



**customers
bancorp**

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"A Forward-Thinking Bank with Strong Risk Management"

Investor Presentation: Q2 2023

July 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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Q2'23 Earnings Review

Recurring earnings comfortably beat consensus estimates
Significant net interest margin expansion to 3.15% in Q2'23

Q2'23 Strategic Transactions

Venture Banking acquisition from FDIC further improves outlook for continued core deposit growth
Exited non-core relationships to provide balance sheet capacity for purchase of Venture Banking portfolio from FDIC while improving capital ratios

Strength of the Franchise

Reduced average cost of deposits by 21 bps QoQ despite continued industry deposit pressures and increasing rate environment
Significant increase in non-interest bearing operating deposits by ~\$1 billion QoQ

Strong Liquidity and Capital

Immediately available liquidity covers >200% of uninsured deposits¹
~70 bps increase in CET1 QoQ; on track to 11.0%+ CET1 by YE'23
Balance sheet growth remains on pause/moderated given uncertain environment

Maintaining Superior Credit Quality

Minimal exposure to higher-risk CRE asset classes (office and retail)
Successful execution of de-risking strategies led by additional consumer installment loan sale

Management Outlook

Significant progress on our strategic and financial priorities
Optimistic about continued improvement in balance sheet, capital position and profitability; remain on target to achieve ~\$6.00 core EPS in 2023

1. Adjusted to account for affiliate and collateralized deposits

Our Priorities Remain Unchanged



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Moderate growth and tactically shrink our balance sheet away from non-strategic relationships

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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Q2'23		Q2'23		
Highlights		Profitability	Balance Sheet	Credit
Diluted EPS \$1.39	Core EPS ^{1,2} \$1.65	3.15% NIM	\$22.0B Total Assets	0.13% NPA Ratio
Net Income \$44.0 M	Core Earnings ^{1,2} \$52.2 M	0.88% ROAA 1.03% Core ROAA^{1,2}	\$13.9B Total Loans and Leases	\$28.2M NPLs
ROCE 13.2%	Core ROCE ^{1,2} 15.7%	1.79% Core PTPP ROAA^{1,2}	\$18.0B Total Deposits	494% Reserves to NPLs

1. Adjustment related to \$4.1 million tax on BOLI surrender, \$3.9 million after-tax loss on sale of capital call lines, and other items combined for \$0.1 million after-tax; for details, refer to appendix for reconciliation
 2. Non-GAAP measure, refer to appendix for reconciliation

Customers Bank Has Become a Leading Banking Partner for Venture Backed Companies



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Transaction Overview

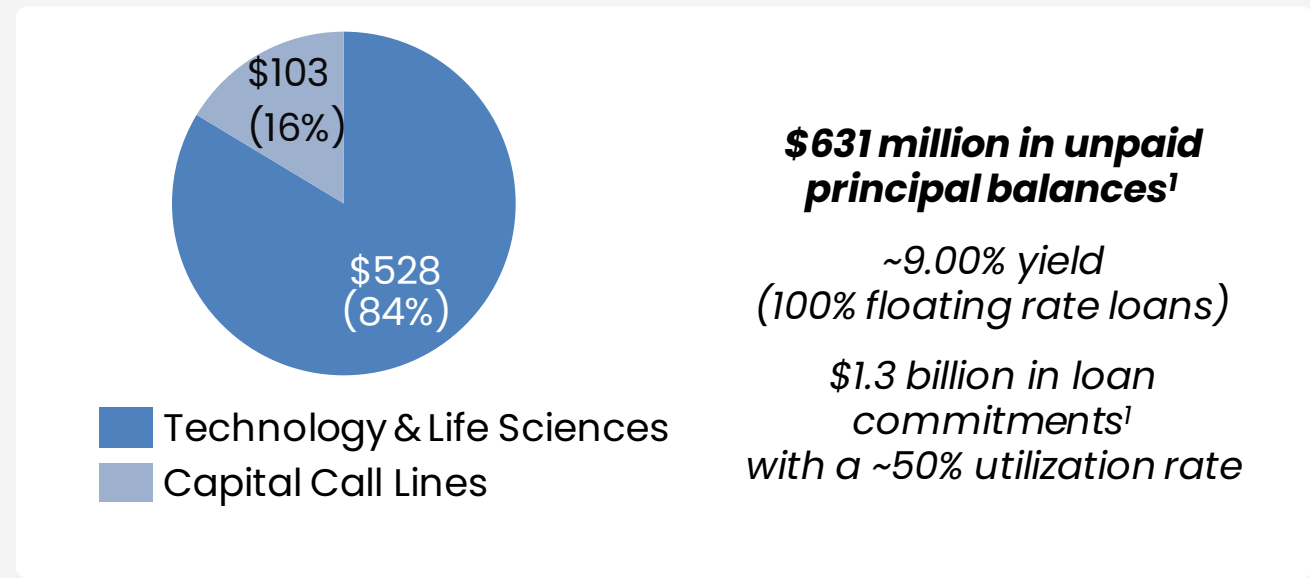
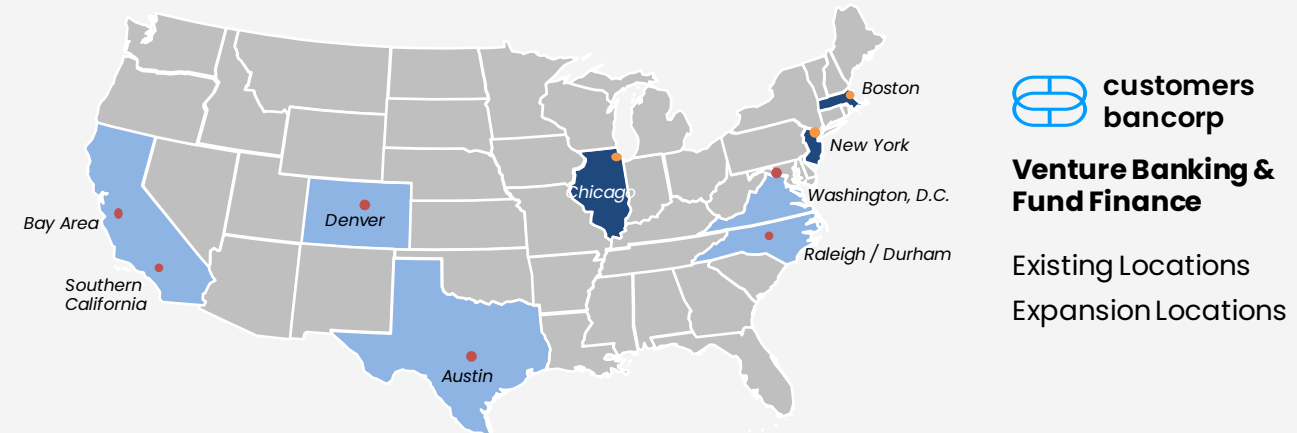
- Acquisition of \$631 million¹ venture banking loan portfolio from the FDIC at approximately 85% of book value
- Successfully recruited approximately 30 team members that originated and serviced the acquired loan portfolio
- Transaction de-risked by \$93 million purchase price discount

Deposit Opportunity

- Acquired portfolio customers expected to migrate \$500+ million of deposits
- Typical client deposit to loan ratio of 2:1

Financial Benefits

- Immediately accretive to tangible book value ("TBV") and earning per share ("EPS")
- Internal rate of return ("IRR") > 20%



1. As of May 12, 2023; subject to closing adjustments

Exited Non-Core Relationships in the Quarter Providing Balance Sheet Capacity for FDIC Venture Banking Portfolio



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	Fund Finance Loan Sale (\$670 million in commitments)	Consumer Installment Loan Sale (\$557 million in balances)
Rationale	<ul style="list-style-type: none"> Expedited exiting non-strategic loans without deposit relationship Released balance sheet capacity for more strategic opportunities (including FDIC Venture Banking portfolio) 	<ul style="list-style-type: none"> Proves out HFS strategy which generates fee and "fee-like" revenue Continues de-risking of balance sheet and provides capacity for more strategic opportunities
Benefits	<ul style="list-style-type: none"> Acquired Venture Banking relationships will be fully funded with deposits Retained (and future) Fund Finance clients predominantly include strong deposit relationships 	<ul style="list-style-type: none"> Balance sheet capacity creates opportunity for new HFS originations Sets stage for future capital markets transactions
Financial Impact	<ul style="list-style-type: none"> Combined loan sale transactions reduce risk-weighted assets by approximately \$800 million Weighted average coupon of ~13% on sold consumer installment portfolio and ~9% on acquired Venture Banking portfolio With expected deposit relationships on Venture Banking acquisition, remixed portfolio will be significantly accretive to net interest margin, generate excess low-cost core deposits, and improve overall bank cost of funds 	

Successfully Executing on Deposit Remix and Reducing Cost of Deposits Despite Increase in Rates

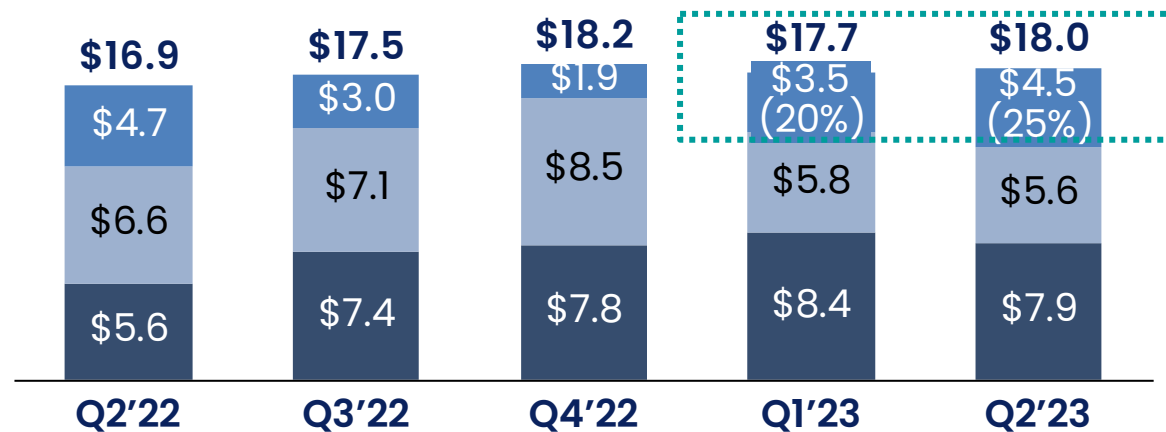


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Total Deposits

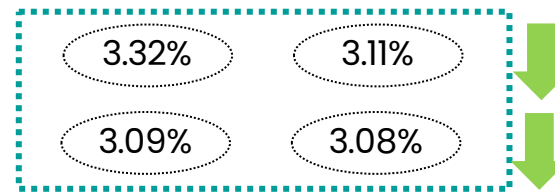
\$ billions

- Total deposits increased by ~\$200 million QoQ with core deposit growth of ~\$900 million
- Non-interest bearing deposits increased by \$1 billion QoQ (+29%) and account for 25% of total deposits
- Average cost of deposits declined by 21 bps QoQ while spot cost of deposits declined by 1 bp



