

Customers Bancorp, Inc.
Form 424B5
July 22, 2013
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-188040

SUBJECT TO COMPLETION, DATED JULY 22, 2013

PRELIMINARY PROSPECTUS SUPPLEMENT (to Prospectus dated April 30, 2013)

\$25,000,000

Customers Bancorp, Inc.

% Senior Notes due 2018

We are offering \$25,000,000 in aggregate principal amount of % Senior Notes due 2018 (the notes). The notes will bear interest at a rate of % per year. We will pay interest on the notes on , , , and of each year, commencing on , 2013.

The notes will be unsecured obligations of ours and will rank equally with all our secured and unsecured senior indebtedness, will be structurally subordinated to the existing and future indebtedness of our subsidiaries and senior in right of payment to any of our existing or future obligations that are by their terms expressly subordinated or junior in right of payment to the notes. The notes will be obligations of Customers Bancorp, Inc. only and will not be obligations of, and will not be guaranteed by, any of our subsidiaries.

Because we are a holding company, our cash flows and consequent ability to service our obligations, including the notes, are dependent on distributions and other payments of earnings to us by our subsidiaries, and funds raised from borrowings or in the capital markets. Accordingly, our right to receive any assets of our subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of the notes to participate in those assets, will be effectively subordinated to the claims of our subsidiaries' creditors.

We have applied to list the notes on the NASDAQ Global Select Market. Trading of the notes on the NASDAQ Global Select Market is expected to commence within a 30-day period after the pricing of this offering. Currently, there is no public market for the notes.

The notes will be issued only in fully registered book-entry form without coupons and in minimum denominations of \$25 and integral multiples of \$25 in excess thereof.

Investing in the notes involves substantial risks. You should carefully consider the matters discussed under the section entitled Risk Factors beginning on page S-12 of this prospectus supplement.

The notes are not deposits or other obligations of a bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

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	Per Note	Total
Public offering price(1)	%	\$
Underwriting discounts and commissions	%	\$
Proceeds before expenses to us	%	\$
Net proceeds after estimated expenses to us	%	\$

(1) Plus accrued interest, if any, from _____, 2013.

We have granted the underwriters an option, exercisable within 30 days of the date of this prospectus supplement, to purchase up to an additional \$3,750,000 in principal amount of notes, less the underwriting discounts and commissions, to cover over-allotments of notes, if any. If the underwriters exercise the over-allotment option in full, then the estimated net proceeds to us will be \$ _____.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company against payment in New York, New York on _____, 2013. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by The Depository Trust Company and its participants.

Janney Montgomery Scott

Boenning & Scattergood, Inc.

The date of this prospectus supplement is _____, 2013.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering of the notes and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, provides more general information. Generally, when we refer to this prospectus, we are referring to both parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus or any document incorporated by reference therein filed prior to the date of this prospectus supplement, you should rely on the information in this prospectus supplement; provided that if any statement in one of these documents is inconsistent with a statement in another document having a later date (for example, a document incorporated by reference in the accompanying prospectus), the statement in the document having the later date modifies or supersedes the earlier statement.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference herein were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing our current state of affairs.

We have not authorized, and the underwriters have not authorized, anyone to provide you with information that is different from the information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference into this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering of notes. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference into this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering of notes is accurate only as of the respective dates thereof, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus or free writing prospectus, if any, or of any sale of the notes. It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference into this prospectus supplement and the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering of notes in making your investment decision. You should also read and consider the information in the documents to which we have referred you in the sections entitled "Incorporation of Certain Documents by Reference" and "Where You Can Find More Information" in this prospectus supplement.

We are offering to sell, and seeking offers to buy, the notes only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about, and observe any restrictions relating to, the offering of the notes and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

All references in this prospectus supplement and the accompanying prospectus to Customers Bancorp, Customers, the company, we, us, or our, similar references refer to Customers Bancorp, Inc., and its subsidiaries on a consolidated basis, except where the context otherwise requires or as otherwise indicated.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus and in the documents we incorporate by reference. This summary does not contain all of the information that you should consider before deciding to invest in the notes. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the Risk Factors section contained in this prospectus supplement and the accompanying prospectus, and our financial statements and the related notes and the other documents incorporated by reference herein, which are described under the heading Incorporation of Certain Documents by Reference in this prospectus supplement.

Customers Bancorp, Inc.

Customers Bancorp was incorporated in Pennsylvania in April 2010 to facilitate a reorganization into a bank holding company structure pursuant to which Customers Bank became a wholly-owned subsidiary of Customers Bancorp on September 17, 2011. Pursuant to the reorganization, all of the issued and outstanding shares of voting common stock, par value \$1.00 per share, and Class B Non-Voting Common Stock, par value \$1.00 per share, of Customers Bank were exchanged on a three-to-one basis for shares of voting common stock, par value \$1.00 per share, or Voting Common Stock, and Class B Non-Voting Common Stock, par value \$1.00 per share, respectively and which we refer to collectively as our common stock, of Customers Bancorp (i.e., each three shares of Customers Bank being exchanged for one share of Customers Bancorp). Customers Bank, which changed its name in 2010 from New Century Bank, was incorporated in 1994 and is a Pennsylvania state chartered bank and a member of the Federal Reserve System.

Customers Bancorp, through its wholly-owned subsidiary Customers Bank, provides financial products and services to small businesses, not-for-profits and consumers through its fourteen branches in Southeastern Pennsylvania (Bucks, Berks, Chester and Delaware Counties), Rye, New York (Westchester County) and Hamilton, New Jersey (Mercer County). Customers Bank also provides liquidity to the mortgage market nationwide through the operation of its mortgage warehouse lending business.

Our management team consists of experienced banking executives. The team is led by our Chairman and Chief Executive Officer Jay Sidhu, who joined Customers Bank in June 2009. Mr. Sidhu brings 36 years of banking experience, including 17 years as the Chief Executive Officer of Sovereign Bancorp, Inc. and Sovereign Bank and four years as Chairman of Sovereign Bancorp, Inc. and Sovereign Bank. In addition to Mr. Sidhu, most of the members of our current management team joined us following Mr. Sidhu's arrival in 2009 and have extensive experience working together at Sovereign with Mr. Sidhu. This team has significant experience in building a banking organization, completing and integrating mergers and acquisitions, as well as developing existing valuable community and business relationships in our core markets.

Our principal executive offices are located at 1015 Penn Avenue, Suite 103, Wyomissing, Pennsylvania, 19610. Our telephone number is (610) 993-2000. Our Internet address is www.customersbank.com. Information on, or accessible through, our web site is not part of this prospectus supplement or the accompanying prospectus, other than documents that we file with the SEC that are incorporated herein or therein by reference.

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Recent Developments

On May 22, 2013, we announced the closing of our underwritten public offering of voting common stock (or the May 2013 Offering). We raised \$103.5 million in gross proceeds by issuing 6,179,104 shares of our voting common stock at a price to the public of \$16.75 per share. Our net proceeds after deducting underwriting discounts and commissions and estimated offering expenses were approximately \$97.8 million. We also issued options to purchase 710,597 shares of our common stock to our CEO and COO exercisable at the public offering price pursuant to their respective employment agreements in connection with the May 2013 Offering.

On June 26, 2013, we announced the formation of a business collaboration with and plans to invest up to \$51 million in Religare Enterprises Limited (or Religare), which is a diversified financial services company in India that is applying for a banking license in India. We have agreed, subject to completion of definitive agreements and the receipt of any necessary approvals, to purchase \$22 million of Religare common stock from one of its promoters, \$1 million of Religare common stock from Religare and warrants to purchase \$28 million of Religare common stock. We will be required to pay 25% of the total value of the warrants (\$7 million) in advance, and this amount is non-refundable. These transactions are being negotiated and may change. We expect to fund the Religare investments with cash currently on hand and dividends from Customers Bank.

Working with Religare, we also plan to establish a small group of personnel at Customers Bank that will cater to professionals from South Asia and businesses that want to take advantage of opportunities in South Asia. This is a rapidly growing niche in our core markets from Boston to Washington. We also expect to refer business opportunities in India to Religare and expect that Religare will refer business opportunities within the United States to us. We expect this investment and collaboration to enhance our shareholder value.

The initial investment is expected to be completed during the third quarter of 2013, and the warrants must be exercised within 18 months of our initial investment.

On July 16, 2013, we announced our appointment of Robert E. Wahlman as Chief Financial Officer of Customers Bancorp and Customers Bank, effective August 13, 2013. Mr. Wahlman is expected to first join us as an Executive Vice President, effective August 5, 2013, prior to his transition to the role of Chief Financial Officer in mid-August. Mr. Wahlman will succeed James D. Hogan who will retire as Interim Chief Financial Officer, effective August 13, 2013. For additional information, see our Current Report on Form 8-K filed July 16, 2013, which is incorporated by reference in this prospectus supplement.

On July 15, 2013, we released preliminary unaudited financial information as of and for the second quarter ended June 30, 2013.

The selected financial results for us described below have not been audited by our independent registered accounting firm, and, as a result, our reported results and financial condition may differ from the unaudited information described below. Our second quarter 2013 consolidated financial results should be read in conjunction with our Quarterly Report on Form 10-Q for the period ended March 31, 2013 and our Annual Report on Form 10-K, for the year ended December 31, 2012, which are incorporated by reference herein. Information as of and for the second quarter ended June 30, 2013 is not necessarily indicative of results as of or for any other dates or periods.

Net income was \$8.2 million, or \$0.38 per diluted share, for the second quarter 2013. This compares with \$7.2 million, or \$0.38 per diluted share, for the first quarter 2013 and \$6.5 million, or \$0.56 per diluted share, for the second quarter 2012. In the second quarter of 2012, excluding pre-tax realized securities gains of \$8.8 million, net income was \$0.8 million, or \$0.07 per diluted share.

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Returns on average common equity and average assets for the second quarter 2013 were 10.11% and 0.98%, respectively, compared with 10.63% and 0.98%, respectively, for the first quarter 2013 and 16.78% and 1.26%, respectively, for the second quarter 2012.

Net interest margin on a fully tax-equivalent basis was 3.26% for the second quarter 2013 compared with 3.26% for the first quarter 2013 and 2.91% for the second quarter 2012.

Net interest income was \$26.0 million in the second quarter 2013 compared with \$22.5 million in the first quarter 2013 and \$14.2 million in the second quarter 2012.

Noninterest income for the second quarter 2013 was \$8.2 million, compared with \$6.1 million in the first quarter 2013 and \$13.2 million in the second quarter 2012. Noninterest expense for the second quarter 2013 was \$16.9 million, compared with \$16.5 million in the first quarter 2013 and \$14.6 million in the second quarter 2012. During the second quarter 2013, we reported an efficiency ratio of 49.44%, compared with 57.54% for the first quarter 2013 and 78.39% for the second quarter 2012.

Net charge-offs totaled \$2.9 million, or 0.17% of average loans in the second quarter 2013, compared with \$0.5 million, or 0.04% of average loans, in the first quarter 2013 and \$2.0 million, or 0.14% of average loans, in the second quarter 2012.

Originated nonperforming assets totaled \$20.6 million at June 30, 2013, a decrease of \$4.4 million, or 17.78%, compared with March 31, 2013 and a decrease of \$1.5 million, or 6.96%, compared with June 30, 2012. Nonperforming assets at June 30, 2013 represented 0.61% of period-end average assets compared with 0.84% at March 31, 2013 and 1.06% at June 30, 2012.

