

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Customers Bancorp, Inc.

Form: 8-K

Date Filed: 2016-05-25

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): May 25, 2016

CUSTOMERS BANCORP, INC.

(Exact Name of Registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction
of incorporation)

001-35542
(Commission File Number)

27-2290659
(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))
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Item 7.01. Regulation FD.

Customers Bancorp, Inc. (the "Company") has posted to its website a slide presentation which is attached hereto as Exhibit 99.1 and incorporated into this Item 7.01 by reference.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto and incorporated by reference into this Item 7.01, 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 exhibit 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	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: May 25, 2016

EXHIBITS INDEX

Exhibit	Description
Exhibit 99.1	Slides



Customers Bancorp, Inc.

*Highly Focused, Low Risk, Above Average Growth
Bank Holding Company*

Shareholder Meeting
May 25, 2016
NYSE: CUBI

Customers  Bank
Member FDIC

 **Member
FDIC**


BANKMOBILE
A division of Customers Bank



This presentation, as well as other written or oral communications made from time to time by us, contains forward-looking information within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to future events or future predictions, including events or predictions relating to future financial performance, and are generally identifiable by the use of forward-looking terminology such as “believe,” “expect,” “may,” “will,” “should,” “plan,” “intend,” or “anticipate” or the negative thereof or comparable terminology. These forward-looking statements are only predictions and estimates regarding future events and circumstances and involve known and unknown risks, uncertainties and other factors, including the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q, as such factors may be updated from time to time in our filings with the SEC, that may cause 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. The information is based upon various assumptions that may not prove to be correct.

In addition to the risks described under “Risk Factors” in the reports we file with the SEC under the Securities Exchange Act of 1934, as amended, important factors to consider and evaluate with respect to 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 Basel III;
- 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;
- local, regional and national economic conditions and events and the impact they may have on us and our customers;
- costs and effects of regulatory and legal developments, including the results of regulatory examinations and the outcome of regulatory or other governmental inquiries and proceedings, such as fines or restrictions on our business activities;
- 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;
- unforeseen challenges that may arise in connection with the consummation of our recently-announced transaction with Higher One;
- inflation, interest rate, securities market and monetary fluctuations;

- 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;
- our ability to increase market share and control expenses;
- continued volatility in the credit and equity markets and its effect on the general economy;
- effects 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 Customers 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, including with respect to our proposed acquisition of certain assets from Higher One;
- 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, including with respect to our proposed acquisition of certain assets from Higher One;
- our ability to successfully implement our growth strategy, control expenses and maintain liquidity; and
- Customers Bank's ability to pay dividends to Customers Bancorp.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, or, in the case of other documents referred to herein, the dates of those documents. We do not undertake any obligation to release publicly or otherwise provide any revisions to these forward-looking statements to reflect events or circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

Customers Bancorp, Inc.



A \$9.0 billion asset business bank serving privately held businesses



A digital consumer bank, set up as a division of Customers Bank, serving millennials, middle income families and underbanked throughout the United States

Strong Organic Growth, Well Capitalized, Branch Lite Bank in Attractive Markets

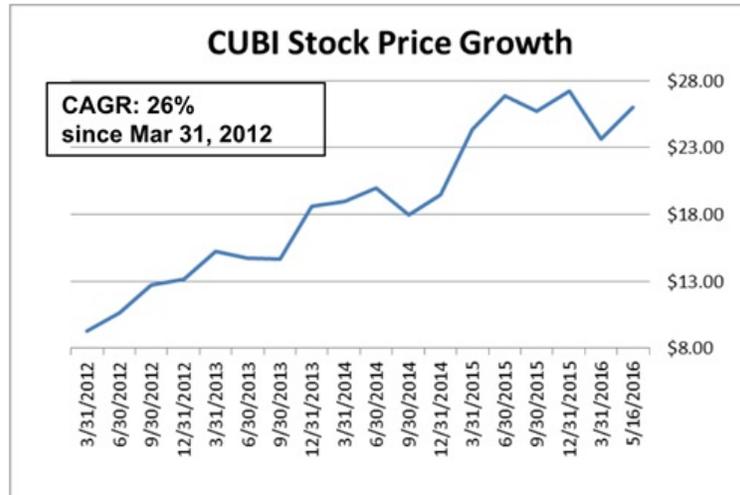
- \$9.0 billion asset bank with only 21 sales offices
- Well capitalized at 10.3% total risk based capital, 7.2% tier 1 leverage, and 6.2% tangible common equity to average tangible assets
- Target market from Boston to Philadelphia along Interstate 95

