SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Customers Bancorp, Inc.

Form: 8-K

Date Filed: 2014-07-23

Corporate Issuer CIK: 1488813

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the
Securities Exchange Act of 1934

Date of Report (date of earliest event reported): July 23, 2014

CUSTOMERS BANCORP, INC.

(Exact Name of Registrant as specified in its charter)

Pennsylvania	001-35542	27-2290659
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1015 Penn Avenue
Suite 103
Wyomissing PA 19610

Registrant's telephone number, including area code: (610) 933-2000

None
(Former name or former address, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instructions A.2. below):

❑ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

❑ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

❑ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

❑ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On July 23, 2014, Customers Bancorp, Inc. (the "Company") issued a press release announcing unaudited financial information for the quarter ended June 30, 2014, a copy of which is included as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 7.01. Regulation FD.

The Company has posted to its website a slide presentation which is attached hereto as Exhibit 99.2 and incorporated into this Item 7.01 by reference.

The information in this Current Report on Form 8-K, including Exhibits 99.1 and 99.2 attached hereto and incorporated by reference into Items 2.02 and 7.01, respectively, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities under that Section. Furthermore, such information, including the exhibits attached hereto, shall not be deemed incorporated by reference into any of the Company's reports or filings with the SEC, whether made before or after the date hereof, except as expressly set forth by specific reference in such report or filing. The information in this Current Report on Form 8-K, including the exhibits attached hereto, shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit	Description
Exhibit 99.1	July 23, 2014 Press Release
Exhibit 99.2	Slides

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CUSTOMERS BANCORP, INC.

By: /s/ Robert E. Wahlman
Name: Robert E. Wahlman
Title: Executive Vice President
and Chief Financial Officer

Date: July 23, 2014

EXHIBITS INDEX

Exhibit	Description
Exhibit 99.1	July 23, 2014 Press Release
Exhibit 99.2	Slides

Customers Bancorp
1015 Penn Avenue
Wyomissing, PA 19610

Contacts:
Jay Sidhu, Chairman & CEO 610-935-8693
Richard Ehst, President & COO 610-917-3263
Investor Contact:
Robert Wahlman, CFO 610-743-8074

CUSTOMERS BANCORP REPORTS RECORD Q2 2014 NET INCOME

- **Q2 2014 Net Income increased 26% from Q1 2014 and increased 24% over Q2 2013**
- **Q2 2014 Return on Equity was 10.0%, up from Q1 2014 ROE of 8.4%**
- **First-half 2014 Net Income was up 19.2% over same period last year**
- **Loans grew 16% from March 31, 2014 and 44% from June 30, 2013**

Wyomissing, PA — July 23, 2014 — Customers Bancorp, Inc. (NASDAQ: CUBI), the parent company of Customers Bank (collectively "Customers"), reported earnings of $10.2 million for the quarter ended June 30, 2014 ("Q2 2014") compared to earnings of $8.1 million for the quarter ended March 31, 2014, an increase of 25.8%, and earnings of $8.2 million for the quarter ended June 30, 2013 ("Q2 2013"), an increase of 24.4%. Q2 2014 fully diluted earnings per share was $0.37, compared to $0.29 in Q1 2014 and $0.34 in Q2 2013. Average fully diluted shares for the quarter ended June 30, 2014 were 28 million compared to average fully diluted shares for the quarter ended June 30, 2013 of 24 million. Customers also reported earnings of $18.4 million year-to-date through June 30, 2014 compared to earnings of $15.4 million in the first six months of 2013, an increase of 19.2%.

Commenting on this strong earnings growth, Jay Sidhu, Chairman and CEO of Customers stated, "We are very pleased with progress to date and are very confident about meeting or exceeding the earnings guidance we have provided for 2014 and 2015. We are also very clear about our goals of achieving about a 1.0% return on assets and a 12.0% return on equity within two to three years, and believe we are on track to achieve these objectives."

Customers' increase in earnings has resulted principally from its increase in loans and fees, offset in part by higher operating expenses to support the growth. During Q2 2014 Customers loan balances (including mortgage warehouse loans held for sale) grew $651 million to $4.7 billion, an increase of 16.1% in the quarter and up 44.3% over June 30, 2013. Commercial and Industrial loans (including owner occupied CRE) were $1.4 billion at June 30, 2014, up $157 million from March 31, 2014 (13.0%), and up $500 million from June 30, 2013 (57%). Mortgage warehouse loans were $1.1 billion at June 30, 2014 compared to $1.4 billion at June 30, 2013. Multi-family loans showed the largest growth, up by $246 million from March 31, 2014 and up $1.1 billion from June 30, 2013. Consumer and Mortgage loans decreased by $127 million during Q2 2014.

Other financial highlights for Q2 2014 included:

- Net interest income was $36.9 million Q2 2014 compared to net interest income of $29.8 million reported for Q1 2014, an increase of $7.1 million (24.0%), and $26.1 million for Q2 2013, an increase of $10.8 million (41.4%).

- Net interest margin improved by 3 basis points quarter over quarter.

- Total revenues (net interest income plus non-interest income) before provisions for loan losses ("provision") totaled $43.8 million in Q2 2014 compared to total revenues of $37.1 million in Q1 2014 (up 18.2%) and $31.7 million in Q2 2013 (up 38.4%).

- Provision expense for Q2 2014 was $2.9 million, principally the result of Q2 2014 loans held for investment growth of $288 million as asset quality continued to improve. This compares with a provision for loan loss expense of $4.4 million in Q1 2014 and $2.1 million in Q2 2013.

- Q2 2014 non-interest expense of $25.2 million increased $4.0 million from Q1 2014 non-interest expense of $21.2 million, and increased $8.3 million compared to Q2 2013 non-interest expense of $16.9 million.

- Q2 2014 pre-tax pre-provision income of $18.6 million was up $2.7 million from Q1 2014 (up 17.0%), and up $3.9 million from Q2 2013 (up 26.2%). The pre-tax pre-provision ROA remained relatively stable at approximately 1.4% of average assets.

- Non-performing loans not covered by FDIC loss share agreements were $12.7 million at June 30, 2014, a decrease of $0.8 million (6.1%) from the December 31, 2013 non-performing non-covered amount of $13.5 million. Non-performing non-covered loans were 0.27% of total non-covered loans as of June 30, 2014.

- Total reserves for loan losses were 184% of non-performing loans, up from 165% at March 31, 2014.

- Total assets at June 30, 2014 were $5.6 billion, up $1.8 billion (48.6%) from the June 30, 2013 balance of $3.8 billion.

- Loans receivable not covered by FDIC loss share (excludes loans held for sale) were $3.6 billion at June 30, 2014, an increase of $1.8 billion (104.7%) from the June 30, 2013 balance of $1.8 billion.

- Loans held for sale (principally mortgage warehouse loans) were $1.1 billion at June 30, 2014, down $354 million (-25.0%) from the June 30, 2013 balance of $1.4 billion.

- Total deposits as of June 30, 2014 were $3.7 billion, an increase of $915 million (33.0%) from June 30, 2013.

- Customers issued $110 million in subordinated debt during Q2 2014 which increased the Tier 2 capital and total capital levels and ratios for the bank and the consolidated holding company. Capital ratios[1] continued to comfortably exceed the "well capitalized" levels established in banking regulation, but the Tier 1 ratios declined during the quarter due to the increase in loans outstanding as Customers' loan growth used a portion of its excess capital. June 30, 2014 estimated Tier 1 Leverage for Customers Bancorp was 7.8%, and Total Risk-Based Capital was 12.8%.

- On May 15, 2014 Customers declared a 10% stock dividend. The stock dividend was issued June 30, 2014. Common stock, additional paid in capital and retained earnings amounts have been adjusted as of June 30, 2014 to reflect the stock dividend. All share amounts have been adjusted to give effect to the stock dividend, including all share amounts in all prior periods.

"In Q2 2014 we continued our efforts to increase earning assets and grow deposits to more fully utilize the capital raised during 2013 and increase our profitability. The subordinated debt offering completed in the second quarter further unlocked the excess capital of the franchise," stated Robert Wahlman, Chief Financial Officer of Customers Bancorp, Inc. "The 25.8% increase in sequential quarter earnings reveals the growing earnings power of Customers and the success of the strategies we have adopted. We are looking forward to the remainder of this year as the Bank continues to execute on its strategies for strong earnings growth."

[1] Tier 1 Leverage and Total Risk-Based Capital ratios as of June 30, 2014 are estimated.

EARNINGS SUMMARY - UNAUDITED

(Dollars in thousands, except per-share data)

	Q2 2014	Q1 2014	Q2 2013
Net income available to common shareholders	$ 10,233	$ 8,136	$ 8,226
Basic earnings per share ("EPS") (1)	$ 0.38	$ 0.30	$ 0.35
Diluted EPS (1)	$ 0.37	$ 0.29	$ 0.34
Average shares outstanding - diluted (1)	27,982,404	27,775,005	24,040,077
Pretax preprovision return on average assets	1.4%	1.5%	1.7%
Return on average assets	0.8%	0.8%	1.0%
Return on average common equity	10.0%	8.4%	10.1%
Equity to assets	7.3%	8.0%	10.0%
Net interest margin, tax equivalent	2.96%	2.93%	3.25%
Non performing loans to total loans (including held for sale)	0.4%	0.5%	0.9%
Reserves to non performing loans (NPL's)	184.2%	165.4%	118.7%
Tangible book value per common share (period end) (1) (2)	$ 15.34	$ 14.87	$ 13.86
Period end stock price (1)	$ 20.01	$ 18.97	$ 14.77

(1) Share and per share amounts have been adjusted to give effect to the 10% stock dividend declared on May 15, 2014.