Average cost of deposits

Spot cost of deposits

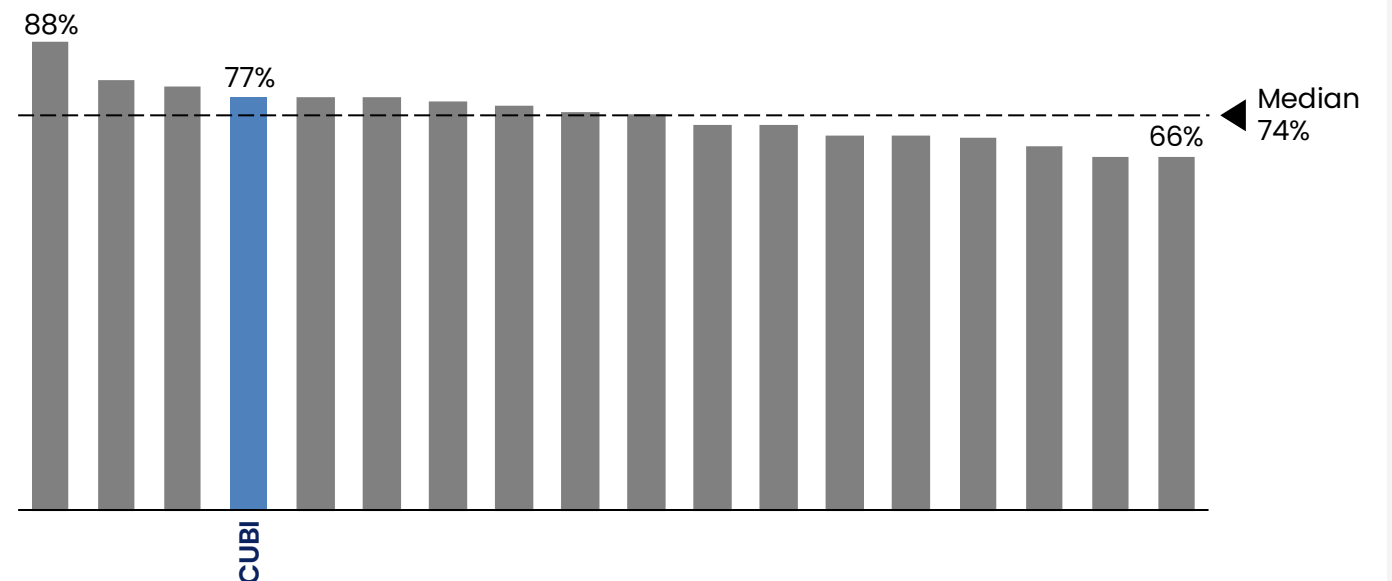


■ Non-Interest Bearing DDA ■ Interest Bearing DDA ■ Non-DDA

Insured Deposits¹ / Total Deposits

percent

- CUBI's insured deposits¹ as a percentage of total deposits is 77% – among the higher end of regional bank peers²



■ CUBI (Q2'23) ■ Regional Bank Peers² (MRQ)

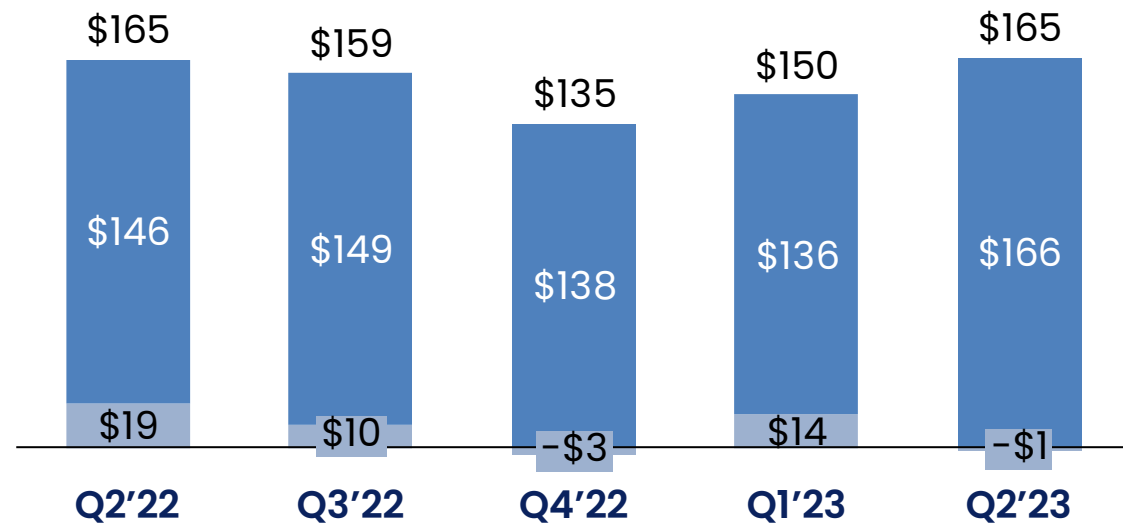
1. Adjusted to account for affiliate and collateralized deposits; similar adjustment made to regional bank peers when publicly disclosed otherwise unadjusted reported figures used
 2. Selected 2023 proxy peers as disclosed in appendix

Net Interest Margin Expanded Significantly in Q2'23

Net Interest Income

\$ millions

- Delivered record quarterly net interest income¹

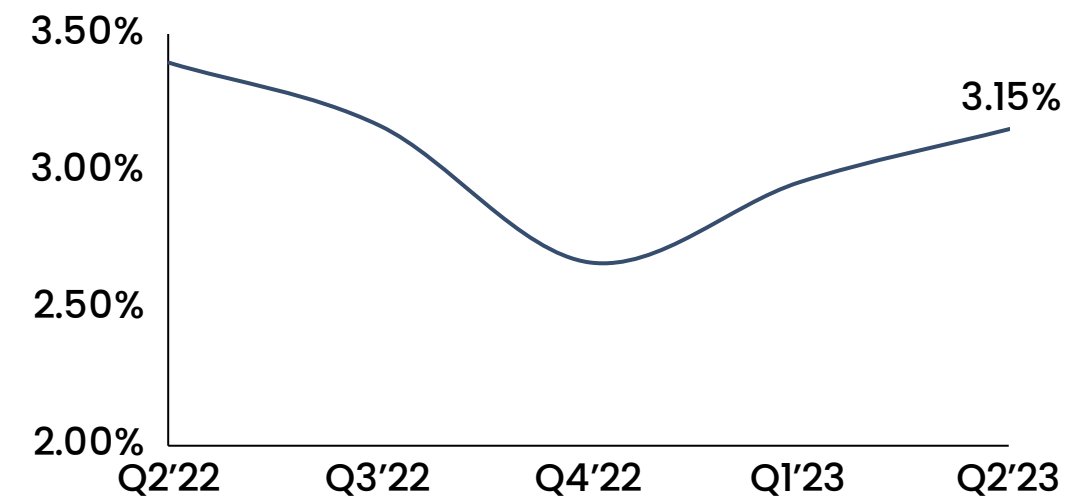


■ Net interest income¹
■ PPP net interest income

NIM

percent

- Margin expansion in the quarter driven by higher yield on earning assets and lower cost of liabilities



