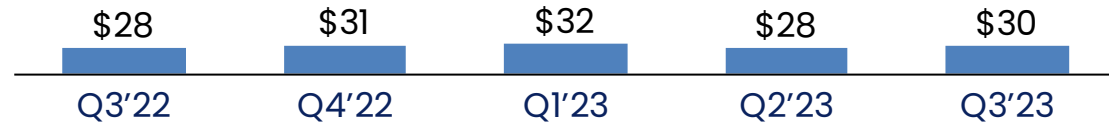
# Credit Quality Remains Strong



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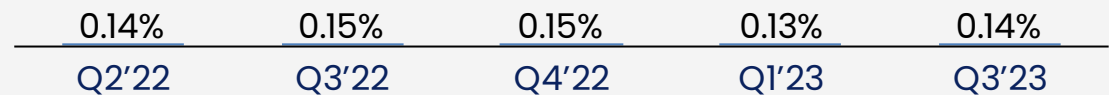
### NPLs

\$ millions



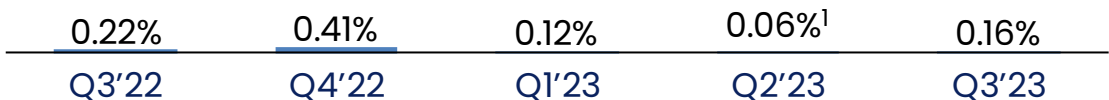
### NPAs as Percent of Total Assets

percent



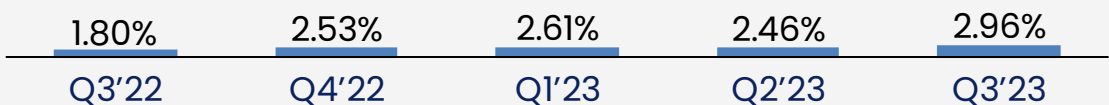
### Commercial NCOs

percent



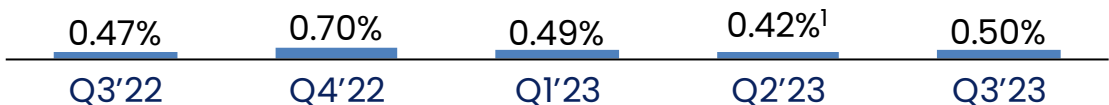
### Consumer NCOs

percent



### Total NCOs

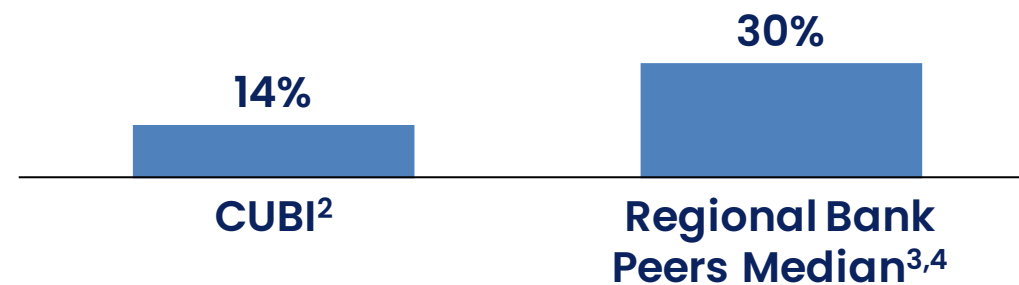
percent



- NPLs and NPA ratio stable over the last five quarters
- Increase in consumer NCO ratio driven by impact of lower balances from consumer loan sale at the end of Q2'23
- Office and retail CRE each represent only ~1% of HFI loan portfolio
- Consumer installment HFI represents only ~7% of HFI loan portfolio

### CRE (excluding Multifamily)<sup>2</sup>

Loan mix, Q3'23



Note: Prior period amounts have been recast to conform with the current reporting.