(2) Calculated as total equity less goodwill and other intangibles divided by common shares outstanding at period end.

Net Income, Earnings Per Share and Tangible Book Value

Q2 2014 net income of $10.2 million was up $2.0 million, or 24.4%, from Q2 2013. Q2 2014 diluted earnings per share is $0.37 with 28.0 million diluted shares, compared to Q2 2013 earnings of $8.2 million and diluted earnings per share of $0.34 with 24.0 million diluted shares. Customers' tangible book value per share increased to $15.34 as of June 30, 2014 compared to $13.86 as of June 30, 2013, an increase of 10.7%. The increase in net income in Q2 2014 compared to Q2 2013 is primarily due to increased net interest income, fueled by strong loan growth, while maintaining strong asset quality and growing deposits. The increased tangible book value reflects Customers' strategic commitment to consistently maintain and grow tangible book value per share through growth in earnings with the expectation that it will eventually result in superior shareholder value creation.

Net Interest Margin

The net interest margin increased 3 basis points to 2.96% in Q2 2014 compared to Q1 2014, and decreased 29 basis points from Q2 2013. The Q2 2014 net interest margin has decreased relative to Q2 2013 due to the run-off of maturing higher yielding loans, and the addition of lower yielding loans as we grew the loan portfolio by $1.8 billion since Q2 2013 in a low interest rate environment. In addition, the Bank has decided to lengthen maturities of its deposits and borrowings to help protect earnings in the event of higher interest rates in the future.

Non-Interest Income

Q2 2014 non-interest income of $6.9 million was down $0.4 million compared to $7.3 million in Q1 2014, and up $1.4 million compared to $5.6 million in Q2 2013. The $1.4 million increase in Q2 2014 non-interest income compared to Q2 2013 non-interest income resulted primarily from the increase in mortgage loan and banking income and the growth of other fees offsetting the decline in mortgage warehouse transaction fees. The Q2 2014 non-interest income decrease compared to Q1 2014 resulted from lower gains on sales of investment securities (down $2.5 million) offset in part by increased mortgage loan and banking income (up $1.1 million), gains on sale of Small Business Administration ("SBA") loans (up $0.6 million), and increased mortgage warehouse transactional fees (up $0.5 million).

Non-Interest Expense

Operating expenses in Q2 2014 of $25.2 million increased $4.0 million compared to Q1 2014 operating expenses of $21.2 million, and were up $8.3 million from Q2 2013. Q2 2014 operating expenses supported greater business activities as Customers grew its loan portfolio significantly during Q2 2014 and Q1 2014 and the Company continued to invest in its commercial and industrial lending teams while rightsizing its mortgage banking business. These investments have resulted in a larger organization and increased personnel, occupancy, technology, and other operating costs. In addition, Customers has experienced a significant increase in regulatory related expenses over the past year that are not expected to continue in 2015.

Provision for Loan Losses and Asset Quality

The Q2 2014 provision for loan losses was $2.9 million, compared to Q2 2013 provision of $2.1 million[2]. The Q2 2014 provision is primarily the result of the nearly $288 million growth in loans held for investment during the quarter.

Customers separates its loan portfolio into "covered" and "non-covered" loans for purposes of analyzing and managing asset quality. Covered loans are those loans that are covered by FDIC purchase and assumption, or loss sharing, agreements, and for which Customers is reimbursed 80% of allowable incurred losses. Covered loans totaled $54.5 million at June 30, 2014, $66.7 million at December 31, 2013, and $91.6 million as of June 30, 2013. Non-accrual covered loans totaled $4.4 million at June 30, 2014, $5.6 million at December 31, 2013 and $8.0 million at June 30, 2013. Covered real estate owned totaled $6.2 million at June 30, 2014, $7.0 million at December 31, 2013 and $4.4 million as of June 30, 2013.

[2] Beginning in Q4 2013, the provision for loan losses is reported net of the amount of estimated credit losses on covered loans to be recovered from the Federal Deposit Insurance Corporation (the "FDIC") pursuant to specific purchase and assumption, or loss sharing, agreements. Prior period amounts have been reclassified to be consistent with the Q4 2013 presentation. Previously, changes in the amount recoverable from the FDIC had been reported as a separate amount in non-interest income.

Non-covered loans are all loans not covered by the FDIC agreements. Non-covered loans includes loans accounted for as held for sale as well as loans accounted for as held for investment. Non-covered loans totaled $4.7 billion as of June 30, 2014, $3.1 billion as of December 31, 2013, and $3.2 billion as of June 30, 2013. Non-accrual non-covered loans totaled $12.7 million as of June 30, 2014 (0.27% of total non-covered loans), $13.5 million (0.43% of total non-covered loans) as of December 31, 2013 and $19.6 million (0.62% of total non-covered loans) as of June 30, 2013. Non-covered loans 30 to 89 days delinquent at June 30, 2014 totaled $8.1 million, or 0.17% of non-covered loans.

Conference Call

Date:	July 23, 2014
Time:	10:00 am ET
US Dial-in:	888-244-2460
International Dial-in:	913-312-1477
Conference ID:	5135607
Webcast:	http://public.viavid.com/index.php?id=110076

Institutional Background

Customers Bancorp, Inc. is a bank holding company located in Wyomissing, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank. Customers Bank is a community-based, full-service bank with assets of approximately $5.6 billion. A member of the Federal Reserve System and deposits insured by the Federal Deposit Insurance Corporation ("FDIC"), Customers Bank provides a range of banking services to small and medium-sized businesses, professionals, individuals and families through offices in Pennsylvania, New York, Rhode Island, Massachusetts, and New Jersey. Committed to fostering customer loyalty, Customers Bank uses a High Tech/High Touch strategy that includes use of industry-leading technology to provide customers better access to their money, as well as a continually expanding portfolio of loans to small businesses, multi-family projects, mortgage companies and consumers.

Customers Bancorp, Inc. is listed on the NASDAQ stock market under the symbol CUBI. Additional information about Customers Bancorp, Inc. can be found on the company's website, www.customersbank.com.

“Safe Harbor” Statement

In addition to historical information, this press release may contain “forward-looking statements” which are made in good faith by Customers Bancorp, Inc., pursuant to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. 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 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. 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 and subsequently filed quarterly reports on Form 10-Q. 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.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED - UNAUDITED

(Dollars in thousands, except per share data)

	Q2 2014	Q1 2014	Q2 2013
Interest income:			
Loans receivable, including fees	$ 35,220	$ 28,355	$ 19,196
Loans held for sale	6,715	5,083	11,157
Investment securities	2,543	3,040	1,082
Other	614	396	238
Total interest income	45,092	36,874	31,673
Interest expense:			
Deposits	5,727	5,415	5,136
Borrowings	2,435	1,667	421
Total interest expense	8,162	7,082	5,557
Net interest income	36,930	29,792	26,116
Provision for loan losses	2,886	4,368	2,116
Net interest income after provision for loan losses	34,044	25,424	24,000
Non-interest income:			
Gain on sale of investment securities	359	2,832	-
Mortgage warehouse transactional fees	2,215	1,759	3,868
Bank-owned life insurance income	836	835	567
Mortgage loan and banking income	1,554	409	-
Gain on sale of SBA loans	572	-	358
Deposit fees	212	214	159
Other	1,163	1,261	598
Total non-interest income	6,911	7,310	5,550
Non-interest expense:			
Salaries and employee benefits	11,591	9,351	8,508
Occupancy	2,595	2,637	2,110
Professional services	1,881	2,282	1,252
FDIC assessments, taxes, and regulatory fees	3,078	2,131	1,058
Technology, communication and bank operations	1,621	1,560	1,061
Loan workout expenses	477	441	72
Advertising and promotion	428	414	408
Other real estate owned expense	890	351	525
Other	2,644	2,002	1,901
Total non-interest expense	25,205	21,169	16,895
Income before tax expense	15,750	11,565	12,655
Income tax expense	5,517	3,429	4,429
Net income	$ 10,233	$ 8,136	$ 8,226
Basic earnings per share (1)	$ 0.38	$ 0.30	$ 0.35
Diluted earnings per share (1)	0.37	0.29	0.34

(1) Earnings per share amounts have been adjusted to give effect to the 10% common stock dividend declared on May 15, 2014.