Strong Profitability, Growth & Efficient Operations

- 2015 diluted earnings per share up 26.5% over year end 2014
- Q1 2016 diluted earnings per share up 16.3% over Q1 2015 with a ROA of .85% and a ROCE of 12.85%
- Pre-tax, pre-provision ROA and ROE for Q1 2016 was 1.40% and 21.87% respectively
- Q1 2016 net income of \$16.4 million up 17.6% over Q1 2015
- DDA and total deposits compounded annual growth of 37% and 54% over the past 5 years
- Loan compounded annual growth was 53% over the past 5 years

Strong Credit Quality & Low Interest Rate Risk

- 0.20% non-performing loans at March 31, 2016
- Total reserves to non-performing loans of 242.10%
- Minimal risk of margin compression from modestly higher short term rates and flatter curve



Attractive Valuation

- Current share price of \$25.97 is about 14x 2015 earnings and only 11x estimated 2016 earnings
- Price/tangible book only 1.1x for estimated 2016 tangible book value
- Peers, by size, trading at ~14x estimated 2016 earnings and between 1.7x to 2.0x tangible book
- March 31, 2016 tangible book value of \$19.08, up 65% since Dec 2011 with a CAGR of 13%

External Forces

- Role of traditional bank branches changing very rapidly
- Mobile banking fastest growing channel
- Banks of all sizes revisiting their business strategies, revenue generation models and cost structures
- Technology and customer needs, desires and style changing rapidly
- Students, underbanked and middle class paying lion's share of fees to banks

Business Issues

- Slow economic growth. Some credit quality concerns emerging
- Fewer good quality consumer and business loan opportunities for non niche players
- Pressure continues on margin. Days of 3.5%-4.0% margin are gone. Banks need to reduce efficiency ratios
- Difficult to attract good talent
- Must be excellent at risk management and compliance
- Shareholders want 10%+ ROE, consistent quality growth and strong risk management infrastructure

Issues facing Us

What is our unique strategy for revenue and profitable growth?

How do we attract and retain best talent?

How do we take advantage of technology?

How do we deal with growing compliance burden?

How do we manage our risks better than peers?

How do we lower our efficiency ratios?

Impediments to Growth

- Traditional CRE lending very difficult to do and under regulatory scrutiny
- Very little consumer loan growth; headwinds for consumer credit quality
- Growth exists only at niche players
- Mortgage banking revenues are extremely volatile
- Pressure to reduce or eliminate Overdraft and other nuisance fees by CFPB
- Regulators principally focus on strength of risk management and compliance and less on profitable growth

Shareholder Expectations

- Start bank and sell at 2 to 3x book no longer an option – what do shareholders of small privately held banks do?
- Equity markets not available to small banks
- Banks need to earn 10% or more ROE if they want to remain independent
- Consistent ROE of 12% or greater and ROA of 1% or greater being rewarded well by market

Credit Improving – Though Banks Face a Number of Operational Headwinds

- **Credit Quality Improved over past 5 years; some pressure emerging**
- **Quality Asset Generation Remains A Challenge**
 - ▶ Banks are starved for interest-earning assets and exploring new asset classes, competing on price and structure and looking into specialty finance business / lending
- **NIM Compression ⁽¹⁾**
 - ▶ Low rate environment for the foreseeable future will continue to compress NIM
 - ▶ Many institutions wither betting on rates or otherwise taking excessive interest rate risk
 - ▶ Industry NIM continues to decline
 - ▶ Down over 100 bps since 1995
 - ▶ Low interest rate environment, competitive pressures likely to prevent return to historical levels
- **Operational leverage**
 - ▶ Expense management is top of mind as banks try to improve efficiency in light of revenue pressure and increased regulatory / compliance costs
 - ▶ Regulatory pressure expected to stay robust
- **New Strategies**
 - ▶ Yesterday's strategies may not be appropriate tomorrow

Critical to Have a Winning Business Model

Traditional Banks	Fee Income Leaders	Relationship & Innovative Banks
<ul style="list-style-type: none"> ▪ Heavy branch based delivery system ▪ Strong credit quality ▪ Core deposits ▪ Dependent on OD fees ▪ Expense management 	<ul style="list-style-type: none"> ▪ Diversified revenue sources ▪ Cross sell strength ▪ Capital efficiency ▪ Higher profitability / consistent earnings 	<ul style="list-style-type: none"> ▪ Innovator / disruptor / not branch dependent ▪ Differentiated / Unique model ▪ Technology savvy ▪ Product dominance 