1. Excludes \$6.2 million charge-offs against \$8.7 million ACL on PCD loans upon FDIC loan pool acquisition

2. Excludes construction loans

3. As of Q3'23 for CUBI and MRQ for regional bank peers

4. Selected 2023 proxy peers as disclosed in appendix

# Management Outlook

Metrics	Prior Guidance – FY 2023	Current Outlook – FY 2023
Loans <sup>1,2</sup>	Flat to some decline	
Deposits	Flattish with focus on reducing high-cost deposits	
NIM <sup>1</sup>	2.85–3.05% <sup>2</sup> – High end of the range	 3.20–3.25% in Q4'23
Core non-interest expense	15% growth	
Tax rate	22–24%	
Core EPS <sup>1</sup>	~\$6.00 <sup>2</sup>	 Exceed ~\$6.00 <sup>2</sup>
Core ROCE <sup>1</sup>	15.0%+	
CET1 ratio	11.0–11.5%	
Tangible book value <sup>1</sup>	\$45.00+	 Already achieved \$45.00+ in Q3'23

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

2. Excluding PPP for Q1'23

# Concluding Perspectives



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Improving Deposit Franchise	<p>\$2.1 billion of core deposit growth and corresponding reduction in wholesale funding over the last two quarters</p> <p>Robust core deposit pipeline remains in excess of \$1.5 billion</p>
NIM Expansion	<p>Third consecutive quarter of NIM expansion driven by deposit gathering success and floating rate loan portfolio</p>
Strengthening Capital Base	<p>Achieved 11.0–11.5% CET1<sup>1</sup> capital target range one quarter ahead of plan</p> <p>Improved TCE/TA<sup>2</sup> and CET1<sup>1</sup> by approximately 50 bps and 100 bps, respectively, in a single quarter</p>
Maintaining Strong Risk Management	<p>Robust liquidity position with coverage of &gt;200% of uninsured deposits<sup>3</sup></p> <p>Diversified loan and deposit franchises built to perform across all macroeconomic environments</p>
Strategic Outlook	<p>Loan portfolio repositioning largely complete</p> <p>Deposit remix has significant runway with meaningful financial benefits</p> <p>Positioned for continued NIM expansion while maintaining strong risk management principles</p> <p>Operating platform designed to generate positive operating leverage and drive superior efficiency and profitability</p>

1. Capital ratios are estimated pending final regulatory report  
2. Non-GAAP measure, refer to appendix for reconciliation  
3. Adjusted to account for affiliate and collateralized deposits





## ANALYST COVERAGE

### **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

### **Raymond James**

Steve Moss

### **Stephens Inc.**

Matt Breese

### **Wedbush Securities Inc.**

David Chiaverini

APPENDIX



# Customers Bancorp Overview

*A Forward-Thinking Super-Community Bank Focused on Superior Customer Service Through High-Tech, High-Touch Model*

## Community Banking

Deep relationship-based community banking predominantly in the Northeast with thoughtful presence in the Carolinas, Florida and Texas

Serving small and medium-sized businesses, and individuals, with a comprehensive suite of loan and deposit products

## Corporate & Specialized Banking

National corporate niche businesses where Customers has differentiated capabilities, often enhanced through technology, to create value for clients

## Digital Banking

### Consumer

- Suite of loan and deposit products delivered digitally to clients
- Generating fee and “fee-like” revenue with limited credit risk

Commercial – Transaction banking (treasury and payment services) with associated deposits

## Customers Bancorp, Inc.

NYSE: CUBI

Headquarters West Reading, PA

Offices<sup>1</sup> 54

FTE Employees 726

Market Capitalization \$1.0B  
As of October 20, 2023

Total Assets \$21.9B

Tangible Book Value<sup>2</sup> \$45.36

Share price \$32.11  
As of October 20, 2023

Data as of September 30, 2023, unless otherwise noted

(1) Offices includes branches, executive offices, Private Banking Offices and Loan Production Offices

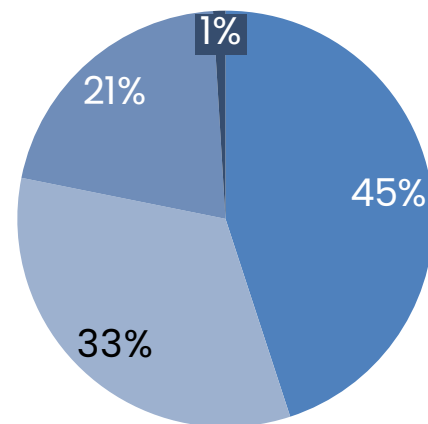
(2) Non-GAAP measure, refer to appendix for reconciliation

