

Customers Bancorp, Inc.

High Tech Forward-Thinking Bank Supported by High Touch

Investor Presentation

Q3 2021
NYSE: CUBI

Forward-Looking Statements

In addition to historical information, this presentation may contain “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements with respect to Customers Bancorp, Inc.’s strategies, goals, beliefs, expectations, estimates, intentions, capital raising efforts, financial condition and results of operations, future performance and business. Statements preceded by, followed by, or that include the words “may,” “could,” “should,” “pro forma,” “looking forward,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” 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 adverse impact on the U.S. economy, including the markets in which we operate, of the coronavirus outbreak, and the impact of a slowing U.S. economy and increased unemployment 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 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; 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, 2020, 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.

Bankcorp Snapshot

Business

Community Banking

- ## Specialty Banking

- ## Digital Banking

- Checking & Savings
- Personal Installment
- Student Loan Refinancing
- Medical/Dental
- Credit Card

- Real Time Payments
- Digital Asset Banking
- SMB Bundle
- Credit Card

Tangible Book Value³ \$35.12

(3) Non-GAAP Measure, refer to Appendix for reconciliation.

3Q 2021 Highlights: Exceptional Profitability & Growth

Core EPS¹
\$3.36

Core Earnings¹
\$113.9M

Core ROCE¹
42.16%

3Q 2021 Performance (vs. 3Q 2020)

Profitability	Balance Sheet	Credit & Capital
3.24% vs. 2.86% in 3Q 2020 NIM^{1,2}	\$14.2B +2.5% Core Assets^{1,2}	0.27% -7 bps NPA Ratio
2.35% vs. 0.93% in 3Q 2020 Core ROAA¹	\$10.6B -9.3% Total Loans and Leases^{1,2}	1.65% -37 bps Reserve Coverage^{1,2}
3.36% vs. 1.43% in 3Q 2020 Adjusted PTPP ROAA¹	\$17.0B +56.6% Total Deposits	8.1% +214 bps TCE/TA (ex. PPP)^{1,2}

1) Non-GAAP Measure, refer to Appendix for reconciliation. Core EPS (ex. PPP) is \$0.96.

2) Excluding PPP.

Strategic Priorities

Commercial

Geographic Expansion

- New teams covering the Carolinas, bringing total geographic expansion to 4 YTD 2021
- Active recruitment of additional teams underway

Specialty Lending Expansion

- New teams onboarded to establish verticals of Technology and Venture Capital Banking and Financial Institutions Group
- Active recruitment of additional teams underway

Continued Growth of Existing Verticals

- Strong demand: community banking C&I, lender finance, fund finance, real estate specialty finance and equipment finance
- Seek to grow market share in MWH
- Active recruitment of additional teams underway

SBA Growth

- Digital small balance 7(a) pilot launched in 3Q21
- \$4.3M YTD 2021 in SBA gain on sale revenue
- Expect to achieve \$6.0M in 2021

Multifamily

- Program underway to grow portfolio to ~15% of total loans

Consumer

Direct Originations

- Crossed over \$1B in direct Customers Bank personal loans
- Over 130k active profitable customers

Consumer Gain on Sale Revenue

- Generated \$4.5M YTD 2021 and achieved 2021 goal

Fintech Banking

- Seek to become partner bank with existing MPL partners in 2022
- Potential to add several million dollars in annual fee income
- Initiative is executed by our embedded fintech team

New Products

- Enhanced credit card launch in 1H 2022
- Evaluating additional products to be launched in 2022

Digital

Customers Bank Instant Token (“CBIT”)

- 24/7/365 payment solution
- \$1.5B in non interest bearing deposits onboarded in 3Q21

New Vertical Expansion

- New vertical of Digital Asset Banking created through the recruitment of a team

Digital SMB

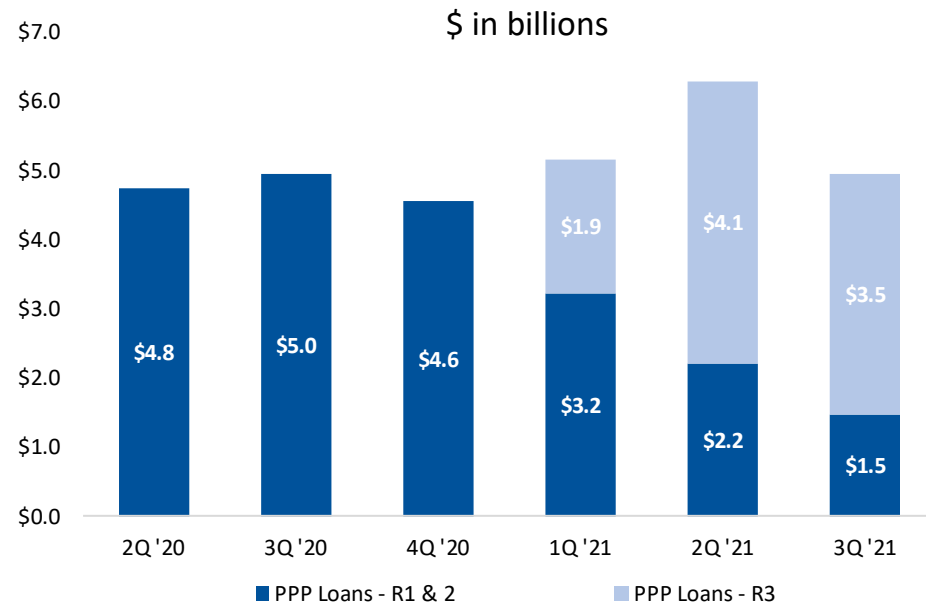
- Digital SMB bundle pilot launches 1H 2022 with term loan and revolver
- Cross sell underway on 315k unique PPP customers
- In discussion with several asset generating fintech partners

Rebranding and Website Relaunch

- On track for implementation by year end

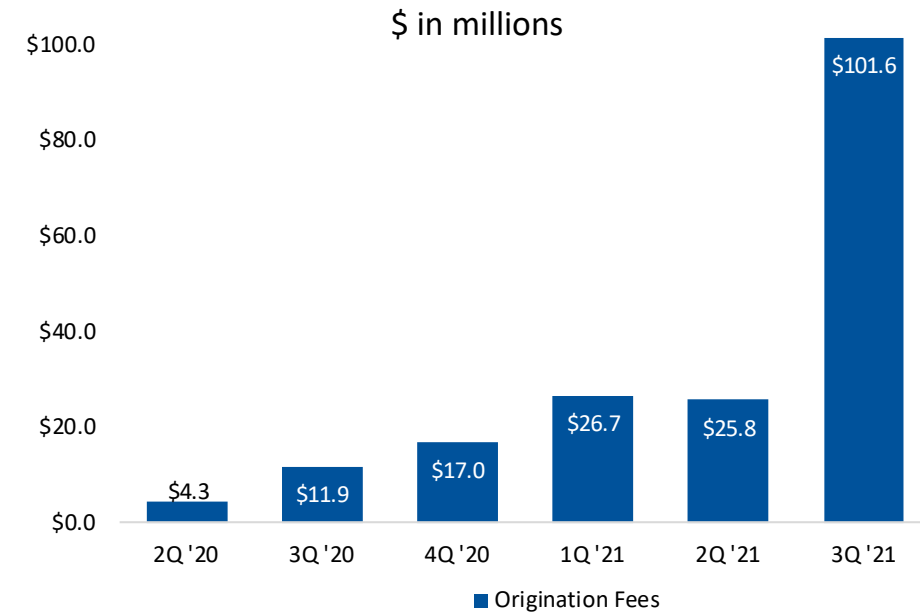
Paycheck Protection Program: Loans and Fees

PPP Loan Balances¹



- #2 PPP Bank Lender in the country using technology platform²
- Purchased \$529M in PPP loans from a large global fintech adding to deferred origination fee totals
- Currently have 189,604 PPP loans remaining to be forgiven
- Processed 73,886 loans for \$1.1B through SBA direct forgiveness platform