1. Excluding PPP; non-GAAP measure, refer to appendix for reconciliation

Continuing to Exit Non-Strategic Assets and Maintained Strong Liquidity Position

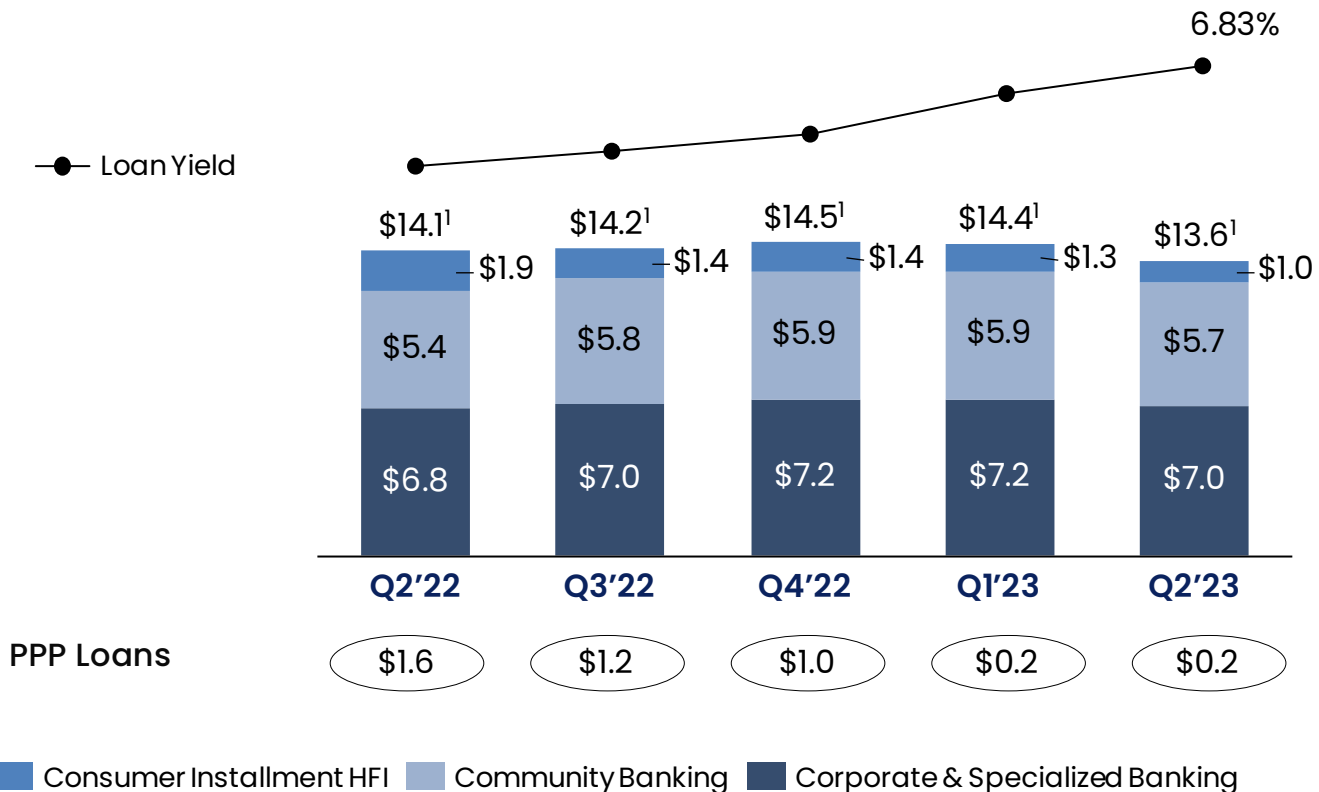


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Loans – HFI

\$ billions

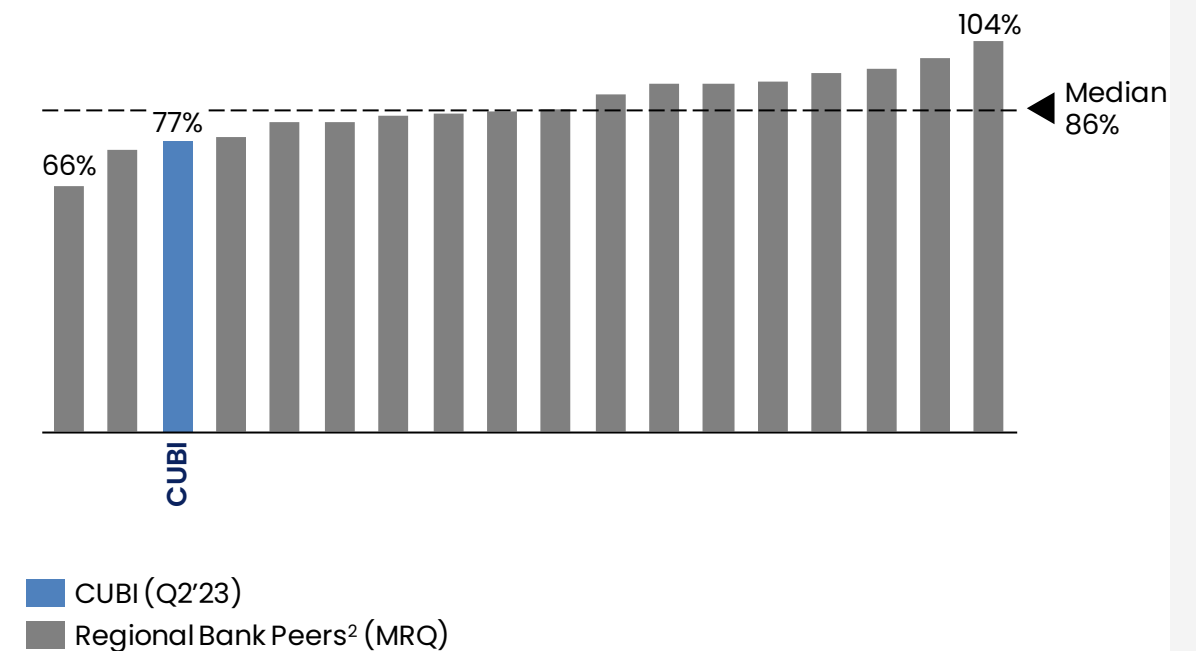
- Reduction in HFI loans driven by exiting non-strategic relationships
- Loan yields continue to increase given approximately 70% of loan portfolio is floating rate



Loans – HFI / Deposits

percent

- Loan to deposit ratio is 77%, 9 percentage points lower than peer median
- Declined from 83% in Q1'23 as liquidity remains robust



1. Excluding PPP; non-GAAP measure, refer to appendix for reconciliation
 2. Selected 2023 proxy peers as disclosed in appendix

Customers Operates a Highly Efficient Business Model

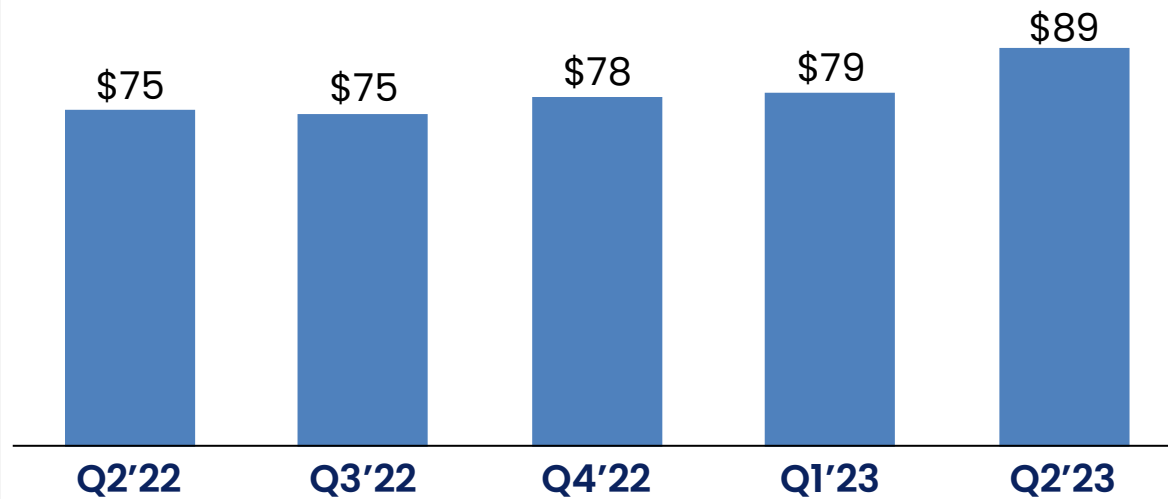


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Core Non-Interest Expense¹

\$ millions

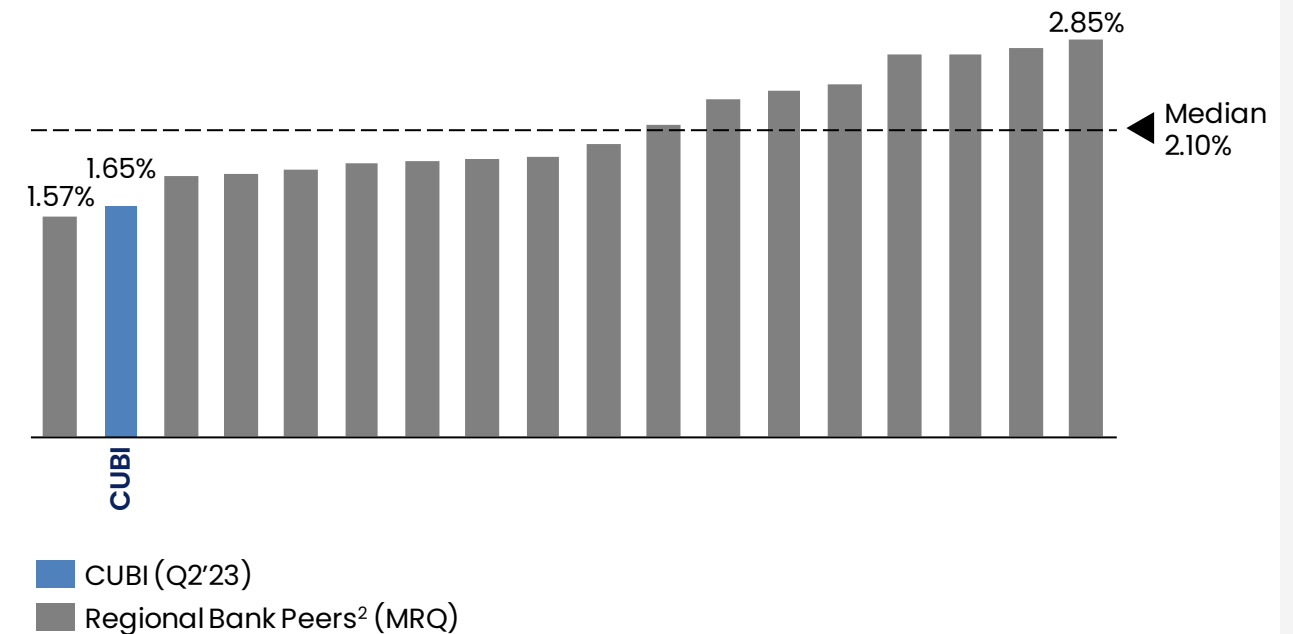
- Increase QoQ primarily related to higher FDIC expense
- Increase QoQ also driven by higher incentive accruals including in connection with onboarding of Venture Banking team



Core Non-Interest Expense¹ / Average Assets

percent

- CUBI's non-interest expense as percent of average assets is the second lowest among regional bank peers²



