

Edgar Filing: Customers Bancorp, Inc. - Form 424B5

Customers Bancorp, Inc.
Form 424B5
November 03, 2016

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 these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated November 3, 2016

PRELIMINARY PROSPECTUS SUPPLEMENT Filed Pursuant to Rule 424(b)(5)
(to Prospectus dated April 1, 2016) Registration No. 333-209760

Customers Bancorp, Inc.

2,600,000 Shares

Common Stock

We are offering to sell 2,600,000 shares of our common stock, par value \$1.00 per share.

Our common stock is listed on the New York Stock Exchange under the symbol "CUBI." On November 2, 2016, the last reported sale price of our common stock on the New York Stock Exchange was \$26.25 per share.

The common stock is not a savings account, deposit or other obligation of our bank or non-bank subsidiaries and is not insured or guaranteed by the Federal Deposit Insurance Corporation, or the FDIC, or any other government agency.

Investing in our common stock involves risks. See "Risk Factors" beginning on page S-8 of this prospectus supplement, as well as those risk factors contained in our reports filed with the Securities and Exchange Commission, or the SEC, that are incorporated or deemed to be incorporated by reference herein, to read about other risk factors you should consider before buying shares of our common stock.

None of the SEC, any state securities commission, the Federal Reserve, the FDIC or any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total ⁽¹⁾
Public offering price	\$	\$
Underwriting discount and commissions	\$	\$
Proceeds, before offering expenses, to us	\$	\$

(1) Assumes no exercise of the underwriters' option to purchase additional shares of common stock described below.

We have granted the underwriters an option to purchase up to an additional 390,000 shares of our common stock within 30 days after the date of this prospectus supplement at the public offering price less the underwriting discount.

Edgar Filing: Customers Bancorp, Inc. - Form 424B5

The underwriters expect to deliver the shares of common stock to purchasers against payment therefor, in New York, New York on or about _____, 2016.

Joint Book-Running Managers

FBR Keefe, Bruyette & Woods
A Stifel Company

The date of this prospectus supplement is _____, 2016.

TABLE OF CONTENTS

Prospectus Supplement

	PAGE
ABOUT THIS PROSPECTUS SUPPLEMENT	S-ii
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	S-iii
PROSPECTUS SUPPLEMENT SUMMARY	S-1
RISK FACTORS	S-8
USE OF PROCEEDS	S-11
DIVIDEND POLICY	S-11
CAPITALIZATION	S-12
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS FOR NON-UNITED STATES HOLDERS	S-13
UNDERWRITING	S-16
VALIDITY OF SECURITIES	S-21
EXPERTS	S-21
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	S-21
WHERE YOU CAN FIND MORE INFORMATION	S-22

Prospectus

	PAGE
ABOUT THIS PROSPECTUS	ii
SUMMARY	1
RISK FACTORS	2
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS	2
USE OF PROCEEDS	3
RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	4
DESCRIPTION OF THE SECURITIES	5
DESCRIPTION OF DEBT SECURITIES	5
DESCRIPTION OF COMMON STOCK	13
DESCRIPTION OF PREFERRED STOCK	18
DESCRIPTION OF DEPOSITARY SHARES	21
DESCRIPTION OF PURCHASE CONTRACTS	24
DESCRIPTION OF WARRANTS	24
DESCRIPTION OF UNITS	26
PLAN OF DISTRIBUTION	27
LEGAL MATTERS	28
EXPERTS	29
INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE	29
WHERE YOU CAN FIND MORE INFORMATION	29

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 and also supplements and, in certain cases, 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, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, as well as 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.

If the information set forth in this prospectus supplement differs from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement. Similarly, if the information set forth in this prospectus supplement differs from the information contained in any document incorporated by reference that was filed prior to the date of this prospectus supplement, you should rely on the information set forth in this prospectus supplement.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of shares of our common stock. We are not making any representation to you regarding the legality of an investment in the shares of our common stock by you under applicable investment or similar laws.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus filed by us with the SEC. This prospectus supplement may be used only for the purpose for which it has been prepared. No one is authorized to give information other than that contained in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the SEC and the documents referred to in this prospectus supplement and which are made available to the public. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or any free writing prospectus filed by us with the SEC or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful 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," "our," or similar references refer to Customers Bancorp, Inc., and its subsidiaries on a consolidated basis, except where the context otherwise requires or as otherwise indicated.