Fee Income Recognized¹

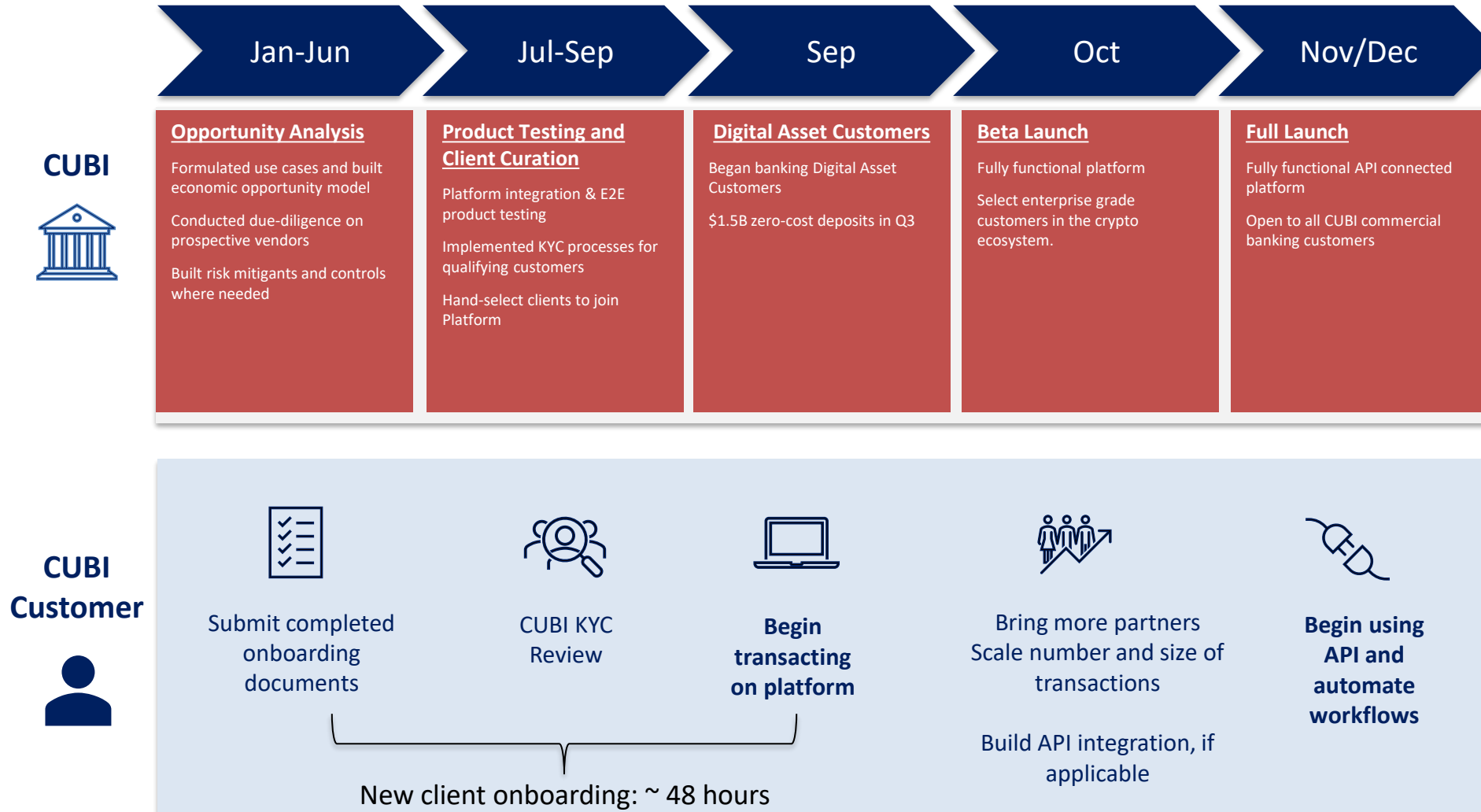


- ~\$346 million of origination fee revenue from the PPP Program
 - Recognized \$187 million origination fee revenue since inception (as of September 30, 2021)
- Forgiveness rate remains above 99.5% of loans processed

1) As of 9/30/2021 Includes all PPP loans facilitated by Customers Bank (originated and purchased).

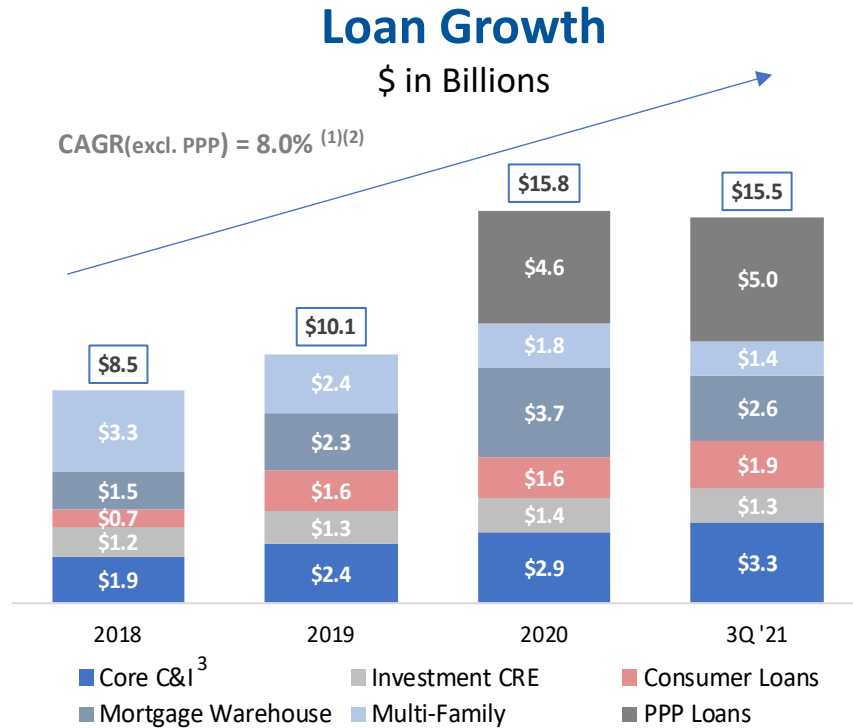
2) As measured in terms of # of loans

Customers Bank Instant Token (CBIT) Timeline¹

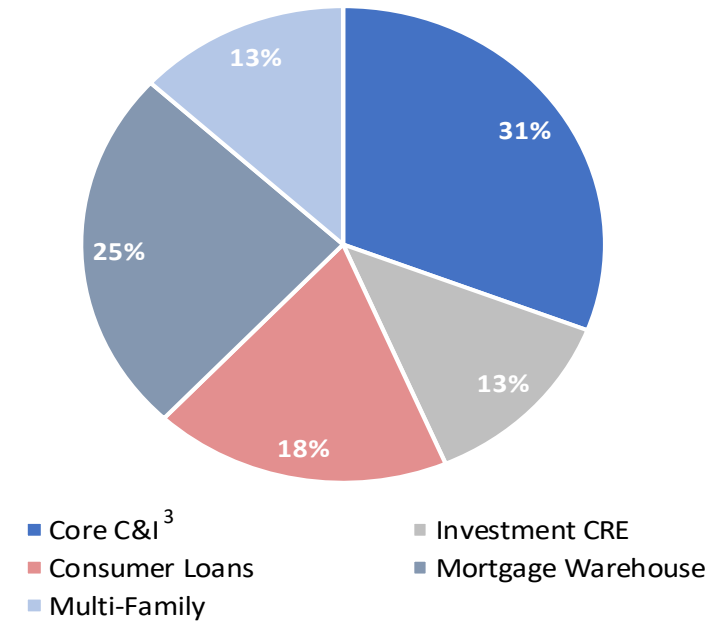


1) In partnership with TassatPay.

Balance Sheet: Loan Growth & Mix



3Q 2021 Loan Mix¹



Highly Diversified Portfolio with Core C&I and Consumer Installment Loan Growth YoY of 23% - Strong and Growing Pipeline

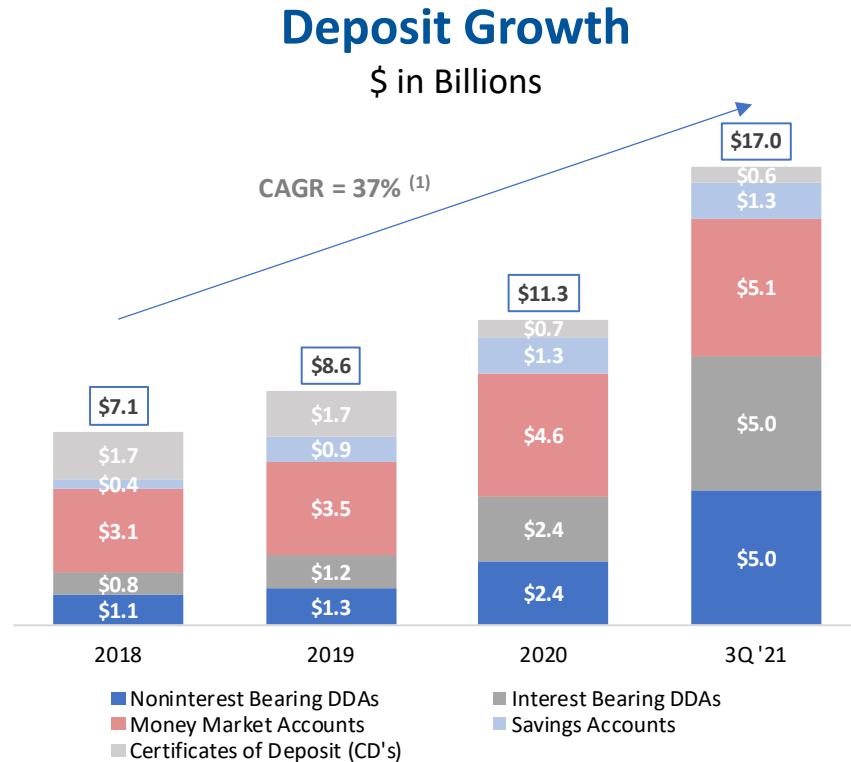
- Strong core C&I³ growth of \$516 million or 19% over 3Q20
- Strong consumer installment growth of \$391 million or 32% over 3Q20
- Targeting total consumer loans of 15-20% of loan portfolio
- Pipelines remain strong; on track to hit 2021 growth targets

1) Excludes PPP loan balances, Non-GAAP Measure, refer to Appendix for reconciliation.