CONSOLIDATED BALANCE SHEET - UNAUDITED

(Dollars in thousands)

	June 30, 2014	December 31, 2013	June 30, 2013
ASSETS			
Cash and due from banks	$ 48,521	$ 60,709	$ 11,516
Interest-earning deposits	217,013	172,359	194,169
Cash and cash equivalents	265,534	233,068	205,685
Investment securities available for sale, at fair value	425,061	497,573	182,314
Loans held for sale, at fair value	1,061,395	747,593	1,414,943
Loans receivable not covered under Loss Sharing Agreements with the FDIC	3,589,630	2,398,353	1,753,658
Loans receivable covered under Loss Sharing Agreements with the FDIC	54,474	66,725	91,614
Allowance for loan losses	(28,186)	(23,998)	(28,142)
Total loans receivable, net of allowance for loan losses	3,615,918	2,441,080	1,817,130
FHLB, Federal Reserve Bank, and other restricted stock	75,558	43,514	43,514
Accrued interest receivable	11,613	8,362	7,077
FDIC loss sharing receivable	8,919	10,046	14,169
Bank premises and equipment, net	11,075	11,625	10,170
Bank-owned life insurance	106,668	104,433	67,762
Other real estate owned	12,885	12,265	10,607
Goodwill and other intangibles	3,670	3,676	3,683
Other assets	37,432	39,938	16,204
Total assets	$ 5,635,728	$ 4,153,173	$ 3,793,258
LIABILITIES AND SHAREHOLDERS' EQUITY			
Demand, non-interest bearing	$ 555,936	$ 478,103	$ 265,842
Interest-bearing deposits	3,134,958	2,481,819	2,509,867
Total deposits	3,690,894	2,959,922	2,775,709
Federal funds purchased	-	13,000	120,000
FHLB advances	1,301,500	706,500	505,000
Other borrowings	88,250	63,250	-
Subordinated debt	112,000	2,000	2,000
Accrued interest payable and other liabilities	29,344	21,878	10,776
Total liabilities	5,221,988	3,766,550	3,413,485
Common stock	27,262	24,756	24,710
Additional paid in capital	353,371	307,231	305,364
Retained earnings	43,581	71,008	53,729
Accumulated other comprehensive loss	(2,220)	(8,118)	(3,530)
Treasury stock, at cost	(8,254)	(8,254)	(500)
Total shareholders' equity	413,740	386,623	379,773
Total liabilities & shareholders' equity	$ 5,635,728	$ 4,153,173	$ 3,793,258

Average Balance Sheet / Net Interest Margin (Unaudited)

(Dollars in thousands)

	Three Months Ended June 30,			
	2014		2013	
	Average Balance	Average yield or cost (%)	Average Balance	Average yield or cost (%)
Assets				
Interest earning deposits	$ 211,438	0.25%	$ 178,628	0.25%
Investment securities	448,059	2.27%	181,557	2.38%
Loans held for sale	777,000	3.47%	1,158,974	3.86%
Loans	3,544,864	3.97%	1,711,504	4.49%
Less: Allowance for loan losses	(27,452)		(26,533)	
Other interest-earning assets	64,063	3.01%	29,523	1.69%
Total interest earning assets	5,017,972	3.60%	3,233,653	3.93%
Non-interest earning assets	230,017		144,794	
Total assets	$ 5,247,989		$ 3,378,447	
Liabilities				
Total interest bearing deposits (1)	3,065,597	0.75%	2,409,415	0.86%
Borrowings	1,171,766	0.83%	357,780	0.47%
Total interest bearing liabilities	4,237,363	0.77%	2,767,195	0.81%
Non-interest bearing deposits (1)	585,370		269,618	
Total deposits & borrowings	4,822,733	0.68%	3,036,813	0.73%
Other non-interest bearing liabilities	16,622		15,266	
Total liabilities	4,839,355		3,052,079	
Shareholders' equity	408,634		326,368	
Total liabilities and shareholders' equity	$ 5,247,989		$ 3,378,447	
Net interest margin		2.95%		3.24%
Net interest margin tax equivalent		2.96%		3.25%

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 0.63% and 0.77% for the three months ended June 30, 2014 and 2013, respectively.

Asset Quality as of June 30, 2014
(Unaudited)

(Dollars in thousands)

Loan Type	Total Loans	Non Accrual /NPL's	Other Real Estate Owned	Non Performing Assets (NPA's)	Allowance for loan losses	Cash Reserve	Total Credit Reserves	NPL's/ Total Loans	Total Reserves to Total NPL's
Pre September 2009 Originated Loans									
Legacy	$ 63,450	$ 8,168	$ 5,231	$ 13,399	$ 2,854	$ -	$ 2,854	12.87%	34.94%
Troubled debt restructurings (TDR's)	$ 1,719	657	-	657	77	-	77	38.22%	11.72%
Total Pre September 2009 Originated Loans	**65,169**	**8,825**	**5,231**	**14,056**	**2,931**	**-**	**2,931**	**13.54%**	**33.21%**
Originated Loans (Post 2009)									
Warehouse	20,040	-	-	-	150	-	150	0.00%	0.00%
Manufactured Housing	4,297	-	-	-	86	-	86	0.00%	0.00%
Commercial	1,127,504	1,670	335	2,005	8,299	-	8,299	0.15%	496.95%
MultiFamily	1,799,699	-	-	-	7,204	-	7,204	0.00%	0.00%
Consumer/ Mortgage	144,139	-	-	-	605	-	605	0.00%	0.00%
TDR's	483	-	-	-	-	-	-	0.00%	0.00%
Total Originated Loans	**3,096,162**	**1,670**	**335**	**2,004**	**16,344**	**-**	**16,344**	**0.05%**	**978.68%**
Acquired Loans									
Berkshire	10,327	1,478	648	2,126	463	-	463	14.31%	31.33%
Total FDIC (covered and non covered)	35,419	4,360	6,177	10,537	516	-	516	12.31%	11.83%
Manufactured Housing	122,248	-	494	494	-	3,218	3,218	0.00%	0.00%
Flagstar (Commercial)	128,270	-	-	-	-	-	-	0.00%	0.00%
Flagstar (Residential)	115,307	-	-	-	-	-	-	0.00%	0.00%
TDR's	3,124	719	-	719	130	-	130	23.02%	18.08%
Total Acquired Loans	**414,695**	**6,557**	**7,319**	**13,876**	**1,109**	**3,218**	**4,327**	**1.58%**	**65.99%**
Acquired Purchased Credit Impaired Loans									
Berkshire	45,559	-	-	-	4,487	-	4,487	0.00%	0.00%
Total FDIC - Covered	18,532	-	-	-	3,000	-	3,000	0.00%	0.00%
Manufactured Housing 2011	4,778	-	-	-	315	-	315	0.00%	0.00%
Total Acquired Purchased Credit Impaired Loans	***68,869***	**-**	**-**	**-**	**7,802**	**-**	**7,802**	**0.00%**	**0.00%**
Unamortized fees/discounts	(791)							0.00%	0.00%
Total Loans Held for Investment	**3,644,104**	**17,052**	**12,885**	**29,936**	**28,186**	**3,218**	**31,404**	**0.47%**	**184.16%**
Total Loans Held for Sale	1,061,395	-	-	-	-	-	-	0.00%	0.00%
Total Portfolio	**$ 4,705,499**	**$ 17,052**	**$ 12,885**	**$ 29,936**	**$ 28,186**	**$ 3,218**	**$ 31,404**	**0.36%**	**184.16%**

Customers Bancorp, Inc.

Highly Focused, Low Risk, High Growth Bank Holding Company

Investor Presentation

July 2014

NASDAQ: CUBI

Note: All information in this document has been adjusted for the10% stock dividend that was declared on May 15, 2014 to shareholders of record on May 27th payable on June 30, 2014.

Forward-Looking Statements

This presentation as well as other written or oral communications made from time to time by us, may contain certain forward-looking information within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. These statements relate to future events or future predictions, including events or predictions relating to our future financial performance, and are generally identifiable by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "plan," "intend," "target," or "anticipates" or the negative thereof or comparable terminology, or by discussion of strategy or goals that involve risks and uncertainties. These forward-looking statements are only predictions and estimates regarding future events and circumstances and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. This information is based on various assumptions by us that may not prove to be correct.

Important factors to consider and evaluate in such forward-looking statements include:

- changes in the external competitive market factors that might impact our results of operations;
- changes in laws and regulations, including without limitation changes in capital requirements under the federal prompt corrective action regulations;
- changes in our business strategy or an inability to execute our strategy due to the occurrence of unanticipated events;
- our ability to identify potential candidates for, and consummate, acquisition or investment transactions;
- the timing of acquisition or investment transactions;
- constraints on our ability to consummate an attractive acquisition or investment transaction because of significant competition for these opportunities;
- the failure of the Bank to complete any or all of the transactions described herein on the terms currently contemplated;
- local, regional and national economic conditions and events and the impact they may have on us and our customers;
- ability to attract deposits and other sources of liquidity;
- changes in the financial performance and/or condition of our borrowers;
- changes in the level of non-performing and classified assets and charge-offs;
- changes in estimates of future loan loss reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- the integration of the Bank's recent FDIC-assisted acquisitions may present unforeseen challenges;
- inflation, interest rate, securities market and monetary fluctuations;
- the timely development and acceptance of new banking products and services and perceived overall value of these products and services by users;
- changes in consumer spending, borrowing and saving habits;
- technological changes;

- the ability to increase market share and control expenses;
- continued volatility in the credit and equity markets and its effect on the general economy; and
- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;
- the businesses of the Bank and any acquisition targets or merger partners and subsidiaries not integrating successfully or such integration being more difficult, time-consuming or costly than expected;
- material differences in the actual financial results of merger and acquisition activities compared with expectations, such as with respect to the full realization of anticipated cost savings and revenue enhancements within the expected time frame;
- revenues following any merger being lower than expected; and
- deposit attrition, operating costs, customer loss and business disruption following the merger, including, without limitation, difficulties in maintaining relationships with employees being greater than expected.

These forward-looking statements are subject to significant uncertainties and contingencies, many of which are beyond our control. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Accordingly, there can be no assurance that actual results will meet expectations or will not be materially lower than the results contemplated in this presentation. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document or, in the case of documents referred to or incorporated by reference, the dates of those documents. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

This presentation is for discussion purposes only, and shall not constitute any offer to sell or the solicitation of an offer to buy any security, nor is it intended to give rise to any legal relationship between Customers Bancorp, Inc. (the "Company") and you or any other person, nor is it a recommendation to buy any securities or enter into any transaction with the Company. The information contained herein is preliminary and material changes to such information may be made at any time. If any offer of securities is made, it shall be made pursuant to a definitive offering memorandum or prospectus ("Offering Memorandum") prepared by or on behalf of the Company, which would contain material information not contained herein and which shall supersede, amend and supplement this information in its entirety.