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

Name	Title	Years of Banking Experience	Background
Jay S. Sidhu	Chairman & CEO	40	Chairman and CEO of Sovereign Bank & Sovereign Bancorp, Inc.
Richard A. Ehst	President & COO	48	EVP, Commercial Middle Market, Regional President and Managing Director of Corporate Communications at Sovereign Bank
Robert E. Wahlman, CPA	Chief Financial Officer	35	CFO of Doral Financial and Merrill Lynch Banks; various roles at Bank One, US GAO and KPMG.
Steve Issa	EVP, New England Market President, Chief Lending Officer	39	EVP, Managing Director of Commercial and Specialty Lending at Flagstar and Sovereign Bank.
George Maroulis	EVP, Group Director of Private & Commercial Banking - NY Metro	24	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, Group Director of Commercial Banking - PA/NJ	32	SVP and Regional Executive for Commercial Lending (Berks and Montgomery County), VIST Financial; SVP at Keystone / M&T Bank
Ken Keiser	EVP, Director CRE and Multi-Family Housing Lending	39	SVP and Market Manager, Mid-Atlantic CRE Lending at Sovereign Bank; SVP & Senior Real Estate Officer, Allfirst Bank / M&T Bank
Christopher McGowan	EVP, Managing Director Multi-Family Lending - NYC	17	SVP & Director of Originations for Capital One / Beech Street Capital, Peoples United Bank and Santander / Sovereign Real Estate Capital
Glenn Hedde	EVP, President Banking for Mortgage Companies	29	President of Commercial Operations at Popular Warehouse Lending, LLC; various positions at GE Capital Mortgage Services and PNC Bank
James Collins	EVP, Chief Administrative Officer	25	Various positions at Sovereign including Director of Small Business Banking
Thomas Jastrem	EVP, Chief Credit Officer	38	Various positions at First Union Bank and First Fidelity Bank
Robert B. White	EVP, Chief Risk Officer	29	President RBW Financial Consulting; various positions at Citizens Bank and GE Capital
Mary Lou Scalese	EVP, Chief Auditor	40	Chief Auditor at Sovereign Bank and Chief Risk Officer at Customers Bank

Customers Bank

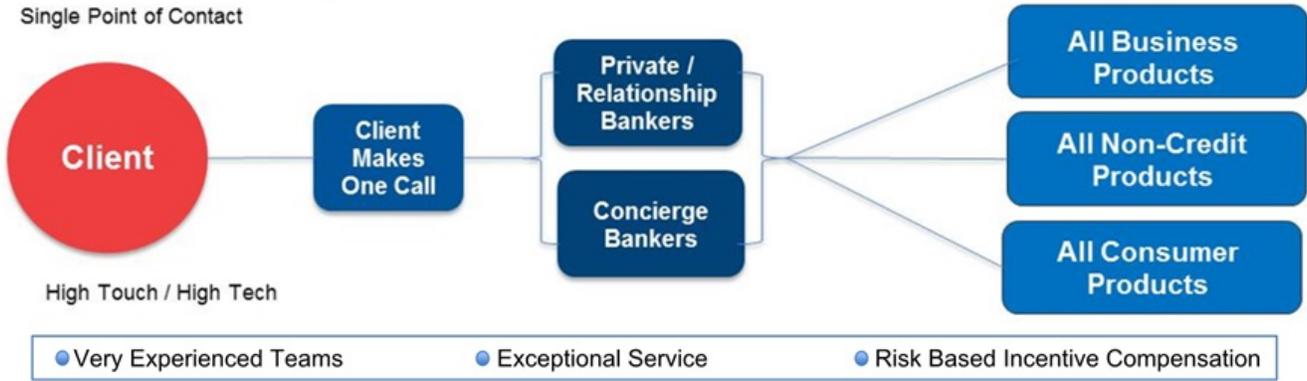
Executing On Our Unique High Performing
Banking Model

Disciplined Model for Superior Shareholder Value Creation

- Strong organic revenue growth + scalable infrastructure = sustainable double digit EPS = growth and increased shareholder value
- A very robust 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; otherwise stick with organic growth strategy
- Superior execution through proven management team