S-ii

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 safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to future events or future predictions, including events or predictions relating to future financial performance, and are generally identifiable by the use of forward-looking terminology such as "believe," "expect," "may," "will," "should," "plan," "intend," or "anticipate" or the negative thereof or comparable terminology. Forward-looking statement in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include, among other matters, guidance for our financial performance, our two-year financial performance targets, the future financial performance, prospects and goals for our BankMobile division, and the timing for when BankMobile is expected to achieve profitability. Forward-looking statements reflect numerous assumptions, estimates and forecasts as to future events. No assurance can be given that the assumptions, estimates and forecasts underlying such forward-looking statements will accurately reflect future conditions, or that any guidance, goals, targets or projected results will be realized. The assumptions, estimates and forecasts underlying such forward-looking statements involve judgments with respect to, among other things, future economic, competitive, regulatory and financial market conditions and future business decisions, which may not be realized and which are inherently subject to significant business, economic, competitive and regulatory uncertainties and known and unknown risks, including the risks described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015 and subsequent Quarterly Reports on Form 10-Q, as such factors may be updated from time to time in our filings with the SEC. Our actual results may differ materially from those reflected in the forward-looking statements.

In addition to the risks described under "Risk Factors" in this prospectus supplement, the accompanying prospectus and the reports we file with the SEC under the Securities Exchange Act of 1934, as amended, important factors to consider and evaluate with respect to such forward-looking statements include:

- changes in external competitive market factors that might impact our results of operations;
- changes in laws and regulations, including without limitation changes in capital requirements under Basel III;
- changes in our business strategy or an inability to execute our strategy due to the occurrence of unanticipated events;
- our ability to identify potential candidates for, and consummate, acquisition or investment transactions;
- the timing of acquisition, investment or disposition transactions;
- constraints on our ability to consummate an attractive acquisition or investment transaction because of significant competition for these opportunities;
- local, regional and national economic conditions and events and the impact they may have on us and our customers;
- costs and effects of regulatory and legal developments, including the results of regulatory examinations and the outcome of regulatory or other governmental inquiries and proceedings, such as fines or restrictions on our business activities;
- our ability to attract deposits and other sources of liquidity;
- changes in the financial performance and/or condition of our borrowers;
- changes in the level of non-performing and classified assets and charge-offs;
- changes in estimates of future loan loss reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- inflation, interest rate, securities market and monetary fluctuations;
- timely development and acceptance of new banking products and services and perceived overall value of these products and services by users;
- changes in consumer spending, borrowing and saving habits;
- technological changes;
- our ability to increase market share and control expenses;
- continued volatility in the credit and equity markets and its effect on the general economy;
- effects of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;
-

the businesses of Customers Bank and any acquisition targets or merger partners and subsidiaries not integrating successfully or such integration being more difficult, time-consuming or costly than expected;

- our ability to successfully implement our growth strategy, control expenses and maintain liquidity;
- Customers Bank's ability to pay dividends to Customers Bancorp.

S-iii

- unforeseen challenges that may arise in connection with the consummation of our recently-completed acquisition of certain assets and assumption of certain liabilities from Higher One, including that integration may be less
- successful, more difficult, time-consuming or costly than expected, and that BankMobile may be unable to realize anticipated cost savings and revenue enhancements within the expected time frame or at all;
 - the number of existing student customers who transfer their accounts to BankMobile from one of Higher One's former bank partners;
 - material variances in the adoption rate of BankMobile's services by new students and/or the usage rate of BankMobile's services by current student customers compared to our expectations;
 - material variances in the number of BankMobile student accounts retained following graduation compared to our expectations;
 - the levels of usage of other BankMobile student customers following graduation of additional product and service offerings of BankMobile or Customers Bank, including mortgages and consumer loans, and the mix of products and services used;
 - our ability to implement changes to BankMobile's product and service offerings under current and future regulations and governmental policies;
 - our ability to effectively manage revenue and expense fluctuations that may occur with respect to BankMobile's student-oriented business activities, which result from seasonal factors related to the higher-education academic year;
 - our ability to implement our strategy regarding BankMobile, including with respect to our intent to sell or otherwise dispose of the BankMobile business in the future, depending upon market conditions and opportunities; and
 - BankMobile's ability to successfully implement its growth strategy and control expenses.