# Securities Portfolio Generating Attractive Returns with Minimal Credit and Duration Risk

## Investment Securities – AFS

percent, Q3'23

- Spot yield: 5.43%
- Effective duration: ~1.6 years
- Floating rate securities: ~48%
- Credit rating: 64% AAA with only 2% at BB and below



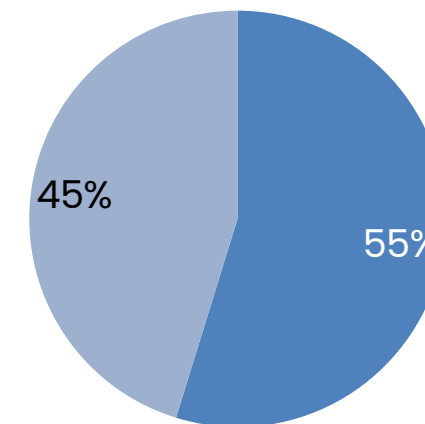
Total: \$2.8 billion



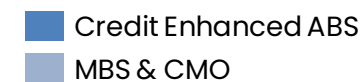
## Investment Securities – HTM

percent, Q3'23

- Spot yield: 4.34%
- Effective duration: ~3.0 years
- Floating rate securities: ~25%
- Credit rating: 38% AAA with no rated securities non-investment grade
- ABS: ~\$0.6 billion of credit enhanced asset backed securities from sale of consumer installment loan portfolio in Q3'22 and Q2'23



Total: \$1.2 billion



# Consumer Installment Loans – Portfolio Credit Metrics

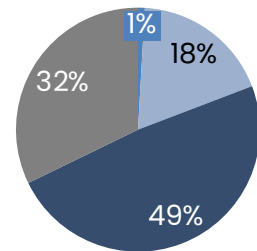
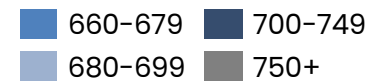


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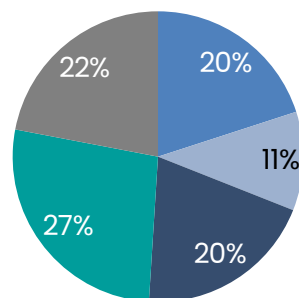
Weighted average life of ~2.1 years

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

Average FICO Score<sup>1</sup> ~734

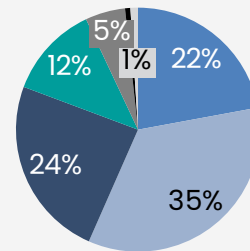
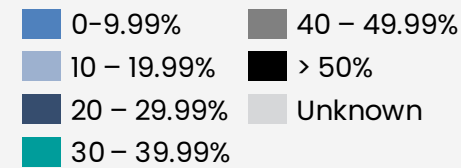


## Geography

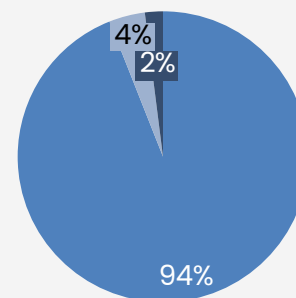
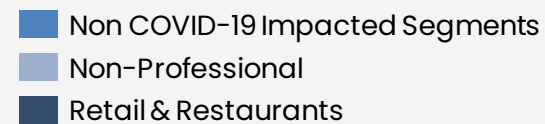


## Debt to Income Ratio<sup>1</sup>

Average DTI<sup>1</sup> ~19%

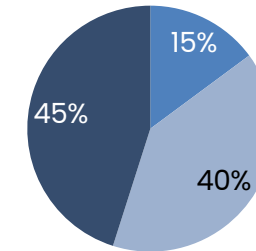
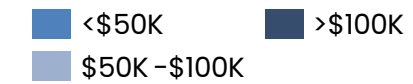