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

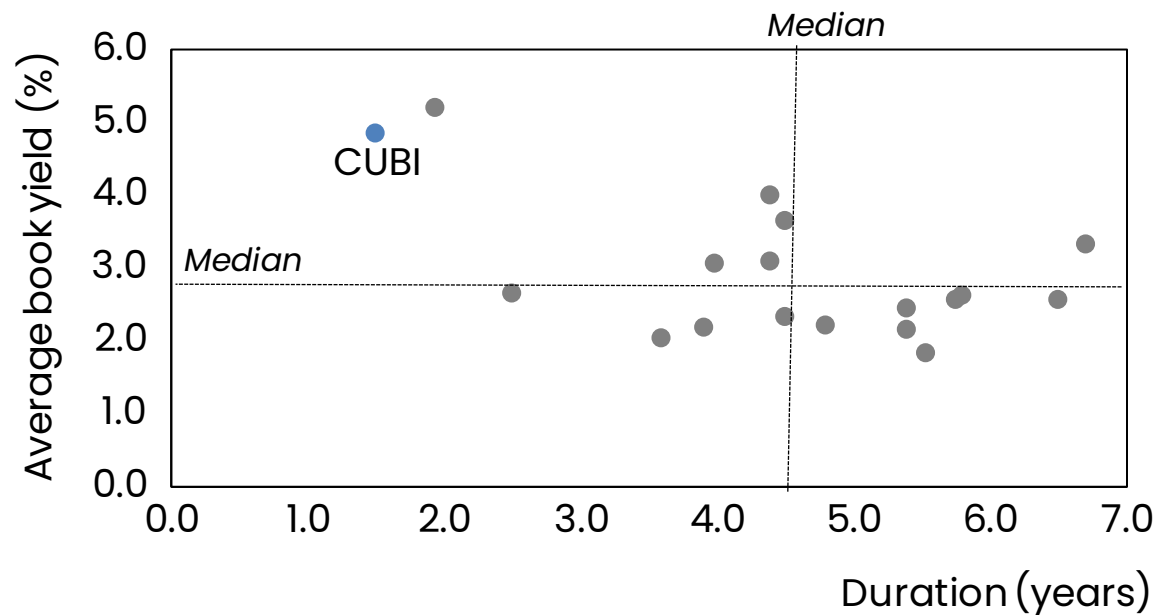


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Investment Securities – AFS

Book yield and duration

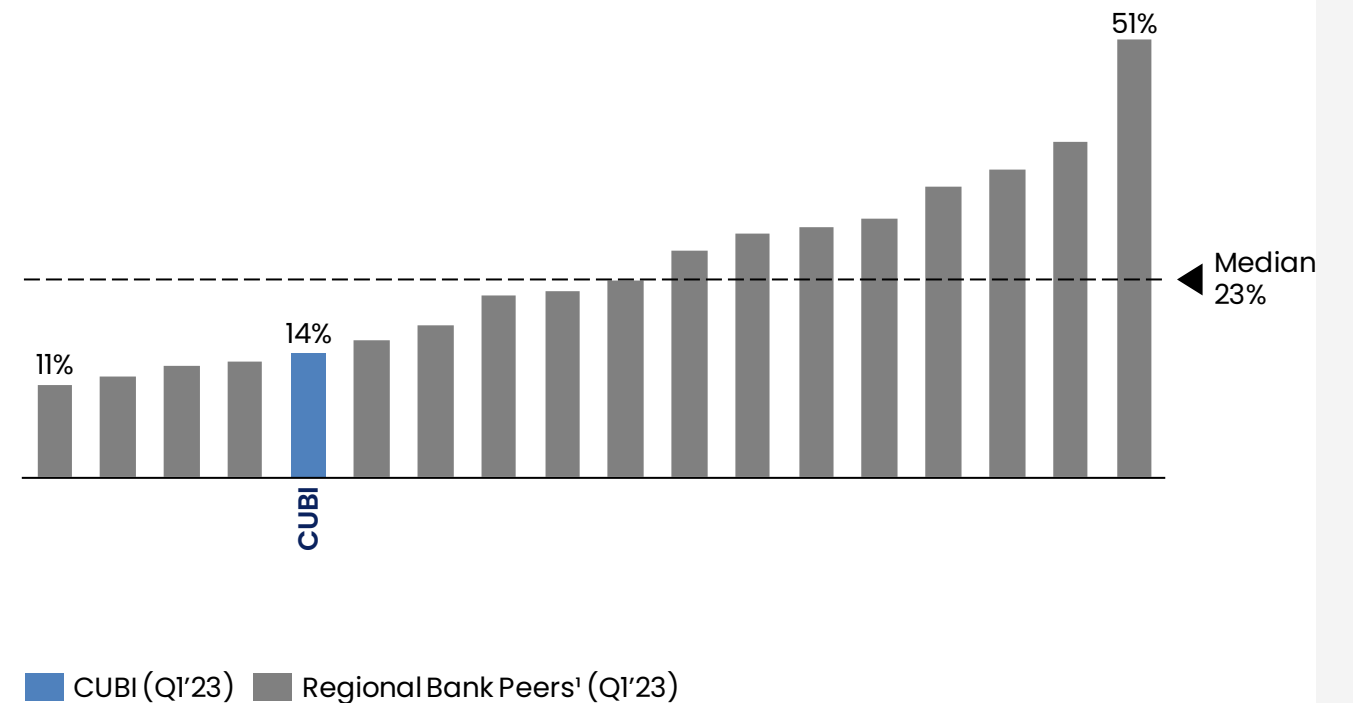
- Best-in-industry IRR/ALM and bond portfolio management
- Securities portfolio generates the second highest average yield (spot yield 5.38%) with the shortest duration (1.5 years) among regional bank peers¹



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 peers¹



1. Selected 2023 proxy peers as disclosed in appendix

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

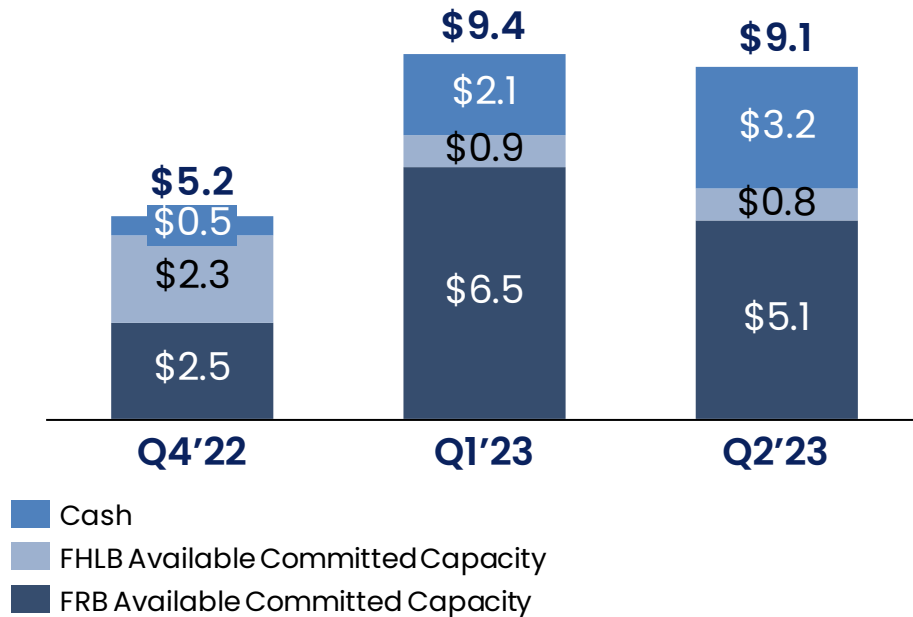


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Immediately Available Liquidity

\$ billions

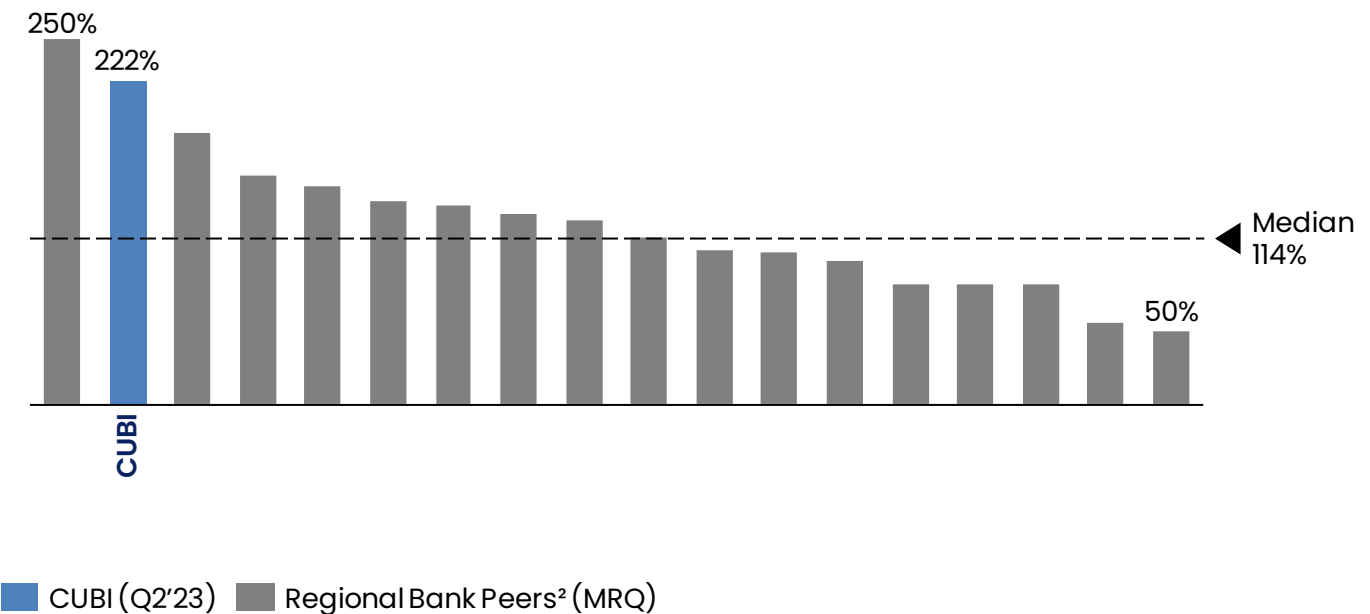
- Total overall liquidity of \$11.2 billion as of Q2'23



Immediately Available Liquidity / Uninsured Deposits¹

percent

- CUBI's ratio of immediately available liquidity to uninsured deposits¹ of approximately 222% is the second highest among regional banks peers²