Phase I Acquired Bank Platform	Phase II Built Strong Foundation	Phase III Leveraging Infrastructure	Phase IV Innovation & Execution
<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> – ISN Bank (FDIC-assisted) ≈ \$70 mm –USA Bank (FDIC-assisted) ≈ \$170 mm –Berkshire Bancorp (Whole bank) ≈ \$85 mm 	<ul style="list-style-type: none"> ▪ 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 adopted 	<ul style="list-style-type: none"> ▪ Single Point of Contact Banking model executed – commercial focus ▪ Continued recruitment of experienced teams ▪ Introduce BANKMOBILE – banking of the future for consumers ▪ Continue to show strong loan and deposit growth ▪ ~12%+ ROE; ~1% ROA expected within 2 years ▪ ~\$8.4+ billion asset bank by end of 2015 ▪ ~\$9 billion asset bank by mid 2016
<p style="text-align: center;">2009 Assets: \$350M Equity: \$22M</p>	<p style="text-align: center;">2010-2011 Assets: \$2.1B Equity: \$148M</p>	<p style="text-align: center;">2012-2013 Assets: \$4.2B Equity: \$387M</p>	<p style="text-align: center;">Q1 2016 Assets: \$9.0B Equity: \$599M ROCE: 12.8%</p>

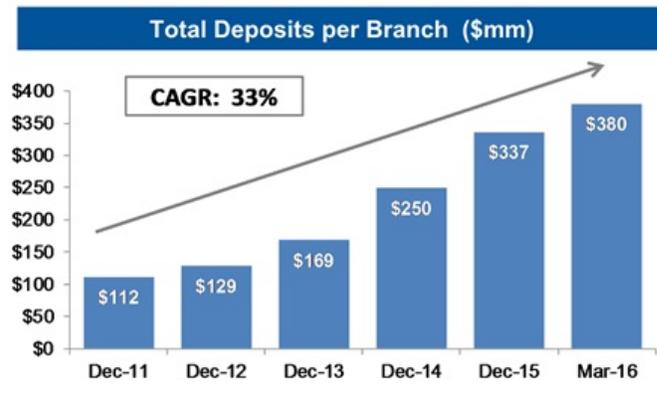
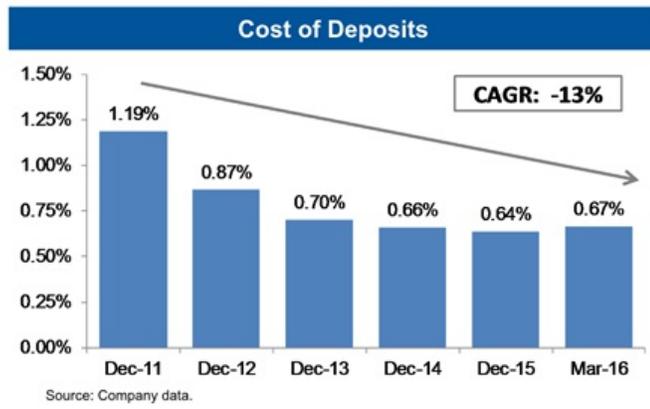
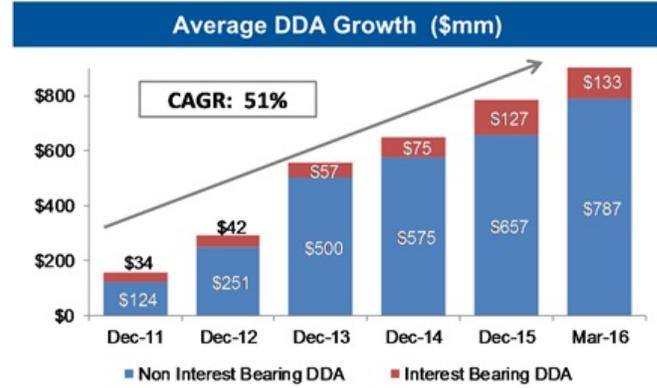
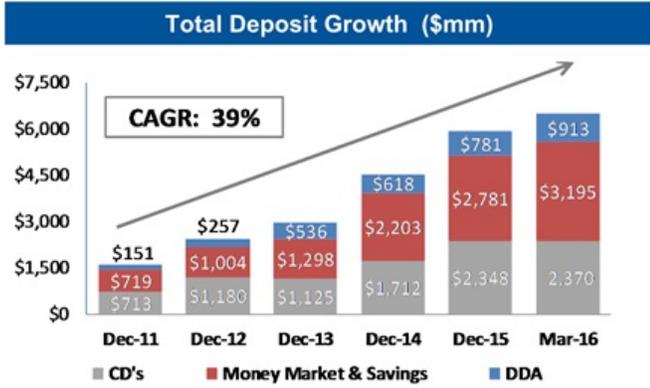
Single Point of Contact