The allowance for loan losses totaled \$28.1 million at June 30, 2013. At June 30, 2013, the allowance for loan losses was 1.53% of period-end loans compared with 1.63% at March 31, 2013 and 0.98% at June 30, 2012. Our provision for loan losses was \$4.6 million in the second quarter 2013, compared to \$1.1 million in the first quarter 2013 and \$2.7 million in the second quarter 2012. Charge-offs were \$3.1 million, including \$2.0 million that was 80% guaranteed by the Federal Deposit Insurance Corporation, or FDIC.

Our total assets at June 30, 2013 were \$3.8 billion, an increase of \$334.6 million, or 9.68%, compared with March 31, 2013 and an increase of \$1.5 billion, or 66.07%, compared with June 30, 2012.

Investment securities were \$183.8 million at June 30, 2013 compared with \$162.0 million at March 31, 2013 and \$134.8 million at June 30, 2012. In the latest quarter, our securities available for sale had unrealized net losses of \$5.4 million due largely to increases in recent interest rates.

Total net loans held for investment were \$1.8 billion at June 30, 2013, an increase of \$224.7 million, or 14.11%, compared with March 31, 2013, and an increase of \$182.4 million, or 11.16%, compared with June 30, 2012. Mortgage warehouse loans available-for-sale were \$1.4 billion at June 30, 2013, and increased \$55.1 million, or 4.05%, compared with the prior quarter, and increased \$1.1 billion, or 399.0%, compared with the second quarter of 2012.

Total deposits were \$2.8 billion at June 30, 2013, an increase of \$240.7 million, or 9.49%, compared with March 31, 2013, and an increase of \$846.7 million, or 43.87%, compared with June 30, 2012. At June 30, 2013, core deposits, which exclude time deposits, increased \$114.1 million, or 8.66%, compared with March 31, 2013 and \$379.2 million, or 36.03%, compared with June 30, 2012. Time deposits increased \$126.6 million, or 10.39%, and \$467.5 million, or 53.27%, respectively, over the immediately preceding and year-ago quarters. At June 30, 2013, core deposits accounted for 51.56% of total deposits, compared with 51.95% at March 31, 2013 and 54.53% at June 30, 2012.

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Our total equity at June 30, 2013 was \$379.8 million, an increase of \$102.9 million, or 37.15%, compared with March 31, 2013 and an increase of \$221.1 million, or 139.28%, compared with June 30, 2012. This reflects the May 2013 Offering, which closed on May 21, 2013. Our book value per share was \$15.40 per share at June 30, 2013, compared with \$14.98 per share at March 31, 2013 and \$13.99 per share at June 30, 2012.

Preliminary Tier 1 Leverage Ratio for the holding company was estimated at 11.20% at June 30, 2013, compared with 9.16% at March 31, 2013 and 7.46% at June 30, 2012. Preliminary Total Risk Based Capital Ratio for the holding company was estimated at 13.47% at June 30, 2013, compared with 10.59% at March 31, 2013 and 10.09% at June 30, 2012. Preliminary Tier 1 Risk Based Capital for the holding company at June 30, 2013 was estimated at 12.52%, and preliminary Fixed Charges Ratio including interest on deposits at June 30, 2013 for the holding company was 3.17%, as compared to 9.63% and 3.05%, respectively, at March 31, 2013.

Risk Factors

An Investment in the notes involves certain risks. You should carefully consider the risks described under Risk Factors beginning on page S-12 of this prospectus supplement, as well as the other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and the notes thereto, before making an investment decision.

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The Offering

Issuer	Customers Bancorp, Inc.
Securities Offered	\$25,000,000 aggregate principal amount of % Senior Notes due 2018
Option of Underwriters to Purchase Additional Notes From Us	We have granted the underwriters an option for a period of 30 days to purchase up to an additional \$3,750,000 in principal amount of notes to cover any over-allotments
Maturity Date	, 2018
Interest Rate	% per annum, computed on the basis of a 360-day year of twelve 30-day months, from , 2013
Interest Payment Dates	, , and of each year, commencing , 2013
Price to Public	100% of the principal amount, plus accrued interest, if any, from , 2013
Ranking	The notes will be senior unsecured indebtedness of Customers Bancorp, will rank equally with our secured and unsecured senior indebtedness and will be structurally subordinated to the existing and future indebtedness of our subsidiaries. As of June 30, 2013, we had no outstanding secured debt and our subsidiaries' direct principal borrowings and deposit liabilities totaled approximately \$3.4 billion.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$, or \$ if the underwriters exercise in full their option to purchase up to an additional \$3,750,000 in principal amount of notes, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from the sale of the notes in this offering to invest in Customers Bank, fund our organic growth and for working capital and other general corporate purposes. We may also use a portion of the net proceeds to pursue acquisitions in our current and prospective markets. See Use of Proceeds in this prospectus supplement.
Events of Default	The notes will contain events of default, the occurrence of which may result in the acceleration of our obligations under the notes in certain circumstances. See Description of Notes Events of Default; Waiver in this prospectus supplement.

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Certain Covenants

We will issue the notes under an indenture and a supplemental indenture, which are collectively referred to as the Indenture, each to be dated as of the issuance date, between us and Wilmington Trust,

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National Association, as the trustee. The Indenture contains covenants that limit: (i) us from issuing any senior debt with a maturity date prior to the maturity date of the notes, or senior debt providing for our ability to call or redeem such senior debt prior to the maturity date of the notes; (ii) our and Customers Bank's ability to sell or otherwise dispose of certain equity securities of Customers Bank; (iii) Customers Bank's ability to issue certain equity securities; (iv) Customers Bank's ability to merge or consolidate, or lease, sell, assign or transfer all or substantially all of its assets; and (v) our and Customers Bank's ability to incur debt secured by certain equity securities of Customers Bank. These covenants are subject to a number of important exceptions, qualifications and limitations. See "Description of Notes—Certain Covenants" in this prospectus supplement.

Form	The notes will be evidenced by global notes deposited with the trustee for the notes, as custodian for The Depository Trust Company, referred to as DTC. Beneficial interests in the global notes will be shown on, and transfers of those beneficial interests can only be made through, records maintained by DTC and its participants. See "Book-Entry, Delivery and Form of Notes" in this prospectus supplement.
Denominations	We will issue the notes only in minimum denominations of \$25 and integral multiples of \$25 in excess thereof.
Payment of Principal and Interest	Principal and interest on the notes will be payable in U.S. Dollars or other legal tender, coin or currency of the United States of America.
Future Issuances	We may, from time to time, without notice to or consent of the holders, increase the aggregate principal amount of the notes outstanding by issuing additional notes in the future with the same terms as the notes, except for the issue date, the offering price and, under some circumstances, the initial interest payment date, and such additional notes shall be consolidated with the notes issued in this offering and form a single series.
Trustee	Wilmington Trust, National Association
Listing	We have applied to list the notes on the NASDAQ Global Select Market. If the listing is approved, trading of the notes on the NASDAQ Global Select Market is expected to commence within a 30-day period after the pricing of this offering. Currently, there is no public market for the notes.
Governing Law	The Indenture and the notes will be governed by the laws of the State of New York. The Indenture will be subject to the provisions of the Trust Indenture Act of 1939, as amended.
Material Tax Consequences	You should consult your tax advisors concerning the U.S. federal income tax consequences of owning the notes in light of your own

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specific situation, as well as consequences arising under the laws of any other taxing jurisdiction. See Certain United States Federal Income Tax Consequences.

Risk factors

Investing in the notes involves risks. Please read the section entitled Risk Factors beginning on page S-12 of this prospectus supplement, as well as the risk factors set forth under the heading Risk Factors in our Annual Report on Form 10-K, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, our Current Report on Form 8-K dated July 22, 2013, and in other reports and information that we file with the SEC from time to time, in each case as those risk factors are amended or supplemented by our subsequent filings with the SEC, for a discussion of various matters you should consider before making a decision to invest in the notes.

Except as otherwise noted, all information in this prospectus supplement assumes no exercise of the underwriters' over-allotment option.

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	As of or for the Quarter ended March 31,		As of or for the year ended December 31,				
	2013	2012	2012	2011 (1)	2010 (2)	2009	2008
	(dollars in thousands, except per share information)						
Interest income	\$ 27,920	\$ 18,636	\$ 93,543	\$ 61,245	\$ 30,907	\$ 13,486	\$ 15,502
Interest expense	5,395	5,226	21,761	22,464	11,546	6,336	8,138
Net interest income	22,525	13,410	71,782	38,781	19,361	7,150	7,364
Provision for loan losses	1,100	1,800	16,271	9,450	10,397	11,778	611
Bargain purchase gains on acquisitions	0	0	0	0	40,254	0	0
Total non-interest income (loss), excluding bargain purchase gains and net gains (losses) on securities	6,115	3,523	22,213	10,693	4,302	807	11
Net gains (losses) on securities	0	209	9,017	2,731	1,114	236	(361)
Total non-interest expense	16,480	10,627	50,651	36,886	26,168	9,650	7,654
Income (loss) before taxes	11,060	4,715	36,090	5,869	28,466	(13,235)	(1,251)
Income tax expense (benefit)	3,871	1,603	12,272	1,835	4,731		(426)
Net income (loss)	7,189	3,112	23,818	4,034	23,735	(13,235)	(825)
Net income (loss) attributable to common shareholders	7,189	3,112	23,818	3,990	23,735	(13,235)	(825)
Basic earnings (loss) per share (3)	0.39	0.27	1.78	0.40	3.78	(10.98)	(1.23)
Diluted earnings (loss) per share (3)	0.38	0.27	1.73	0.39	3.69	(10.98)	(1.23)
At Period End							
Total assets	\$ 3,458,624	\$ 1,975,592	\$ 3,201,234	\$ 2,077,532	\$ 1,374,407	\$ 349,760	\$ 274,038
Cash and cash equivalents	181,140	90,824	186,016	73,570	238,724	68,807	6,295
Investment securities (4)	162,030	27,951	129,093	398,684	205,828	44,588	32,503
Loans held for sale (5)	1,359,817	175,868	1,439,889	174,999	199,970	0	0
Loans receivable not covered by Loss Sharing Agreements with the FDIC (6)	1,516,844	1,192,414	1,216,941	1,215,117	514,087	230,298	223,752
Allowance for loan losses	26,439	15,400	25,837	15,032	15,129	10,032	2,876
Loans receivable covered by Loss Sharing Agreements with the FDIC (6)	102,011	120,559	107,526	126,276	164,885	0	0
FDIC loss sharing receivable (6)	12,043	14,149	12,343	13,077	16,702	0	0
Demand, non-interest bearing	242,509	133,505	219,687	114,044	72,268	18,502	20,573
Savings	23,081	20,024	20,299	16,922	17,649	8,674	8,957
Demand, interest bearing	1,051,831	791,923	1,020,946	739,463	387,013	85,359	53,584
Time	1,218,405	858,738	1,179,886	712,760	768,760	201,392	154,728
Total Deposits	2,535,826	1,804,190	2,440,818	1,583,189	1,245,690	313,927	237,842
Borrowings	537,000	11,000	471,000	331,000	11,000	0	0
Shareholders equity	276,910	151,308	269,475	147,748	105,140	21,503	16,849
Tangible common equity (7)	273,224	149,101	265,786	144,043	105,140	21,503	15,869

Selected Ratios and Share Data

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Return on average assets	0.98%	0.66%	1.02%	0.24%	3.40%	-4.69%	-0.30%
Return on average equity	10.63%	8.36%	12.69%	3.06%	41.29%	-65.35%	-4.98%
Book value per share (3)	\$ 14.98	\$ 13.33	\$ 14.60	\$ 13.02	\$ 12.52	\$ 11.68	\$ 25.00