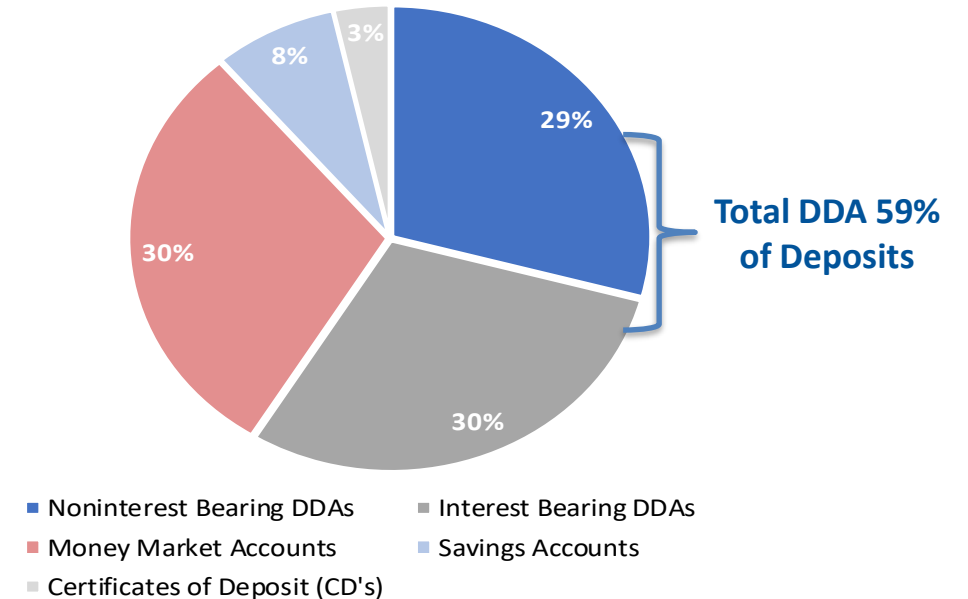
2) CAGR calculated based on 2.75 years.

3) Includes owner occupied CRE

Balance Sheet: Deposit Growth & Mix



3Q 2021 Deposit Mix

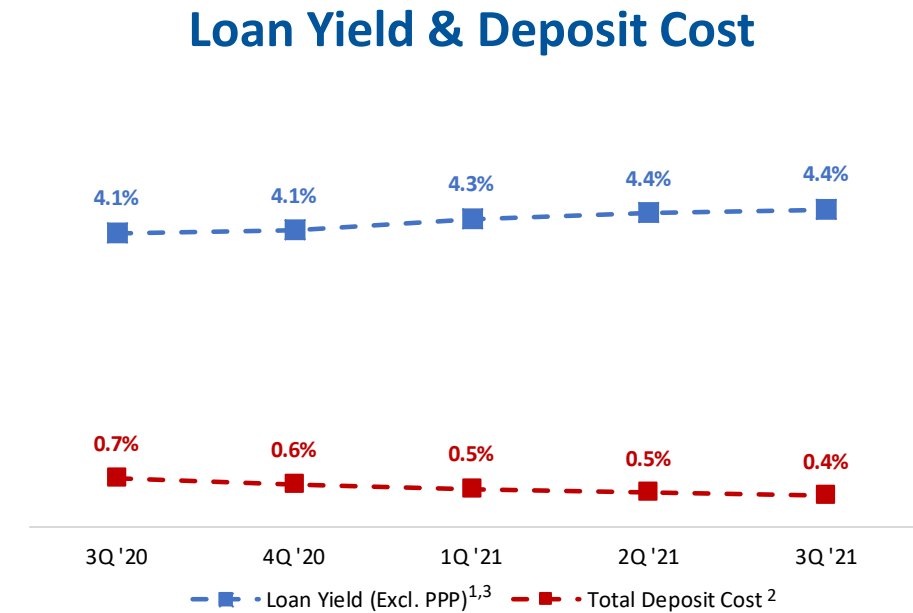
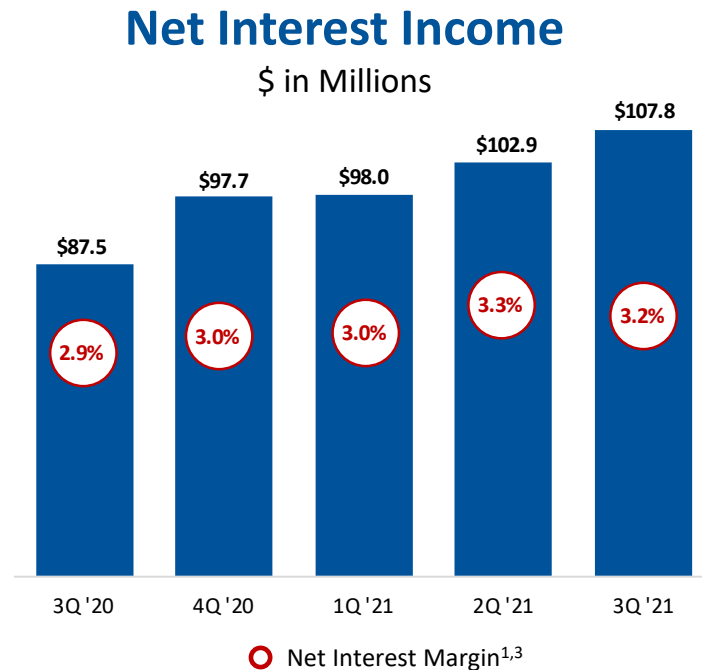


Significant Deposit Growth and Funding Mix Improvement Achieved

- Total deposit growth of \$6.1B (57%) YoY, which included \$5.3B (115%) increase in demand deposits over 3Q20
- YTD 2021 deposit growth of \$5.7B, which included \$1.5B driven by customers joining Real-Time Payments platform
- CD's declined \$379 million (39%) YoY, making up only 3% of total deposits at 9/30/2021
- Average cost of deposits dropped to 0.42% for 3Q21 from 0.67% in the year-ago quarter
- Spot cost of deposits as of September 30, 2021 of 0.32%
- Expect cost of deposits to be below 30 basis points at December 31, 2021

1) CAGR calculated based on 2.75 years.

Income Statement: Growth in Net Interest Income & Margin



Significant Improvement Achieved Due to Maintaining Loan Yields While Reducing Funding Costs

- Net interest income (excl. PPP)¹ was \$107.8M and increased 23% over 3Q20
- Net interest margin (excl. PPP)¹ was 3.24%
 - Overall loan yields increased by 33 basis points over 3Q20 due to efforts to improve the loan mix while maintaining credit quality during the pandemic rate environment
 - Total deposit cost declined by 25 basis points over 3Q20 as a result of on-going efforts to reduce deposit rates
- Significant excess cash balances as a result of strong deposit growth negatively impacted NIM by ~16 basis points

1) Excludes PPP loan balances, Non-GAAP Measure, refer to Appendix for reconciliation.

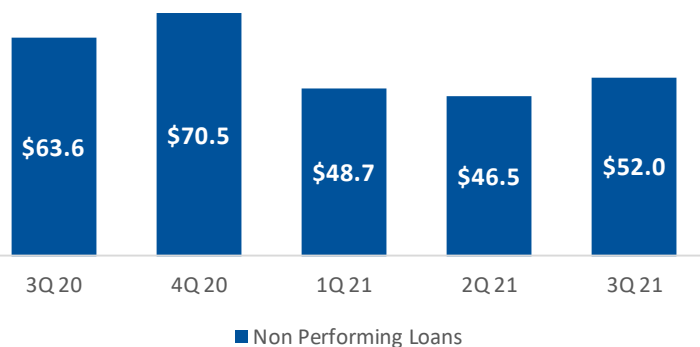
2) Total Deposit Cost includes non-interest bearing deposits.