Business Banking Focus - ~95% of revenues come from business segments

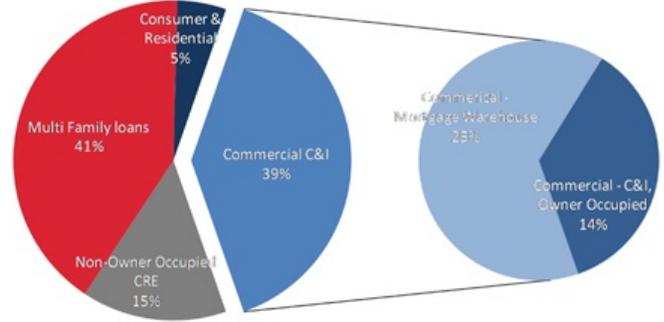
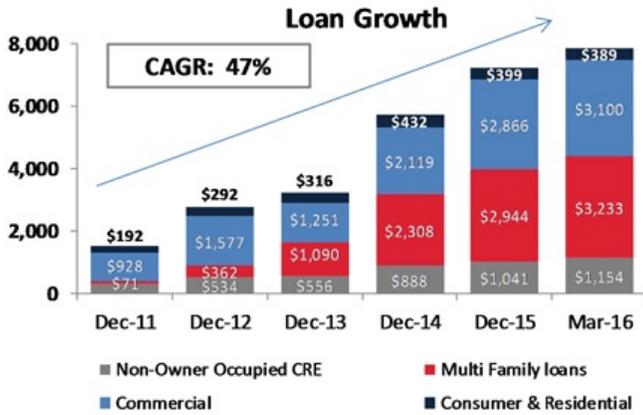
- Loan and deposit business through these well diversified segments:
 - Banking Privately Held Businesses – 39% of portfolio
 - Manufacturing, service, technology, wholesale, equipment financing
 - Private mid size mortgage companies
 - Banking High Net Worth Families – 41% of portfolio
 - New York and regional multi family lending
 - Selected Commercial Real Estate – 15% of portfolio

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



High Growth with Strong Credit Quality

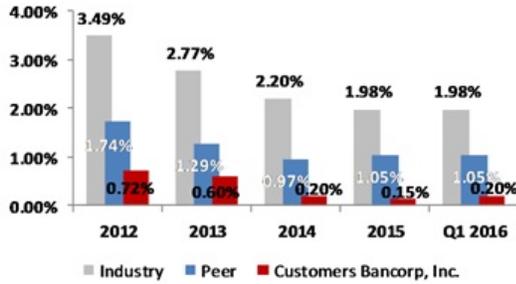
- Continuous recruitment and retention of high quality teams
 - Centralized credit committee approval for all loans
- Loans are stress tested for higher rates and a slower economy
- Insignificant delinquencies on loans originated since new management team took over
 - Creation of solid foundation for future earnings



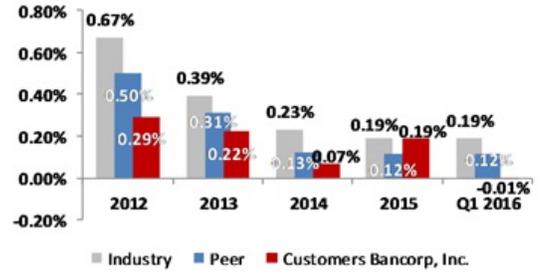
Source: Company documents.

Asset Quality Indicators Continue to be Strong

NPL

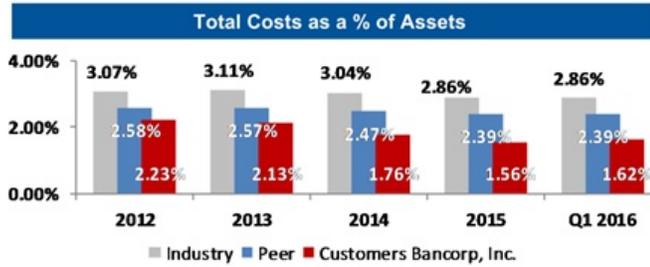
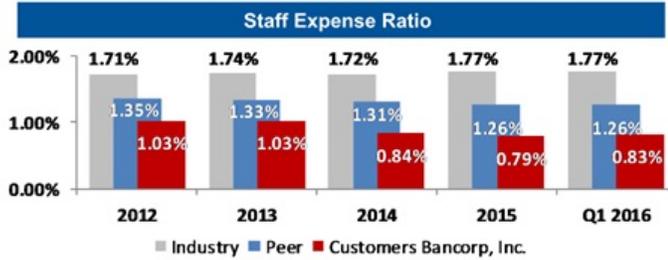