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

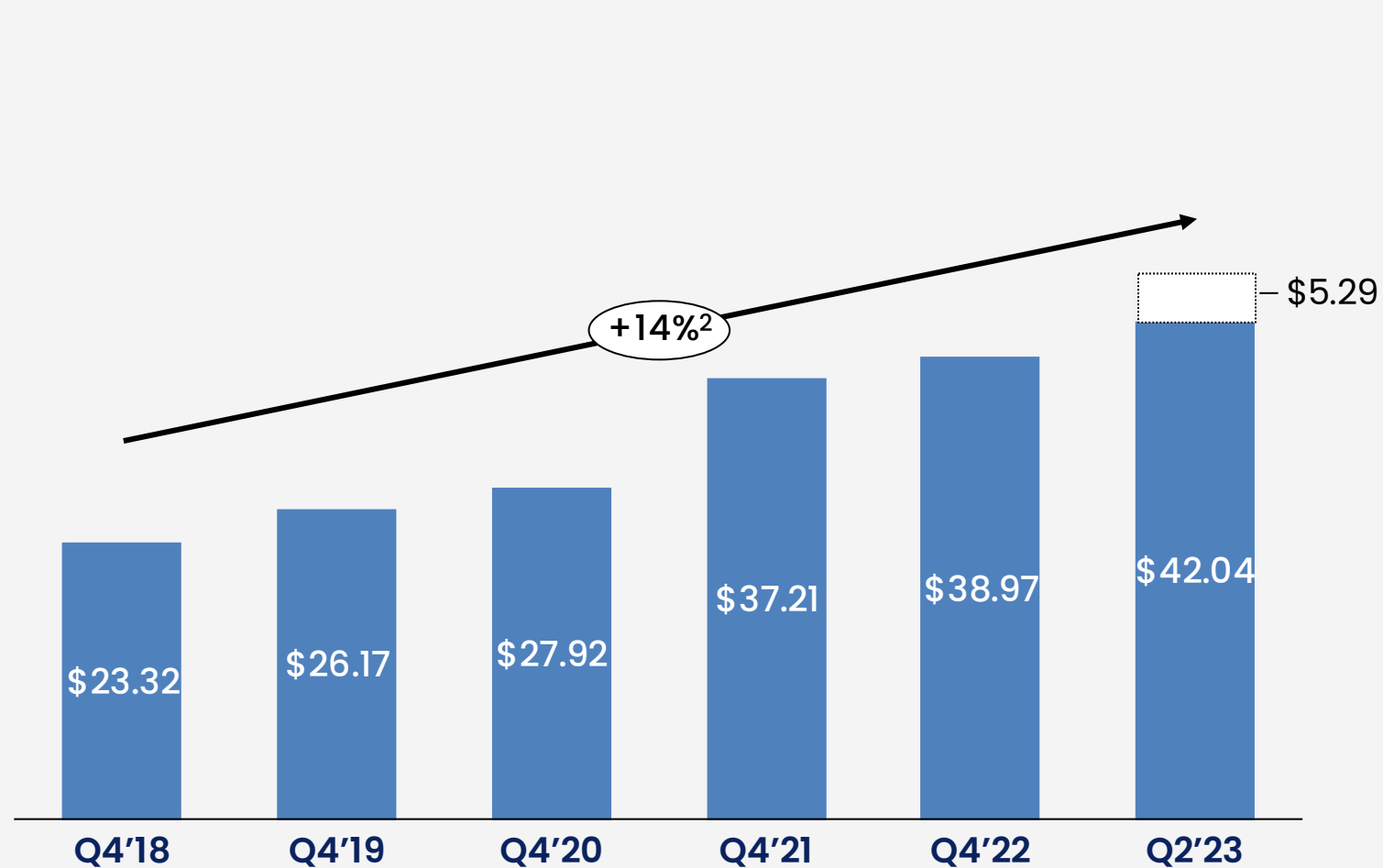
Consistent Outsized Growth in Tangible Book Value



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Tangible Book Value¹ per share

AOCI



- TBV¹ has increased 1.8x since Q4'18 compared to a median of 1.1x for regional bank peers³
- TBV¹ increase achieved solely through organic capital generation
- Over the last two quarters, TBV¹ increased by 8% compared to a median of 6% for regional bank peers³ despite AOCI headwinds
- Current valuation extremely attractive at 7x⁴ consensus earning estimates for 2023

1. Non-GAAP measure, refer to appendix for reconciliation
 2. CAGR from Q4'18 to Q2'23
 3. Selected 2023 proxy peers as disclosed in appendix
 4. Data as of June 30, 2023 for TBVPS and July 21, 2023 for price and earning estimates for 2023 full year

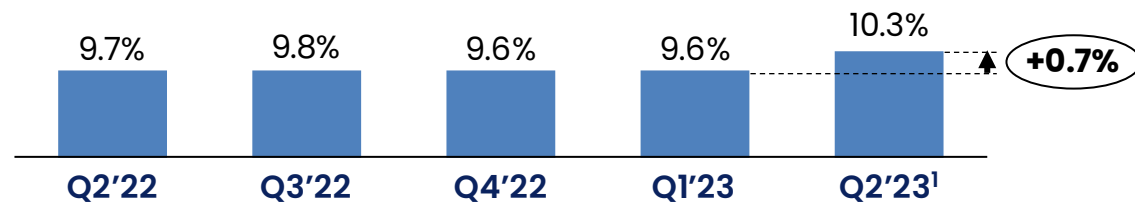
Increasing Capital Levels and on Track to Achieve our 2023 Year-End Target



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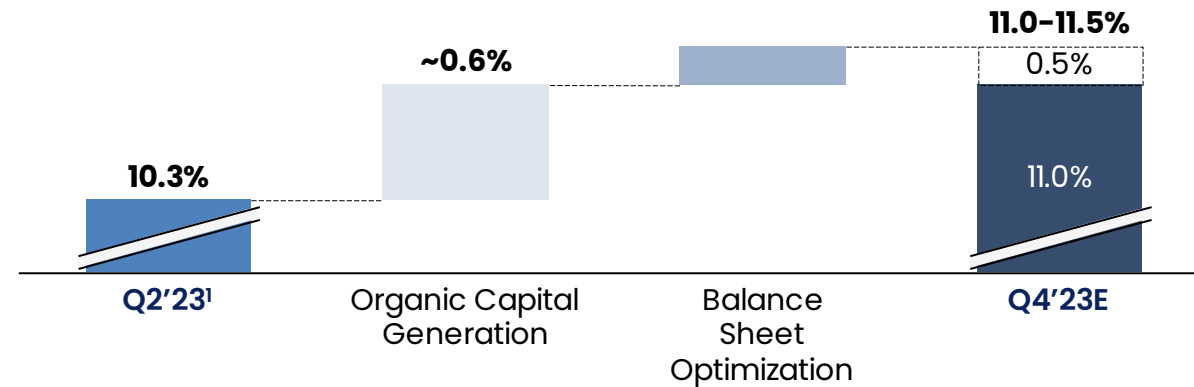
CET1 Risk-Based Capital

percent



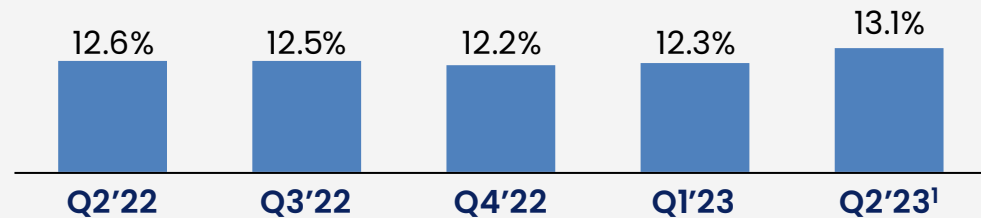
CET1 Risk-Based Capital

percent



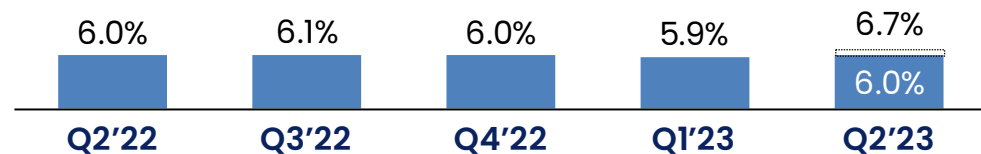
Total Risk-Based Capital

percent



TCE/TA^{2,3}

percent



- Increase of approximately 70 bps in CET1 during Q2'23 even after the acquisition of Venture Banking loans
- TCE/TA excluding increased balance sheet cash⁴ would have been 6.8% in Q2'23
- Balance sheet optimization from exiting non-strategic credit relationships
 - Capital call lines divested did not have a corresponding deposit relationship with Customers Bank

1. Capital ratios are estimated pending final regulatory report
 2. TCE/TA negatively impacted by 76 bps due to AOCI
 3. Non-GAAP measure, refer to appendix for reconciliation
 4. Compared to total cash balance of ~\$400 million as of Q4'22

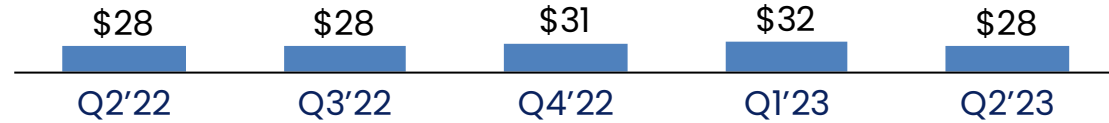
Credit Quality Remains Strong and Reserves at ~500% of NPLs



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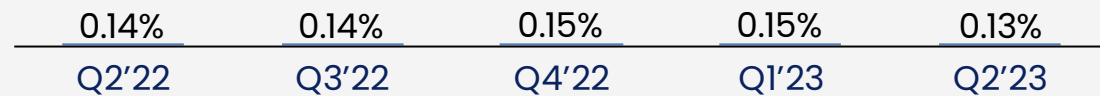
NPLs