## Profession

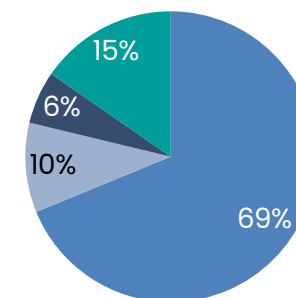


## Borrower Income

Average Borrower Income ~\$106k



## Purpose



Note: Data as of September 30, 2023; includes consumer installment HFS loans  
 1. DTI and FICO scores as of time of origination

# Selected 2023 Proxy Peers



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

# Robust Sources of Liquidity



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Liquidity Sources (\$000's)	3Q 23	2Q 23	1Q 23	4Q 22	3Q 22	YOY Change
Cash and Cash Equivalents	\$3,419,974	\$3,155,224	\$2,046,685	\$455,807	\$404,465	\$3,015,509
FHLB Available Borrowing Capacity	\$1,253,609	\$835,464	\$860,578	\$2,265,499	\$2,999,524	(\$1,745,915)
FRB Available Borrowing Capacity	\$5,013,377	\$5,126,390	\$6,516,922	\$2,510,189	\$2,557,704	\$2,455,673
Investments (MV AFS + HTM)						\$0
US Gov't & Agency Debt	\$0	\$0	\$0	\$0	\$0	\$0
Agency & Non-Agency MBS & CMO	\$1,780,267	\$1,799,406	\$1,858,846	\$1,811,633	\$1,844,043	(\$63,776)
Municipals	\$0	\$0	\$0	\$0	\$7,351	(\$7,351)
Corporates	\$578,897	\$579,753	\$586,795	\$595,253	\$532,655	\$46,242
ABS (1)	\$1,565,935	\$1,677,341	\$1,324,912	\$1,394,388	\$1,421,075	\$144,860
Other AFS	\$26,479	\$26,698	\$26,710	\$26,485	\$24,864	\$1,614
Less: Pledged Securities HTM & AFS	(\$1,903,888)	(\$1,972,713)	(\$2,019,311)	(\$16,749)	(\$17,464)	(\$1,886,424)
Net Unpledged Securities	\$2,047,690	\$2,110,485	\$1,777,952	\$3,811,010	\$3,812,525	(\$1,764,835)
	<b>\$11,734,651</b>	<b>\$11,227,562</b>	<b>\$11,202,137</b>	<b>\$9,042,505</b>	<b>\$9,774,219</b>	<b>\$1,960,432</b>

1. Includes CLOs

# Allowance for Credit Losses for Loans and Leases



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(\$ in thousands)

	September 30, 2023		
	Amortized Cost <sup>2</sup>	Allowance for Credit Losses	Lifetime Loss Rate <sup>1</sup>
<b>Loans and Leases Receivable:</b>			
<b>Commercial:</b>			
Commercial and Industrial, including Specialty Lending	\$ 6,617,508	\$ 24,986	0.38%
Multifamily	2,130,213	15,870	0.74%
Commercial Real Estate Owner Occupied	794,815	10,363	1.30%
Commercial Real Estate Non-Owner Occupied	1,178,203	15,819	1.34%
Construction	252,588	3,130	1.24%
<b>Total Commercial Loans and Leases Receivable</b>	<b>\$ 10,973,327</b>	<b>\$ 70,168</b>	<b>0.64%</b>
<b>Consumer:</b>			
Residential Real Estate	\$ 483,133	\$ 6,802	1.41%
Manufacturing Housing	40,129	4,080	10.17%
Installment	966,896	58,163	6.02%
<b>Total Consumer Loans Receivable</b>	<b>\$ 1,490,158</b>	<b>\$ 69,045</b>	<b>4.63%</b>
<b>Total Loans and Leases Receivable</b>	<b>\$ 12,463,485</b>	<b>\$ 139,213</b>	<b>1.12%<sup>3</sup></b>

Note:

1. Utilized Moody's September 2023 baseline and adverse forecast scenario with qualitative adjustments for Q3'23 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



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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.)