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Tangible book value per common share (3)(7)	\$ 14.45	\$ 12.83	\$ 14.40	\$ 12.69	\$ 12.52	\$ 11.68	\$ 23.54
Common shares outstanding (3)	18,909,939	11,625,633	18,459,502	11,347,683	8,398,014	1,840,902	673,693
Net interest margin	3.26%	3.00%	3.26%	2.47%	2.76%	2.62%	2.82%
Equity to assets	8.01%	7.66%	8.42%	7.11%	7.65%	6.14%	6.15%
Tangible common equity to tangible assets (7)	7.91%	7.56%	8.31%	6.95%	7.65%	6.14%	5.79%
Tier 1 leverage ratio Customers Bank	8.99%	7.46%	7.74%	7.11%	8.67%	6.68%	6.21%
Tier 1 leverage ratio Customers Bancorp	9.16%	7.72%	9.30%	7.37%	n/a	n/a	n/a
Tier 1 risk-based capital ratio Customers Bank	9.43%	10.46%	8.50%	9.66%	19.65%	9.76%	7.87%
Tier 1 risk-based capital ratio Customers Bancorp	9.63%	10.81%	10.23%	10.01%	n/a	n/a	n/a
Total risk-based capital ratio Customers Bank	10.39%	11.66%	9.53%	10.78%	21.14%	11.77%	10.50%
Total risk-based capital ratio Customers Bancorp	10.59%	12.01%	11.26%	11.13%	n/a	n/a	n/a
Asset Quality							
Non-covered Assets (6)							
Non-performing loans	\$ 21,427	\$ 27,660	\$ 22,347	\$ 29,633	\$ 22,242	\$ 10,341	\$ 4,387
Non-performing loans to total non-covered loans	1.41%	2.32%	1.84%	2.44%	4.33%	4.49%	1.96%
Other real estate owned	\$ 5,151	\$ 5,935	\$ 4,005	\$ 7,316	\$ 1,906	\$ 1,155	\$ 1,519
Non-performing assets	26,578	33,595	26,352	36,949	24,148	11,496	5,906
Non-performing non-covered assets to total non-covered assets	1.75%	2.80%	2.16%	3.02%	4.68%	4.97%	2.62%
Allowance for loan losses to total non-covered loans (8)	1.03%	1.29%	1.20%	1.24%	2.94%	4.36%	1.29%
Allowance for loan losses to non-performing non-covered loans (8)	72.54%	55.68%	65.26%	50.73%	68.02%	97.01%	65.56%
Net charge-offs	\$ 498	\$ 1,432	\$ 5,466	\$ 9,547	\$ 5,250	\$ 4,622	\$ 195
Net charge-offs to average non-covered loans	0.04%	0.48%	0.45%	1.10%	1.41%	2.04%	0.09%
Asset Quality Covered Assets (6)							
Non-performing loans	\$ 10,416	\$ 45,299	\$ 10,504	\$ 6,993	\$ 8,084	\$ 0	\$ 0
Non-performing loans to total covered loans	10.21%	37.57%	9.77%	5.54%	4.90%	0.00%	0.00%
Other real estate owned	\$ 4,263	\$ 6,363	\$ 4,109	\$ 6,166	\$ 5,342	\$ 0	\$ 0

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Non-performing assets	14,679	51,662	14,613	13,159	13,426	0	0
Non-performing assets to total covered assets	13.81%	40.70%	13.09%	9.94%	7.89%	0.00%	0.00%
Other Information							
Efficiency ratio	57.5%	62.8%	53.9%	74.6%	40.9%	121.3%	103.8%
Loan to deposit ratio	117%	82%	113%	96%	72%	73%	94%

- (1) On September 17, 2011, we completed our acquisition of Berkshire Bancorp, Inc. All transactions since the acquisition date are included in our consolidated financial statements.

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- (2) During the third quarter of 2010, we acquired two banks in FDIC assisted transactions. All transactions since the acquisition dates are included in our consolidated financial statements.
- (3) Effective September 17, 2011, Customers Bank reorganized into the holding company structure pursuant to which all of the issued and outstanding common stock of the Bank was exchanged on a three to one basis for common stock of Customers Bancorp. All share and per share information for periods prior to the reorganization has been restated retrospectively to reflect the reorganization.
- (4) Includes available-for-sale and held-to-maturity investment securities.
- (5) In 2012, loans held for sale included \$1,248,935 of mortgage warehouse loans at fair value.
- (6) Certain loans and other real estate owned (described as "covered") acquired in the two FDIC assisted transactions in 2010 are subject to loss sharing agreements between Customers Bank and the FDIC. If certain provisions within the loss sharing agreements are maintained, the FDIC will reimburse Customers Bank for 80% of the unpaid principal balance and certain expenses. A loss sharing receivable was recorded based upon the credit evaluation of the acquired loan portfolio and the estimated periods for repayments. Loans receivable and assets that are not subject to the loss sharing agreement are described as "non-covered".
- (7) Our selected financial data contains non-GAAP (Generally Accepted Accounting Principles) financial measures calculated using non-GAAP amounts. These measures include tangible common equity, tangible book value per common share and tangible common equity to tangible assets. Management uses these non-GAAP measures to present historical periods comparable to the current period presentation. In addition, we believe the use of these non-GAAP measures provides additional clarity when assessing our financial results and use of equity. These disclosures should not be viewed as substitutes for results determined to be in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other entities. We calculate tangible common equity by excluding preferred stock and goodwill from total shareholders' equity. Tangible book value per common share equals tangible common equity divided by common shares outstanding. For a reconciliation of tangible common equity, tangible book value per common share and tangible common equity to tangible assets to the most directly comparable GAAP measure for the fiscal years ended December 31, 2012, 2011, 2010, 2009 and 2008, see our Annual Report on Form 10-K for the year ended December 31, 2012, as amended by our Annual Report on Form 10-K/A for the year ended December 31, 2012. Below is a reconciliation of tangible common equity, tangible book value per common share and tangible common equity to tangible assets to the most directly comparable GAAP measure for the quarters ended March 31, 2013 and 2012.
- (8) Allowance for loan losses used for this calculation excludes the portion related to purchased credit-impaired (or PCI) loans of \$11.3 million in 2012.

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A reconciliation of shareholders equity to tangible common equity is set forth below.

	As of or for the Quarter ended March 31,			As of or for the year ended December 31,			
	2013	2012	2012	2011 (1)	2010 (2)	2009	2008
Shareholders equity	\$ 276,910	\$ 151,308	\$ 269,475	\$ 147,748	\$ 105,140	\$ 21,503	\$ 16,849
Less: Preferred stock							(980)
Intangible assets	(3,686)	(3,701)	(3,689)	(3,705)			
Tangible common equity	\$ 273,224	\$ 147,607	\$ 265,786	\$ 144,043	\$ 105,140	\$ 21,503	\$ 15,869
Shares outstanding	18,483	11,348	18,460	11,348	8,398	1,841	674
Book value per share	\$ 14.98	\$ 13.33	\$ 14.60	\$ 13.02	\$ 12.52	\$ 11.68	\$ 25.01
Less: effect of excluding intangible assets and preferred stock	(0.20)	(0.33)	(0.20)	(0.33)			(1.45)
Tangible book value per share	\$ 14.78	\$ 13.01	\$ 14.40	\$ 12.69	\$ 12.52	\$ 11.68	\$ 23.56
Total assets	\$ 3,458,624	\$ 1,975,592	\$ 3,201,234	\$ 2,077,532	\$ 1,374,407	\$ 349,760	\$ 274,038
Less: intangible assets	(3,686)	(3,701)	(3,689)	(3,705)			
Total tangible assets	\$ 3,454,938	\$ 1,971,891	\$ 3,197,545	\$ 2,073,827	\$ 1,374,407	\$ 349,760	\$ 274,038
Equity to assets	8.01%	7.66%	8.42%	7.11%	7.65%	6.15%	6.15%
Less: effect of excluding intangible assets and preferred stock	(0.10)	(0.17)	(0.11)	(0.16)			(0.36)
Tangible common equity to tangible assets	7.91%	7.49%	8.31%	6.95%	7.65%	6.15%	5.79%

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RISK FACTORS

Your investment in the notes involves substantial risks. In consultation with your own advisers, you should carefully consider, among other matters, the factors set forth below and in the accompanying prospectus as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether an investment in the notes is suitable for you. See Risk Factors in our Annual Report on Form 10-K, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, and our Current Report on Form 8-K dated July 22, 2013, which are incorporated herein by reference. If any of the risks contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus develop into actual events, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected, the market price of the notes could decline and you may lose all or part of your investment. Some statements in this prospectus supplement, including statements in the following risk factors, constitute forward-looking statements. See the Cautionary Note Regarding Forward-Looking Statements sections in this prospectus supplement and in the accompanying prospectus.

Risks Relating to the Notes

There are limited covenants in the Indenture.

In addition to our currently outstanding indebtedness and any additional indebtedness we may incur pursuant to this offering, we and our subsidiaries may incur additional debt or other liabilities, including additional senior debt, under the Indenture. If we incur additional debt or liabilities, our ability to pay our obligations on the notes could be adversely affected.

Our indebtedness, including the indebtedness we or our subsidiaries may incur in the future, could have important consequences for the holders of the notes, including:

limiting our ability to satisfy our obligations with respect to the notes;

increasing our vulnerability to general adverse economic and industry conditions;

limiting our ability to obtain additional financing to fund future working capital, capital expenditures and other general corporate requirements;

requiring a substantial portion of our cash flow from operations for the payment of principal of, and interest on, our indebtedness and thereby reducing our ability to use our cash flow to fund working capital, capital expenditures and general corporate requirements;

limiting our flexibility in planning for, or reacting to, changes in our business and the industry; and

putting us at a disadvantage compared to competitors with less indebtedness.

In addition, we are not restricted under the Indenture from granting security interests in our assets provided we also secure our senior notes, as described under Description of Notes Merger, Consolidation, Sale, Lease or Conveyance and Certain Covenants in this prospectus supplement, or from paying dividends or issuing or repurchasing securities other than senior debt.

Moreover, the Indenture does not require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flows or liquidity and, accordingly, does not protect holders of the notes in the event that we experience material adverse changes in our financial condition or results of operations. You are also not protected under the Indenture in the event of a highly leveraged transaction, reorganization, default under our existing indebtedness, restructuring, merger or similar transaction that may adversely affect you, except to the extent described under Description of Notes Merger, Consolidation, Sale, Lease or Conveyance and Certain Covenants in this prospectus supplement.

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An investment in the notes is not a bank deposit, is not FDIC insured and is subject to risk of complete loss.

Your investment in the notes is not a bank deposit and will not be insured by the FDIC or any other governmental agency. Your investment will be subject to investment risk, including changes in market value, and you must be capable of affording the loss of your entire investment.

We have broad discretion to determine how to use the proceeds of this offering, and we may not use the proceeds effectively.

Our management will have broad discretion over the use of proceeds from this offering. We have not allocated the net proceeds from this offering for any specific purposes, and we could spend the net proceeds from this offering in ways that do not improve our results of operations or enhance the value of the notes or otherwise in ways with which you do not agree. We have not established a timetable for the effective deployment of the net proceeds and we cannot predict how long that will take. If we do not invest or apply the net proceeds of this offering effectively and on a timely basis, it could have a material adverse effect on our business and could cause the market price, if any, of the notes to decline.

Customers Bank's ability to pay dividends or lend funds to us is subject to regulatory limitations which, to the extent we need but are not able to access such funds, may prevent us from making principal and interest payments due on our debt obligations, including our obligations under the notes.

