

Customers Bancorp, Inc.
Form 10-Q
August 04, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 2017

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____
001-35542
(Commission File number)

(Exact name of registrant as specified in its charter)

Pennsylvania 27-2290659
(State or other jurisdiction of (IRS Employer
incorporation or organization) Identification No.)
1015 Penn Avenue
Suite 103
Wyomissing PA 19610
(Address of principal executive offices)
(610) 933-2000
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer Accelerated filer x

Non-accelerated filer (Do not check if a smaller reporting company) Smaller Reporting Company

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

On July 31, 2017, 30,730,784 shares of Voting Common Stock were issued and outstanding.

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CUSTOMERS BANCORP, INC. AND SUBSIDIARIES

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CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET — UNAUDITED
(amounts in thousands, except share and per share data)

	June 30, 2017	December 31, 2016
ASSETS		
Cash and due from banks	\$ 18,503	\$ 17,485
Interest-earning deposits	383,187	227,224
Cash and cash equivalents	401,690	244,709
Investment securities available for sale, at fair value	1,012,605	493,474
Loans held for sale (includes \$2,104,338 and \$2,117,510, respectively, at fair value)	2,255,096	2,117,510
Loans receivable	6,723,278	6,142,390
Allowance for loan losses	(38,458)	(37,315)
Total loans receivable, net of allowance for loan losses	6,684,820	6,105,075
FHLB, Federal Reserve Bank, and other restricted stock	129,689	68,408
Accrued interest receivable	26,163	23,690
Bank premises and equipment, net	12,028	12,259
Bank-owned life insurance	213,902	161,494
Other real estate owned	2,358	3,108
Goodwill and other intangibles	3,633	3,639
Assets held for sale	67,796	79,271
Other assets	73,768	70,099
Total assets	\$ 10,883,548	\$ 9,382,736
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Demand, non-interest bearing	\$ 661,914	\$ 512,664
Interest-bearing	6,360,008	6,334,316
Total deposits	7,021,922	6,846,980
Non-interest bearing deposits held for sale	447,325	453,394
Federal funds purchased	150,000	83,000
FHLB advances	1,999,600	868,800
Other borrowings	186,030	87,123
Subordinated debt	108,831	108,783
Other liabilities held for sale	22,394	31,403
Accrued interest payable and other liabilities	37,157	47,381
Total liabilities	9,973,259	8,526,864
Shareholders' equity:		
Preferred stock, par value \$1.00 per share; liquidation preference \$25.00 per share; 100,000,000 shares authorized, 9,000,000 shares issued and outstanding as of June 30, 2017 and December 31, 2016	217,471	217,471
Common stock, par value \$1.00 per share; 200,000,000 shares authorized; 31,261,044 and 30,820,177 shares issued as of June 30, 2017 and December 31, 2016; 30,730,784 and 30,289,917 shares outstanding as of June 30, 2017 and December 31, 2016	31,261	30,820
Additional paid in capital	428,488	427,008
Retained earnings	235,938	193,698
Accumulated other comprehensive income (loss), net	5,364	(4,892)
Treasury stock, at cost (530,260 shares as of June 30, 2017 and December 31, 2016)	(8,233)	(8,233)

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Total shareholders' equity	910,289	855,872
Total liabilities and shareholders' equity	\$10,883,548	\$9,382,736

See accompanying notes to the unaudited consolidated financial statements.

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CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF INCOME — UNAUDITED
 (amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Interest income:				
Loans receivable	\$67,036	\$59,013	\$128,497	\$113,485
Loans held for sale	17,524	17,429	31,470	31,534
Investment securities	7,823	3,638		