Any decision to invest in the Company's securities should be made after reviewing an Offering Memorandum, conducting such investigations as the investor deems necessary or appropriate, and consulting the investor's own legal, accounting, tax, and other advisors in order to make an independent determination of the suitability and consequences of an investment in such securities. No offer to purchase securities of the Company will be made or accepted prior to receipt by an investor of an Offering Memorandum and relevant subscription documentation, all of which must be reviewed together with the Company's then-current financial statements and, with respect to the subscription documentation, completed and returned to the Company in its entirety. Unless purchasing in an offering of securities registered pursuant to the Securities Act of 1933, as amended, all investors must be "accredited investors" as defined in the securities laws of the United States before they can invest in the Company

Our Biggest Advantage: A Highly Experienced Management Team

Customers Bancorp, Inc.

Name	Title	Years of Banking Experience	Background
Jay S. Sidhu	Chairman & CEO	38	Chairman and CEO of Sovereign Bank & Sovereign Bancorp, Inc.
Richard A. Ehst	President & COO	46	EVP, Commercial Middle Market, Regional President (Berks County) and Managing Director of Corporate Communications at Sovereign Bank
Robert E. Wahlman, CPA	Chief Financial Officer	33	CFO of Doral Financial and Merrill Lynch Banks; various roles at Bank One, US GAO and KPMG.
Steve Issa	EVP, New England Market President, Regional Chief Lending Officer	37	EVP, Managing Director of Commercial and Specialty Lending at Flagstar and Sovereign Bank.
George Maroulis	EVP, Head of Private & Commercial Banking - NY	22	Group Director and SVP at Signature Bank; various positions at Citibank and Fleet/Bank of America's Global Commercial & Investment Bank
Timothy D. Romig	EVP, Regional Chief Lending Officer	30	SVP and Regional Executive for Commercial Lending (Berks and Montgomery County), VIST Financial; SVP at Keystone
Ken Keiser	EVP, Director CRE and Multi-Family Housing Lending	37	SVP and Market Manager, Mid-Atlantic CRE Lending at Sovereign Bank; SVP & Senior Real Estate Officer, Allfirst Bank
Christopher McGowan	EVP, Managing Director Multi-Family Lending	15	SVP & Director of Originations for Capital One / Beech Street Capital, Peoples United Bank and Santander Real Estate Capital
Glenn Hedde	EVP, President Banking for Mortgage Companies	27	President of Commercial Operations at Popular Warehouse Lending, LLC; various positions at GE Capital Mortgage Services and PNC Bank
Warren Taylor	EVP, President Community Banking	34	Division President at Sovereign Bank, responsible for retail banking in various markets in southeastern PA and central and southern NJ
James Collins	EVP, Chief Administrative Officer	23	Various positions at Sovereign including Director of Small Business Banking
Thomas Jastrem	EVP, Chief Credit Officer	36	Various positions at First Union Bank and First Fidelity Bank
Robert B. White	EVP, President Special Assets Group	27	President RBW Financial Consulting; various positions at Citizens Bank and GE Capital
Glenn Yeager	EVP, General Counsel	36	Private practice financial services law firm. Senior Counsel Meridian Bancorp, Inc.
Mary Lou Scalese	SVP, Chief Risk Officer	38	Chief Auditor at Sovereign Bank

High Organic Growth, Well Capitalized, Low Risk, Branch Lite Bank in Attractive Markets

- $5.6 billion asset bank
- Well capitalized at 12.8% total risk based capital and 7.8% tier 1 leverage
- Target market from Boston to Washington D.C. along interstate 95

Strong Profitability & Growth

- Q2 2014 earnings up 24% over 2Q 2013 with an ROE of 10%
- ROA goal of 1% + and ROE of 12% + within 2-3 years
- 3.00% net interest margin goal; Targeting efficiency ratio in the 40's
- 99% compounded annual growth in loans since 2009
- DDA and total deposits compounded annual growth of 99% and 73% respectively since 2009
- 142% compounded annual growth in core earnings since 2011

Strong Credit Quality

- No charge-offs on loans originated after 2009
- 0.27% non-performing loans (non-FDIC covered loans)
- Total reserves to non-performing loans of 184.2%

* Capital ratios are estimates pending final call report

Low Interest Rate Risk

- Approximately 40% of the loan portfolio will re-price within one year (1)
- 40% of loans have an average life of 3.8 years
- ~18% of deposits, on average, are non-interest bearing
- Extending liabilities at this time
- $150 million in forward starting swaps
- Neutral to gradually rising rates over next one to two years

Attractive Valuation

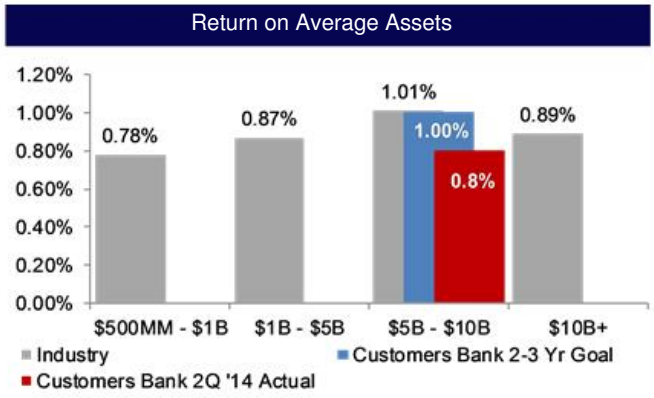
- Current share price ($18.80)(2) is 12.5x estimated 2014 earnings, and 10.6x estimated 2015 earnings
- Price/tangible book only at 1.2x and 1.1x for 2014 and 2015 respectively

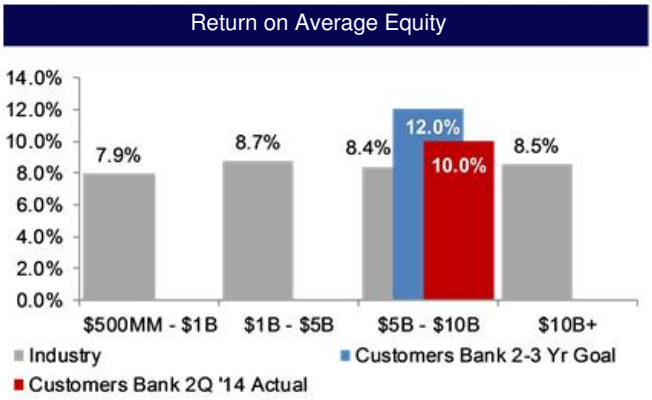
(1) Includes mortgage warehouse

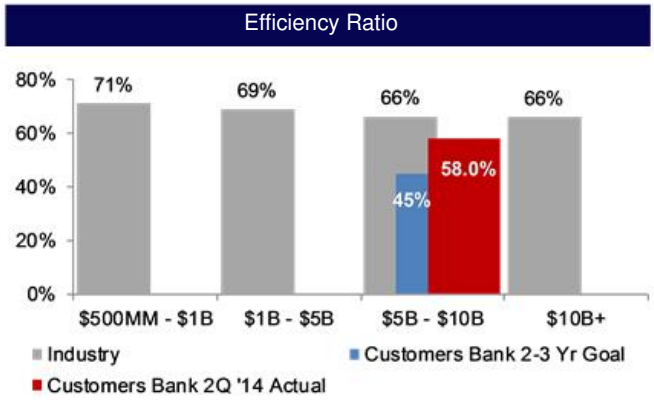
(2) Share price as of July 17, 2014

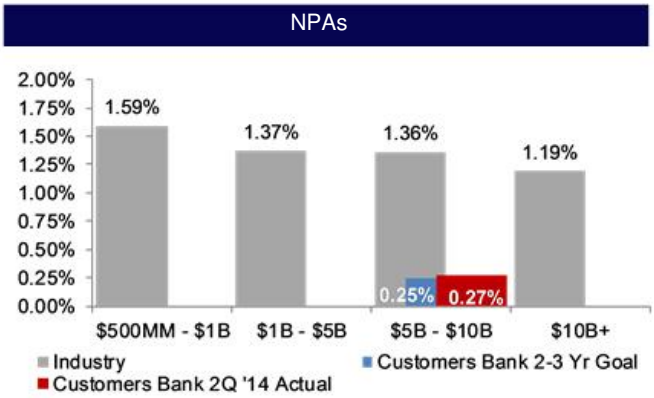
Customers Bancorp Will Become A Stronger Performer

Customers Bancorp, Inc.









Source: SNL Financial on an LTM basis as of 4Q2013

Execution Timeline

Customers Bancorp, Inc.