3) Ex PPP

Credit: Credit Quality and Reserves Remain Strong

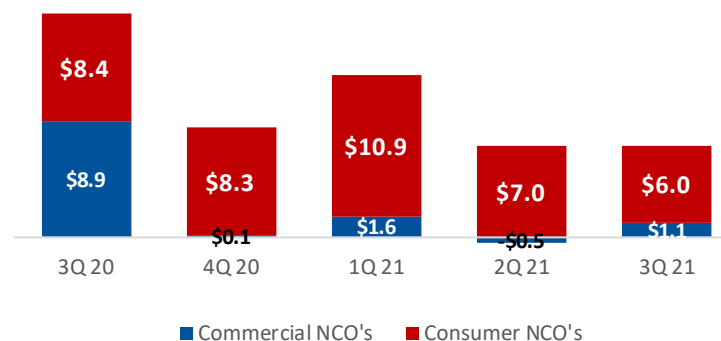
Nonperforming Loans

\$ in millions

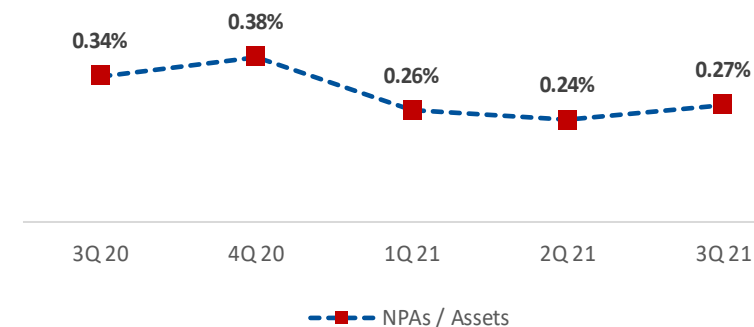


Net Charge Offs

\$ in millions



NPA as a % Total Assets



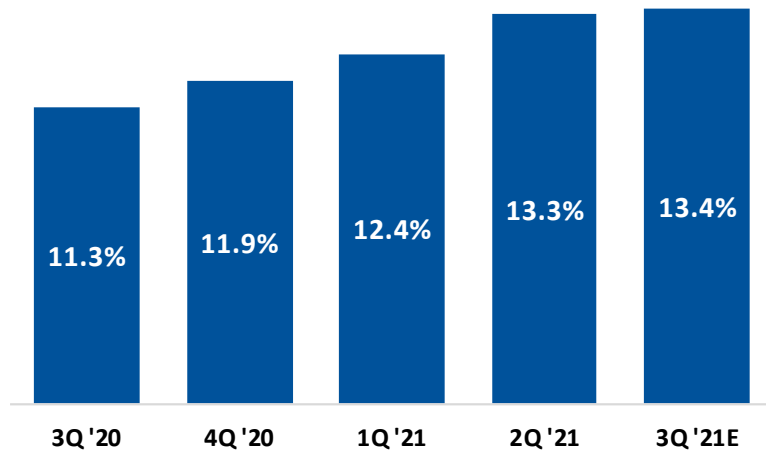
Highlights

- Credit quality remains excellent as evidenced by NPAs/Total Assets of only 0.27% at 9/30/21
- Bolstered by the adoption of CECL on January 1, 2020, the coverage ratio, excluding PPP loans¹, was 1.65% at 9/30/21
- Due to the Bank's history of focusing on lower credit risk businesses, we expect near-term credit outlook to remain stable

1) Non-GAAP Measure, refer to Appendix for reconciliation.

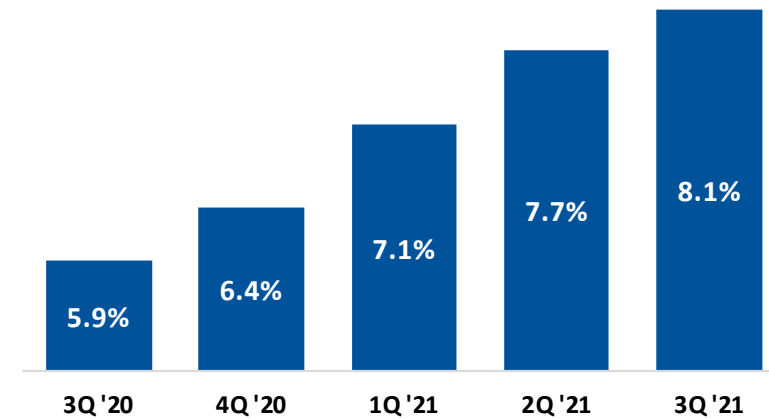
Capital: Risk Based Capital & Leverage

Total Risk Based Capital²



- TRB capital ratio increased 240 basis points over 3Q20, driven by PPP revenue and core bank earnings

TCE/TA excl. PPP¹



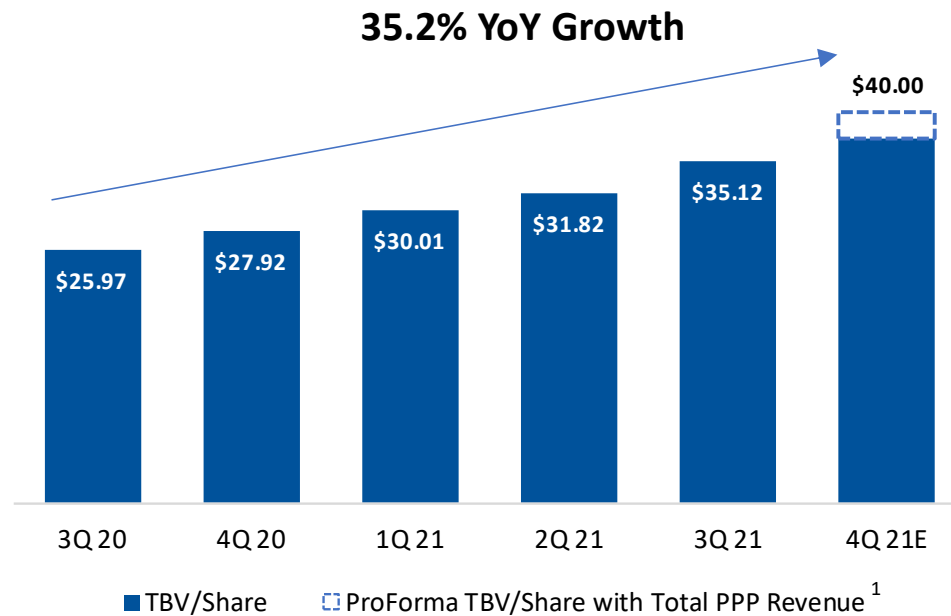
- TCE/TA excl. PPP increased 36% compared to 3Q20, driven by PPP revenue and core bank earnings

1) Excludes PPP loan balances, Non-GAAP Measure, refer to Appendix for reconciliation.

2) The Total Capital Ratio is estimated pending final Call Report.

Tangible Book Value

Tangible Book Value Per Share¹



TBV/Share ¹	\$35.12
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Stock Price ²	\$47.20
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Value Proposition	Trading at 134% of TBV
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Highlights

- Significant potential upside based on peer trading levels

1) Non-GAAP Measure, refer to Appendix for reconciliation.

2) As of October 20, 2021

Key Accomplishments

Financial Performance

Earnings

- Record quarterly earnings in excess of \$110 million, higher than any annual performance in the company's history

Deposit Franchise

- Reduced cost of deposits from 0.67% to 0.42% YoY
- Excluding CBIT related deposits, YTD growth was still 37%

Stock Performance

- Best performing publicly traded bank stock: 160% appreciation in 2021 as of October 20th
- Attractively valued at ~10x core earnings and ~134% of tangible book value

Technology Driven Performance

CBIT

- \$1.5B in zero cost deposits already attracted
- Poised for significant additional growth opportunities over coming quarters

PPP²

- #2 bank in country by number of loans in 2021
- ~347,000 loans and ~\$10B throughout the program

Gain on Sale Businesses

- Technology led loan sales in consumer and SBA groups totaled ~\$202M resulting in \$8.8M gain on sale YTD 2021

Capital

Capital Ratio

- Improved TCE/TA (ex. PPP)¹ capital ratios from 5.9% to 8.1% YoY

Preferred Redemption

- Completed redemption of \$82.5 million in preferred stock adding ~\$0.13 of annual run-rate EPS

Common Stock Share Repurchase

- Implemented program to repurchase up to 10% of the company's outstanding shares
- As of October 20, 2021 executed on 167,000 shares at an average price of \$43.00

1) Excludes PPP, Non-GAAP Measure, refer to Appendix for reconciliation.

2) As of 9/30/2021 Includes all PPP loans facilitated by Customers Bank (originated and purchased).

Contacts

Leadership

Jay Sidhu

Chairman & CEO of Customers Bancorp, Inc and Executive Chairman of Customers Bank

Sam Sidhu

President of Customers Bancorp, Inc and President & CEO of Customers Bank

Carla Leibold

CFO of Customers Bancorp, Inc and Customers Bank

Andrew Bowman

EVP & Chief Credit Officer

Analysts

B. Riley Financial - Steve Moss

D.A. Davidson Company - Russell Gunther

Hovde Group - Will Curtiss

Jefferies LLC - Casey Haire

Keefe, Bruyette & Woods - Michael Perito

Maxim Group - Michael Diana

Piper Sandler Companies - Frank Schiraldi

Wedbush - Peter Winter

Customers  Bancorp, Inc.

Appendix

Environmental, Social & Governance Report

Environmental, Social & Governance (ESG)

considerations are integrated across our business units and incorporated into the policies and principles that govern how our company operates. We continuously seek to address some of the practical challenges in balancing short- and long-term business trade-offs in order to ensure that our stakeholders and shareholders prosper together. Customers Bank's approach to ESG management includes promoting sound corporate governance, risk management and controls, investing in our Team Members and cultivating a diverse and inclusive work environment, strengthening the communities in which our Team Members live and work, and operating our business in a way that demonstrates Customers' dedication to environmental sustainability.



Our Communities

Use of investment and philanthropic capital to expand access to economic opportunity in the communities where we do business has been core to Customers since its founding more than 10 years ago.



Our Team Members

Customers Bank is committed to developing high performing Team Members and fostering a richly diverse and inclusive workplace culture.



Our Environment

Customers Bank provides financing solutions that generate positive environmental and social impacts and actively manages the environmental impacts of the company's branches and office locations.



Our Risk Culture

Customers Bank's tone at the top and risk culture underpins our ability to function with integrity and accountability and to systematically and independently review risks and opportunities while building sustainable value for the company.



Our Corporate Governance & Ethics

Supported by unwavering management commitment and an engaged Board, Customers Bank is continually focused on enhancing the structures, processes and controls in place that support and promote accountability, transparency and ethical behavior.

2020 ESG Milestones

Customers Bank contributed nearly **\$400,000** to help feed those most in need during the pandemic.

In addition to combating food insecurity, Customers Bank contributed an additional **\$250,000** to other pandemic-related programs including supplying PPE for hospitals and educational opportunities for inner-city children.