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## Core Earnings – Customers Bancorp

(\$ in thousands, except per share data)	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
GAAP net income to common shareholders	\$ 82,953	\$ 2.58	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85
Reconciling items (after tax):										
Severance expense	—	—	141	0.00	637	0.02	—	—	1,058	0.03
Impairments on fixed assets and leases	—	—	12	0.00	86	0.00	—	0.00	126	0.00
Loss on sale of consumer installment loans	—	—	—	—	—	—	—	—	18,221	0.55
Loss on sale of capital call lines of credit	—	—	3,914	0.12	—	—	—	—	—	—
(Gains) losses on investment securities	492	0.02	49	0.00	(49)	(0.00)	13,543	0.41	1,859	0.06
Derivative credit valuation adjustment	(151)	—	(101)	(0.00)	204	0.01	202	0.01	(358)	(0.01)
Tax on surrender of bank-owned life insurance policies	—	—	4,141	0.13	—	—	—	—	—	—
<b>Core earnings</b>	<b>\$ 83,294</b>	<b>\$ 2.59</b>	<b>\$ 52,163</b>	<b>\$ 1.65</b>	<b>\$ 51,143</b>	<b>\$ 1.58</b>	<b>\$ 39,368</b>	<b>\$ 1.19</b>	<b>\$ 82,270</b>	<b>\$ 2.48</b>

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



Let's take on tomorrow.

**Core Return on Average Assets - Customers Bancorp**  
(\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP net income	\$	86,756	\$	47,574	\$	53,721	\$	28,711	\$	63,912
Reconciling items (after tax):										
Severance expense		—		141		637		—		1,058
Impairments on fixed assets and leases		—		12		86		—		126
Loss on sale of consumer installment loans		—		—		—		—		18,221
Loss on sale of capital call lines of credit		—		3,914		—		—		—
(Gains) losses on investment securities		492		49		(49)		13,543		1,859
Derivative credit valuation adjustment		(151)		(101)		204		202		(358)
Tax on surrender of bank-owned life insurance policies		—		4,141		—		—		—
<b>Core net income</b>	<b>\$</b>	<b>87,097</b>	<b>\$</b>	<b>55,730</b>	<b>\$</b>	<b>54,599</b>	<b>\$</b>	<b>42,456</b>	<b>\$</b>	<b>84,818</b>
Average total assets	\$	21,978,010	\$	21,654,735	\$	21,052,920	\$	20,717,362	\$	20,514,366
<b>Core return on average assets</b>		<b>1.57%</b>		<b>1.03%</b>		<b>1.05%</b>		<b>0.81%</b>		<b>1.64%</b>

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



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## Core Return on Average Common Equity - Customers Bancorp (\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP net income to common shareholders	\$	82,953	\$	44,007	\$	50,265	\$	25,623	\$	61,364
Reconciling items (after tax):										
Severance expense		—		141		637		—		1,058
Impairments on fixed assets and leases		—		12		86		—		126
Loss on sale of consumer installment loans		—		—		—		—		18,221
Loss on sale of capital call lines of credit		—		3,914		—		—		—
(Gains) losses on investment securities		492		49		(49)		13,543		1,859
Derivative credit valuation adjustment		(151)		(101)		204		202		(358)
Tax on surrender of bank-owned life insurance policies		—		4,141		—		—		—
<b>Core earnings</b>	<b>\$</b>	<b>83,294</b>	<b>\$</b>	<b>52,163</b>	<b>\$</b>	<b>51,143</b>	<b>\$</b>	<b>39,368</b>	<b>\$</b>	<b>82,270</b>
Average total common shareholders' equity	\$	1,373,244	\$	1,335,408	\$	1,273,780	\$	1,263,190	\$	1,259,711
<b>Core return on average common equity</b>		<b>24.06 %</b>		<b>15.67 %</b>		<b>16.28 %</b>		<b>12.36 %</b>		<b>25.91 %</b>