Phase I
Acquired Bank Platform

- We invested in and took control of a $270 million asset Customers Bank (FKA New Century Bank)
- Identified existing credit problems, adequately reserved and recapitalized the bank
- Actively worked out very extensive loan problems
- Recruited experienced management team

2009
Assets: $350M
Equity: $22M

Phase II
Built Strong Foundation

- Enhanced credit and risk management
- Developed infrastructure for organic growth
- Built out warehouse lending platform and doubled deposit and loan portfolio
- Completed 3 small acquisitions:
  - ISN Bank (FDIC-assisted) ≃ $70 mm
  - USA Bank (FDIC-assisted) ≃ $170 mm
  - Berkshire Bancorp (Whole bank) ≃ $85 mm

2010-2011
Assets: $2.1B
Equity: $148M

Phase III
Leveraging Infrastructure

- Recruited proven lending teams
- Built out Commercial and Multi-family lending platforms
- De Novo expansion;4-6 sales offices or teams added each year
- Continue to show strong loan and deposit growth
- Built a "branch lite" high growth Community Bank and model for future growth
- Goals to ≃12%+ ROE; ~1% ROA

2012-2013
Assets: $4.2B
Equity: $400M

Phase IV
Innovation & Execution

- Single Point of Contact Private Banking model executed – commercial focus
- Introduce bankmobile – banking of the future for consumers
- Continue to show strong loan and deposit growth
- ~12%+ ROE; ~1% ROA expected within 36 months
- ~$6+ billion asset bank by end of 2014
- ~$9 billion asset bank by end of 2019

2Q 2014
Assets: $5.6B
Equity: $414M

Disciplined Model for Superior Shareholder Value Creation

- Strong organic revenue growth + scalable infrastructure = sustainable double digit EPS growth and increased shareholder value
- A clear and simple risk management driven business strategy
- Build tangible book value per share each quarter via earnings
- Any book value dilution from any acquisitions must be overcome within 1-2 years
- Superior execution through proven management team

Business Banking Strategy - ~95% of revenues come from business

- Loan and deposit business through these segments:
  - Banking Privately Held Businesses
  - Banking High Net Worth Families
  - Banking Mortgage Companies

Consumer Banking Strategy

- Principal focus is getting deposits in a highly efficient and unique model while meeting the needs of all the communities in our assessment area
- Introduce Bank Mobile and Prepaid business for Gen Y and under-banked by late 2014; strategic partnerships for consumer loan products

- Organic deposit growth goals of 20%+ a year from consumers

Concierge Banking	Sales Force	Pricing	Technology
▪ Takes banker to the customer's home or office, 12 hours a day, 7 days a week ▪ Appointment banking approach ▪ Customer access to private bankers ▪ "Virtual Branches" out of sales offices	▪ Experienced bankers who own a portfolio of customers ▪ Customer acquisition & retention strongly incentivized	▪ Low cost banking model allows for more pricing flexibility ▪ Significantly lower overhead costs vs. a traditional branch ▪ Pricing/profitability measured across relationship	▪ Implementation of technology suite allows for unique product offerings: ▪ Remote account opening & deposit capture ▪ Internet/mobile banking ▪ Free ATM deployment in U.S.

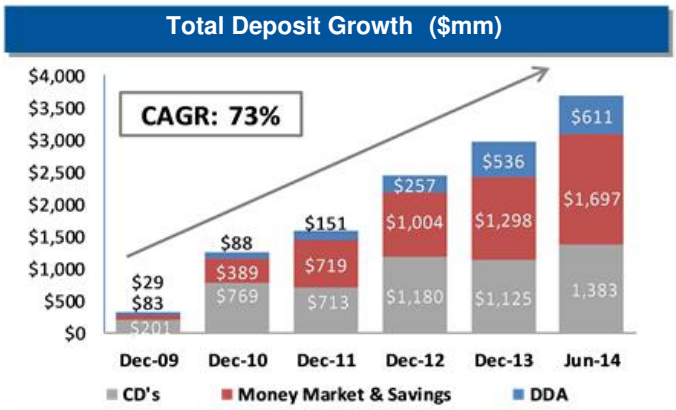
CUBI All-in cost of 1.65% is less than competitors all-in cost over the long-term

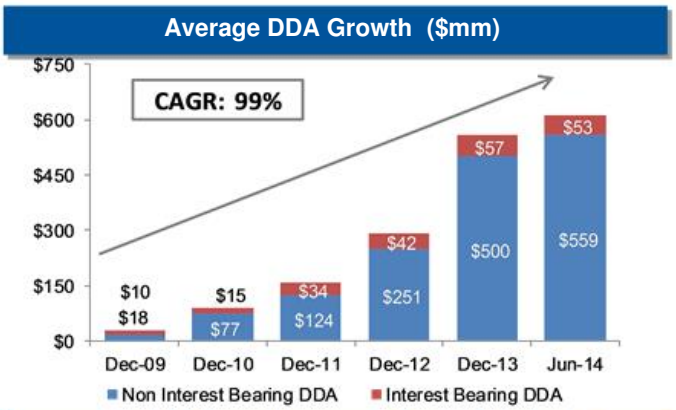
Cost of Funds + Branch Operating Expense – Fees = ALL-IN-Cost < Competitors

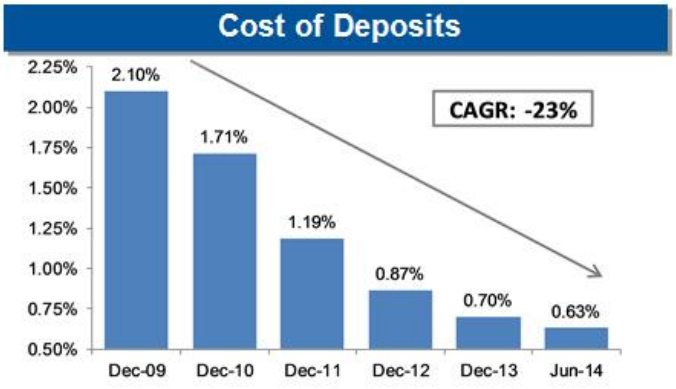
Results of Deposit Growth: Organic Growth With Controlled Costs

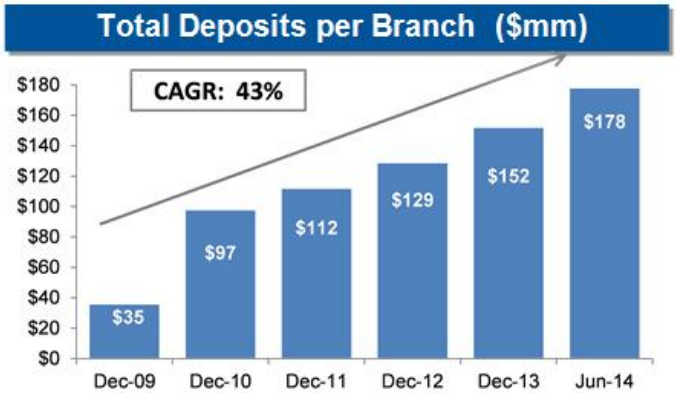
Customers Bancorp, Inc.

Customers strategies of single point of contact and recruiting known teams in target markets produce rapid deposit growth with low total cost

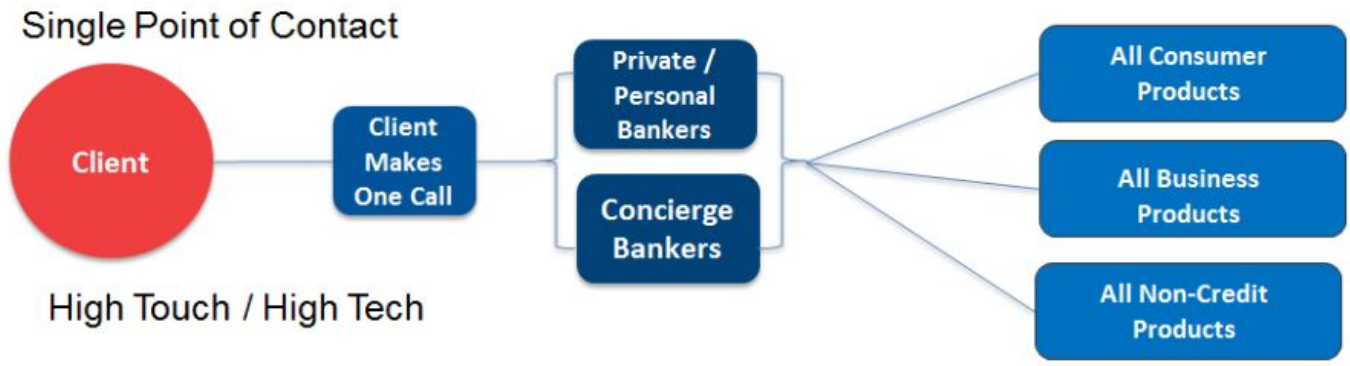




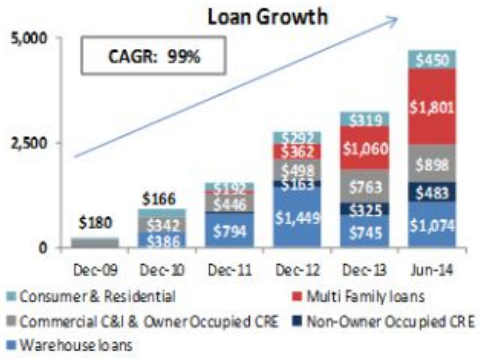




Source: Company data.