The notes will be exclusively our obligations and not those of our subsidiaries. We are a Pennsylvania registered bank holding company currently regulated by the Board of Governors of the Federal Reserve System (or Federal Reserve), and almost all of our operating assets are owned by Customers Bank. We rely primarily on dividends from Customers Bank to pay cash dividends to our stockholders, to pay principal and interest on our debt obligations and for distributions, if any, to our shareholders or to repurchase shares. The Federal Reserve regulates all capital distributions, such as dividends, by Customers Bank directly or indirectly to us, including dividend payments. Generally, Customers Bank is required to pay dividends only from current earnings and from funds lawfully available, and cannot pay dividends in excess of its current year's earnings, plus the last two years' earnings, without prior Federal Reserve approval. As the subsidiary of a bank holding company, Customers Bank must file an application with the Federal Reserve to receive the approval of the Federal Reserve for a proposed capital distribution.

In addition, Customers Bank may not pay dividends to us if, after paying those dividends, it would fail to meet the required minimum levels under risk-based capital guidelines and the minimum leverage and tangible capital ratio requirements or the Federal Reserve notified Customers Bank that it was in need of more than normal supervision. Under the prompt corrective action provisions of the Federal Deposit Insurance Act (or FDIA) an insured depository institution such as Customers Bank is prohibited from making a capital distributions, including the payment of dividends, if, after making such distribution, the institution would become undercapitalized (as such term is used in the FDIA). Payment of dividends by Customers Bank also may be restricted at any time at the discretion of the Federal Reserve if it deems the payment to constitute an unsafe or unsound banking practice. There is no assurance that Customers Bank will be able to pay dividends at past levels, or at all, in the future.

In addition to regulatory restrictions on the payment of dividends, Customers Bank is subject to certain restrictions imposed by federal law on any extensions of credit it makes to its affiliates and on investments in stock or other securities of its affiliates. We are considered an affiliate of Customers Bank. These restrictions prevent affiliates of Customers Bank, including us, from borrowing from Customers Bank, unless various types of United States government and other high quality collateral secure the loans. Federal law limits the aggregate amount of loans to and investments in any single affiliate to 10% of Customers Bank's capital stock and surplus and also limits the aggregate amount of loans to and investments in all affiliates to 20% of Customers Bank's capital stock and surplus.

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On September 12, 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, announced an agreement on the calibration and phase-in arrangements for a strengthened set of capital requirements, known as Basel III. In addition, on July 2, 2013, the Federal Reserve adopted a final rule regarding new capital requirements based, in part, on Basel III. These rules, which are effective beginning January 1, 2014, increase the required leverage capital ratio and change the risk-weighted capital rules applicable to us and to Customers Bank.

If we do not receive sufficient cash dividends or are unable to borrow from Customers Bank, then we may not have sufficient funds to service our debt obligations, including our obligations under the notes.

The Dodd-Frank Act imposes further restrictions on transactions with affiliates and extensions of credit to executive officers, directors and principal shareholders, by, among other things, expanding covered transactions to include securities lending, repurchase agreements and derivatives activities with affiliates. These changes became effective on July 21, 2012.

We may not be able to generate sufficient cash to service our debt obligations, including our obligations under the notes.

Our ability to make payments on and to refinance our indebtedness, including the notes, will depend on our financial and operating performance, including dividends payable to us from Customers Bank, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources, and dividends from Customers Bank, are insufficient to fund our debt service obligations, we may be unable to provide new loans, other products or to fund our obligations to existing customers and otherwise implement our business plans, or to the notes. As a result, we may be unable to meet our scheduled debt service obligations. In the absence of sufficient operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations, or seek to restructure our indebtedness, including the notes. We may not be able to consummate these transactions, and these proceeds may not be adequate to meet our debt service obligations then due.

Although the notes are senior notes, they will be effectively subordinate to all liabilities of our subsidiaries, including secured indebtedness, which increases the risk that we will be unable to meet our obligations on the notes when they mature.

The notes are our unsecured obligations. The notes will rank equal in right of payment with all of our secured and unsecured senior indebtedness and will rank senior in right of payment to all of our subordinated indebtedness. We have no other senior or secured indebtedness currently and, pursuant to the Indenture, if the Company incurs senior indebtedness, it is required to secure the notes at the same time with the same collateral. There are no assurances that the collateral securing our secured indebtedness, if any, will be sufficient to pay all our obligations under the notes and our other secured indebtedness. In the event of our insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, our assets will be available to pay the amounts due on the notes only after all of our secured debt that is then-outstanding has been paid in full from the assets securing that secured debt. The notes would then share equally with holders of any other senior indebtedness to the extent assets are available to pay the amounts due on any or all of the notes then-outstanding and such other similar indebtedness.

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The notes will be our obligations only, are not obligations of or deposits in Customers Bank or our other subsidiaries, and are not guaranteed by any of our subsidiaries.

In addition, the notes will be structurally subordinated to all secured and unsecured indebtedness, existing and future liabilities, including trade payables and lease obligations, of each of our present and future subsidiaries. Our right to participate in any distribution of assets of our subsidiaries upon their liquidation or reorganization or otherwise, and thus your ability as a holder of the notes to benefit indirectly from such distribution, will be subject to the prior claims of our depositors and other creditors of our present and future subsidiaries, except to the extent that we may be recognized as a creditor with recognized claims against the subsidiary. Our present and future subsidiaries may incur additional debt and liabilities in the future, all of which would rank structurally senior to the notes. As of June 30, 2013, our subsidiaries' direct principal borrowings and deposit liabilities totaled approximately \$3.4 billion.

We and our subsidiaries may incur substantial additional indebtedness. This could increase the risks associated with the notes.

As of June 30, 2013, after giving effect to this offering and the application of the net proceeds therefrom (excluding the accrued interest paid by the purchasers) as described under "Use of Proceeds," we would have had approximately \$_____ of total indebtedness, of which approximately \$1.0 billion would have been available for borrowings from the Federal Home Loan Bank Pittsburgh, Federal funds and the Federal discount window.

We and our subsidiaries generally are not limited in incurring substantial additional indebtedness, including secured indebtedness in the future.

If we incur any additional indebtedness that ranks equally with the notes, including additional secured or unsecured indebtedness, the holders of that indebtedness will be entitled to share ratably with holders of the notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to holders of the notes in connection with such a distribution.

Any increase in our level of indebtedness will have several important effects on our future operations, including, without limitation:

we will have additional cash requirements in order to support the payment of interest on our outstanding indebtedness;

increases in our outstanding indebtedness and leverage will increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;

depending on the levels of our outstanding indebtedness, our ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be limited; and

may adversely affect the value or liquidity of the notes in the market.

There may be no active trading market for the notes.

The notes will be new issues of securities with no established trading markets. Although we have applied to have the notes listed on the NASDAQ Global Select Market, there can be no assurance that an active trading market for the notes will develop, or, if one does develop, that it will be maintained. Although the underwriters have advised us that, following completion of the offering of notes, the underwriters currently intend to make secondary markets in the notes, they are not obligated to do so and, if they commence market making, may discontinue any market-making activities at any time without notice. If an active trading market for the notes does not develop or is not maintained, the market or trading price and liquidity of the notes may be adversely affected. If the notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and our financial condition and results of operations, including our levels of indebtedness, and other factors.

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The price at which you will be able to sell your notes prior to maturity will depend on a number of factors and may be substantially less than the amount you originally invest.

We believe that the prices realizable from sales of the notes in any secondary market will be affected by the supply and demand of the notes, the interest rate, the ranking and a number of other factors. Some of these factors are interrelated in complex ways. As a result, the effect of any one factor may be offset or magnified by the effect of another factor. The following factors, among others, may have an impact on the market value of the notes:

yields on U.S. Treasury obligations and expectations about future interest rates;

actual or anticipated changes in our financial condition or results, including our levels of indebtedness;

general economic conditions and expectations regarding the effects of national policies;

views of securities issued by both holding companies and similar financial service firms; and

the market for similar securities.

Holders of the notes will have limited rights if there is an event of default.

For all types of default, including default in the payment of principal or interest on the notes or in the performance of any of our other obligations under the notes, the acceleration of the principal amount of the notes can only be activated by the trustee or the holders of at least a majority in principal amount of the outstanding notes.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain forward-looking information within the meaning of the Securities Act of 1933, or Securities Act, and the Securities Exchange Act of 1934, or Exchange Act. 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, 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 this prospectus supplement, the accompanying prospectus supplement and the reports we file with the SEC under the Exchange Act, including our Annual Report on Form 10-K for the year ended December 31, 2012, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, and our Current Report on Form 8-K dated July 22, 2013, 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. This information is based upon various assumptions that may not prove to be correct. Important factors to consider and evaluate in such forward-looking statements include:

The availability and adequacy of cash flow to meet our debt service requirements under the notes;

The operating restrictions and other restrictive covenants in our debt agreements;

Changes in the external competitive market factors that might impact our results of operations;

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Changes in laws and regulations, including, without limitation, changes in capital requirements under the Basel III capital proposals;

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, obtain regulatory approval of, and consummate, acquisition or investment transactions, including our investment in Religare;

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The timing of acquisition or investment transactions, including our investment in Religare;

Our failure to complete any or all of the transactions described herein or in the documents incorporated herein by reference on the terms currently contemplated;

Local, regional and national economic conditions and events and the impact they may have on us and our customers;

Targeted or estimated returns on assets and equity, growth rates and future asset levels;

Our ability to attract deposits and other sources of liquidity and capital;

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, as well as changes in borrowers payment behavior and credit worthiness;

Changes in our capital structure resulting from future capital offerings, acquisitions or investments;

Inflation, interest rate, securities market and monetary fluctuations;

The effects on our mortgage warehouse lending and retail mortgage businesses of changes in the mortgage origination markets, including changes due to changes in monetary policies, interest rates and the regulation of mortgage originators, services and securitizers;

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 grow, increase market share and control expenses and maintain sufficient liquidity;

Volatility in the credit and equity markets and its effect on the general economy;

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The potential for customer fraud, especially in our mortgage warehouse lending business;

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;

Material differences in the actual financial results of merger and acquisition activities or investments compared with expectations;
and

Our ability to liquidate investments at times and on terms favorable to us.

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. 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. Except as required by law, we undertake no obligations to update any forward-looking statements. Accordingly, you should also carefully consider the factors set forth in other reports or documents that we file from time to time with the SEC.

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USE OF PROCEEDS

We estimate that our net proceeds to us from the sale of the notes in this offering will be approximately \$, or approximately \$ if the underwriters exercise in full their option to purchase up to an additional in principal amount of notes, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

We expect to use the net proceeds from the sale of the notes in this offering to invest in Customers Bank, fund our organic growth and for working capital and other general corporate purposes. We may also use a portion of the net proceeds to pursue acquisitions in our current and prospective markets. We have not identified the amounts we will spend on any specific purpose. The amounts we actually expend for any purpose may vary significantly depending upon numerous factors, including assessments of potential market opportunities and competitive developments. While we regularly assess potential acquisition or investment opportunities, we currently do not have any agreements, arrangements or understandings for any acquisitions or investments that would require the use of any of the net proceeds of this offering. Accordingly, we will retain broad discretion over the use of these net proceeds.

Pending application of the net proceeds as described above, we intend to place the net proceeds in bank accounts at Customers Bank.