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



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

(\$ in thousands, except per share data)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP net income	\$	86,756	\$	47,574	\$	53,721	\$	28,711	\$	63,912
Reconciling items:										
Income tax expense		23,470		20,768		14,563		7,136		17,899
Provision (benefit) for credit losses		17,856		23,629		19,603		28,216		(7,994)
Provision (benefit) for credit losses on unfunded commitments		48		(304)		280		153		254
Severance expense		—		182		809		—		1,363
Impairments on fixed assets and leases		—		15		109		—		162
Loss on sale of consumer installment loans		—		—		—		—		23,465
Loss on sale of capital call lines of credit		—		5,037		—		—		—
(Gains) losses on investment securities		626		62		(62)		16,909		2,394
Derivative credit valuation adjustment		(192)		(130)		259		252		(461)
<b>Adjusted net income - pre-tax pre-provision</b>	<b>\$</b>	<b>128,564</b>	<b>\$</b>	<b>96,833</b>	<b>\$</b>	<b>89,282</b>	<b>\$</b>	<b>81,377</b>	<b>\$</b>	<b>100,994</b>
Average total assets	\$	21,978,010	\$	21,654,735	\$	21,052,920	\$	20,717,362	\$	20,514,366
<b>Adjusted ROAA - pre-tax pre-provision</b>		<b>2.32%</b>		<b>1.79%</b>		<b>1.72%</b>		<b>1.56%</b>		<b>1.95%</b>

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



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

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP non-interest expense	\$	89,466	\$	89,297	\$	80,133	\$	78,419	\$	76,198
Severance expense		—		(182)		(809)		—		(1,363)
Impairments on fixed assets and leases		—		(15)		(109)		—		(162)
<b>Core non-interest expense</b>	<b>\$</b>	<b>89,466</b>	<b>\$</b>	<b>89,100</b>	<b>\$</b>	<b>79,215</b>	<b>\$</b>	<b>78,419</b>	<b>\$</b>	<b>74,673</b>
Average total assets	\$	21,978,010	\$	21,654,735	\$	21,052,920	\$	20,717,362	\$	20,514,366
<b>Core non-interest Expense to average assets</b>		<b>1.62%</b>		<b>1.65%</b>		<b>1.53%</b>		<b>1.50%</b>		<b>1.44%</b>

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



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**Tangible Common Equity to Tangible Assets –  
Customers Bancorp**  
(\$ in thousands)

	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>Q4 2022</b>	<b>Q3 2022</b>
GAAP total shareholders' equity	\$ 1,561,607	\$ 1,456,652	\$ 1,421,020	\$ 1,402,961	\$ 1,386,931
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)	(3,629)
<b>Tangible common equity</b>	<b>\$ 1,420,184</b>	<b>\$ 1,315,229</b>	<b>\$ 1,279,597</b>	<b>\$ 1,261,538</b>	<b>\$ 1,245,508</b>
GAAP Total assets	\$ 21,857,152	\$ 22,028,565	\$ 21,751,614	\$ 20,896,112	\$ 20,367,621
Reconciling items:					
Goodwill and other intangibles	(3,629)	(3,629)	(3,629)	(3,629)	(3,629)
<b>Tangible assets</b>	<b>\$ 21,853,523</b>	<b>\$ 22,024,936</b>	<b>\$ 21,747,985</b>	<b>\$ 20,892,483</b>	<b>\$ 20,363,992</b>
<b>Tangible common equity to tangible assets</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>6.0%</b>	<b>6.1%</b>

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



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

(\$ in thousands except per share data)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
GAAP total shareholders' equity	\$	1,561,607	\$	1,456,652	\$	1,421,020	\$	1,402,961	\$	1,386,931
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)		(3,629)
<b>Tangible common equity</b>	<b>\$</b>	<b>1,420,184</b>	<b>\$</b>	<b>1,315,229</b>	<b>\$</b>	<b>1,279,597</b>	<b>\$</b>	<b>1,261,538</b>	<b>\$</b>	<b>1,245,508</b>
Common shares outstanding		31,311,254		31,282,318		31,239,750		32,373,697		32,475,502
<b>Tangible book value per common share</b>	<b>\$</b>	<b>45.36</b>	<b>\$</b>	<b>42.04</b>	<b>\$</b>	<b>40.96</b>	<b>\$</b>	<b>38.97</b>	<b>\$</b>	<b>38.35</b>