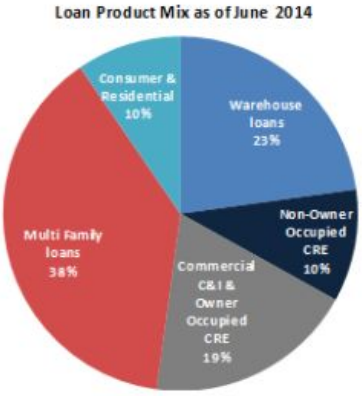


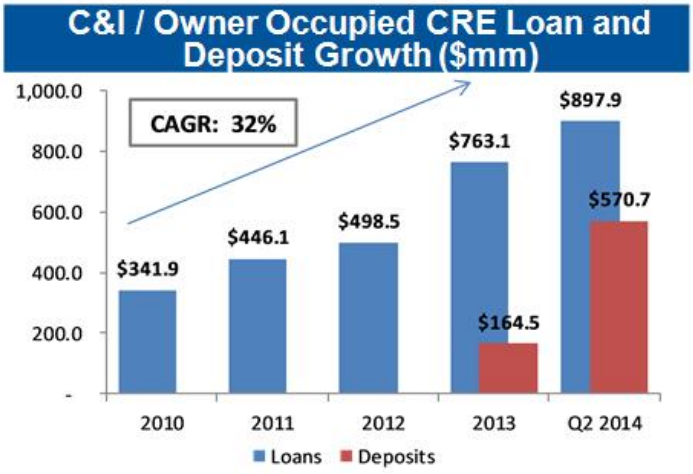
Loan Portfolio Mix ($mm)



High Growth with Strong Credit Quality

- Centralized credit committee approval for all loans
- Loans are stress tested for higher rates and a slower economy
- No losses on loans originated since new management team took over
- 99% compounded annual growth rate on total loans
- Creation of solid foundation for future earnings





Banking Privately Held Business

Small Business

§Target companies with less than $5.0 million annual revenue

§Principally SBA loans originated by small business relationship managers or branch network

§Current focus PA & NJ markets

Private & Commercial

§Target companies with up to $100 million annual revenues

§Very experienced teams

§Single point of contact

§NE, NY, PA & NJ markets

Multi-Family Loan and Deposit Growth ($mm)

Banking High Net Worth Families

- Focus on families that have income producing real estate in their portfolios
- Private banking approach
- Focus Markets: New York & Philadelphia MSAs
- Average Loan Size: $4.0 – $7.0 million
- Remote banking for deposits and other relationship based loans
- 314% compounded annual growth rate since 2011
- Portfolio grown organically from a start up with very experienced teams hired in the past 3 years
- Strong credit quality niche
- Interest rate risk managed actively

Mortgage Warehouse Banking Loan and Deposit Growth ($mm)

Mortgage Warehouse Banking Annualized Fee Income ($mm)

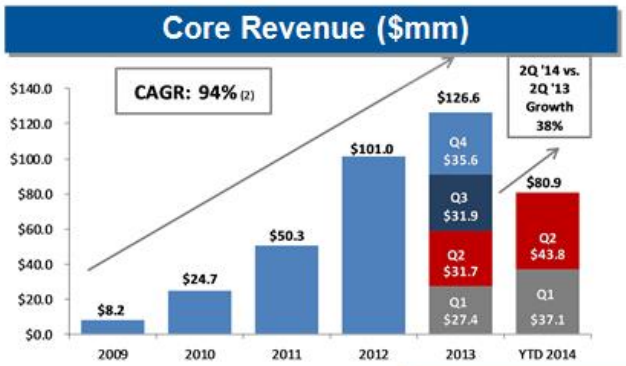
Banking Mortgage Companies

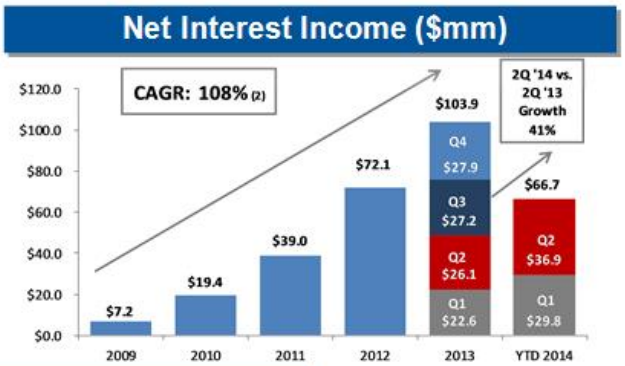
- Private banking focused on mortgage companies with $5 to $10 million equity
- Lower interest rate and credit risk line of business
- ~75 strong warehouse clients
- All warehouse loans classified as held for sale
- All deposits are non-interest bearing DDA's
- Balances not expected to be materially higher in 2014
- Loan balances below 2011 levels but fees and deposits remain strong
- Selected lending against servicing portfolios introduced in 2014

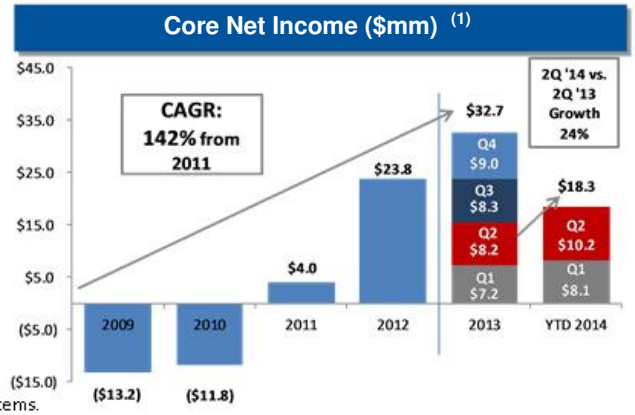
These Deposit and Lending Strategies Results in Disciplined & Profitable Growth

Customers Bancorp, Inc.

- **Strategy execution has produced superior growth in revenues and earnings**







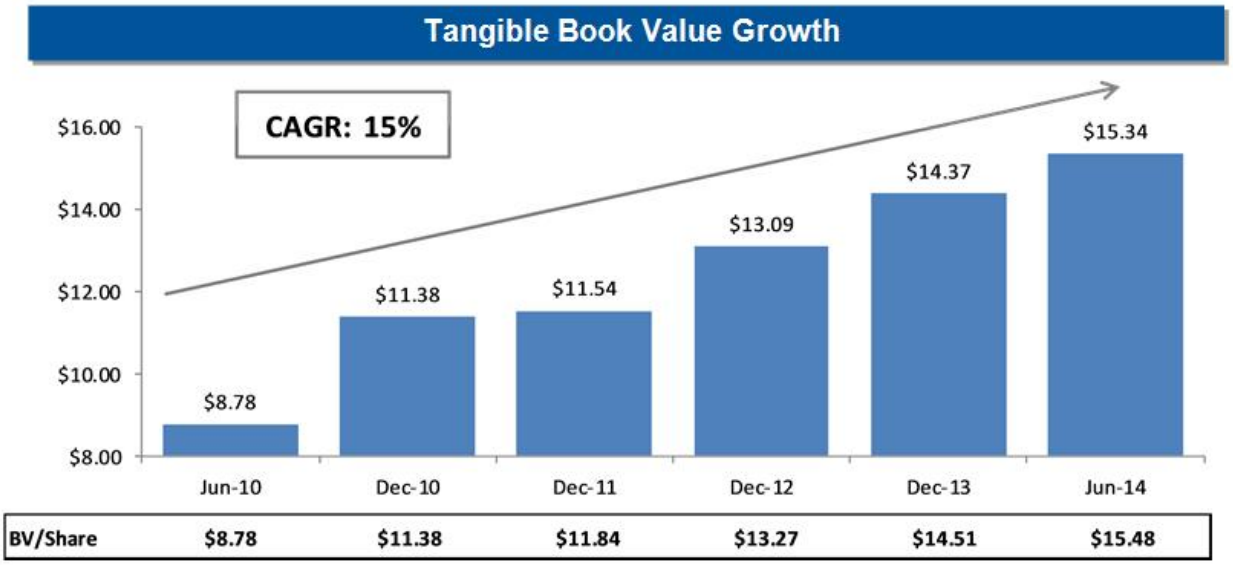
Source: SNL Financial and Company data.

(1) Core income is net income before extraordinary items.
(2) CAGR calculated from Dec-09 to Jun-14 (annualized).

Strong Growth Provides for Shareholder Value Creation

Customers Bancorp, Inc.

- § Per share tangible book value up 35% since December 2010
- § Focused on continuous growth of TBV aligns executive management compensation with shareholder value creation
- § Any tangible book value dilution from acquisition must be recovered within 1 to 2 years



Note: Shares estimated pending final dividend adjustment

The Thesis on Current U.S. Banking Environment

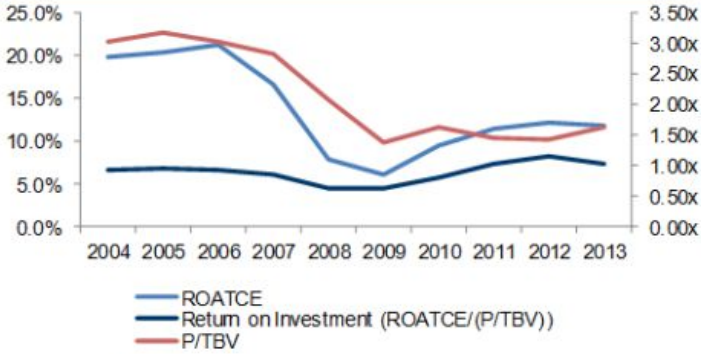
Customers Bancorp, Inc.