Charge Offs



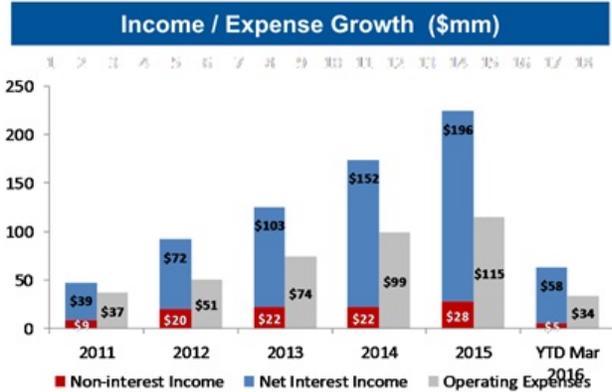
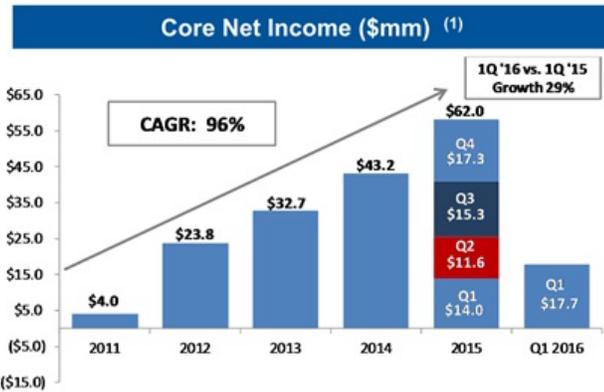
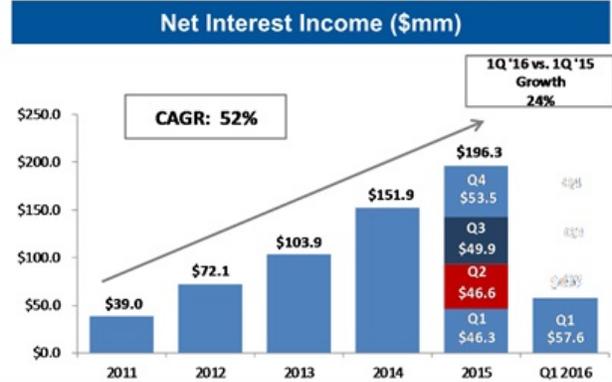
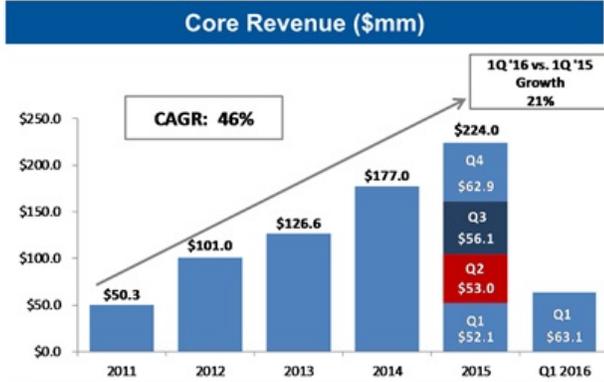
Note: Customers 2015 charge-offs includes 12 bps for a \$9 million fraudulent loan

Source: SNL Financial, Company documents. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with assets between \$3.5 billion and \$10.0 billion. Industry data includes all FDIC insured banks. Peer and Industry data as of December 31, 2015



Source: SNL Financial, Company documents. Peer data consists of Northeast and Mid-Atlantic banks and thrifts with assets between \$3.5 billion and \$10.0 billion. Industry data includes all FDIC insured banks. Peer and Industry data as of December 31, 2015.

- Strategy execution has produced superior growth in revenues and earnings



(1) Core income is net income before extraordinary items less/plus securities gains and losses, less a 2015 BOLI death benefit of approximately \$2.4 million after tax, and excludes the 2015 \$9.0 million (\$5.8 million after tax) specific reserve for a fraudulent loan.
 (2) CAGR calculated from December 2011 to December 2016 (annualized).