\$ millions



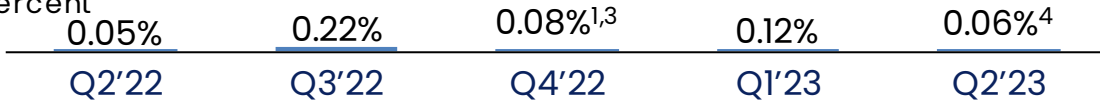
NPAs as Percent of Total Assets

percent



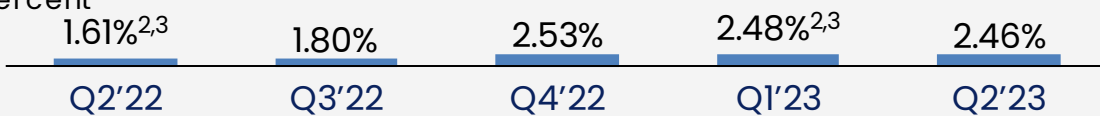
Commercial NCOs

percent



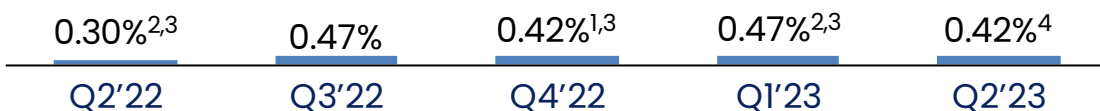
Consumer NCOs

percent



Total NCOs

percent



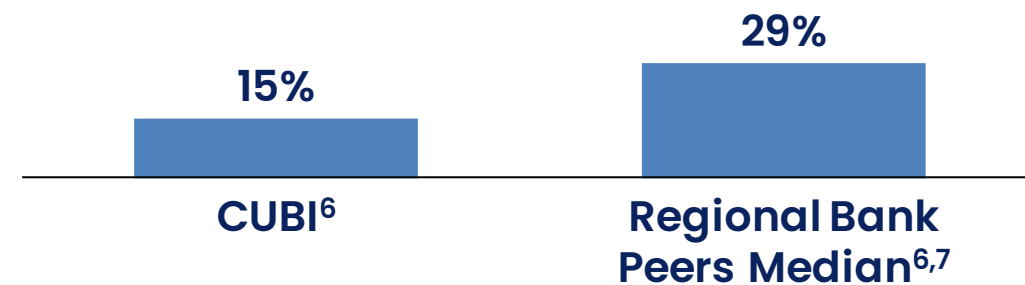
Strategically avoided office and retail sectors of commercial real estate

	Office CRE	Retail CRE
Exposure	~1% of loan book \$164 million	~1% of loan book \$194 million
Average size	\$3.5 million	\$4.3 million
LTV	59%	59%
DSCR	1.64x	1.54x

All loans are located in-market on the east coast

CRE (ex MultiFamily)⁵

Loan mix, Q2'23



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 of overdrawn deposit accounts for consumer serviced deposits in Q1'23
 3. Non-GAAP measure, refer to appendix for reconciliation 4. Excludes \$6.2 million charge-offs against \$8.7 million ACL on PCD loans upon FDIC loan pool acquisition
 5. Excludes construction loans 6. As of Q2'23 for CUBI and MRQ for peers 7. Selected 2023 proxy peers as disclosed in appendix

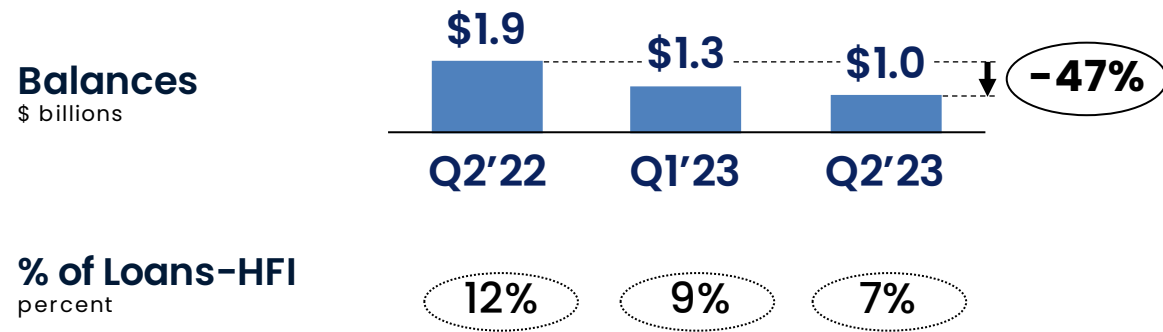
De-Risking Consumer Installment Portfolio While Generating Fee and “Fee-Like” Income through Held-for-Sale Strategy



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Consumer Installment HFI

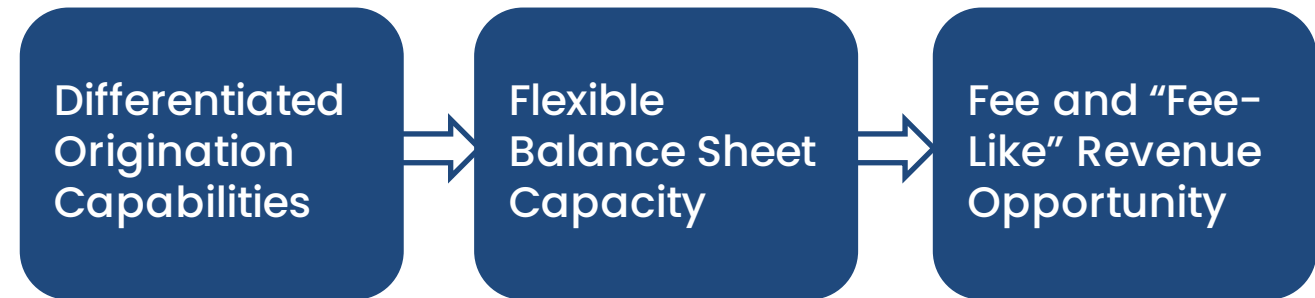
47% decline in consumer installment HFI portfolio over the last 12 months



Average portfolio loan characteristics:

- Duration: 1.3 years¹
- DTI²: 19%
- FICO score²: 733 (no consumer loans below 680 FICO)
- Borrower income: \$105k

Consumer Installment HFS Strategy












Increase balance sheet velocity to create nimble portfolio and reduce credit risk

Targeting subsets of consumer lending that have strong secular tailwinds

Execution of successful consumer installment loan sale of approximately \$557 million in Q2'23

1. Excluding student loans
 2. FICO scored and DTI as of time of origination

Management Outlook

Metrics	Prior Guidance – FY 2023	Current Outlook – FY 2023
Loans ^{1,2}	Flat to some decline	
Deposits	Flattish with focus on reducing high-cost deposits	
NIM ^{1,2}	2.85–3.05% – Expanding margin throughout the year	 High end of the range
Core non-interest expense	5–7% growth	 15% growth (FDIC and Venture Banking)
Tax rate	22–24%	
Core EPS ^{1,2}	~\$6.00	
Core ROCE ^{1,2}	15.0%+	
CET1 ratio	11.0–11.5%	
Tangible book value ¹	\$45.00+	

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

2. Excluding PPP

Concluding Perspectives



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Improving Deposit Franchise

Core deposit growth of ~\$900 million replaced wholesale deposits of ~\$700 million; non-interest bearing deposits were 25% of total deposits

Average cost of deposits declined by 21 bps (spot cost down 1 bp) despite interest rate increases

Robust pipeline of greater than \$2.0 billion to continue improving deposit franchise

NIM Improvement

Significant net interest margin expansion QoQ fueled by deposit gathering success

Loan and securities portfolio well-positioned for all macroeconomic environments given short duration and predominantly floating rate

Strategic Loan Portfolio Remix

Venture Banking acquisition and syndicated Fund Finance divestiture consistent with focus on holistic banking relationships

Consumer loan sales further de-risked balance sheet

Strengthening Capital Base

Improved CET1 by approximately 70 bps in single quarter

Remain on track to achieve 11.0%+ CET1 by YE'23

Maintaining Strong Risk Management

Liquidity position is among the strongest relative to peers¹ with coverage of >200% of uninsured deposits²

Diversified loan and deposit franchises built to perform across all macroeconomic environments

1. Selected 2023 proxy peers as disclosed in appendix
2. Adjusted to account for affiliate and collateralized deposits



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



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

Offices¹ 34

FTE Employees 691

Market Capitalization \$1.3B
As of July 21, 2023

Total Assets \$22.0B

Tangible Book Value² \$42.04

Share price \$40.18
As of July 21, 2023

Data as of June 30, 2023, unless otherwise noted

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

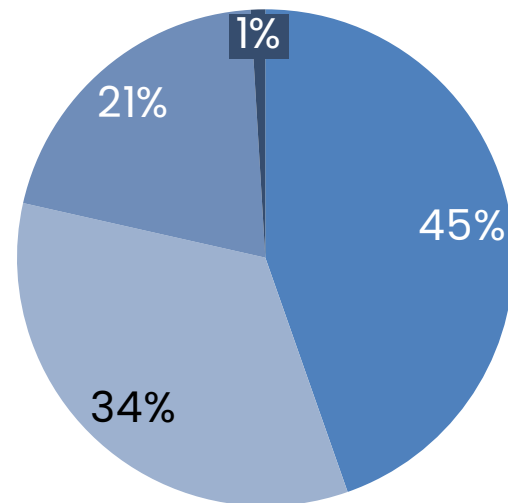
(2) Non-GAAP measure, refer to appendix for reconciliation

Securities Portfolio Generating Attractive Returns with Minimal Credit and Duration Risk

Investment Securities – AFS

Percent, Q2'23

- Spot yield: 5.38%
- Effective duration: ~1.5 years
- Floating rate securities: ~47%
- Credit rating: 62% AAA with only 1% at BB and below



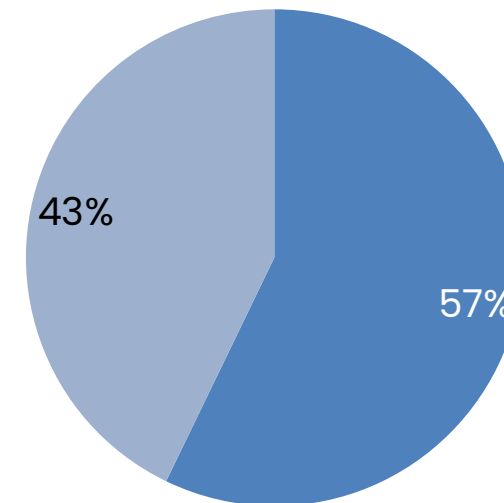
Total: \$2.8 billion



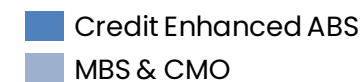
Investment Securities – HTM

Percent, Q2'23

- Spot yield: 4.41%
- Effective duration: ~3.0 years
- Floating rate securities: ~25%
- Credit rating: 36% AAA with no rated securities non-investment grade
- ABS: ~\$0.7 billion of credit enhanced asset backed securities from sale of consumer installment loan portfolio in Q3'22 and Q2'23



Total: \$1.3 billion



Consumer Installment Loans – Portfolio Credit Metrics



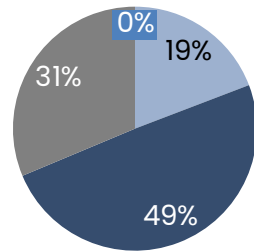
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Weighted average life of ~2.0 years