Credit Improving – Though Banks Face a Number of Operational Headwinds

- **Credit Improving**
  - NPAs and NCOs greatly declining across the sector
- **Asset Generation**
  - Banks are starved for interest-earning assets and exploring new asset classes, competing on price and looking into specialty finance business / lending
- **NIM Compression**
  - Low rate environment for the foreseeable future will continue to compress NIM
  - Several institutions have undergone balance sheet restructuring to alleviate near-term NIM pressure
- **Operational leverage**
  - Expense management is top of mind as banks try to improve efficiency in light of revenue pressure and increased regulatory / compliance costs

Capital Accumulation Continues To Create Deployment Challenges

ROI Continues to Trend Below 10% Despite Being Modestly Higher Than Pre-Recession[1]



Critical to Have a Winning Business Model

Relationship Banks

- Local dominance
- Strong credit quality
- Core deposits
- Expense management

BB&T, PNC, M&T Bank, City National Bank

Fee Income Leaders

- Diversity
- Cross sell
- Capital efficiency
- Higher profitability / consistent earnings

usbancorp, State Street, Wells Fargo

Innovators

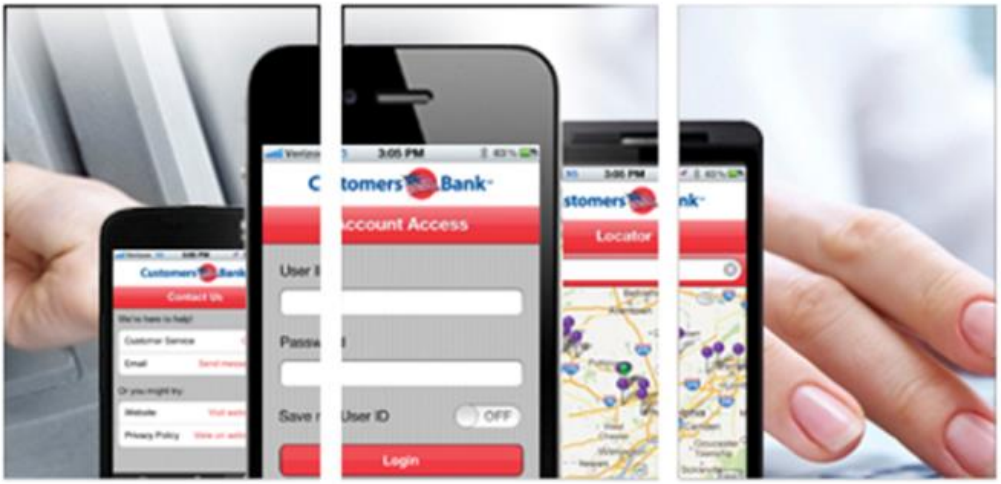
- Innovator / disruptor
- Differentiated / Unique model
- Technology savvy
- Product dominance

First Republic Bank, Texas Capital Bank, Signature, Capital One, Customers Bank

Source: SNL Financial.
[1]Includes data for top 50 U.S. banks by assets.

Customers Bank Views Itself As An Innovator That Is Poised To Take Advantage Of Changes Taking Place In The Industry

- Changes in technology have resulted in the digitization of consumer and business transactions and automation of the payment system
- Technology dependent consumers and small businesses are not visiting branches
- Customers are looking for an exceptional experience, no nuisance fees and very competitive offerings at their fingertips
- Mobile has become the fastest growing channel for financial services



bankmobile

Always on.

- Banks each year charge $32 billion in overdraft fees - that's allowing or creating over 1 billion overdrafts each year….Why??
- Payday lenders charge consumers another $7 billion in fees
- That's more than 3x what America spends on Breast Cancer and Lung Cancer combined
- Combined this is about 50% of all America spends on Food Stamps
- Some of banking industries most profitable consumer customers hate banks
- Another estimated 25% consumers are unbanked or under banked

This should not be happening in America

We hope to start, in a small way, a new revolution to address this problem

- New no fee banking vertical supplementing Consumer and Community Banking
- Marketing Strategy

  - Target technology dependent <35 years old, underserved/underbanked and larger depositors generally >50 years old segments
  - Reach markets through Affinity Banking Groups
  - Revenue generation from debit card interchange and margin from low cost core deposits
- We are also looking at opportunities in the prepaid card space
- Total investment not to exceed $5.0 million by end of 2015 but expected to be offset by revenues
- Expected to achieve above average ROA and ROE within 5 years

Key Financial Targets for the Next 2-3 Years

Customers Bancorp, Inc.

Focus in future years

- Single point of contact model – "High touch supported by high tech"
- Only superior credit quality niches
- Above average organic growth
- Expense management

Earnings per share growth estimated at ~ 17% year over year

- Assumes no additional common shares are issued during 2014 or 2015

Expecting banking for mortgage companies balances to remain flat and continue to shrink as a percentage of total assets

Strategically aligned technology partners

- Core Banking Platform – Fiserv
- Mobile Banking Platform – Malauzai

Unique branch model

- 24 hours concierge bankers
- All-In-Cost (interest expense + operating cost)
- Alternative channels emerging in our model
- Use of technology to reduce branch traffic
- Bank Mobile & prepaid cards

Criteria	2 - 3 Year Targets
Return on Assets	1% or greater
Return on Equity	12% or greater
Net Interest Margin	~ 3%
EPS	15% annual compounded growth
Efficiency Ratio	~ 40% *

Year	EPS Expectations
2014 EPS	$1.49 - $1.53
2015 EPS	$1.75 - $1.80

**Efficiency ratio = non-interest expenses/(net interest income + non-interest income – securities gains)*

- Strong high performing $5.6 billion bank with significant growth opportunities
- Very experienced management team delivers strong results
  - Ranked #1 overall by Bank Director Magazine in the 2012 and 2013 Growth Leader Rankings
- "High touch, high tech" processes and technologies result in superior growth, returns and efficiencies
- Shareholder value results from the combination of increasing tangible book value with strong and consistent earnings growth
- Attractive risk-reward: growing several times faster than industry average but yet trading at a significant discount to peers
- Introducing among the 1st mobile banking application for account opening and complete mobile platform based servicing in the USA

Regional Bank Comparison

Customers Bancorp, Inc.

High Performance Regional Banks

		Growth			Capitalization				Asset Quality		Market Trading		
Name	State	Assets ($MM)	LTM Growth	5 yr CAGR	TCE/TCA	Tier 1 Ratio	Leverage Ratio	Total Capital Ratio	NPA's/ Assets (1)	Reserves/ NPL's	Market Cap ($MM)	Price/ TBV (2)	Price/ 2015 EPS (2)
NBT Bancorp Inc.	NY	$7,753	1.9%	7.5%	8.2%	11.8%	9.1%	13.1%	0.8%	116.4%	$1,066.3	1.92 x	13.4 x
Provident Financial Services, Inc.	NJ	$7,501	4.4%	2.8%	8.4%	11.6%	8.5%	12.9%	2.0%	44.2%	$1,099.6	1.56 x	12.8 x
Community Bank System, Inc.	NY	$7,397	2.4%	6.8%	7.5%	14.2%	9.5%	15.3%	0.4%	177.0%	$1,586.5	2.78 x	16.2 x
Boston Private Financial Holdings, Inc.	MA	$6,705	8.2%	-1.4%	8.9%	13.7%	10.2%	15.0%	1.0%	111.6%	$1,082.4	2.28 x	14.9 x
Tompkins Financial Corporation	NY	$5,042	1.1%	11.0%	7.4%	NA	8.7%	13.7%	0.8%	79.6%	$726.0	1.94 x	13.4 x
S&T Bancorp, Inc.	PA	$4,707	5.1%	1.8%	8.9%	12.4%	9.8%	14.4%	1.2%	81.7%	$704.3	1.83 x	13.1 x
TrustCo Bank Corp NY	NY	$4,579	3.8%	5.7%	8.1%	17.1%	8.1%	18.4%	1.4%	87.4%	$665.7	1.71 x	14.6 x
WSFS Financial Corporation	DE	$4,546	4.4%	5.1%	8.2%	13.5%	10.7%	14.7%	1.2%	79.9%	$636.4	1.76 x	13.0 x
Dime Community Bancshares, Inc.	NY	$4,280	7.5%	1.2%	9.1%	12.5%	9.2%	13.1%	0.8%	65.3%	$623.5	1.52 x	13.8 x
Sandy Spring Bancorp, Inc.	MD	$4,169	6.0%	3.4%	10.4%	14.6%	11.4%	15.9%	1.0%	98.3%	$625.6	1.47 x	14.0 x
Eagle Bancorp, Inc.	MD	$3,804	14.4%	20.5%	10.0%	11.6%	10.8%	13.0%	1.2%	115.2%	$937.7	2.48 x	14.2 x
Washington Trust Bancorp, Inc.	RI	$3,194	4.7%	1.6%	8.7%	12.4%	9.6%	13.6%	1.2%	69.2%	$623.3	2.23 x	14.6 x
Financial Institutions, Inc.	NY	$3,016	6.6%	8.2%	6.6%	10.9%	7.5%	12.1%	0.6%	166.9%	$318.9	1.67 x	11.1 x
Oritani Financial Corp.	NJ	$3,006	6.8%	10.9%	17.5%	17.0%	14.6%	18.2%	0.7%	182.6%	$723.1	1.34 x	17.2 x
Median		$4,562	4.87%	5.4%	8.6%	12.5%	9.5%	14.0%	1.0%	92.8%	$713.7	1.76 x	13.8 x
Customers Bancorp, Inc.	PA	$5,014	45.0%	80.0%	7.9%	10.9%	9.1%	11.6%	0.4%	165.4%	$507.0	1.2 x	10.6 x
Aspirational Banks													
Signature Bank	NY	$23,104	26.5%	25.5%	8.3%	14.1%	8.5%	15.1%	0.3%	235.2%	$6,123.5	3.21 x	18.8 x
Texas Capital Bancshares, Inc.	TX	$12,144	21.2%	19.4%	8.7%	9.9%	11.6%	12.7%	0.4%	196.0%	$2,789.7	2.18 x	15.7 x

Source: SNL Financial, Company documents. Market data as of 3/31/2014. Consists of Northeast and Mid-Atlantic banks and thrifts with assets between $3.0 billion and $8.0 billion and most recent quarter core ROAA greater than 90 bps. Excludes merger targets and MHCs.

(1) Customers Bancorp NPAs/Assets calculated as non-covered NPAs divided by total assets. Non-covered NPAs excludes accruing TDRs and loans 90+ days past due and still accruing.

(2) Customers Bancorp Price/TBV and Price/2015 EPS based on share price as of July 17, 2014.

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Appendix

Customers Bancorp, Inc.

Balance Sheet

Customers Bancorp, Inc.