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

S-iv

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 our common stock. You should read this entire prospectus supplement and the accompanying prospectus carefully, including the "Risk Factors" sections contained in this prospectus supplement and in the accompanying prospectus and our Annual Report on Form 10-K for the year ended December 31, 2015, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016 and our Current Reports on Form 8-K that are incorporated by reference herein, 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, Inc. is a bank holding company located in Wyomissing, Pennsylvania engaged in banking and related businesses through its bank subsidiary, Customers Bank. Customers Bank is a community-based, full-service bank. A member of the Federal Reserve System and with deposits insured by the Federal Deposit Insurance Corporation, Customers Bank is an equal opportunity lender that provides a range of banking services to small and medium-sized businesses, professionals, individuals and families through offices in Pennsylvania, New York, Rhode Island, Massachusetts, New Hampshire and New Jersey. Committed to fostering customer loyalty, Customers Bank uses a High Tech/High Touch strategy that includes use of technology to provide customers better access to their money, as well as Concierge Banking® by appointment at customers' homes or offices 12 hours a day, seven days a week. Customers Bank offers a continually expanding portfolio of loans to small businesses, multi-family projects, mortgage companies and consumers. BankMobile is a division of Customers Bank, offering state of the art high tech digital banking services with high level of personal customer service. At September 30, 2016, Customers Bancorp had total assets of \$9.6 billion, including total loans, net of the allowance for doubtful accounts (including held-for-sale loans) of \$8.4 billion, total deposits of \$7.4 billion, and shareholders' equity of \$790 million.

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.

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

Recent Developments

On October 26, 2016, we announced preliminary financial results for the three and nine months ended September 30, 2016.

Results of operations for the three months ended September 30, 2016 compared to three months ended September 30, 2015

Net income available to common shareholders increased \$4.3 million, or 30.3%, to \$18.6 million for the three months ended September 30, 2016, compared to \$14.3 million for the three months ended September 30, 2015. The increased net income available to common shareholders resulted from an increase in net interest income of \$14.7 million, largely reflecting the loan portfolio growth of the past year, a reduction in provision for loan losses expense of \$2.0 million, and an increase in non-interest income of \$21.3 million, offset in part by an increase in non-interest expense of \$25.9 million, an increase in income tax expense of \$6.2 million, and an increase in preferred stock dividends of \$1.6 million.

Net interest income increased \$14.7 million, or 29.3%, for the three months ended September 30, 2016 to \$64.6 million, compared to \$49.9 million for the three months ended September 30, 2015. This increase resulted principally

from higher average loan and security balances of \$2.0 billion as well as a 4 basis point expansion in net interest margin to 2.83% in the third quarter of 2016 compared to the third quarter of 2015.

The provision for loan losses decreased \$2.0 million to \$0.1 million for the three months ended September 30, 2016, compared to \$2.1 million for the same period in 2015, as loan balances increased as planned only \$3.0 million during the third quarter of 2016 and asset quality remained exceptional.

Non-interest income increased \$21.3 million during the three months ended September 30, 2016 to \$27.5 million, compared to \$6.2 million for the three months ended September 30, 2015. The increase in the third quarter of 2016 was primarily a result of increases in interchange and card revenue of \$11.4 million, deposit and wire transfer fees of \$4.0 million, university fees of \$1.0 million, and a \$2.2 million recovery of a previously recorded loss. The interchange and card revenue, deposit and wire transfer fee, and university fee increases totaling \$16.4 million resulted from Customers' previously announced acquisition of the Disbursement business from Higher One in June 2016.

Non-interest expense increased \$25.9 million, or 85.5%, during the three months ended September 30, 2016 to \$56.2 million, compared to \$30.3 million during the three months ended September 30, 2015 as a result of increases in technology costs of \$10.1 million, salaries and employee benefits of \$7.7 million, and professional services of \$4.3 million. These increases resulted largely from increased operating costs for BankMobile of \$17.5 million and the increases in resources and services necessary to support and operate a \$9.6 billion bank. In addition, non-interest expenses for the third quarter of 2016 include a \$3.9 million one-time expense for technology-related services.

Income tax expense increased \$6.2 million in the three months ended September 30, 2016 to \$14.6 million, compared to \$8.4 million in the same period of 2015. The increase in income tax expense was driven primarily from increased taxable income of \$12.1 million in the third quarter of 2016 and an increase in the estimated effective tax rate for 2016 due to an increasing proportion of income producing assets domiciled in New York, particularly in New York City. Customers' third quarter 2016 income tax expense reflected an estimated effective tax rate of 40.8% compared to a third quarter 2015 effective tax rate of 35.5%. Customers' third quarter 2016 income tax expense also included an adjustment of \$0.8 million that increased income tax expense as a result of a "return to provision adjustment" recorded upon filing Customers' 2015 tax return during the third quarter of 2016.