FICO Score¹

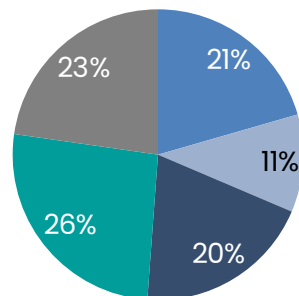
Average FICO Score¹ ~733

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



Geography

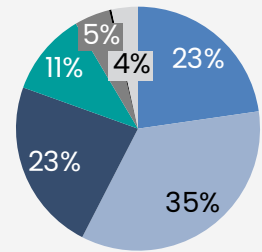
- West Southeast
- Southwest Northeast
- Midwest



Debt to Income Ratio¹

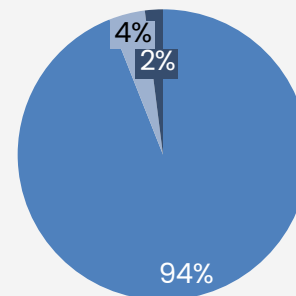
Average DTI¹ ~19%

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



Profession

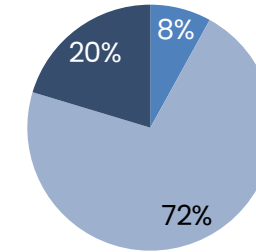
- Non COVID-19 Impacted Segments
- Non-Professional
- Retail & Restaurants



Borrower Income

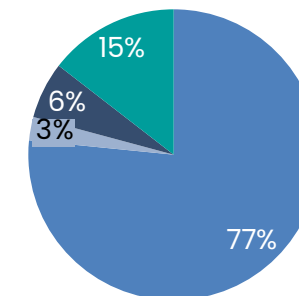
Average Borrower Income ~\$105k

- <\$50K >\$100K
- \$50K-\$100K



Purpose

- Personal Loan Home Improvement
- Specialty Student Loan



Note: Data as of June 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
- FB Financial
- First Financial (OH)
- First Merchants
- F.N.B.
- Fulton
- Independent
- Northwest
- Old National
- Pinnacle
- Sandy Spring
- United Community
- WesBanco
- WSFS

Robust Sources of Liquidity



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Liquidity Sources (\$000's)	2Q 23	1Q 23	4Q 22	3Q 22	2Q 22
Cash and Cash Equivalents	\$3,155,224	\$2,046,685	\$455,807	\$404,465	\$245,178
FHLB Available Borrowing Capacity	\$835,464	\$860,578	\$2,265,499	\$2,999,524	\$2,924,637
FRB Available Borrowing Capacity	\$5,126,390	\$6,516,922	\$2,510,189	\$2,557,704	\$244,802
Investments (MV AFS + HTM)					
US Gov't & Agency Debt	\$0	\$0	\$0	\$0	\$0
Agency & Non-Agency MBS & CMO	\$1,799,406	\$1,858,846	\$1,811,633	\$1,844,043	\$1,900,917
Municipals	\$0	\$0	\$0	\$7,351	\$7,737
Corporates	\$579,753	\$586,795	\$595,253	\$532,655	\$546,336
ABS (1)	\$1,677,341	\$1,324,912	\$1,394,388	\$1,421,075	\$1,160,160
Other AFS	\$26,698	\$26,710	\$26,485	\$24,864	\$24,771
Less: Pledged Securities HTM & AFS	(\$1,972,713)	(\$2,019,311)	(\$16,749)	(\$17,464)	(\$19,325)
Net Unpledged Securities	\$2,110,485	\$1,777,952	\$3,811,010	\$3,812,525	\$3,620,596
	\$11,227,562	\$11,202,137	\$9,042,505	\$9,774,219	\$7,035,212

1. Includes CLOs

Allowance for Credit Losses for Loans and Leases



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	June 30, 2023		
	Amortized Cost ²	Allowance for Credit Losses	Lifetime Loss Rate ¹
(\$ in thousands)			
Loans and Leases Receivable:			
Commercial:			
Commercial and Industrial, including Specialty Lending	\$ 6,689,307	\$ 29,092 ⁴	0.43 %
Multifamily	2,151,734	15,400	0.72 %
Commercial Real Estate Owner Occupied	842,042	10,215	1.21 %
Commercial Real Estate Non-Owner Occupied	1,211,091	13,495	1.11 %
Construction	212,214	2,639	1.24 %
Total Commercial Loans and Leases Receivable	\$ 11,106,388	\$ 70,841	0.64 %
Consumer:			
Residential Real Estate	\$ 487,199	\$ 6,846	1.41 %
Manufacturing Housing	41,664	4,338	10.41 %
Installment	1,002,517	57,631	5.75 %
Total Consumer Loans Receivable	\$ 1,531,380	\$ 68,815	4.49 %
Total Loans and Leases Receivable	\$ 12,637,768	\$ 139,656	1.11 %³

Note:

- Utilized Moody's June 2023 baseline and adverse forecast scenario with qualitative adjustments for Q2'23 provision
- Excludes loans to mortgage companies reported at fair value, loans held for sale and PPP loans
- Non-GAAP measure, refer to appendix for reconciliation
- Includes \$2.5 million of ACL on PCD loans acquired as part of FDIC loan pool

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 - Customers Bancorp

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share
(\$ in thousands, except per share data)										
GAAP net income to common shareholders	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85	\$ 56,519	\$ 1.68
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	—	—	126	0.00	705	0.02
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	49	—	(49)	(0.00)	13,543	0.41	1,859	0.06	2,494	0.07
Derivative credit valuation adjustment	(101)	—	204	0.01	202	0.01	(358)	(0.01)	(351)	(0.01)
Tax on surrender of bank-owned life insurance policies	4,141	0.13	—	—	—	—	—	—	—	—
Core earnings	\$ 52,163	\$ 1.65	\$ 51,143	\$ 1.58	\$ 39,368	\$ 1.19	\$ 82,270	\$ 2.48	\$ 59,367	\$ 1.77

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



Let's take on tomorrow.

Core Earnings, excluding PPP - Customers Bancorp

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022		
	USD	Per share	USD	Per share	USD	Per share	USD	Per share	USD	Per share	
(\$ in thousands, except per share data)											
GAAP net income available to shareholders	\$ 44,007	\$ 1.39	\$ 50,265	\$ 1.55	\$ 25,623	\$ 0.77	\$ 61,364	\$ 1.85	\$ 56,519	\$ 1.68	
Less: PPP net income (loss) (after tax)	(2,068)	(0.07)	9,606	0.30	(5,956)	(0.18)	5,846	0.18	13,066	0.39	
GAAP net income to common shareholders, excluding PPP	46,075	1.46	40,659	1.26	31,579	0.95	55,518	1.67	43,453	1.29	
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	—	—	126	0.00	705	0.02	
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	49	—	(49)	(0.00)	13,543	0.41	1,859	0.06	2,494	0.07	
Derivative credit valuation adjustment	(101)	—	204	0.01	202	0.01	(358)	(0.01)	(351)	(0.01)	
Tax on surrender of bank-owned life insurance policies	4,141	0.13	—	—	—	—	—	—	—	—	
Core earnings, excluding PPP	\$ 54,321	\$ 1.72	\$ 41,537	\$ 1.28	\$ 45,324	\$ 1.37	\$ 76,424	\$ 2.30	\$ 46,301	\$ 1.38	

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



Let's take on tomorrow.

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

(\$ in thousands)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
GAAP net income	\$	47,574	\$	53,721	\$	28,711	\$	63,912	\$	58,650
Reconciling items:										
Income tax expense		20,768		14,563		7,136		17,899		18,896
Provision (benefit) for credit losses		23,629		19,603		28,216		(7,994)		23,847
Provision (benefit) for credit losses on unfunded commitments		(304)		280		153		254		608
Severance expense		182		809		—		1,363		—
Impairments on fixed assets and leases		15		109		—		162		914
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		62		(62)		16,909		2,394		3,232
Derivative credit valuation adjustment		(130)		259		252		(461)		(455)
Adjusted net income – pre-tax pre-provision, excluding PPP	\$	96,833	\$	89,282	\$	81,377	\$	100,994	\$	105,692
Average total assets	\$	21,654,735	\$	21,052,920	\$	20,717,362	\$	20,514,366	\$	20,056,020
Adjusted ROAA – pre-tax pre-provision, excluding PPP		1.79 %		1.72 %		1.56 %		1.95 %		2.11 %

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)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
GAAP net income	\$	47,574	\$	53,721	\$	28,711	\$	63,912	\$	58,650
Less: PPP net income (loss) (after tax)		(2,068)		9,606		(5,956)		5,846		13,066
Net income, excluding PPP	\$	49,642	\$	44,115	\$	34,667	\$	58,066	\$	45,584
Reconciling items:										
Income tax expense		20,768		14,563		7,136		17,899		18,896
Provision (benefit) for credit losses		23,629		19,603		28,216		(7,994)		23,847
Provision (benefit) for credit losses on unfunded commitments		(304)		280		153		254		608
Severance expense		182		809		—		1,363		—
Impairments on fixed assets and leases		15		109		—		162		914
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		62		(62)		16,909		2,394		3,232
Derivative credit valuation adjustment		(130)		259		252		(461)		(455)
Adjusted net income – pre-tax pre-provision, excluding PPP	\$	98,901	\$	79,676	\$	87,333	\$	95,148	\$	92,626
Average total assets	\$	21,654,735	\$	21,052,920	\$	20,717,362	\$	20,514,366	\$	20,056,020
Adjusted ROAA – pre-tax pre-provision, excluding PPP		1.83 %		1.53 %		1.67 %		1.84 %		1.85 %

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



Let's take on tomorrow.

Core Return on Average Assets – Customers Bancorp

(\$ in thousands)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
GAAP net income	\$ 47,574	\$ 53,721	\$ 28,711	\$ 63,912	\$ 58,650
Reconciling items (after tax):					
Severance expense	141	637	—	1,058	—
Impairments on fixed assets and leases	12	86	—	126	705
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	49	(49)	13,543	1,859	2,494
Derivative credit valuation adjustment	(101)	204	202	(358)	(351)
Tax on surrender of bank-owned life insurance policies	4,141	—	—	—	—
Core net income	\$ 55,730	\$ 54,599	\$ 42,456	\$ 84,818	\$ 61,498
Average total assets	\$ 21,654,735	\$ 21,052,920	\$ 20,717,362	\$ 20,514,366	\$ 20,056,020
Core return on average assets	1.03 %	1.05 %	0.81 %	1.64 %	1.23 %

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



Let's take on tomorrow.