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The following table sets forth our consolidated capitalization as of March 31, 2013 on an actual basis, on an as adjusted basis to give effect to our May 2013 Offering, and on a further as adjusted basis to give effect to both our May 2013 Offering and our sale of notes in this offering. You should read this table in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes to those statements, incorporated by reference into this prospectus supplement and the accompanying prospectus.

	At March 31, 2013	
	Actual	As Adjusted for May 2013 Offering (unaudited)
	As Further Adjusted for May 2013 Offering and this Offering of Notes	
	(dollars in thousands, except share and per share data)	
Cash and cash equivalents	\$ 181,140	\$ 278,829
Total Debt:		
% senior notes due 2018	0	0
Federal Funds Purchased ⁽¹⁾	90,000	90,000
Other borrowings ⁽¹⁾	537,000	537,000
Subordinated debt ⁽¹⁾	2,000	2,000
Total Debt	\$ 629,000	\$ 629,000
Shareholders' equity:		
Preferred stock; 100,000,000 authorized, none issued	0	0
Common stock, par value \$1.00 per share; 100,000,000 shares of Voting Common Stock authorized, 13,791,016 shares issued and outstanding (actual) and 19,164,150 shares outstanding (as adjusted for May 2013 Offering); 100,000,000 shares of Class B Non-Voting Common Stock authorized, 4,691,897 shares issued and outstanding (actual) and 4,691,897 shares outstanding (as adjusted for May 2013 Offering)	18,531	24,710
Additional paid-in capital	213,022	304,532
Retained earnings	45,503	45,503
Accumulated other comprehensive income	354	354
Less: cost of treasury stock, 47,619 shares at March 31, 2013	(500)	(500)
Total shareholders' equity	\$ 276,910	\$ 374,599
Total capitalization	\$ 905,910	\$ 1,003,599

(1) Represents indebtedness of Customers Bank only.

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The following unaudited table sets forth our historical ratios of earnings to fixed charges for the periods indicated. This information should be read in conjunction with the consolidated financial statements and the accompanying notes incorporated by reference in this prospectus supplement.

	For the Quarter Ended June 30,		For the Years Ended December 31,			
	2013	2012	2011	2010	2009	2008
Earnings to Fixed Charges:						
Excluding interest on Deposits	35.88X	53.69X	10.73X	66.59X	-20.80X	0.04X
Including interest on Deposits	3.17X	2.66X	1.26X	3.47X	-1.09X	0.85X

These ratios pertain to Customers Bancorp and our subsidiaries. For purposes of calculating the ratio of earnings to fixed charges, earnings represent earnings before income taxes plus fixed charges. Fixed charges, excluding interest on deposits, include interest expense. Fixed charges, including interest on deposits, include the foregoing items plus interest on deposits.

Table of Contents**DESCRIPTION OF NOTES**

The notes will be a series of our senior debt securities as described in the accompanying prospectus under Description of Debt Securities. The notes will be issued under an indenture to be dated _____, 2013, referred to as the base indenture, between us and Wilmington Trust, National Association, a national banking association, as trustee, referred to as the Trustee, as supplemented by a supplemental indenture with respect to the notes. In this prospectus supplement, we refer to the base indenture, as supplemented by the supplemental indenture, as the Indenture. The following description of the notes and the Indenture may not be complete and is subject to and qualified in its entirety by reference to all of the provisions of the notes and the Indenture. Wherever we refer to particular sections or defined terms of the Indenture, it is our intent that those sections or defined terms will be incorporated by reference in this prospectus supplement. We urge you to read these documents because they, and not this description, define your rights as a holder of the notes. The following description of the particular terms of the notes replaces any inconsistent information set forth under the heading Description of Debt Securities in the accompanying prospectus.

General

The notes will be issued pursuant to the Indenture. The notes will constitute a separate series of senior debt securities under the Indenture and will be issued in an initial aggregate principal amount of \$25,000,000 and will mature on _____, 2018, the maturity date. The notes will not be subject to defeasance. The notes will be issued only in fully registered book-entry form without coupons and in minimum denominations of \$25 and integral multiples of \$25 in excess thereof. Currently, there is no public market for the notes.

We may, without the consent of any of the holders of the notes, create and issue additional senior debt securities of the same series as the notes, or the same-series debt securities, or create and issue a new series of senior debt securities. Such same-series debt securities would have the same terms as the notes in all respects, except for the issue date, the offering price, the initial record date, and, under some circumstances, the initial interest payment date. The notes offered by this prospectus supplement and any same-series debt securities would rank equally and ratably and would be treated as a single series of debt securities for all purposes under the Indenture.

The notes will bear interest at the rate of _____% per year, accruing from _____, 2013. Interest on the notes will be payable quarterly in arrears on _____, _____, and _____ of each year, commencing _____, 2013, each being an interest payment date, to the persons in whose names the notes are registered at the close of business on the preceding _____, _____, and _____, respectively. Interest on the notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any interest payment date or the maturity date of the notes is not a business day, then payment of the principal and interest shall be made on the next succeeding business day. In that case, no interest will accrue on the amount payable for the period from and after the applicable interest payment date or maturity date, as the case may be, to the date payment is made. In the event a payment of principal or interest is not timely paid, interest will be payable on the overdue amount at _____% per year, to the extent permitted by law.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders have rights under the Indenture and beneficial owners will have to exercise their rights through participants in DTC. Payment of the principal of, and interest on, the notes represented by a global note registered in the name of or held by DTC or its nominee will be made in immediately available funds to DTC or its nominee, as the case may be, as the registered owner and holder of such global note. See Book-Entry, Delivery and Form of Notes in this prospectus supplement for more information.

The Indenture contains only certain limited covenants or restrictions restricting the incurrence of debt by us or by our subsidiaries, including a covenant that restricts us from issuing senior indebtedness with a maturity date, redemption date, redemption, call option or right or similar repurchase right, or any rights of defeasance,

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prior to the maturity date of the notes. In the event we issue any secured indebtedness, the indenture requires us to equally and ratably secure the notes. The Indenture contains no financial covenants and does not restrict us from paying dividends or issuing or repurchasing other securities, and does not contain any provision that would provide protection to the holders of the notes against a sudden and dramatic decline in credit quality resulting from a merger, takeover, recapitalization or similar restructuring or any other event involving us or our subsidiaries that may adversely affect our credit quality, except to the extent described under the headings Merger, Consolidation, Sale, Lease or Conveyance and Certain Covenants below.

The notes will not be subject to, or entitled to the benefits of, a sinking fund or repurchase or call by us or at the option of the holders. In addition, the notes will not be convertible into, or exchangeable for, any other securities and we will not have the right to redeem or defease the notes prior to maturity.

The notes will not be deposits or other obligations of any of our subsidiaries and will not be insured by the FDIC or any other governmental agency or instrumentality.

We may from time to time purchase the notes in the open market or otherwise.

Interest

Interest on the notes will accrue at the rate of % per annum, accruing from , 2013. Interest on the notes will be payable quarterly on , , and of each year, beginning , 2013. We will make each interest payment to the registered holders of notes at the close of business on the , , or next preceding the applicable interest payment date. Interest on the notes at the maturity date will be payable to the persons to whom principal is payable. Interest on the notes will be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest payments on the notes will be the amount of interest accrued from and including , 2013 or the most recent interest payment date on which interest has been paid to but excluding the interest payment date or the maturity date, as the case may be.

If an interest payment date or the maturity date falls on a day that is not a business day, the related payment of interest and principal shall be made on the next day that is a business day, and no interest on the notes or such payment will accrue for the period from and after such interest payment date or maturity date, as the case may be, to the date payment is made. A business day means any day except a Saturday, a Sunday or a day on which banking institutions in the City of New York, the City of Wilmington, Delaware or a place of payment on which banking institutions are authorized or required by law, regulation or executive order to close.

Listing

We have applied to list the notes on the NASDAQ Global Select Market. If the listing is approved, we expect trading in the notes to begin within 30 days of the pricing of the offering of the notes.

Events of Default; Waiver

An event of default, when used in the Indenture, means any of the following:

our default in the payment of any interest on the notes when due, and continuance of such default for a period of 30 days;

our default in the payment of any principal or any premium on the notes when due;

our failure to perform any other covenant or agreement in the Indenture and the continuance of such default or breach for a period of 90 days after notice to us by the Trustee or the holders of at least 25% in aggregate principal amount of the notes by notice to us and the Trustee specifying such failure and requiring it to be remedied;

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a court having jurisdiction or the FDIC enters a decree or order for relief in respect of us or a Significant Subsidiary in an involuntary case or proceeding under any applicable bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, conservator, liquidator, assignee, custodian, trustee (or similar official) of us or a Significant Subsidiary for all or substantially all of our or its property, or ordering the liquidation or winding up of our affairs, shall have been entered, and such decree or order remains unstayed and in effect for a period of 60 days;

we or a Significant Subsidiary commence a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or consent to the entry of an order for relief in an involuntary case or proceeding under any such law, or consent by us or a Significant Subsidiary to the appointment of a custodian, receiver, conservator, liquidator, assignee, trustee (or other similar official) of us or a Significant Subsidiary for all or substantially all of our or its property, or the making by us or a Significant Subsidiary of an assignment for the benefit of creditors, or our or a Significant Subsidiary's general inability to pay our or their debts when they become due; or

a default under any bond, debenture, note, mortgage, indenture, instrument or other evidence of indebtedness for money borrowed by us or a Material Subsidiary having an aggregate principal amount outstanding of at least \$1,000,000, or under any mortgage, indenture or instrument (including the Indenture) under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by us or a Material Subsidiary having an aggregate principal amount outstanding of at least \$1,000,000, whether such indebtedness now exists or is created or incurred in the future, which default (i) constitutes a failure to pay any portion of the principal of such indebtedness when due and payable after the expiration of any applicable grace period or (ii) results in such indebtedness becoming due or being declared due and payable prior to the date on which it otherwise would have become due and payable without, in the case of clause (i), such indebtedness having been discharged or, in the case of clause (ii), such indebtedness having been discharged or such acceleration having been rescinded or annulled. For purposes of this provision, obligations of us or a Material Subsidiary pursuant to a lease that are required (as opposed to elected to be treated) to be treated as capitalized leases under GAAP are excluded from the definition of indebtedness.

Significant Subsidiary means any one or group of our direct or indirect subsidiaries that would be considered a significant subsidiary as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, and includes Customers Bank.

A Material Subsidiary means Customers Bank or any successor thereof or any of our subsidiaries that is a depository institution and that has consolidated assets equal to 30% or more of our consolidated assets.

If an event of default occurs and continues, the Trustee by notice to us or the holders of at least 25% in aggregate principal amount of the outstanding notes by notice to us and the Trustee may declare the entire principal of and all accrued but unpaid interest on all the notes to be due and payable immediately, subject to limited circumstances in which the entire principal amount of and premium, if any, on and all accrued but unpaid interest on all the notes will automatically become due and payable immediately. Subject to certain conditions, but before a judgment or decree for payment of the money due has been obtained, such declaration and its consequences may be rescinded and annulled by the holders of at least 25% in principal amount of the outstanding notes.

The Indenture also provides that the holders of at least 25% in principal amount of the notes may waive any existing default with respect to the notes and its consequences, except a default in the payment of the principal on and premium, if any, on and interest on the notes, or a default of a covenant or provision of the Indenture which cannot be modified or amended without the consent of each holder of the notes.