Tangible BV per Share



Recent Performance Results

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
ROA	0.8%	0.7%	0.8%	0.9%	0.9%
ROCE	12.5%	9.4%	11.8%	13.5%	12.8%
NIM	2.90%	2.73%	2.79%	2.83%	2.88%
Efficiency	53%	48%	54%	50%	54%
EPS	\$0.49	\$0.39	\$0.50	\$0.58	\$0.57

Financial Performance Targets

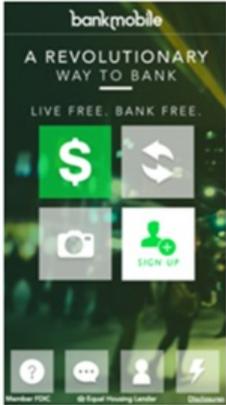
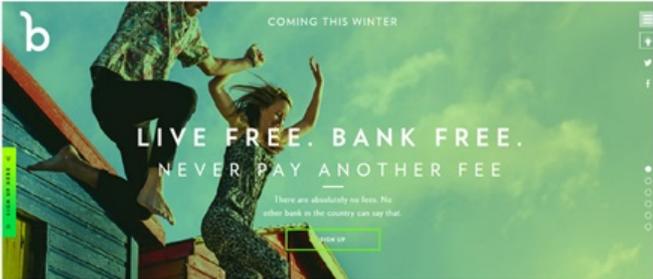
Criteria	2 Year Target
Return on Assets	~ 1%
Return on Common Equity	12% or greater
Net Interest Margin	~ 3%
EPS	~ 15% annual compounded growth
Efficiency Ratio	In the 40's

Earnings per Share Guidance / Valuation Multiples

Year	Guidance
2016 Core EPS	\$2.40 - \$2.50
April 11, 2016 Share Price	\$22.95
Estimated 2016 Tangible Book Value	\$20.31
Tangible Book Value/Share Price	1.1x
Share Price / Mid 2016 Guidance	9.4x

2016 EPS is estimated to be up approximately 25% from 2015 EPS

1. Must focus on both “Relationship” or “High Touch” banking combined with “Highly Efficient” or “High Tech”. Strategy should be unique as to not be copied easily
2. Attract and retain best high quality talent. Business Bankers / Relationship Bankers with approximately 15 years+ experience who bring a book of business with them
3. Compensate leaders based upon risk and profitability with both cash and equity
4. Never deviate from following critical success factors
 - Only focus on very strong credit quality niches
 - Have very strong risk management culture
 - Have significantly lower efficiency ratio than peers to deliver sustainable strong profitability and growth with lower margin and lower risk profile
 - Always attract and retain top quality talent
 - Culture of innovation and continuous improvement



- Banks each year charge about \$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 and almost the amount Americans spend on vegetables
- 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 profitably address this problem

- No fee or very low fee banking, 25 bps higher interest savings, line of credit, 55,000 ATM's, Personal Banker and more, all in the palm of your hand
- Marketing Strategy
 - Target technology dependent younger consumers; including underserved / underbanked and middle income Americans
 - Capitalize on retaining at least 75% of our ~ two million student customers as lifetime customers
 - Reach middle income markets also through Affinity Banking Groups
 - Revenue generation from debit card interchange and margin from low cost core deposits
 - Durbin Amendment a unique opportunity for Bank Mobile
- Expected to achieve profitability in 2016 and above average, franchise value, ROA and ROE within 5 years

CUBI Agrees to Acquire Student Checking Customers & Refund Disbursement Business from Higher One

Strategically compelling acquisition for CUBI and transformational transaction for **BANKMOBILE**, making it one of the top digital banks in the US

- Business to be combined with **BANKMOBILE** platform marking inflection point in its development
- Assume servicing of ~2mm new student checking customers holding over \$500mm in non-interest bearing deposits
- Immediately accelerates **BANKMOBILE** evolution from investment phase to shareholder return phase

Powerful customer acquisition model drives maximum lifetime customer value

- Proven and sustainable business model; 14 year operating history and over \$70bn in payments processed
- Generates over 500,000 new student checking accounts annually
- Positions **BANKMOBILE** as the primary banking relationship as students evolve to young professionals and target retail consumer base changes from Gen X to millennials