Preferred stock dividends increased \$1.6 million for the three months ended September 30, 2016 to \$2.6 million, compared to \$1.0 million for the three months ended September 30, 2015. The increased preferred stock dividends resulted from issuances of \$167.5 million of preferred stock during 2016 for a total balance of \$225 million of preferred stock issued and outstanding at September 30, 2016, compared to \$57.5 million of preferred stock issued and outstanding at September 30, 2015.

Results of operations for the nine months ended September 30, 2016 compared to nine months ended September 30, 2015

Net income available to common shareholders increased \$13.1 million, or 33.3%, to \$52.4 million for the nine months ended September 30, 2016, compared to \$39.3 million for the nine months ended September 30, 2015. The increased net income available to common shareholders resulted from an increase in net interest income of \$42.5 million, largely reflecting the loan portfolio growth of the past year, a decrease in provision for loan losses expense of \$11.5 million, and an increase in non-interest income of \$22.9 million, offset in part by an increase in non-interest expense of \$44.9 million, an increase in income tax expense of \$14.6 million, and an increase in preferred stock dividends of \$4.4 million.

Net interest income increased \$42.5 million, or 29.8%, for the nine months ended September 30, 2016 to \$185.4 million, compared to \$142.8 million for the nine months ended September 30, 2015. This increase resulted principally from higher average loan and security balances of \$2.0 billion as well as a 4 basis point expansion in net interest margin to 2.84% for the first nine months of 2016 compared to the first nine months of 2015.

The provision for loan losses decreased \$11.5 million to \$2.9 million for the nine months ended September 30, 2016, compared to \$14.4 million for the same period in 2015. The provision for loan losses of \$2.9 million included provisions for loan growth and impairment measured on specific loans of approximately \$5.0 million, offset in part by increased estimated cash flows expected to be collected on purchased credit-impaired loans, a reduction in the estimated amounts owed to the FDIC for previous FDIC assisted transactions, and other recoveries of approximately \$2.1 million. The 2015 provision expense included a provision of \$6.0 million for a fraudulent loan that was charged off in full during 2015 and an increase in estimated amounts owed to the FDIC for previous FDIC assisted transactions of \$3.8 million.

Non-interest income increased \$22.9 million, or 125.4%, during the nine months ended September 30, 2016 to \$41.2 million, compared to \$18.3 million for the nine months ended September 30, 2015. The increase was primarily a result

of an increase of \$13.4 million in interchange and card revenues, an increase in deposit and wire transfer fees of \$4.6 million, and an increase in other income of \$4.7 million, resulting primarily from a \$2.2 million recovery of a previously recorded loss and university fees of \$1.2 million. The interchange and card revenue, deposit and wire transfer fee, and university fee increases totaled \$19.0 million at BankMobile and resulted primarily from the acquisition of the Disbursement business.

Non-interest expense increased \$44.9 million, or 53.8%, during the nine months ended September 30, 2016 to \$128.3 million, compared to \$83.4 million during the nine months ended September 30, 2015 as a result of increases in salaries and employee benefits of \$14.7 million, technology costs of \$11.2 million, professional services of \$5.8 million, FDIC assessments, taxes and regulatory fees of \$3.7 million, acquisition related expenses of \$1.2 million and other operating expenses of \$6.8 million. These increases resulted largely from increased operating costs for BankMobile of \$22.2 million, a \$3.9 million one-time expense for technology-related services, a one time charge of \$1.4 million associated with legal matters, and an increase in resources and services necessary to support and operate a \$9.6 billion bank. Non-interest expenses for the nine months ended September 30, 2015 also included an adjustment of \$2.3 million that reduced Pennsylvania shares tax expense.

Income tax expense increased \$14.6 million in the nine months ended September 30, 2016 to \$37.1 million, compared to \$22.5 million in the same period of 2015. The increase in income tax expense was driven by increased taxable income of \$32.2 million in the first nine months of 2016 and an adjustment of \$0.8 million that increased income tax expense as a result of a "return to provision adjustment" recorded upon the filing of Customers' 2015 tax return during the third quarter of 2016. Customers' effective tax rate increased to 38.9% for the nine months ended September 30, 2016, compared to 35.5% for the same period in 2015. The increase in the effective tax rate was primarily driven by an increased proportion of income producing assets domiciled in New York, particularly in New York City.