The holders of at least 25% in principal amount of the notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power

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conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines may be unduly prejudicial to the holders of the notes not joining in the direction or that may involve the Trustee in personal liability. In addition, the Trustee may take any other action consistent with the Indenture relating to any such direction received from the holders of the notes.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an event of default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of notes unless such holders have offered to the Trustee indemnity satisfactory to the Trustee. Except to enforce the right to receive payment of principal, premium, if any, or interest, when due, no holder of a note may pursue any remedy with respect to the Indenture or such note unless:

such holder has previously given the Trustee written notice of a continuing event of default with respect to the notes;

holders of at least 25% in aggregate principal amount of the outstanding notes have made a written request to the Trustee to pursue the remedy;

such holders offered to the Trustee security or indemnity acceptable to the Trustee against any loss, liability or expense to be incurred in compliance with such request;

the Trustee has not complied with such request within 60 days after receipt of the request and the provision of security or indemnity acceptable to the Trustee; and

the holders of a majority in aggregate principal amount of the outstanding notes do not give the Trustee a direction inconsistent with the request within such 60-day period.

Except in the case of a default or event of default in payment of principal of or interest on any note, the Trustee may withhold notice of a default or event of default if it in good faith determines that withholding the notice is in the interests of the holders of the notes. We are required to deliver to the Trustee annually a statement from our applicable officers regarding whether or not they have knowledge of any default or event of default. Promptly upon becoming aware of any default or event of default, we are required to deliver to the Trustee a statement specifying such default or event of default. For purposes of this paragraph, default means any event which is, or after notice or lapse of time or both would become, an event of default under the Indenture with respect to the notes.

Ranking

The notes will be senior unsecured indebtedness of Customers Bancorp, which will rank equally with our other future secured and unsecured senior indebtedness. As of June 30, 2013, we had no outstanding secured debt or other senior debt. Since we are a holding company, our rights and the rights of our creditors, including holders of the notes, to participate in any distribution of the assets of our subsidiaries, upon a subsidiary's dissolution, winding-up, liquidation or reorganization or otherwise, and thus the ability of a holder of notes to benefit indirectly from such distribution, is subject to the prior claims of creditors of any such subsidiary, including, in the case of Customers Bank, its depositors, except to the extent that we may be a creditor of such subsidiary and our claims as a creditor are recognized. Claims on our subsidiaries by creditors other than us may include claims with respect to long-term debt and substantial obligations with respect to deposit liabilities, federal funds purchased, securities sold under repurchase agreements, other short-term borrowings and various other financial obligations, both secured and unsecured.

We are an entity separate and distinct from our subsidiaries. There are legal limitations on the extent to which some of our subsidiaries may extend credit, pay dividends or otherwise supply funds to, or engage in transactions with, us or some of our other subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay amounts due under our contracts or otherwise to make any funds available to us. Accordingly, the notes will be structurally subordinated to all existing and future

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liabilities of our subsidiaries. As of June 30, 2013, our subsidiaries' direct principal borrowings and deposit liabilities totaled approximately \$3.4 billion. See the "Risk Factors" section in this Prospectus Supplement and the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2012, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 and our Current Report on Form 8-K dated July 22, 2013.

Merger, Consolidation, Sale, Lease or Conveyance

We will not merge or consolidate with or merge into any person, or sell, lease or convey, in a single transaction or in a series of transactions, all or substantially all of our assets to any person, unless:

we are the continuing corporation, or the successor that acquires all or substantially all of our assets is organized under the laws of the United States or a state thereof and expressly assumes all our obligations under the notes and the Indenture;

immediately after giving effect to such merger, consolidation, sale, lease or conveyance there is no default (as defined above) or event of default under the Indenture; and

we shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that the transaction, and any applicable supplemental indenture, complies with the terms of the Indenture and that all conditions precedent in the Indenture provided for relating to such transaction have been complied with.

Upon any such consolidation or merger, sale, lease or conveyance, the successor formed, or into which we are merged or to which such sale, conveyance or transfer is made, shall succeed to, and be substituted for, us under the Indenture with the same effect as if it had been an original party to the Indenture. As a result, we will be released from all our liabilities and obligations under the Indenture and under the notes, except that we will not be relieved from our obligation to pay the principal of and interest on the notes unless the transaction is a sale, conveyance or other disposition of all or substantially all of our assets.

Although there is a limited body of case law interpreting the phrase "substantially all" and similar phrases, there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "substantially all" the property or assets of a person.

Certain Covenants

Subject to certain exceptions, the Indenture:

prohibits us from issuing any senior debt with a maturity date prior to the maturity date of the notes, or senior debt providing for our ability to call, redeem or defease such senior debt prior to the maturity date of the notes;

prohibits us from, directly or indirectly, selling, assigning, pledging, transferring or otherwise disposing, and we cannot permit a Material Subsidiary to, directly or indirectly, sell, pledge, assign, transfer or otherwise dispose of shares of voting capital stock, or securities convertible into voting capital stock, or options, warrants or rights to subscribe for or purchase voting capital stock of a Material Subsidiary unless we will own, directly or indirectly, free and clear of any liens, at least 80% of the issued and outstanding voting stock of a Material Subsidiary after giving effect to that transaction.

Furthermore, we will not permit a Material Subsidiary to:

merge or consolidate with or into any corporation or other person, unless we are the surviving corporation or person, or unless we will own, directly or indirectly, free and clear of any liens, at least 80% of the surviving corporation's issued and outstanding voting

stock;

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lease, sell, assign or transfer all or substantially all of its properties and assets to any corporation or other person (other than us), unless we will own, directly or indirectly, free and clear of any liens, at least 80% of the issued and outstanding voting stock of that corporation or other person; or

pay any dividend in a Material Subsidiary's voting stock or make any other distribution in its voting stock, unless the Material Subsidiary to which the transaction relates, has obtained any necessary regulatory approvals, unconditionally guarantees payment of the principal and any premium and interest on the notes, and, upon such payment or distribution, we own, directly or indirectly, free and clear of any liens, at least 80% of the issued and outstanding voting stock and 80% of the value of all capital stock of such Material Subsidiary.

However, we may agree to any such merger or consolidation or sale, lease, assignment, pledge or transfer of securities, properties or assets if: (i) required by law, such lease, sale, assignment or transfer of securities is made to any person for the purpose of the qualification as required by law of such person to serve as a director; (ii) such lease, sale, assignment or transfer of securities is made by us or any of our subsidiaries acting in a fiduciary capacity for any person other than us or any of our subsidiaries; (iii) made in connection with the consolidation of us with or the sale, lease or conveyance of all or substantially all of the assets of us to, or the merger of us with or into, any other person (as to which the covenant described above under the heading "Merger, Consolidation, Sale, Lease or Conveyance" shall apply); or (iv) it is required as a condition imposed by any law or any rule, regulation or order of any governmental agency or authority to the acquisition by us of another entity; provided that in the case of (i)-(iv), after giving effect to such transaction, (y) at least 80% of the issued and outstanding voting stock and 80% of the value of all capital stock of such entity will be owned, directly or indirectly, free and clear of any liens, by us and (z) our consolidated assets will be at least equal to 80% of our consolidated assets prior to the transaction. These covenants will not prohibit any Material Subsidiary from selling or transferring assets pursuant to any securitization transaction or pledging any assets to secure borrowings incurred in the ordinary course of business, including, without limitation, to secure advances from the Federal Home Loan Bank of Pittsburgh advances and reverse repurchase agreements.

Furthermore, for so long as the notes are outstanding, we will not, nor will we permit a Material Subsidiary or any of our other subsidiaries to, incur debt secured by any shares of voting stock or capital stock of a Material Subsidiary (or securities convertible into, or options, warrants or rights to subscribe for or purchase shares of that voting stock or capital stock) without making effective provision for securing the notes equally and ratably with that secured debt. However, this covenant will not apply to the extent that we continue to own at least 80% of the issued and outstanding voting stock and capital stock of a Material Subsidiary (treating that encumbrance as a transfer of those shares to the secured party). The foregoing restriction does not apply to any:

liens for taxes, assessments or other governmental charges or levies (i) which are not yet due or payable without penalty, (ii) which we are contesting in good faith by appropriate proceedings so long as we have set aside on our books such reserves as shall be required in respect thereof in conformity with generally accepted accounting principles or (iii) which secure obligations of less than \$300,000 in amount; or

lien of any judgment, if that judgment (i) is discharged, or stayed on appeal or otherwise, within 60 days, (ii) is currently being contested in good faith by appropriate proceedings so long as we have set aside on our books such reserves as shall be required in respect thereof in conformity with generally accepted accounting principles or (iii) involves claims of less than \$1,000,000.

The Indenture also contains customary covenants and restrictions applicable to us including agreements to duly and punctually make principal, premium, if any, and interest payments on the notes, provide our annual and quarterly reports and other SEC filed documents to the Trustee, deliver to the Trustee annually a statement from our applicable officers regarding whether or not they have knowledge of any default or event of default, pay taxes, maintain our corporate existence and that of our Significant Subsidiaries, maintain our branch and office locations, maintain appropriate insurance and maintain an independent paying agent.

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The holders of no less than a majority in aggregate principal amount of the notes may waive compliance in a particular instance by us with any provision of the Indenture or the notes, including the foregoing covenants, except as otherwise stated below under **Modification of the Indenture**.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all notes, when:

- (1) either:
 - (i) all notes that have been authenticated and delivered, except lost, stolen or destroyed notes that have been replaced or paid, have been delivered to the Trustee for cancellation; or
 - (ii) all notes that have not been delivered to the Trustee for cancellation have become due and payable or shall become due and payable and we have irrevocably deposited with the Trustee or the paying agent, in trust, for the benefit of the holders of the notes, funds in such amounts as will be sufficient to pay and discharge the entire indebtedness on the notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest, to the date of maturity and we have delivered irrevocable instructions to the Trustee to apply the deposited funds toward the payment of the notes at maturity; and
- (2) we have paid all other sums payable by us under the Indenture with respect to the notes; and
- (3) we have delivered to the Trustee an officers certificate and an opinion of counsel stating that the conditions precedent to the satisfaction and discharge of the notes have been satisfied.

Defeasance

The notes may not be defeased.

Modification of the Indenture

Except as set forth below, modification and amendment of the Indenture as applicable to the notes may be made only with the consent of the holders of not less than a majority in principal amount of the notes then outstanding voting as a single class.

We and the Trustee may modify or amend the Indenture as applicable to the notes, without the consent of any holder of the notes, for any of the following purposes:

to cure any ambiguity, defect or inconsistency;

to provide for uncertificated notes in addition to or in place of definitive notes;

to provide for the assumption of our obligations by a successor in accordance with the covenant described above under **Merger, Consolidation, Sale, Lease or Conveyance**;

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to conform the text of the Indenture or the notes to any provision of the Description of Notes section in this prospectus supplement;

to make any change that would provide any additional rights or benefits to the holders of the notes or that does not adversely affect their legal rights under the Indenture;

to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, referred to as the Trust Indenture Act;

to provide for the issuance of and establish the form and terms and conditions of securities of any series as permitted by the Indenture;

to add one or more guarantors or collateral for the notes;

to add additional obligors under the Indenture and the notes; or

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to evidence and provide for a successor Trustee with respect to the notes and to add to or change any of the provisions of the Indenture necessary to facilitate the administration of the trusts thereunder by more than one Trustee.