Customers has become an active lender for several land-based wind projects, providing **\$126 Million** in financing.

Just days after the death of George Floyd, the bank held a company-wide virtual **“Family Meeting”** to provide an outlet of support to our Team Members. Executive leaders addressed over 600 Team Members who were then invited to share their stories, feelings and concerns.

Customers Bank was one of the nation’s leading lenders in the Paycheck Protection Program (PPP). From passage of the CARES act on March 27, 2020 to date, the Bank funded approximately 347 thousand loans totaling \$10 billion¹. These loans helped save hundreds of thousands of jobs.

Customers Bank joined the Federal Home Loan Bank of Pittsburgh in making **120 First Front Door home loans worth more than \$12 million**, providing affordable housing to families across the market.

In total, Customers Bank invested **more than \$2.6 Million** in 2020 through CRA investments, charitable donations, and community sponsorships.

Customers Bank was the winner of the highly coveted **2020 Best Example of Making an Impact on Business Award** presented by Everbridge, an organization focused on lifesaving efforts through its global Critical Event Management (CEM) platform. The bank stood out for its commitment to life safety, operational resilience and business continuity due to its efforts to communicate with Team Members, clients and the community during the onset of the pandemic.

1) As of 07/19/2021 Includes all PPP loans facilitated by Customers Bank (originated and purchased)

Credit: Loan and Lease Deferments

(\$'s in millions)	6/30/21		9/30/21 ⁽¹⁾	
	Principal Deferred	% of Portfolio ⁽²⁾	Principal Deferred	% of Portfolio ⁽²⁾
C&I and Investment CRE:				
Commercial & Industrial	\$0.0	0.0%	\$0.0	0.0%
SBA	\$3.4	3.5%	\$0.0	0.0%
Investment CRE & Multi-Family	\$4.4	0.2%	\$0.0	0.0%
Hotels	\$59.2	14.8%	\$59.2	14.9%
Equipment Finance:				
Motor Coach	\$21.7	61.4%	\$13.1	37.8%
Transportation	\$1.1	1.0%	\$1.1	1.0%
Franchise	\$0.0	0.0%	\$0.0	0.0%
Equipment Finance - Other	\$0.0	0.0%	(\$0.0)	0.0%
Mortgage Warehouse:				
Mortgage Warehouse	\$0.0	0.0%	\$0.0	0.0%
Consumer:				
Consumer Installment	\$4.9	0.3%	\$4.2	0.3%
Residential Mortgage	\$3.4	1.2%	\$2.3	0.9%
Manufactured Housing	\$0.1	0.2%	\$0.2	0.4%
Total Deferred	\$98.2	0.9%	\$80.1	0.8%

(1) The 9/30/2021 figures are all actual deferrals with none pending.

(2) "% of Portfolio" ratio excludes PPP loans.

Credit: Allowance for Credit Losses for Loans and Leases

	CECL Method ¹			Annualized Net Charge Off Ratio
	September 30, 2021			
(\$ in thousands)	Amortized Cost	Allowance for Credit Losses	Lifetime Loss Rate	
Loans and Leases Receivable:				
Commercial				
Multi-Family	\$1,369,876	\$4,397	0.32%	0.00%
Commercial & Industrial	\$2,673,226	\$10,860	0.41%	0.02%
Commercial Real Estate Owner Occupied	\$656,044	\$3,617	0.55%	0.03%
Commercial Real Estate Non-Owner Occupied	\$1,144,643	\$7,375	0.64%	0.33%
Construction	\$198,607	\$886	0.45%	-0.01%
Total Commercial Loans and Leases Receivable	\$6,042,396	\$27,135	0.45%	0.07%
Consumer				
Consumer Installment	\$1,624,415	\$98,039	6.04%	1.46%
Residential Mortgage	\$248,153	\$1,912	0.77%	0.09%
Manufactured Housing	\$55,635	\$4,410	7.93%	0.00%
Total Consumer Loans Receivable	\$1,928,203	\$104,361	5.41%	1.24%
Total Loans and Leases HFI ²	\$7,970,599	\$131,496	1.65%	0.36%

(1) Utilized Moody's September 2021 Baseline forecast with qualitative adjustments for 3Q 2021 provision.

(2) Excludes Mortgage Warehouse loans reported at fair value, loans held for sale and PPP Loans.

Liquidity

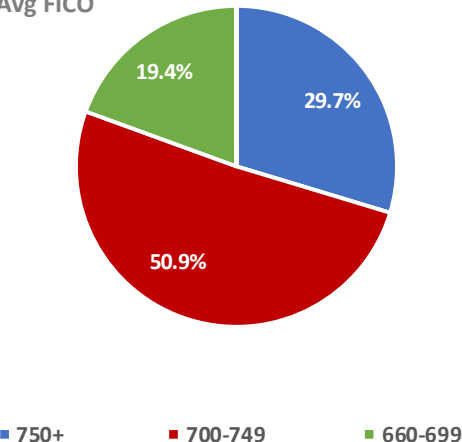
Liquidity Sources (\$000's)	3Q 20	4Q 20	1Q 21	2Q 21	3Q 21	YOY Change
Cash and Cash Equivalents	\$325,594	\$615,264	\$512,241	\$393,663	\$1,000,885	\$675,291
FHLB Available Borrowing Capacity	\$929,508	\$684,936	\$713,673	\$1,466,067	\$2,031,551	\$1,102,043
FRB Available Borrowing Capacity	\$215,000	\$220,000	\$180,000	\$197,000	\$186,000	(\$29,000)
Investments (MV)						
US Gov't & Agency	\$40,008	\$20,034	\$20,053	\$20,114	\$0	(\$40,008)
MBS & CMO	\$333,845	\$361,850	\$590,485	\$661,823	\$871,191	\$537,346
Municipals	\$18,260	\$18,291	\$18,527	\$8,554	\$8,655	(\$9,605)
Corporates	\$363,872	\$396,744	\$257,924	\$350,420	\$440,892	\$77,020
ABS	\$375,381	\$409,512	\$550,087	\$485,881	\$540,959	\$165,578
Other AFS	\$2,466	\$3,853	\$4,827	\$0	\$5,000	\$2,534
Less: Pledged Securities	(\$20,053)	(\$18,849)	(\$17,589)	(\$15,988)	(\$12,440)	\$7,613
Net Unpledged Securities	\$1,113,778	\$1,191,436	\$1,424,314	\$1,510,804	\$1,854,257	\$740,478
	\$2,583,881	\$2,711,636	\$2,830,229	\$3,567,534	\$5,072,693	\$2,488,812

Consumer Installment Loans

FICO Score

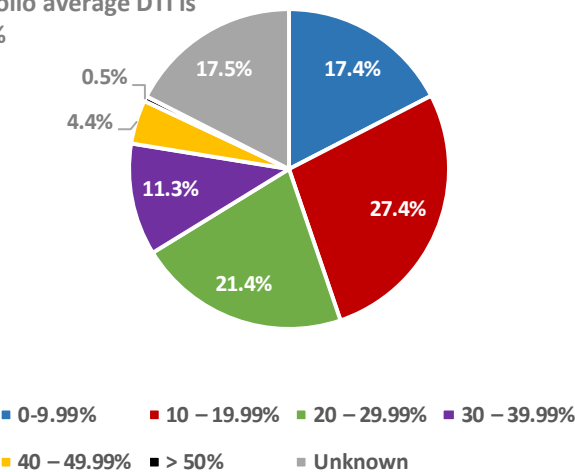
(1)