Core Return on Average Common Equity – Customers Bancorp

(\$ in thousands)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
GAAP net income to common shareholders	\$	44,007	\$	50,265	\$	25,623	\$	61,364	\$	56,519
Reconciling items (after tax):										
Severance expense		141		637		—		1,058		—
Impairments on fixed assets and leases		12		86		—		126		705
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		49		(49)		13,543		1,859		2,494
Derivative credit valuation adjustment		(101)		204		202		(358)		(351)
Tax on surrender of bank-owned life insurance policies		4,141		—		—		—		—
Core earnings	\$	52,163	\$	51,143	\$	39,368	\$	82,270	\$	59,367
Average total common shareholders' equity	\$	1,335,408	\$	1,273,780	\$	1,263,190	\$	1,259,711	\$	1,244,819
Core return on average common equity		15.67 %		16.28 %		12.36 %		25.91 %		19.13 %

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



Let's take on tomorrow.

Adjusted Annualized Net Charge-Offs

(\$ in thousands, except percentages)

	Q2 2023			Q1 2023			Q4 2022			Q3 2022			Q2 2022		
	Average balance	Net charge-offs/(recoveries)	Annualized NCO to average loans	Average balance	Net charge-offs/(recoveries)	Annualized NCO to average loans	Average balance	Net charge-offs/(recoveries)	Annualized NCO to average loans	Average balance	Net charge-offs/(recoveries)	Annualized NCO to average loans	Average balance	Net charge-offs/(recoveries)	Annualized NCO to average loans
Total commercial loans and leases receivable	\$ 12,622,478	\$ 1,938 ¹	0.06 % ¹	\$ 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 %
One-time related PPP charge-off		—		—	—	— %	—	(11,044)	— %	—	—	— %	—	—	— %
Adjusted total commercial loans and leases receivable	12,622,478	1,938	0.06 %	13,207,069	4,047	0.12 %	13,308,551	2,876	0.08 %	13,202,090	7,402	0.22 %	12,493,335	1,588	0.05 %
Total consumer loans	2,219,954	13,626	2.46 %	2,270,904	14,604	2.61 %	2,079,452	13,244	2.53 %	2,451,893	11,095	1.80 %	2,425,163	11,893	1.97 %
One-time overdrawn charge-off	—	—	— %	—	(712)	— %	—	—	— %	—	—	— %	—	(2,162)	— %
Adjusted total consumer loans	2,219,954	13,626	2.46 %	2,270,904	13,892	2.48 %	2,079,452	13,244	2.53 %	2,451,893	11,095	1.80 %	2,425,163	9,731	1.61 %
Total loans and leases	14,842,432	15,564	0.42 % ¹	15,477,973	18,651	0.49 %	15,388,003	27,164	0.70 %	15,653,983	18,497	0.47 %	14,918,498	13,481	0.36 %
Adjusted total loans and leases	\$ 14,842,432	\$ 15,564	0.42 %¹	\$ 15,477,973	\$ 17,939	0.47 %	\$ 15,388,003	\$ 16,120	0.42 %	\$ 15,653,983	\$ 18,497	0.47 %	\$ 14,918,498	\$ 11,319	0.30 %

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

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



Let's take on tomorrow.

Core non-interest expense - Customers Bancorp

(\$ in thousands)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
GAAP non-interest expense	\$ 89,297	\$ 80,133	\$ 78,419	\$ 76,198	\$ 76,205
Severance expense	(182)	(809)	—	(1,363)	—
Impairments on fixed assets and leases	(15)	(109)	—	(162)	(914)
Core non-interest expense	\$ 89,100	\$ 79,215	\$ 78,419	\$ 74,673	\$ 75,291

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)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
GAAP total shareholders' equity	\$	1,456,652	\$	1,421,020	\$	1,402,961	\$	1,386,931	\$	1,353,390
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)
Tangible common equity	\$	1,315,229	\$	1,279,597	\$	1,261,538	\$	1,245,508	\$	1,211,967
Common shares outstanding		31,282,318		31,239,750		32,373,697		32,475,502		32,449,486
Tangible book value per common share	\$	42.04	\$	40.96	\$	38.97	\$	38.35	\$	37.35

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



Let's take on tomorrow.

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

(\$ in thousands except per share data)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
GAAP total shareholders' equity	\$	1,456,652	\$	1,421,020	\$	1,402,961	\$	1,386,931	\$	1,353,390
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)
Tangible common equity	\$	1,315,229	\$	1,279,597	\$	1,261,538	\$	1,245,508	\$	1,211,967
Total assets	\$	22,028,565	\$	21,751,614	\$	20,896,112	\$	20,367,621	\$	20,251,996
Reconciling items:										
Goodwill and other intangibles		(3,629)		(3,629)		(3,629)		(3,629)		(3,629)
PPP loans		(188,763)		(246,258)		(998,153)		(1,154,632)		(1,570,160)
Tangible assets, excluding PPP	\$	21,836,173	\$	21,501,727	\$	19,894,330	\$	19,209,360	\$	18,678,207
Tangible common equity to tangible assets, excluding PPP		6.0 %		6.0 %		6.3 %		6.5 %		6.5 %

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



Let's take on tomorrow.

Total interest earning assets, excluding PPP – Customers Bancorp

(\$ in thousands)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
Interest earning deposits	\$	3,101,097	\$	1,969,434	\$	397,781	\$	362,945	\$	178,475
Investment securities, at fair value		2,824,638		2,926,969		2,987,500		2,943,694		3,144,882
Investment securities held to maturity		1,258,560		870,294		840,259		886,294		495,039
Total investments	\$	7,184,295	\$	5,766,697	\$	4,225,540	\$	4,192,933	\$	3,818,396
Total loans and leases receivable	\$	13,910,907	\$	15,063,034	\$	15,794,671	\$	15,336,688	\$	15,664,353
PPP loans		(188,763)		(246,258)		(998,153)		(1,154,632)		(1,570,160)
Total loans and leases, excluding PPP	\$	13,722,144	\$	14,816,776	\$	14,796,518	\$	14,509,721	\$	14,094,193
Total interest earning assets, excluding PPP	\$	20,906,439	\$	20,583,473	\$	19,022,058	\$	18,702,654	\$	17,912,589

Total loans and leases, excluding PPP and Consumer HFS – Customers Bancorp

(\$ in thousands)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
Total loans and leases	\$	13,910,907	\$	15,063,034	\$	15,794,671	\$	15,664,353	\$	15,664,353
PPP loans		(188,763)		(246,258)		(998,153)		(1,154,632)		(1,570,160)
Consumer HFS		(78,108)		(404,006)		(324,233)		(1,116)		(2,459)
Total loans and leases, excluding PPP and Consumer HFS	\$	13,644,036	\$	14,412,770	\$	14,472,285	\$	14,508,605	\$	14,091,734

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)

	Q2 2023		Q1 2023		Q4 2022		Q3 2022		Q2 2022	
Loans and leases receivable	\$	12,826,531	\$	13,391,610	\$	14,143,047	\$	13,762,374	\$	13,783,155
PPP loans		(188,763)		(246,258)		(998,153)		(1,154,632)		(1,570,160)
Loans and leases held for investment, excluding PPP	\$	12,637,768	\$	13,145,352	\$	13,144,894	\$	12,607,742	\$	12,212,995
Allowance for credit losses on loans and leases	\$	139,656	\$	130,281	\$	130,924	\$	130,197	\$	156,530
Coverage of credit loss reserves for loans and leases held for investment, excluding PPP		1.11 %		0.99 %		1.00 %		1.03 %		1.28 %

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



Let's take on tomorrow.

Net Interest Income, excluding PPP – Customers Bancorp

(\$ in thousands)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
GAAP net interest income	\$ 165,271	\$ 149,899	\$ 135,137	\$ 159,032	\$ 164,852
PPP net interest (income) expense	765	(14,106)	2,791	(9,632)	(18,946)
Net interest income, excluding PPP	\$ 166,036	\$ 135,793	\$ 137,928	\$ 149,400	\$ 145,906

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

(dollars in thousands except per share data)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
GAAP net interest income	\$ 165,271	\$ 149,899	\$ 135,137	\$ 159,032	\$ 164,852
PPP net interest (income) expense	765	(14,106)	2,791	(9,632)	(18,946)
Tax-equivalent adjustment	390	375	342	334	270
Net interest income tax equivalent, excluding PPP	\$ 166,426	\$ 136,168	\$ 138,270	\$ 149,734	\$ 146,176
GAAP average total interest earning assets	\$ 21,073,680	\$ 20,514,677	\$ 20,211,028	\$ 20,021,455	\$ 19,525,936
Average PPP loans	(207,127)	(889,235)	(1,065,919)	(1,349,403)	(1,863,429)
Adjusted average total interest earning assets, excluding PPP	\$ 20,866,553	\$ 19,625,442	\$ 19,145,109	\$ 18,672,052	\$ 17,662,507
Net interest margin, tax equivalent, excluding PPP	3.20 %	2.80 %	2.87 %	3.18 %	3.32 %

Loan Yield, excluding PPP

(\$ in thousands)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest income on loans and leases	\$ 252,894	\$ 255,913	\$ 218,740	\$ 200,457	\$ 168,941
PPP interest income	(1,633)	(23,551)	(7,249)	(14,666)	(20,572)
Interest income on core loans (Loans and leases, excluding PPP)	\$ 251,261	\$ 232,362	\$ 211,491	\$ 185,791	\$ 148,369
Average total loans and leases	\$ 14,842,432	\$ 15,477,973	\$ 15,388,003	\$ 15,653,983	\$ 14,918,498
Average PPP loans	(207,127)	(889,235)	(1,065,919)	(1,349,403)	(1,863,429)
Adjusted average total loans and leases	\$ 14,635,305	\$ 14,588,738	\$ 14,322,084	\$ 14,304,580	\$ 13,055,069
Loan yield, excluding PPP	6.89 %	6.46 %	5.86 %	5.15 %	4.56 %