Subject to certain conditions, holders of a majority in aggregate principal amount of the notes voting as a single class may waive compliance by us with any provision of the Indenture or the note in particular instances, except that no modification or amendment of the Indenture as applicable to the notes may, without the consent of each holder affected thereby, do any of the following (with respect to any notes held by a nonconsenting holder):

change the stated maturity of the principal of, or interest on, any note;

reduce the principal amount of any note or reduce the rate of, or extend or change the time for payment of, interest on any note (including default interest or interest on overdue amounts of principal, premium and interest);

waive the right of the holders to receive payment of the principal of, premium on, if any, or interest, if any, on the notes;

waive a default or event of default in the payment of the principal of, premium on, if any, or interest, if any, on the notes.

change the currency of payment of principal of or interest on any note;

impair the right to institute suit for the enforcement of any payment on or with respect to any note;

reduce the percentage in principal amount of outstanding notes the consent of whose holders is required for amendment, supplement or waiver of the Indenture;

change certain provisions of the Indenture related to waiver of certain defaults; or

modify such provisions with respect to amendment and waiver.

Outstanding Notes; Determinations of Holders' Actions

Notes outstanding at any time are the notes authenticated by the Trustee except for those cancelled by it, those mutilated, destroyed, lost or stolen that have been replaced by the Trustee, those delivered to the Trustee for cancellation and those described below as not outstanding. A note does not cease to be outstanding because we or an affiliate of us holds the note; provided, that in determining whether the holders of the requisite principal amount of notes have given or concurred in any request, demand, authorization, direction, notice, consent, amendment or waiver, notes owned by us or an affiliate of us will be disregarded and deemed not to be outstanding. If the paying agent irrevocably holds on a maturity date money or securities sufficient to pay notes payable on that date, then immediately after such maturity date such notes will cease to be outstanding.

The Trustee may make reasonable rules for action by or at a meeting of holders of the notes. The registrar or paying agent may make reasonable rules and set reasonable requirements for its functions.

Limitation on Individual Liability

None of our directors, officers, employees, or shareholders, as such, or any successor person thereof, will have any liability for any obligations of us under the notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of

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a note, by accepting a note waives and releases such liability. The waiver and release are part of the consideration for the issuance of the notes. Such waiver does not affect any liabilities under the federal securities laws.

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Trustee

Wilmington Trust, National Association will act as trustee for the notes under the Indenture, as permitted by the terms thereof. At all times, the Trustee must comply with the applicable requirements under the Trust Indenture Act and have a combined capital and surplus of at least \$250 million. The Trustee may resign by giving us written notice at least 30 days prior to the proposed resignation and may be removed as Trustee with respect to the notes:

by notification in writing by the holders of a majority in aggregate principal amount of the outstanding notes; or

by us if it (i) fails to comply with the obligations imposed upon it under the Trust Indenture Act; (ii) fails to have a combined capital and surplus of at least \$250 million; (iii) becomes incapable of acting as Trustee; (iv) a custodian or public officer takes charge of the Trustee or its property; or (v) a court takes certain actions with respect to such Trustee relating to bankruptcy or insolvency.

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, we will promptly appoint a new Trustee. A resignation or removal of the Trustee will become effective only upon the successor Trustee's acceptance of appointment in writing. The successor Trustee will mail a notice of its succession to holders of the notes.

If the Trustee acquires any conflicting interest, as defined in the Trust Indenture Act, with respect to the notes, within 90 days after the Trustee has or acquired a conflicting interest, which has not been cured or waived, the Trustee would generally be required by the Trust Indenture Act to eliminate that conflicting interest or resign as Trustee with respect to the notes issued under the Indenture. If the Trustee resigns, we are required to promptly appoint a successor trustee with respect to the affected securities.

The Trustee and/or certain of its affiliates may provide banking, investment and other services to us. A trustee under the Indenture may act as trustee under other indentures for us.

Notices

Any notices required to be given to the holders of the notes will be given to DTC, and DTC will communicate these notices to DTC participants in accordance with its standard procedures.

Governing Law

The Indenture and the notes are governed by, and will be construed in accordance with, the laws of the State of New York. The Indenture will be subject to the provisions of the Trust Indenture Act that are required to be part of the Indenture and shall, to the extent applicable, be governed by such provisions.

BOOK-ENTRY, DELIVERY AND FORM OF NOTES

General

The notes will be issued in registered, global form in minimum denominations of \$25 and integral multiples of \$25 thereof. The notes will be issued on the issue date therefor only against payment in immediately available funds.

The notes initially will be represented by one or more permanent global certificates (which may be subdivided) in definitive fully registered form without interest coupons, referred to as the global notes. The global notes will be deposited with, or on behalf of, DTC and will be registered in the name of DTC or its nominee. Investors may hold their beneficial interests in a global note directly through DTC or indirectly through organizations which are participants in the DTC system.

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Except as set forth in this prospectus supplement, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global notes may not be exchanged for notes in certificated form except in the limited circumstances described below under Exchange of Book-Entry Notes for Certificated Notes. Transfer of beneficial interests in the global notes will be subject to the applicable rules and procedures of DTC and its direct and indirect participants, which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them.

We do not take any responsibility for these operations and procedures and urge investors to contact the systems or their participants to directly discuss these matters. DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations, referred to as participants, and to facilitate the clearance and settlement of transactions in those securities between participants through electronic, computerized book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to DTC's system is also available to banks, securities brokers, dealers, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly, referred to as indirect participants. Persons who are not participants may beneficially own securities held by or on behalf of DTC only through participants or indirect participants. The ownership interest and transfer of ownership interest of each actual purchaser of each security held by or on behalf of DTC are recorded on the records of participants and indirect participants.

DTC has advised us that, pursuant to procedures established by it:

upon deposit of the global notes, DTC will credit the accounts of participants designated by the underwriters with portions of the principal amount of the global notes; and

ownership of interests in the global notes will be shown on, and the transfer of ownership of the global notes will be effected only through, records maintained by DTC (with respect to participants) or by participants and indirect participants (with respect to other owners of beneficial interests in the global notes).

Upon issuance, a holder may hold its interests in the global notes directly through DTC if it is a participant, or indirectly through organizations that are participants or indirect participants. The depositories, in turn, will hold interests in the notes in customers' securities accounts in the depositories' names on the books of DTC.

All interests in a global note will be subject to the procedures and requirements of DTC. The laws of some jurisdictions require that certain persons take physical delivery in certificated form of securities that they own. Consequently, the ability to transfer beneficial interests in a global note to those persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants and certain banks, the ability of a person having beneficial interests in a global note to pledge its interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of its interests, may be affected by the lack of a physical certificate evidencing its interests. For certain other restrictions on the transferability of the notes, see Exchange of Book-Entry Notes for Certificated Notes.

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Except as described below, owners of interests in the global notes will not have notes registered in their name, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or holders thereof under the Indenture for any purpose.

Payments on the global notes registered in the name of DTC, or its nominee, will be payable in immediately available funds by the Trustee (or the paying agent if other than the trustee) to DTC or its nominee in its capacity as the registered holder under the Indenture. We and the Trustee, as applicable, will treat the persons in whose names the notes, including the global notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Neither the Trustee nor any agent thereof has or will have any responsibility or liability for:

any aspect of DTC's records or any participant's or indirect participant's records relating to, or payments made on account of, beneficial ownership interests in the global notes, or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the global notes; or

any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date, in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by participants and indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of participants or indirect participants and will not be the responsibility of DTC, the Trustee, as applicable, or us.

Neither we nor the Trustee will be liable for any delay by DTC or any of its participants or indirect participants in identifying the beneficial owners of the notes, and we and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Initial settlement for the notes will be made in immediately available funds. Any secondary market trading activity in interests in the global notes will settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its participants. Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will settle in same-day funds.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants who have an interest in DTC's global notes in respect of the portion of the principal amount of the notes as to which the participant or participants has or have given direction. However, if an event of default exists under the Indenture, DTC reserves the right to exchange the global notes for notes in certificated form and to distribute the certificated notes to its participants.

We believe that the information in this section concerning DTC and its book-entry system has been obtained from reliable sources, but we do not take responsibility for the accuracy of this information. Although DTC will agree to the procedures described in this section to facilitate transfers of interests in the global notes among participants in DTC, DTC is not obligated to perform or to continue to perform these procedures, and these procedures may be discontinued at any time by giving reasonable notice. Neither we nor the Trustee will have any responsibility or liability for any aspect of the performance by DTC or its participants or indirect participants of any of their respective obligations under the rules and procedures governing their operations or for maintaining, supervising or reviewing any records relating to the global notes that are maintained by DTC or any of its participants or indirect participants.

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Exchange of Book-Entry Notes for Certificated Notes

A global note is exchangeable for certificated notes in definitive, fully registered form without interest coupons if:

DTC notifies us that it is unwilling or unable to continue as depository for the global notes and we fail to appoint a successor depository within 90 days of receipt of DTC's notice, or DTC has ceased to be a clearing agency registered under the Exchange Act and we fail to appoint a successor depository within 90 days of becoming aware of this condition;

at our request, DTC notifies holders of the notes that they may utilize DTC's procedures to cause the notes to be issued in certificated form, and such holders request such issuance; or

an event of default, or any event which after notice or lapse of time or both would be an event of default, exists under the Indenture and a request is made by DTC or one of its participants.

In addition, beneficial interests in a global note may be exchanged by or on behalf of DTC for certificated notes upon request by DTC, but only upon at least 20 days prior written notice given to the Trustee in accordance with DTC's customary procedures. In all cases, certificated notes delivered in exchange for any global note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository in accordance with its customary procedures.

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CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a general summary of certain U.S. federal income tax consequences to you of the purchase, beneficial ownership and disposition of notes as of the date hereof. This summary is not intended to be a complete description of all of the United States federal income tax consequences of the purchase, ownership and disposition of the notes. This summary applies only to holders that purchase notes in the initial offering at their issue price (i.e., the first price at which a substantial amount of the notes is sold to investors) and that hold the notes as capital assets for U.S. federal income tax purposes (generally, assets held for investment). This summary does not apply to you if you are a member of a class of holders subject to special rules, such as a dealer in securities or currencies; a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings; a bank or other financial institution; an insurance company; a tax-exempt organization; an entity treated as a partnership for U.S. federal income tax purposes and investors therein; a broker; a real estate investment trust; a regulated investment company; a controlled foreign corporation; a passive foreign investment company; a person that owns notes that are a hedge or that are hedged against interest rate risks; a person that owns notes as part of a straddle or conversion transaction for tax purposes; a person that purchases or sells notes as part of a wash sale for tax purposes; a U.S. holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar; a U.S. expatriate; or a person liable for alternative minimum tax. In addition, this summary does not address any non-income tax considerations or any foreign, state or local tax consequences.

If you purchase notes at a price other than the initial offering price, the amortizable bond premium or market discount rules may also apply to you. You should consult your independent tax advisors regarding this possibility.

This summary is based on the Internal Revenue Code of 1986, as amended (or the Code), its legislative history, existing and proposed Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. No assurances can be given that any change in these laws or authorities will not affect the accuracy of the discussion set forth in this summary.

If a partnership holds the notes, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the notes should consult its independent tax advisors with regard to the U.S. federal income tax treatment of an investment in the notes.

You should consult your independent tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of the notes in light of your particular circumstances, as well as the effect of any relevant state, local, foreign or other tax laws.

U.S. Holders

This section applies to you if you are a U.S. holder. As used herein, the term U.S. holder means a beneficial owner of a note who or that is, for U.S. federal income tax purposes:

an individual citizen or resident of the U.S.;

a corporation (or other entity classified as a corporation) created or organized in or under the laws of the U.S., any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust (A) if a court within the U.S. is able to exercise primary jurisdiction over its administration and one or more United States persons as defined in the Code, each referred to as a United States person, have authority to control all of its substantial decisions, or (B) that was in existence on August 20, 1996 and has made a valid election under U.S. Treasury regulations to be treated as a domestic trust.