740 Avg FICO



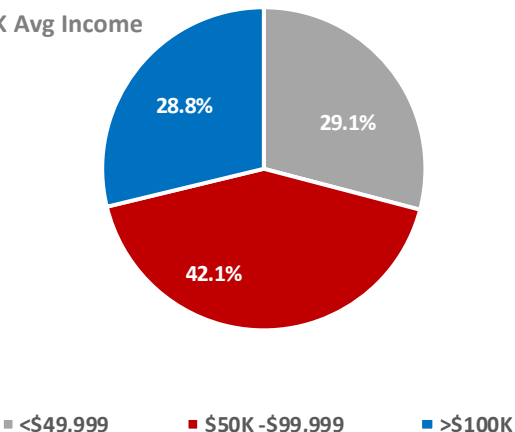
Debt to Income Ratio

Portfolio average DTI is 20.8%



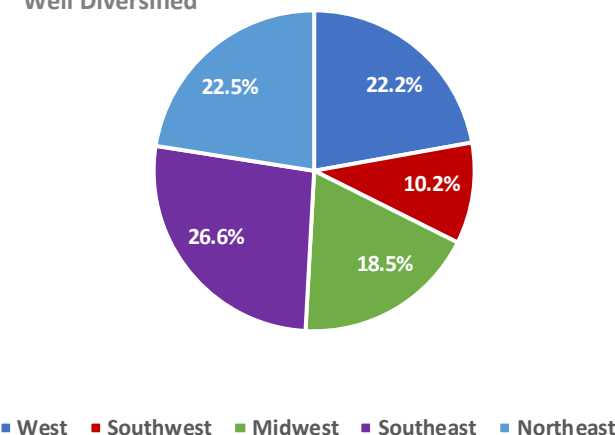
Borrower Income

\$91K Avg Income



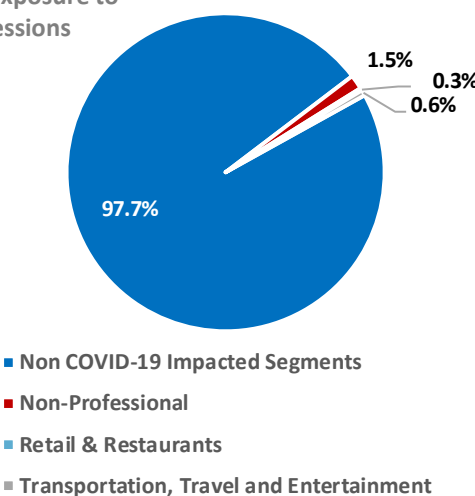
Geography

Well Diversified

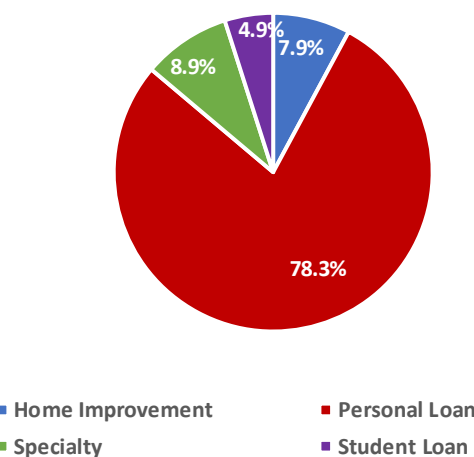


Profession

Insignificant exposure to stressed professions

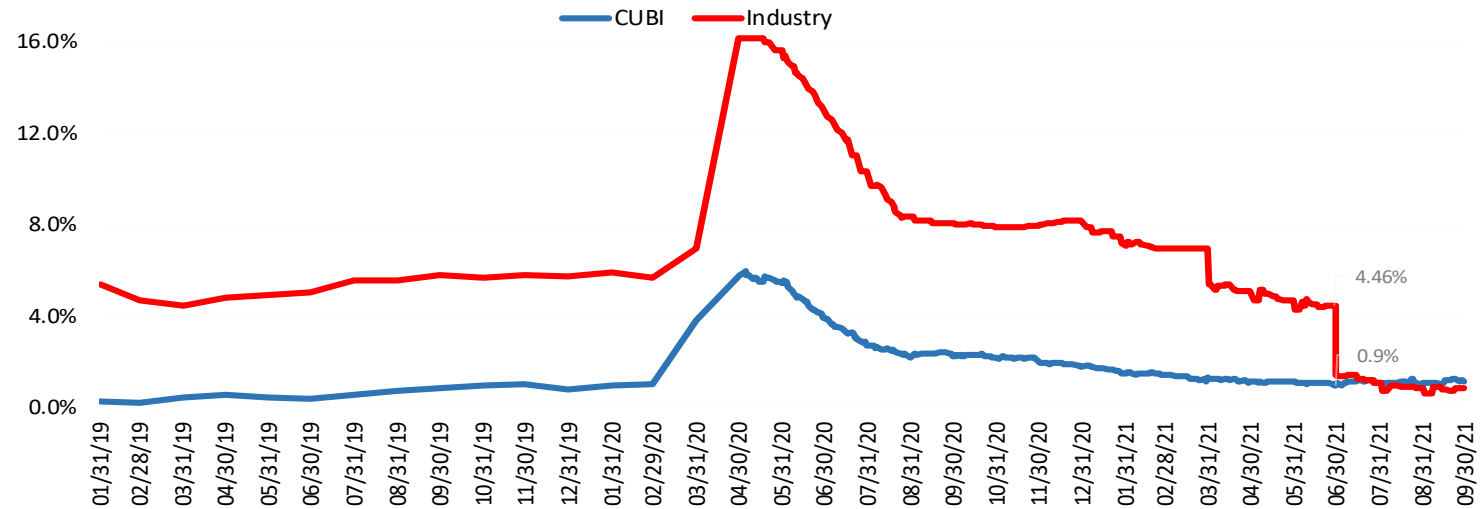


Purpose



(1) FICO score at time of origination.
Note: Data as of September 30, 2021.

Consumer Installment Loans Performance



Continued Outperformance

- At industry peak for consumer forbearance, CB overall remained less than half the industry average
- Further, CB Direct was approximately 70% below industry average

Note: Customers Bancorp's impairment percentages are considered 1 day+ delinquent or in forbearance. Industry chart is from DV01 Insights COVID-19 Performance Report dated September 30, 2021.

Detailed Financial Ratios

Q3 2021 Overview

The following table presents a summary of key earnings and performance metrics for the quarter ended September 30, 2021 and the preceding four quarters:

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

EARNINGS SUMMARY - UNAUDITED

(Dollars in thousands, except per share data and stock price data)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Nine Months Ended September 30,	
						2021	2020
GAAP Profitability Metrics:							
Net income available to common shareholders (from continuing and discontinued operations)	\$110,241	\$ 58,042	\$ 33,204	\$ 52,831	\$ 47,085	\$ 201,487	\$ 65,706
Per share amounts:							
Earnings per share - basic	\$ 3.40	\$ 1.80	\$ 1.04	\$ 1.67	\$ 1.49	\$ 6.26	\$ 2.09
Earnings per share - diluted	\$ 3.25	\$ 1.72	\$ 1.01	\$ 1.65	\$ 1.48	\$ 6.02	\$ 2.07
Book value per common share ⁽¹⁾	\$ 35.24	\$ 31.94	\$ 30.13	\$ 28.37	\$ 26.43	\$ 35.24	\$ 26.43
CUBI stock price ⁽¹⁾	\$ 43.02	\$ 38.99	\$ 31.82	\$ 18.18	\$ 11.20	\$ 43.02	\$ 11.20
CUBI stock price as % of book value ⁽¹⁾	122 %	122 %	106 %	64 %	42 %	122 %	42 %
Average shares outstanding - basic	32,449,853	32,279,625	31,883,946	31,638,447	31,517,504	32,206,547	31,462,284
Average shares outstanding - diluted	33,868,553	33,741,468	32,841,711	31,959,100	31,736,311	33,487,672	31,666,027
Shares outstanding ⁽¹⁾	32,537,976	32,353,256	32,238,762	31,705,088	31,555,124	32,537,976	31,555,124
Return on average assets ("ROAA")	2.33 %	1.27 %	0.80 %	1.23 %	1.12 %	1.49 %	0.69 %
Return on average common equity ("ROCE")	40.82 %	23.22 %	14.66 %	24.26 %	23.05 %	26.99 %	11.01 %
Efficiency ratio	33.42 %	46.59 %	48.89 %	43.56 %	46.76 %	41.07 %	50.28 %
Non-GAAP Profitability Metrics ⁽²⁾:							
Core earnings	\$113,876	\$ 59,303	\$ 70,308	\$ 54,588	\$ 38,439	\$ 243,487	\$ 64,939
Adjusted pre-tax pre-provision net income	\$167,215	\$ 86,467	\$ 86,769	\$ 77,896	\$ 64,146	\$ 340,451	\$ 162,302
Per share amounts:							
Core earnings per share - diluted	\$ 3.36	\$ 1.76	\$ 2.14	\$ 1.71	\$ 1.21	\$ 7.27	\$ 2.05
Tangible book value per common share ⁽¹⁾	\$ 35.12	\$ 31.82	\$ 30.01	\$ 27.92	\$ 25.97	\$ 35.12	\$ 25.97
CUBI stock price as % of tangible book value ⁽¹⁾	122 %	123 %	106 %	65 %	43 %	122 %	43 %
Core ROAA	2.35 %	1.30 %	1.61 %	1.26 %	0.93 %	1.76 %	0.69 %
Core ROCE	42.16 %	23.72 %	31.03 %	25.06 %	18.82 %	32.61 %	10.88 %
Adjusted ROAA - pre-tax and pre-provision	3.36 %	1.80 %	1.90 %	1.70 %	1.43 %	2.37 %	1.47 %
Adjusted ROCE - pre-tax and pre-provision	60.81 %	33.27 %	36.80 %	34.20 %	29.73 %	44.30 %	25.41 %
Net interest margin, tax equivalent	4.59 %	2.98 %	3.00 %	2.78 %	2.50 %	3.55 %	2.68 %
Net interest margin, tax equivalent, excluding PPP loans	3.24 %	3.30 %	2.99 %	3.04 %	2.86 %	3.17 %	2.93 %
Core efficiency ratio	30.36 %	44.33 %	41.13 %	42.89 %	46.10 %	37.31 %	48.68 %
Asset Quality:							
Net charge-offs	\$ 7,104	\$ 6,591	\$ 12,521	\$ 8,472	\$ 17,299	\$ 26,216	\$ 46,335
Annualized net charge-offs to average total loans and leases	0.17 %	0.16 %	0.33 %	0.21 %	0.45 %	0.22 %	0.49 %
Non-performing loans ("NPLs") to total loans and leases ⁽¹⁾	0.34 %	0.27 %	0.30 %	0.45 %	0.38 %	0.34 %	0.38 %
Reserves to NPLs ⁽¹⁾	252.68 %	269.96 %	264.21 %	204.48 %	244.70 %	252.68 %	244.70 %
Non-performing assets ("NPAs") to total assets	0.27 %	0.24 %	0.26 %	0.39 %	0.34 %	0.27 %	0.34 %
Customers Bank Capital Ratios ⁽³⁾:							
Common equity Tier 1 capital to risk-weighted assets	12.77 %	12.40 %	11.75 %	10.62 %	10.12 %	12.77 %	10.12 %
Tier 1 capital to risk-weighted assets	12.77 %	12.40 %	11.75 %	10.62 %	10.12 %	12.77 %	10.12 %
Total capital to risk-weighted assets	14.16 %	13.77 %	13.11 %	12.06 %	11.62 %	14.16 %	11.62 %
Tier 1 capital to average assets (leverage ratio)	8.66 %	9.07 %	9.35 %	9.21 %	9.29 %	8.66 %	9.29 %