Preferred stock dividends increased \$4.4 million in the nine months ended September 30, 2016 to \$5.9 million, compared to \$1.5 million in the same period of 2015. The increased preferred stock dividends resulted from issuances of \$167.5 million of preferred stock during 2016 for a total balance of \$225 million of preferred stock issued and outstanding at September 30, 2016, compared to \$57.5 million of preferred stock issued and outstanding at September 30, 2015.

Financial Condition as of September 30, 2016

Total assets were \$9.6 billion at September 30, 2016. This represented a \$1.2 billion, or 14.3%, increase from total assets of \$8.4 billion at December 31, 2015. The major change in Customers' financial position occurred as the result of organic growth in our loan portfolio, which increased by \$1.2 billion since December 31, 2015, or 16.1%, to \$8.4 billion at September 30, 2016. The main drivers were the growth of commercial loans held for investment, which increased \$0.6 billion, or 12.2%, to \$5.7 billion at September 30, 2016 compared to \$5.1 billion at December 31, 2015 and commercial loans to mortgage companies held for sale which increased \$0.6 billion, or 35.3%, to \$2.4 billion at September 30, 2016 compared to \$1.8 billion at December 31, 2015.

Total liabilities were \$8.8 billion at September 30, 2016. This represented a \$1.0 billion, or 12.3%, increase from \$7.8 billion at December 31, 2015. The increase in total liabilities resulted from increased deposits, which increased by \$1.5 billion, or 25.0%, to \$7.4 billion at September 30, 2016 from \$5.9 billion at December 31, 2015. Transaction deposits grew by \$0.9 billion, or 25.2%, to \$4.5 billion at September 30, 2016 from \$3.6 billion at December 31, 2015. Deposit growth was primarily the result of growth in non-interest bearing demand deposits of \$0.4 billion (primarily generated by BankMobile), money market accounts of \$0.4 billion and certificates of deposit accounts of \$0.6 billion.

Shareholders' equity increased \$235.9 million to \$789.8 million at September 30, 2016, compared to shareholders' equity of \$553.9 million at December 31, 2015, a 42.6% increase in the first nine months of 2016. The primary components of the increase were:

- the issuance of 6,700,000 shares of preferred stock in 2016; 1,000,000 shares on January 29, 2016 with net proceeds of \$24.1 million, 2,300,000 shares on April 28, 2016 with net proceeds of \$55.6 million, and 3,400,000 shares on September 16, 2016 with net proceeds of \$82.3 million;
- the issuance of 219,386 shares of common stock in connection with an "at-the-market" offering, with net proceeds of \$5.5 million during the third quarter of 2016;
- net income of \$58.3 million for the nine months ended September 30, 2016;
- net other comprehensive income of \$8.8 million for the nine months ended September 30, 2016; and
- share-based compensation expense of \$4.6 million for the nine months ended September 30, 2016;
-

offset in part by the accrual of preferred stock dividends of \$5.9 million for the nine months ended September 30, 2016.

S-3

Segment Information

In connection with our acquisition of the Disbursement business from Higher One Holdings, Inc. and Higher One, Inc. (together, "Higher One") and the combination of the Disbursement business with our BankMobile technology platform late in the second quarter of 2016, Customers' chief operating decision makers, our Chief Executive Officer and Board of Directors, began allocating resources and assessing performance for two distinct business segments – "Community Business Banking" and "BankMobile." The Community Business Banking segment is delivered predominately to commercial customers in Southeastern Pennsylvania, New York, New Jersey, Massachusetts, Rhode Island and New Hampshire through a single point of contact business model and provides liquidity to residential mortgage originators nationwide through commercial loans to mortgage companies. The BankMobile segment provides state of the art high tech digital banking and disbursement services to consumers, students, and the "under banked" nationwide. Prior to the third quarter of 2016, Customers operated in one business segment – "Community Banking."

Set forth below is certain unaudited data for the Community Business Banking and BankMobile segments for the three and nine months ended September 30, 2016. The segment financial results include directly attributable revenues and expenses. Corporate overhead costs are assigned to the Community Business Banking segment as those expenses are expected to continue following our planned disposition of BankMobile. Similarly, preferred stock dividends have been allocated in their entirety to the Community Business Banking segment. The tax benefit assigned to BankMobile was based on an estimated effective tax rate of 38%. BankMobile's operating results for 2015 were not material to Customers' 2015 consolidated financial results.