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If you are not a U.S. holder, this section does not apply to you and you should refer to **Non-U.S. Holders** below.

Payments of Interest. We expect, and the remainder of this summary assumes, that the notes will be issued at par or at a discount that is de minimis for U.S. federal income tax purposes. Accordingly, stated interest paid on a note generally will be taxable to you as ordinary interest income at the time it accrues or is received, depending on your method of accounting for U.S. federal income tax purposes.

Purchase, Sale, Exchange, Redemption and Retirement of the Notes. Your tax basis in your note generally will be its cost. Upon the sale, exchange, redemption, retirement or other taxable disposition of a note, you generally will recognize gain or loss equal to the difference between the amount you realized on the sale, exchange, redemption, retirement or other taxable disposition of a note, excluding an amount equal to any accrued but unpaid interest (which will be taxable as ordinary income to the extent not previously included in income), and your tax basis in your note. Such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if at the time of sale, exchange, redemption, retirement or other taxable disposition you have held the note for more than one year. Long-term capital gains recognized by certain non-corporate U.S. holders, including individuals, generally will be subject to reduced tax rates. The deductibility of capital losses is subject to limitations.

Medicare Tax. A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, generally will be subject to a 3.8% tax, referred to as the Medicare tax, on the lesser of (i) the U.S. holder's net investment income (or, in the case of a U.S. holder that is an estate or trust, the U.S. holder's undistributed net investment income) for the relevant taxable year and (ii) the excess of the U.S. holder's modified adjusted gross income (or, in the case of a U.S. holder that is an estate or trust, the U.S. holder's adjusted gross income) for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's tax return filing status, and in the case of an estate or trust, the dollar amount at which its highest tax bracket begins for such taxable year). Your net investment income (or, in the case of an estate or trust, undistributed net investment income) generally will include your interest income and any net gains from the disposition of notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive trading activities). If you are a U.S. holder that is an individual, estate or trust, you should consult your independent tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the notes.

Non-U.S. Holders

This section applies to you if you are a **Non-U.S. holder**. As used herein, the term **Non-U.S. holder** means a beneficial owner of a note who is neither a U.S. holder nor a partnership or other pass-through entity. If you are a U.S. holder, this subsection does not apply to you and you should refer to **U.S. Holders** above.

Payments of Interest. Under U.S. federal income tax laws, and subject to the discussion of backup withholding below, if you are a non-U.S. holder of notes, you generally will not be subject to U.S. federal income tax, including withholding tax, on payments of interest with respect to the notes provided that (i) the payment of interest is not effectively connected with the conduct by you of a trade or business in the U.S. or, if an income tax treaty applies, is not attributable to a permanent establishment or fixed base in the U.S., (ii) (A) you do not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote, (B) you are not a controlled foreign corporation that is related directly or constructively to us through stock ownership and (C) we do not have actual knowledge or reason to know that you are a United States person, and (iii) you have furnished an Internal Revenue Service (**IRS**) Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are not a United States person, or you hold the notes through certain foreign intermediaries or certain foreign partnerships, and you and the foreign intermediary or foreign partnership satisfy the certification requirements of applicable Treasury regulations.

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If interest on the notes is not effectively connected with the conduct by you of a trade or business in the U.S. or, if an income tax treaty applies, is not attributable to a permanent establishment or fixed base in the U.S., but you cannot satisfy the other requirements outlined above, interest on the notes generally will be subject to U.S. federal withholding tax (currently imposed at a 30% rate, or a lower rate if an income tax treaty applies).

If interest on the notes is effectively connected with the conduct by you of a trade or business within the U.S. and, if an income tax treaty applies, is attributable to a permanent establishment or fixed base in the U.S., you generally will be subject to U.S. federal income tax on such interest in the same manner as if you were a U.S. holder and, if you are a foreign corporation, you may also be subject to the branch profits tax (currently imposed at a rate of 30% or a lower rate if an income tax treaty applies). Any such interest will not also be subject to U.S. federal withholding tax, however, if you deliver to us a properly executed IRS Form W-8ECI or acceptable substitute form in order to claim an exemption from U.S. federal withholding tax.

Purchase, Sale, Exchange, Redemption and Retirement of the Notes. Upon the sale, exchange, redemption, retirement or other taxable disposition of a note, you generally will not be subject to U.S. federal income or withholding tax on any gain recognized unless (i) the gain is effectively connected with the conduct by you of a trade or business within the U.S. or, if an income tax treaty applies, is not attributable to a permanent establishment or fixed base in the U.S., or (ii) you are a nonresident alien individual, who is present in the U.S. for 183 or more days in the taxable year of the disposition and certain other conditions are met. If you are a non-U.S. holder who is described under (i) above, you generally will be subject to U.S. federal income tax on such gain in the same manner as if you were a U.S. holder and, if you are a foreign corporation, you may also be subject to the branch profits tax as described above. If you are a non-U.S. holder who is described under (ii) above, you generally will be subject to a flat 30% tax on the gain derived from the sale, exchange, redemption, retirement or other taxable disposition of notes, which may be offset by certain U.S. capital losses (notwithstanding the fact that you are not considered a U.S. resident for U.S. federal income tax purposes). Any amount attributable to accrued but unpaid interest on the notes generally will be treated in the same manner as payments of interest made to you, as described above under *Non-U.S. Holder Payments of Interest*.

Backup Withholding and Information Reporting

If you are a non-corporate U.S. holder, information reporting requirements will apply to payments of principal and interest on the notes, in each case if such payments are made within the U.S. Such payments will be considered made within the U.S. if transferred to an account maintained in the U.S. or mailed to a U.S. address, and the amount is paid by or through a custodian, nominee or other agent that is a U.S. Payor or U.S. Middleman as defined below. Backup withholding will apply to such payments if you are a non-corporate U.S. holder that (i) fails to provide an accurate taxpayer identification number, (ii) in the case of interest payments, fails to certify that you are not subject to backup withholding, or (iii) is notified by the IRS that you have become subject to backup withholding.

Generally, we must report annually to the IRS and to non-U.S. holders the amount of interest paid to non-U.S. holders and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty. In general, a person claiming to be a non-U.S. holder will not be subject to backup withholding with respect to payments of interest that we make, provided the IRS Form W-8BEN or substitute form described above under *Payments of Interest* has been received and we do not have actual knowledge or reason to know that the holder is a United States person that is not an exempt recipient. The payment of proceeds of a sale of notes effected at the U.S. office of a broker generally will be subject to the information reporting and backup withholding rules described above. In addition, the information reporting rules will apply to payments of proceeds of a sale effected at a foreign office of a broker that is a U.S. Payor or U.S. Middleman, unless the broker has documentary evidence that you are not a United States person (and has no actual knowledge or reason to know to the contrary) or you otherwise establish

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an exemption. The backup withholding rules will apply to such payments if the broker has actual knowledge that you are a United States person. A U.S. Payor or U.S. Middleman includes:

a United States person;

a controlled foreign corporation for U.S. federal income tax purposes;

a foreign person 50% or more of whose gross income is derived for U.S. federal income tax purposes from a U.S. trade or business for a specified three-year period; or

a foreign partnership in which United States persons hold more than 50% of the income or capital interests or which is engaged in a U.S. trade or business.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a holder of notes generally will be allowed as a refund or a credit against such holder's U.S. federal income tax liability as long as such holder provides the required information to the IRS.

FATCA

The Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (FATCA) impose a 30% withholding tax on certain amounts paid to a foreign entity (including pass-thru payments to certain persons) unless certain conditions are satisfied or unless the foreign entity is exempt from FATCA. FATCA would apply to, among other things, interest payments on certain debt obligations and gross proceeds from the sale or disposition of such obligations. As a general matter, the FATCA rules are designed to require U.S. persons' direct and indirect ownership of non-U.S. accounts and non-U.S. entities to be reported to the IRS. Under final regulations issued by the U.S. Department of Treasury on January 17, 2013, as modified by IRS Notice 2013-43, withholding under FATCA will not apply to payments pursuant to certain obligations that are outstanding on July 1, 2014 (and are not materially modified after June 30, 2014). Accordingly, FATCA withholding currently is not expected to be required on the notes. You should consult your independent tax advisors regarding the application of these requirements to your own situation.

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CERTAIN ERISA CONSIDERATIONS

A fiduciary of a pension, profit-sharing or other employee benefit plan (a Plan) subject to the U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the Plan s particular circumstances before authorizing an investment in the notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the Code).

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans and other plans from engaging in certain transactions involving plan assets with persons who are parties in interest under ERISA or disqualified persons under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in excise tax or other liabilities under ERISA or the Code for those persons and penalties and liabilities under ERISA and the Code for the fiduciary of the Plan, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (Non-ERISA Arrangements) are not subject to the requirements of Section 406 of ERISA or Section 4975 of the Code but may be subject to similar provisions under other applicable federal, state, local, non-U.S. or other laws (Similar Laws).

The acquisition of the notes by a Plan or any entity whose underlying assets include plan assets by reason of any Plan s investment in the entity (a Plan Asset Entity) with respect to which we, certain of our affiliates or the underwriters are or become a party in interest or disqualified person may result in a direct or indirect prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, unless the notes are acquired pursuant to an applicable exemption. The U.S. Department of Labor has issued prohibited transaction class exemptions that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase of the notes. These exemptions include, without limitation, PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers), PTCE 90-1 (for certain transactions involving insurance company pooled separate accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 95-60 (for transactions involving certain insurance company general accounts), and PTCE 96-23 (for transactions managed by in-house asset managers). In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide limited relief from the prohibited transactions provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither Customers Bancorp, Inc. nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the notes should not be acquired by any person investing plan assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement, unless such acquisition will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Any purchaser or holder of the notes or any interest therein will be deemed to have represented by its acquisition of the notes that it either (1) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing the notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement, or (2) the acquisition and holding of the notes will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

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The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering acquiring the notes on behalf of or with the assets of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCs listed above or a statutory exemption, as applicable. Purchasers of the notes have exclusive responsibility for ensuring that their purchase of the notes do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any applicable Similar Laws. The sale of any note to a Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives or underwriters that such an investment meets all relevant legal requirements with respect to investments by any such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement or that such investment is appropriate for such Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.

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Subject to the terms and conditions set forth in the underwriting agreement, dated July , 2013, by and among us, Customers Bank and Janney Montgomery Scott LLC, as representative of the underwriters named below, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the respective principal amount of notes shown opposite its name below:

Underwriter	Principal Amount Of Notes
Janney Montgomery Scott LLC	
Boenning & Scattergood, Inc.	
Total	\$ 25,000,000

The underwriting agreement provides that the obligations of the several underwriters are subject to certain conditions precedent such as the receipt by the underwriters of officers and trustees certificates and legal opinions and approval of certain legal matters by their counsel. The underwriting agreement provides that the underwriters will purchase all of the notes if any of them are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated. We have agreed to indemnify the underwriters and certain of their controlling persons against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the notes subject to their acceptance of the notes from us and subject to prior sale. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commission and Expenses

The underwriters have advised us that they propose to offer the notes to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers, which may include the underwriters, at that price less a concession not in excess of \$ per note. The underwriters may allow, and such dealers may reallow, a concession not in excess of \$ per note to certain other dealers. After the offering, the public offering price and concession to dealers may be reduced by the representative. No such reduction will change the amount of proceeds to be received by us as set forth on the cover page of this prospectus supplement.

The following table shows the public offering price, the underwriting discounts and commissions that we are to pay the underwriters, the proceeds, before expenses, to us and the net proceeds after estimated expenses to us in connection with this offering. Such amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase additional notes.