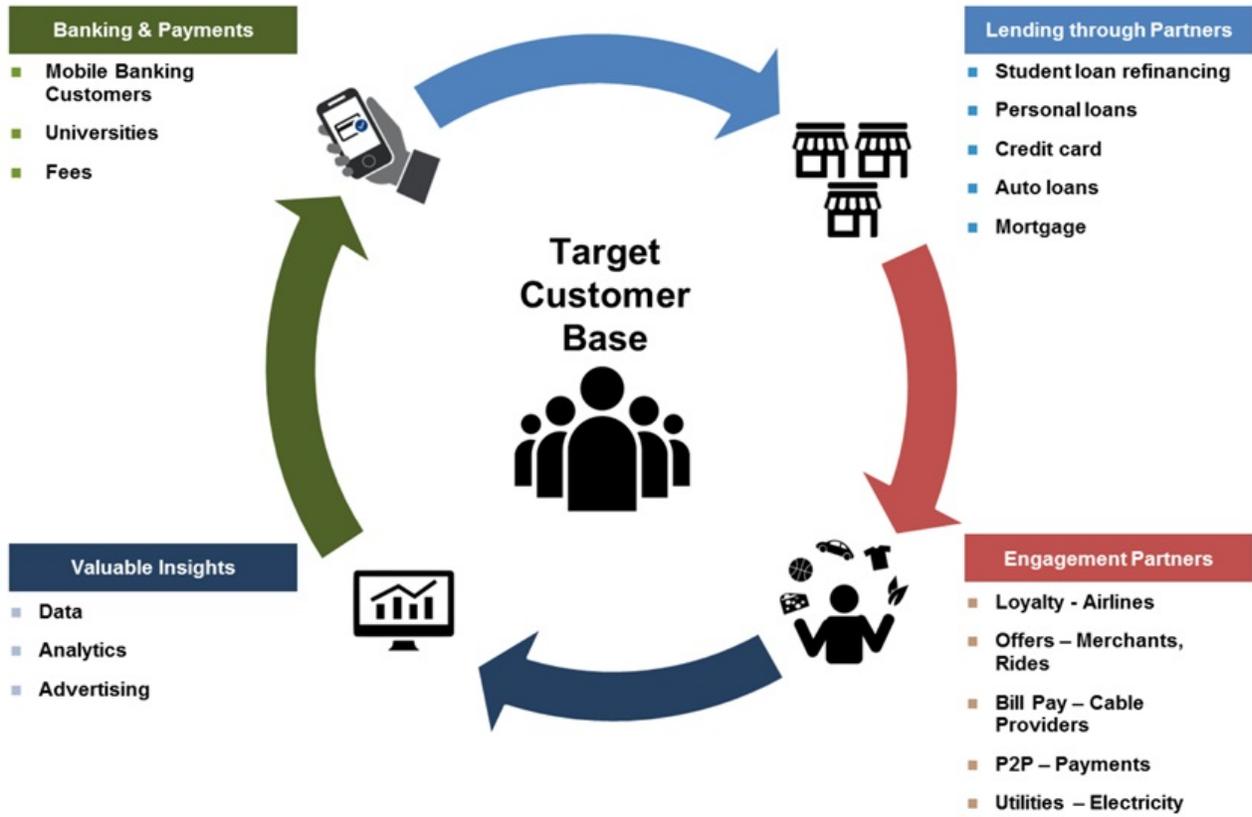
CUBI uniquely positioned to capitalize on low risk transaction

- Customers Bank has a deep understanding of the business given existing Higher One relationship coupled with extensive due diligence
- Deal structured to address past regulatory and reputational risk of legacy practices
- Extensive dialogue with relevant regulators to preview transaction and go-forward operating model

Financially attractive transaction to CUBI shareholders while creating one of the most technologically advanced businesses in banking today

- Accretive to core EPS in first full year following close
- Limited TBVPS dilution with rapid breakeven despite 100% cash transaction
- Practically all payments to Higher One are tax deductible
- Highly attractive IRR

BankMobile is well positioned to be its customers' primary banking relationship throughout their lives



Additional option value for CUBI Shareholders created by **BANKMOBILE** platform

Significant Value for **BANKMOBILE** with Embedded Upside

- ~2 million active deposit customers on day one
- Over 500,000 new accounts per year
- Potential for long-term growth rate of 15% - 20%
- Existing students with automatic recurring growth
- Unique opportunity to capture lifetime value of customers and cross-sell value added products and services
- Pro forma **BANKMOBILE** platform has significant additional growth prospects via partnerships (lending products) and select acquisitions

End Game

- Fee Revenue Expansion can drive P/E Expansion
- Valuation on Payments Processors & FinTech sector for a **BANKMOBILE** business segment
...think multiple of revenues....
- CUBI shareholders participate in **BANKMOBILE** platform contributions:
 - A division of Customers Bank
 - Retain Intellectual Property (IP), rent for fee
- CUBI to explore various strategic options for **BANKMOBILE** to maximize shareholder value

Company:

Robert Wahlman, CFO

Tel: 610-743-8074

rwahlman@customersbank.com

www.customersbank.com

Jay Sidhu

Chairman & CEO

Tel: 610-301-6476

jsidhu@customersbank.com

www.customersbank.com