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

(2) Non-GAAP measures exclude net loss from discontinued operations, loss on sale of foreign subsidiaries, unrealized gains (losses) on loans held for sale, investment securities gains and losses, loss on cash flow hedge derivative terminations, severance expense, merger and acquisition-related expenses, losses realized from the sale of non-QM residential mortgage loans, loss upon acquisition of interest-only GNMA securities, legal reserves, credit valuation adjustments on derivatives, risk participation agreement mark-to-market adjustments, deposit relationship adjustment fees, loss on redemption of preferred stock, goodwill and intangible assets, and PPP loans. These notable items are not included in Customers' disclosures of core earnings and other core profitability metrics. Please note that not each of the aforementioned adjustments affected the reported amount in each of the periods presented. Customers' reasons for the use of these non-GAAP measures and a detailed reconciliation between the non-GAAP measures and the comparable GAAP amounts are included at the end of this document.

(3) Regulatory capital ratios are estimated for Q3 2021 and actual for the remaining periods. In accordance with regulatory capital rules, Customers elected an option to delay the estimated impact of CECL on its regulatory capital over a five-year transition period ending January 1, 2025. As a result, capital ratios and amounts as of Q3 2021 exclude the impact of the increased allowance for credit losses on loans and leases and unfunded loan commitments attributed to the adoption of CECL and 25% of the quarterly provision for credit losses for subsequent quarters through Q4 2021.

Reconciliation of Non-GAAP Measures - Unaudited

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

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

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

Core Earnings - Customers Bancorp

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

	Q3 2021		Q2 2021		Q1 2021		Q4 2020		Q3 2020	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders	\$ 110,241	\$ 3.25	\$ 58,042	\$ 1.72	\$ 33,204	\$ 1.01	\$ 52,831	\$ 1.65	\$ 47,085	\$ 1.48
Reconciling items (after tax):										
Net loss from discontinued operations	-	-	-	-	38,036	1.16	2,317	0.07	532	0.02
Severance expense	-	-	1,517	0.04	-	-	-	-	-	-
Merger and acquisition related expenses	-	-	-	-	320	0.01	508	0.02	530	0.02
Legal reserves	897	0.03	-	-	-	-	-	-	258	0.01
(Gains) losses on investment securities	(4,591)	(0.14)	(2,694)	(0.08)	(18,773)	(0.57)	(1,419)	(0.04)	(9,662)	(0.30)
(Gain) losses on sale of foreign subsidiaries	-	-	2,150	0.06	-	-	-	-	-	-
Loss on cash flow hedge derivative terminations	-	-	-	-	18,716	0.57	-	-	-	-
Derivative credit valuation adjustment	(198)	(0.01)	288	0.01	(1,195)	(0.04)	(448)	(0.01)	(304)	(0.01)
Risk participation agreement mark-to-market adjustment	-	-	-	-	-	-	-	-	-	-
Deposit relationship adjustment fees	4,707	0.14	-	-	-	-	-	-	-	-
Loss on redemption of preferred stock	2,820	0.08	-	-	-	-	-	-	-	-
Unrealized losses on loans held for sale	-	-	-	-	-	-	799	0.03	-	-
Core earnings	\$ 113,876	\$ 3.36	\$ 59,303	\$ 1.76	\$ 70,308	\$ 2.14	\$ 54,588	\$ 1.71	\$ 38,439	\$ 1.21

Core Earnings, Excluding PPP - Customers Bancorp

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

	Q3 2021		Q2 2021		Q1 2021		Q4 2020		Q3 2020	
	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share	USD	Per Share
GAAP net income to common shareholders, excluding PPP	\$ 28,904	\$ 0.85	\$ 33,730	\$ 1.00	\$ 8,125	\$ 0.25	\$ 33,683	\$ 1.05	\$ 31,942	\$ 1.01
Reconciling items (after tax):										
Net loss from discontinued operations	-	-	-	-	38,036	1.16	2,317	0.07	532	0.02
Severance expense	-	-	1,517	0.04	-	-	-	-	-	-
Merger and acquisition related expenses	-	-	-	-	320	0.01	508	0.02	530	0.02
Legal reserves	897	0.03	-	-	-	-	-	-	258	0.01
(Gains) losses on investment securities	(4,591)	(0.14)	(2,694)	(0.08)	(18,773)	(0.57)	(1,419)	(0.04)	(9,662)	(0.30)
(Gain) losses on sale of foreign subsidiaries	-	-	2,150	0.06	-	-	-	-	-	-
Loss on cash flow hedge derivative terminations	-	-	-	-	18,716	0.57	-	-	-	-
Derivative credit valuation adjustment	(198)	(0.01)	288	0.01	(1,195)	(0.04)	(448)	(0.01)	(304)	(0.01)
Risk participation agreement mark-to-market adjustment	-	-	-	-	-	-	-	-	-	-
Deposit relationship adjustment fees	4,707	0.14	-	-	-	-	-	-	-	-
Loss on redemption of preferred stock	2,820	0.08	-	-	-	-	-	-	-	-
Unrealized losses on loans held for sale	-	-	-	-	-	-	799	0.03	-	-
Core earnings, excluding PPP	\$ 32,539	\$ 0.96	\$ 34,991	\$ 1.04	\$ 45,229	\$ 1.38	\$ 35,440	\$ 1.10	\$ 23,296	\$ 0.72

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

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

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP net income	\$ 116,042	\$ 61,341	\$ 36,595	\$ 56,245	\$ 50,515
Reconciling items (after tax):					
Net loss from discontinued operations	-	-	38,036	2,317	532
Severance expense	-	1,517	-	-	-
Merger and acquisition related expenses	-	-	320	508	530
Legal reserves	897	-	-	-	258
(Gains) losses on investment securities	(4,591)	(2,694)	(18,773)	(1,419)	(9,662)
Loss on sale of foreign subsidiaries	-	2,150	-	-	-
Loss on cash flow hedge derivative terminations	-	-	18,716	-	-
Derivative credit valuation adjustment	(198)	288	(1,195)	(448)	(304)
Risk participation agreement mark-to-market adjustment	-	-	-	-	-
Deposit relationship adjustment fees	4,707	-	-	-	-
Unrealized losses on loans held for sale	-	-	-	799	-
Core net income	<u>\$ 116,857</u>	<u>\$ 62,602</u>	<u>\$ 73,699</u>	<u>\$ 58,002</u>	<u>\$ 41,869</u>
Average total assets	\$ 19,739,340	\$ 19,306,948	\$ 18,525,721	\$ 18,250,719	\$ 17,865,574
Core return on average assets	2.35%	1.30%	1.61%	1.26%	0.93%

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

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP net income	\$ 116,042	\$ 61,341	\$ 36,595	\$ 56,245	\$ 50,515
Reconciling items (after tax):					
Income tax expense	36,263	20,124	17,560	23,447	12,016
Provision (benefit) for credit losses on loans and leases	13,164	3,291	(2,919)	(2,913)	12,955
Provision (benefit) for credit losses on unfunded commitments	669	45	(1,286)	(968)	(527)
Severance expense	-	2,004	-	-	-
Net loss from discontinued operations	-	-	38,036	2,317	532
Merger and acquisition related expenses	-	-	418	709	658
Legal reserves	1,185	-	-	-	320
(Gains) losses on investment securities	(6,063)	(3,558)	(24,540)	(1,431)	(11,945)
(Gain) losses on sale of foreign subsidiaries	-	2,840	-	-	-
(Gains) losses on hedge derivative terminations	-	-	24,467	-	-
Derivative credit valuation adjustment	(261)	380	(1,562)	(625)	(378)
Risk participation agreement mark-to-market adjustment	-	-	-	-	-
Deposit relationship adjustment fees	6,216	-	-	-	-
Unrealized losses on loans held for sale	-	-	-	1,115	-
Adjusted net income - pre-tax pre-provision	<u>\$ 167,215</u>	<u>\$ 86,467</u>	<u>\$ 86,769</u>	<u>\$ 77,896</u>	<u>\$ 64,146</u>
Average total assets	\$ 19,739,340	\$ 19,306,948	\$ 18,525,721	\$ 18,250,719	\$ 17,865,574
Adjusted ROAA - pre-tax pre-provision	3.36%	1.80%	1.90%	1.70%	1.43%