CONSOLIDATED BALANCE SHEET - UNAUDITED

(Dollars in thousands)

	June 30, 2014	December 31, 2013	June 30, 2013
ASSETS			
Cash and due from banks	$ 48,521	$ 60,709	$ 11,516
Interest-earning deposits	217,013	172,359	194,169
Cash and cash equivalents	265,534	233,068	205,685
Investment securities available for sale, at fair value	425,061	497,573	182,314
Loans held for sale, at fair value	1,061,395	747,593	1,414,943
Loans receivable not covered under Loss Sharing Agreements with the FDIC	3,589,630	2,398,353	1,753,658
Loans receivable covered under Loss Sharing Agreements with the FDIC	54,474	66,725	91,614
Allowance for loan losses	(28,186)	(23,998)	(28,142)
Total loans receivable, net of allowance for loan losses	3,615,918	2,441,080	1,817,130
FHLB, Federal Reserve Bank, and other restricted stock	75,558	43,514	43,514
Accrued interest receivable	11,613	8,362	7,077
FDIC loss sharing receivable	8,919	10,046	14,169
Bank premises and equipment, net	11,075	11,625	10,170
Bank-owned life insurance	106,668	104,433	67,762
Other real estate owned	12,885	12,265	10,607
Goodwill and other intangibles	3,670	3,676	3,683
Other assets	37,432	39,938	16,204
Total assets	$ 5,635,728	$ 4,153,173	$ 3,793,258
LIABILITIES AND SHAREHOLDERS' EQUITY			
Demand, non-interest bearing	$ 555,936	$ 478,103	$ 265,842
Interest-bearing deposits	3,134,958	2,481,819	2,509,867
Total deposits	3,690,894	2,959,922	2,775,709
Federal funds purchased	-	13,000	120,000
FHLB advances	1,301,500	706,500	505,000
Other borrowings	88,250	63,250	-
Subordinated debt	112,000	2,000	2,000
Accrued interest payable and other liabilities	29,344	21,878	10,776
Total liabilities	5,221,988	3,766,550	3,413,485
Common stock	27,262	24,756	24,710
Additional paid in capital	353,371	307,231	305,364
Retained earnings	43,581	71,008	53,729
Accumulated other comprehensive loss	(2,220)	(8,118)	(3,530)
Treasury stock, at cost	(8,254)	(8,254)	(500)
Total shareholders' equity	413,740	386,623	379,773
Total liabilities & shareholders' equity	$ 5,635,728	$ 4,153,173	$ 3,793,258

Income Statement

Customers Bancorp, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS ENDED - UNAUDITED

(Dollars in thousands, except per share data)

	Q2 2014	Q1 2014	Q2 2013
Interest income:			
Loans receivable, including fees	$ 35,220	$ 28,355	$ 19,196
Loans held for sale	6,715	5,083	11,157
Investment securities	2,543	3,040	1,082
Other	614	396	238
Total interest income	45,092	36,874	31,673
Interest expense:			
Deposits	5,727	5,415	5,136
Borrowings	2,435	1,667	421
Total interest expense	8,162	7,082	5,557
Net interest income	36,930	29,792	26,116
Provision for loan losses	2,886	4,368	2,116
Net interest income after provision for loan losses	34,044	25,424	24,000
Non-interest income:			
Gain on sale of investment securities	359	2,832	-
Mortgage warehouse transactional fees	2,215	1,759	3,868
Bank-owned life insurance income	836	835	567
Mortgage banking income	1,554	409	-
Gain on sale of SBA loans	572	-	358
Deposit fees	212	214	159
Other	1,163	1,261	598
Total non-interest income	6,911	7,310	5,550
Non-interest expense:			
Salaries and employee benefits	11,591	9,351	8,508
Occupancy	2,595	2,637	2,110
Professional services	1,881	2,282	1,252
FDIC assessments, taxes, and regulatory fees	3,078	2,131	1,058
Technology, communication and bank operations	1,621	1,560	1,061
Loan workout expenses	477	441	72
Advertising and promotion	428	414	408
Other real estate owned expense	890	351	525
Other	2,644	2,002	1,901
Total non-interest expense	25,205	21,169	16,895
Income before tax expense	15,750	11,565	12,655
Income tax expense	5,517	3,429	4,429
Net income	$ 10,233	$ 8,136	$ 8,226
Basic earnings per share (1)	$ 0.38	$ 0.30	$ 0.35
Diluted earnings per share (1)	0.37	0.29	0.34

(1) Earnings per share amounts have been adjusted to give effect to the 10% common stock dividend declared on May 15, 2014.

Net Interest Margin

Customers Bancorp, Inc.

Average Balance Sheet / Net Interest Margin (Unaudited)

(Dollars in thousands)

	Three Months Ended June 30,			
	2014		2013	
	Average Balance	Average yield or cost (%)	Average Balance	Average yield or cost (%)
Assets				
Interest earning deposits	$ 211,438	0.25%	$ 178,628	0.25%
Investment securities	448,059	2.27%	181,557	2.38%
Loans held for sale	777,000	3.47%	1,158,974	3.86%
Loans	3,544,864	3.97%	1,711,504	4.49%
Less: Allowance for loan losses	(27,452)		(26,533)	
Other interest-earning assets	64,063	3.01%	29,523	1.69%
Total interest earning assets	5,017,972	3.60%	3,233,653	3.93%
Non-interest earning assets	230,017		144,794	
Total assets	$ 5,247,989		$ 3,378,447	
Liabilities				
Total interest bearing deposits (1)	3,065,597	0.75%	2,409,415	0.86%
Borrowings	1,171,766	0.83%	357,780	0.47%
Total interest bearing liabilities	4,237,363	0.77%	2,767,195	0.81%
Non-interest bearing deposits (1)	585,370		269,618	
Total deposits & borrowings	4,822,733	0.68%	3,036,813	0.73%
Other non-interest bearing liabilities	16,622		15,266	
Total liabilities	4,839,355		3,052,079	
Shareholders' equity	408,634		326,368	
Total liabilities and shareholders' equity	$ 5,247,989		$ 3,378,447	
Net interest margin		2.95%		3.24%
Net interest margin tax equivalent		2.96%		3.25%

(1) Total costs of deposits (including interest bearing and non-interest bearing) were 0.63% and 0.77% for the three months ended June 30, 2014 and 2013, respectively.

Asset Quality

Customers Bancorp, Inc.

Asset Quality as of June 30, 2014 (Unaudited)

(Dollars in thousands)

Loan Type	Total Loans	Non Accrual /NPL's	Other Real Estate Owned	Non Performing Assets (NPA's)	Allowance for loan losses	Cash Reserve	Total Credit Reserves	NPL's/ Total Loans	Total Reserves to Total NPL's
Pre September 2009 Originated Loans									
Legacy	$ 63,450	$ 8,168	$ 5,231	$ 13,399	$ 2,854	$ -	$ 2,854	12.87%	34.94%
Troubled debt restructurings (TDR's)	$ 1,719	657	-	657	77	-	77	38.22%	11.72%
Total Pre September 2009 Originated Loans	**65,169**	**8,825**	**5,231**	**14,056**	**2,931**	**-**	**2,931**	**13.54%**	**33.21%**
Originated Loans (Post 2009)									
Warehouse	20,040	-	-	-	150	-	150	0.00%	0.00%
Manufactured Housing	4,297	-	-	-	86	-	86	0.00%	0.00%
Commercial	1,127,504	1,670	335	2,005	8,299	-	8,299	0.15%	496.95%
MultiFamily	1,799,699	-	-	-	7,204	-	7,204	0.00%	0.00%
Consumer/ Mortgage	144,139	-	-	-	605	-	605	0.00%	0.00%
TDR's	483	-	-	-	-	-	-	0.00%	0.00%
Total Originated Loans	**3,096,162**	**1,670**	**335**	**2,004**	**16,344**	**-**	**16,344**	**0.05%**	**978.68%**
Acquired Loans									
Berkshire	10,327	1,478	648	2,126	463	-	463	14.31%	31.33%
Total FDIC (covered and non covered)	35,419	4,360	6,177	10,537	516	-	516	12.31%	11.83%
Manufactured Housing	122,248	-	494	494	-	3,218	3,218	0.00%	0.00%
Flagstar (Commercial)	128,270	-	-	-	-	-	-	0.00%	0.00%
Flagstar (Residential)	115,307	-	-	-	-	-	-	0.00%	0.00%
TDR's	3,124	719	-	719	130	-	130	23.02%	18.08%
Total Acquired Loans	**414,695**	**6,557**	**7,319**	**13,876**	**1,109**	**3,218**	**4,327**	**1.58%**	**65.99%**
Acquired Purchased Credit Impaired Loans									
Berkshire	45,559	-	-	-	4,487	-	4,487	0.00%	0.00%
Total FDIC - Covered	18,532	-	-	-	3,000	-	3,000	0.00%	0.00%
Manufactured Housing 2011	4,778	-	-	-	315	-	315	0.00%	0.00%
Total Acquired Purchased Credit Impaired Loans	***68,869***	**-**	**-**	**-**	**7,802**	**-**	**7,802**	**0.00%**	**0.00%**
Unamortized fees/discounts	(791)							0.00%	0.00%
Total Loans Held for Investment	**3,644,104**	**17,052**	**12,885**	**29,936**	**28,186**	**3,218**	**31,404**	**0.47%**	**184.16%**
Total Loans Held for Sale	1,061,395	-	-	-	-	-	-	0.00%	0.00%
Total Portfolio	**$ 4,705,499**	**$ 17,052**	**$ 12,885**	**$ 29,936**	**$ 28,186**	**$ 3,218**	**$ 31,404**	**0.36%**	**184.16%**