CUSTOMERS BANCORP, INC. AND SUBSIDIARIES
 SEGMENT REPORTING - UNAUDITED
 (Dollars in thousands)

	Three months ended September 30, 2016		
	Community Business Banking	BankMobile	Consolidated
Interest income ⁽¹⁾	\$82,828	\$ 1,384	\$ 84,212
Interest expense	19,620	7	19,627
Net interest income	63,208	1,377	64,585
Provision for loan losses	(162	) 250	88
Non-interest income	11,121	16,365	27,486
Non-interest expense	36,864	19,354	56,218
Income (loss) before income tax expense	37,627	(1,862	) 35,765
Income tax expense/(benefit)	15,284	(708	) 14,576
Net income (loss)	22,343	(1,154	) 21,189
Preferred stock dividends	2,552	—	2,552
Net income (loss) available to common shareholders	\$19,791	\$ (1,154	) \$ 18,637

(1) - Amounts reported include funds transfer pricing of \$1.4 million for the three months ended September 30, 2016 credited to BankMobile for the value provided to the Community Business Banking segment for the use of low/no cost deposits.

	Nine months ended September 30, 2016		
	Community		
	Business	BankMobile	Consolidated
	Banking		
Interest income ⁽¹⁾	\$234,513	\$ 4,418	\$ 238,931
Interest expense	53,539	22	53,561
Net interest income	180,974	4,396	185,370
Provision for loan losses	2,605	249	2,854
Non-interest income	22,241	18,996	41,237
Non-interest expense	101,053	27,253	128,306
Income (loss) before income tax expense	99,557	(4,110)	) 95,447
Income tax expense/(benefit)	38,691	(1,562)	) 37,129
Net income (loss)	60,866	(2,548)	) 58,318
Preferred stock dividends	5,900	—	5,900
Net income (loss) available to common shareholders	\$54,966	\$ (2,548)	) \$ 52,418

As of September 30, 2016

Goodwill and other intangibles	\$3,642	\$ 13,282	\$ 16,924
Total assets	\$9,532,281	\$ 70,329	\$ 9,602,610
Total deposits	\$6,855,788	\$ 533,182	\$ 7,388,970

(1) - Amounts reported include funds transfer pricing of \$4.4 million for the nine months ended September 30, 2016 credited to BankMobile for the value provided to the Community Business Banking segment for the use of low/no cost deposits.

BankMobile

We have previously disclosed our intent to sell or otherwise dispose of the BankMobile business, including the Disbursement business. We recently announced that after considering a number of alternatives to accomplish the disposition of BankMobile, we have determined to pursue a sale of BankMobile. Our ability to consummate the sale of BankMobile will depend a variety of factors, including market conditions, the terms of any proposals we receive, and other factors that could change our current plan or cause us to consider other alternatives. Please see "Risk Factors" for a discussion of certain risks relating to our plan to sell BankMobile.

As of the date hereof, we have not filed our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. Accordingly, our results for the third quarter and first nine months of 2016 are subject to our completion of our closing and review procedures for the quarter, which may cause changes in the results we report in our Form 10-Q from these preliminary results. These results are not necessarily indicative of the results that may be expected for any future period. You should read this information in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes to those statements, which are incorporated by reference into this prospectus supplement.

Summary of the Offering

Issuer	Customers Bancorp, Inc.
Securities Offered	2,600,000 shares of our common stock, par value \$1.00 per share (or 2,990,000 shares if the underwriters exercise their option to purchase additional shares in full).
Common Stock to be outstanding after this offering	29,886,333 shares (or 30,276,333 shares if the underwriters exercise their option to purchase additional shares in full).
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$ (or approximately \$ if the underwriters exercise their option to purchase additional shares in full), after deducting the underwriting discount and estimated offering expenses payable by us. We expect to use the net proceeds for general corporate purposes, which may include working capital and the funding of organic growth at Customers Bank. We have not identified the amounts we will spend on any specific purpose. Accordingly, we will retain broad discretion over the use of the net proceeds. See "Use of Proceeds" in this prospectus supplement.
Dividend policy	We have not historically declared or paid cash dividends on our common stock, and we do not expect to do so in the near future. We have followed and presently intend to continue following a policy of retaining earnings, if any, to fund our growth and the growth of our