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

Core Return on Average Common Equity

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP net income to common shareholders	\$ 110,241	\$ 58,042	\$ 33,204	\$ 52,831	\$ 47,085
Reconciling items (after tax):					
Net loss from discontinued operations	-	-	38,036	2,317	532
Severance expense	-	1,517	-	-	-
Merger and acquisition related expenses	-	-	320	508	530
Legal reserves	897	-	-	-	258
(Gains) losses on investment securities	(4,591)	(2,694)	(18,773)	(1,419)	(9,662)
Loss on sale of foreign subsidiaries	-	2,150	-	-	-
Loss on cash flow hedge derivative terminations	-	-	18,716	-	-
Derivative credit valuation adjustment	(198)	288	(1,195)	(448)	(304)
Risk participation agreement mark-to-market adjustment	-	-	-	-	-
Deposit relationship adjustment fees	4,707	-	-	-	-
Loss on redemption of preferred stock	2,820	-	-	-	-
Unrealized losses on loans held for sale	-	-	-	799	-
Core earnings	<u>\$ 113,876</u>	<u>\$ 59,303</u>	<u>\$ 70,308</u>	<u>\$ 54,588</u>	<u>\$ 38,439</u>
Average total common shareholders' equity	\$ 1,071,566	\$ 1,002,624	\$ 918,795	\$ 866,411	\$ 812,577
Core return on average common equity	42.16%	23.72%	31.03%	25.06%	18.82%

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

Tangible Equity

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP - Total shareholders' equity	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086	\$ 1,051,491
Reconciling items:					
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
Tangible equity	<u>\$ 1,280,505</u>	<u>\$ 1,246,876</u>	<u>\$ 1,184,810</u>	<u>\$ 1,102,788</u>	<u>\$ 1,037,054</u>

⁽¹⁾ Includes goodwill and other intangibles reported in assets of discontinued operations

Tangible Book Value per Common Share - Customers Bancorp

(\$ in thousands, except per share data)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP -Total shareholders' equity	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086	\$ 1,051,491
Reconciling items:					
Preferred stock	(137,794)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
Tangible common equity	<u>\$ 1,142,711</u>	<u>\$ 1,029,405</u>	<u>\$ 967,339</u>	<u>\$ 885,317</u>	<u>\$ 819,583</u>
Common shares outstanding	32,537,976	32,353,256	32,238,762	31,705,088	31,555,124
Tangible book value per common share	\$ 35.12	\$ 31.82	\$ 30.01	\$ 27.92	\$ 25.97

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

Tangible Common Equity to Tangible Assets -

Customers Bancorp

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP - Total shareholders' equity	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086	\$ 1,051,491
Reconciling items:					
Preferred stock	(137,794)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
Tangible common equity	<u>\$ 1,142,711</u>	<u>\$ 1,029,405</u>	<u>\$ 967,339</u>	<u>\$ 885,317</u>	<u>\$ 819,583</u>
GAAP - Total assets	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248	\$ 18,778,727
Reconciling items:					
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
Tangible assets	<u>\$ 19,105,128</u>	<u>\$ 19,631,255</u>	<u>\$ 18,813,749</u>	<u>\$ 18,424,950</u>	<u>\$ 18,764,290</u>
Tangible common equity to tangible assets	5.98%	5.24%	5.14%	4.80%	4.37%

Tangible Common Equity to Tangible Assets,

Excluding PPP - Customers Bancorp

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP - Total shareholders' equity	\$ 1,284,299	\$ 1,250,729	\$ 1,188,721	\$ 1,117,086	\$ 1,051,491
Reconciling items:					
Preferred stock	(137,794)	(217,471)	(217,471)	(217,471)	(217,471)
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
Tangible common equity	<u>\$ 1,142,711</u>	<u>\$ 1,029,405</u>	<u>\$ 967,339</u>	<u>\$ 885,317</u>	<u>\$ 819,583</u>
GAAP - Total assets	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248	\$ 18,778,727
Reconciling items:					
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
PPP loans	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)	(4,964,105)
Tangible assets	<u>\$ 14,147,771</u>	<u>\$ 13,326,199</u>	<u>\$ 13,635,660</u>	<u>\$ 13,863,585</u>	<u>\$ 13,800,185</u>
Tangible common equity to tangible assets	8.08%	7.72%	7.09%	6.39%	5.94%

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

Core Assets

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP - Total assets	\$ 19,108,922	\$ 19,635,108	\$ 18,817,660	\$ 18,439,248	\$ 18,778,727
Reconciling items:					
Loans receivable, PPP	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)	(4,964,105)
Goodwill and other intangibles ⁽¹⁾	(3,794)	(3,853)	(3,911)	(14,298)	(14,437)
Core assets	<u>\$ 14,147,771</u>	<u>\$ 13,326,199</u>	<u>\$ 13,635,660</u>	<u>\$ 13,863,585</u>	<u>\$ 13,800,185</u>

⁽¹⁾ Includes goodwill and other intangibles reported in assets of discontinued operations

Total loans and leases, excluding PPP

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Total loans and leases	\$ 15,515,537	\$ 16,967,022	\$ 16,168,306	\$ 15,832,251	\$ 16,605,279
PPP loans	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)	(4,964,105)
Loans and leases, excluding PPP	<u>\$ 10,558,180</u>	<u>\$ 10,661,966</u>	<u>\$ 10,990,217</u>	<u>\$ 11,270,886</u>	<u>\$ 11,641,174</u>

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

(\$ in thousands)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Loans and leases receivable	\$ 12,927,956	\$ 14,077,198	\$ 12,714,578	\$ 12,136,733	\$ 12,664,997
Loans receivable, PPP	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)	(4,964,105)
Loans and leases held for investment, excluding PPP	<u>\$ 7,970,599</u>	<u>\$ 7,772,142</u>	<u>\$ 7,536,489</u>	<u>\$ 7,575,368</u>	<u>\$ 7,700,892</u>
Allowance for credit losses on loans and leases	\$ 131,496	\$ 125,436	\$ 128,736	\$ 144,176	\$ 155,561

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

1.65% 1.61% 1.71% 1.90% 2.02%

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

Net Interest Margin, Tax Equivalent, Excluding PPP -

Customers Bancorp

(\$ in thousands, except per share data)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
GAAP net interest income	\$ 219,892	\$ 138,757	\$ 132,731	\$ 122,946	\$ 107,439
PPP net interest income	(112,005)	(35,785)	(34,842)	(25,257)	(20,018)
Tax-equivalent adjustment	290	289	292	219	225
Net interest income, tax equivalent, excluding PPP	<u>\$ 108,177</u>	<u>\$ 103,261</u>	<u>\$ 98,181</u>	<u>\$ 97,908</u>	<u>\$ 87,646</u>
GAAP average total interest earning assets	\$ 19,033,826	\$ 18,698,996	\$ 17,943,944	\$ 17,601,999	\$ 17,121,145
Average PPP loans	(5,778,367)	(6,133,184)	(4,623,213)	(4,782,606)	(4,909,197)
Adjusted average total interest earning assets	<u>\$ 13,255,459</u>	<u>\$ 12,565,812</u>	<u>\$ 13,320,731</u>	<u>\$ 12,819,393</u>	<u>\$ 12,211,948</u>
Net interest margin, tax equivalent, excluding PPP	3.24%	3.30%	2.99%	3.04%	2.86%

Loan Yield, excluding PPP

(\$ in thousands, except per share data)

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Total interest on loans and leases	\$ 233,097	\$ 153,608	\$ 152,117	\$ 145,414	\$ 132,107
Interest on PPP loans	(117,103)	(41,137)	(38,832)	(29,465)	(24,337)
Interest on loans and leases, excluding PPP	<u>\$ 115,994</u>	<u>\$ 112,471</u>	<u>\$ 113,285</u>	<u>\$ 115,949</u>	<u>\$ 107,770</u>
Average loans and leases	\$ 16,192,744	\$ 16,482,802	\$ 15,329,111	\$ 15,987,095	\$ 15,403,838
Average PPP loans	(5,778,367)	(6,133,184)	(4,623,213)	(4,782,606)	(4,909,197)
Adjusted average total interest earning assets	<u>\$ 10,414,377</u>	<u>\$ 10,349,618</u>	<u>\$ 10,705,898</u>	<u>\$ 11,204,489</u>	<u>\$ 10,494,641</u>
Loan yield, excluding PPP	4.42%	4.36%	4.29%	4.12%	4.09%

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

Deferments to Total loans and leases, excluding PPP

(\$ in thousands)

	<u>Q3 2021</u>	<u>Q2 2021</u>	<u>Q1 2021</u>	<u>Q4 2020</u>
Total loans and leases	\$ 15,515,537	\$ 16,967,022	\$ 16,168,306	\$ 15,832,251
PPP loans	(4,957,357)	(6,305,056)	(5,178,089)	(4,561,365)
Loans and leases, excluding PPP	<u>\$ 10,558,180</u>	<u>\$ 10,661,966</u>	<u>\$ 10,990,217</u>	<u>\$ 11,270,886</u>
Commercial deferments	\$ 73,400	\$ 89,800	\$ 176,100	\$ 202,100
Consumer deferments	6,708	8,400	13,000	16,400
Total deferments	<u>\$ 80,108</u>	<u>\$ 98,200</u>	<u>\$ 189,100</u>	<u>\$ 218,500</u>
Commercial deferments to total loans and leases, excluding PPP	0.7%	0.8%	1.6%	1.8%
Consumer deferments to total loans and leases, excluding PPP	0.1%	0.1%	0.1%	0.1%
Total deferments to total loans and leases, excluding PPP	<u>0.8%</u>	<u>0.9%</u>	<u>1.7%</u>	<u>1.9%</u>