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

(\$ in thousands except per share data)

	Q3 2023		Q4 2022		Q4 2021		Q4 2020		Q4 2019		Q4 2018	
GAAP total shareholders' equity	\$	1,561,607	\$	1,402,961	\$	1,366,217	\$	1,117,086	\$	1,052,795	\$	956,816
Reconciling Items:												
Preferred stock		(137,794)		(137,794)		(137,794)		(217,471)		(217,471)		(217,471)
Goodwill and other intangibles		(3,629)		(3,629)		(3,736)		(14,298)		(15,195)		(16,499)
<b>Tangible common equity</b>	<b>\$</b>	<b>1,420,184</b>	<b>\$</b>	<b>1,261,538</b>	<b>\$</b>	<b>1,224,687</b>	<b>\$</b>	<b>885,317</b>	<b>\$</b>	<b>820,129</b>	<b>\$</b>	<b>722,846</b>
Common shares outstanding		31,311,254		32,373,697		32,913,267		31,705,088		31,336,791		31,003,028
<b>Tangible book value per common share</b>	<b>\$</b>	<b>45.36</b>	<b>\$</b>	<b>38.97</b>	<b>\$</b>	<b>37.21</b>	<b>\$</b>	<b>27.92</b>	<b>\$</b>	<b>26.17</b>	<b>\$</b>	<b>23.32</b>



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



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## **Total loans and leases, excluding Consumer HFS - Customers Bancorp**

(\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
Total loans and leases	\$	13,713,482	\$	13,910,907	\$	15,063,034	\$	15,794,671	\$	15,336,688
Consumer HFS		(150,368)		(78,108)		(404,006)		(324,233)		(1,116)
<b>Total loans and leases, excluding Consumer HFS</b>	<b>\$</b>	<b>13,563,114</b>	<b>\$</b>	<b>13,832,799</b>	<b>\$</b>	<b>14,659,028</b>	<b>\$</b>	<b>15,470,438</b>	<b>\$</b>	<b>15,335,572</b>

## **Total loans and leases, excluding PPP and Consumer HFS - Customers Bancorp**

(\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
Total loans and leases	\$	13,713,482	\$	13,910,907	\$	15,063,034	\$	15,794,671	\$	15,336,688
PPP loans		(137,063)		(188,763)		(246,258)		(998,153)		(1,154,632)
Consumer HFS		(150,368)		(78,108)		(404,006)		(324,233)		(1,116)
<b>Total loans and leases, excluding PPP and Consumer HFS</b>	<b>\$</b>	<b>13,426,051</b>	<b>\$</b>	<b>13,644,036</b>	<b>\$</b>	<b>14,412,770</b>	<b>\$</b>	<b>14,472,285</b>	<b>\$</b>	<b>14,180,940</b>

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



Let's take on tomorrow.

**Coverage of credit loss reserves for loans and leases HFI, excluding PPP – Customers Bancorp**

(\$ in thousands)

	Q3 2023		Q2 2023		Q1 2023		Q4 2022		Q3 2022	
Loans and leases receivable	\$	12,600,548	\$	12,826,531	\$	13,391,610	\$	14,143,047	\$	13,762,374
PPP loans		(137,063)		(188,763)		(246,258)		(998,153)		(1,154,632)
<b>Loans and leases held for investment, excluding PPP</b>	<b>\$</b>	<b>12,463,485</b>	<b>\$</b>	<b>12,637,768</b>	<b>\$</b>	<b>13,145,352</b>	<b>\$</b>	<b>13,144,894</b>	<b>\$</b>	<b>12,607,742</b>
Allowance for credit losses on loans and leases	\$	139,213	\$	139,656	\$	130,281	\$	130,924	\$	130,197
<b>Coverage of credit loss reserves for loans and leases held for investment, excluding PPP</b>		<b>1.12%</b>		<b>1.11%</b>		<b>0.99%</b>		<b>1.00%</b>		<b>1.03%</b>