

Customers Bancorp, Inc.  
Form S-1/A  
January 13, 2011

Registration No. 333-166225

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
Amendment No. 3 to  
FORM S-1  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

Customers Bancorp, Inc.  
(Exact name of registrant as specified in its Charter)

Pennsylvania  
(State of Incorporation)

27-2290659  
(I.R.S. Employer I.D. No.)

6022  
(Primary Standard Industrial  
Classification Code No.)

1015 Penn Avenue  
Suite 103  
Wyomissing PA 19610  
(610) 933-2000  
(Address and telephone number of principal executive offices)

Jay S. Sidhu  
Customers Bank  
1015 Penn Avenue  
Suite 103  
Wyomissing PA 19610  
(610) 933-2000  
(Name, address, telephone no. of agent for service)

With a Copy to:

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effectiveness of this Registration Statement and the completion of the transactions described herein.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this Joint Proxy Statement-Prospectus is not complete and may be changed. CBI may not sell these securities until the Securities and Exchange Commission declares the registration statement effective. This Joint Proxy Statement-Prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated January 13, 2010

Preliminary Joint Proxy Statement-Prospectus

Prospectus of Customers Bancorp, Inc.  
\_\_\_\_\_ Shares of Voting Common Stock and  
\_\_\_\_\_ Shares of Class B Non-Voting Common Stock

Proxy Statement of Customers Bank and Berkshire Bancorp, Inc.

PROPOSED REORGANIZATION AND MERGER – YOUR VOTE IS VERY IMPORTANT

Special Meeting of Shareholders

For each of:

Customers Bank  
99 Bridge Street  
Phoenixville, Pennsylvania 19460  
(610) 933-2000

Berkshire Bancorp, Inc.  
1101 Woodland Road  
Wyomissing, Pennsylvania 19610  
(610) 376-7200

The Boards of Directors of Customers Bank and Berkshire Bancorp, Inc. have each scheduled a special meeting of shareholders for the respective entities. The Customers Bank shareholder meeting is for the purpose of approving the reorganization, pursuant to a Plan of Merger and Reorganization, of Customers Bank into a holding company structure (which is referred to as the “reorganization” in this Joint Proxy Statement-Prospectus), and approving a merger transaction in accordance with that certain Agreement and Plan of Merger, dated as of August 23, 2010, by and among Customers Bank, Customers Bancorp, Inc., Berkshire Bank and Berkshire Bancorp, Inc., pursuant to which Berkshire Bancorp, Inc. will be merged with and into Customers Bancorp, Inc., and Berkshire Bank will thereafter be merged with and into Customers Bank (in this Joint Proxy Statement-Prospectus, the agreement is referred to as the “Merger Agreement,” and the transactions contemplated by the Merger Agreement as the “merger”).

The special meeting of shareholders for Berkshire Bancorp, Inc. is for the purpose of approving and adopting the Merger Agreement and the merger. Both the reorganization and the merger are contingent upon receipt of approval from various bank regulatory agencies, and the merger is contingent upon the earlier effectuation of the reorganization. Therefore, if the shareholders of Customers Bank do not approve the reorganization or if the required bank regulatory approvals are not received, the merger will not occur.

This Joint Proxy Statement-Prospectus registers shares of Customers Bancorp, Inc. Voting Common Stock and Class B Non-Voting Common Stock to be issued in connection with both the reorganization and the merger.

With respect to the reorganization, shares of Customers Bancorp, Inc. Voting Common Stock will be issued to shareholders of record of Customers Bank as of \_\_\_\_\_, 2011 on the basis of one share of Customers Bancorp, Inc. Voting Common Stock for every three shares of Customers Bank Voting Common Stock outstanding at the effective time of the reorganization, and one share of Customers Bancorp, Inc. Class B Non-Voting Common Stock for every three shares of Customers Bank Class B Non-Voting Common Stock outstanding at the effective time of the reorganization. The reorganization will only occur if the holders of two-thirds of the outstanding shares of Customers Bank Voting Common Stock vote in favor of the reorganization.

With respect to the merger, if and after the reorganization is completed, each share of Berkshire Bancorp, Inc. common stock will be converted into the right to receive a certain fraction of a share of Customers Bancorp, Inc. Voting Common Stock, based upon the exchange ratio, calculated as the Berkshire Bancorp, Inc. valuation divided by three times Customers Bank valuation, each as established in the Merger Agreement, plus cash in lieu of fractional shares, as discussed in the attached Joint Proxy Statement-Prospectus. The merger will only occur if the holders of two-thirds of the outstanding shares of Customers Bank Voting Common Stock and Berkshire Bancorp, Inc. common stock vote in favor of the Merger Agreement and the merger.

If the reorganization and merger are approved, and Customers Bancorp, Inc. receives all required bank regulatory approvals, a holding company structure will be formed through a reorganization pursuant to which Customers Bank will become a wholly owned subsidiary of Customers Bancorp, Inc., and the shareholders of Customers Bank will become the shareholders of Customers Bancorp, Inc. Immediately following the completion of the reorganization, the merger will be consummated so that Berkshire Bancorp, Inc. will be merged with and into Customers Bancorp, Inc., and immediately thereafter, Berkshire Bank will be merged with and into Customers Bank, and all of the issued shares of Berkshire Bancorp, Inc. common stock outstanding immediately before the consummation of the merger will be exchanged for shares of Customers Bancorp, Inc. Voting Common

Stock in accordance with the Merger Agreement. Accordingly, the effective time of the reorganization will precede the effective time of the merger. The effective time of the merger of Berkshire Bancorp, Inc. with and into Customers Bancorp, Inc. will precede the effective time of the merger of Berkshire Bank with and into Customers Bank. The reorganization and the merger are described in detail in the attached Joint Proxy Statement-Prospectus.

The board of directors of Customers Bank has approved the reorganization, the Merger Agreement and the merger, and recommends that you vote “FOR” the reorganization, Merger Agreement and merger. The board of directors of Berkshire Bancorp, Inc. has approved the Merger Agreement and the merger and recommends that you vote “FOR” the Merger Agreement and merger.

None of Customers Bancorp, Inc.’s Voting Common Stock or the Class B Non-Voting Common Stock, nor Berkshire Bancorp, Inc.’s common stock is listed on any national securities exchange.

**YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 15 OF THIS JOINT PROXY STATEMENT-PROSPECTUS BEFORE DECIDING HOW TO VOTE ON THE PROPOSED REORGANIZATION.**

The following are important disclosures. Please read them carefully:

You should rely only on information contained in this document or that has been referred to in this document. Neither Customers Bancorp, Inc., Customers Bank, Berkshire Bancorp, Inc. nor Berkshire Bank have authorized anyone to provide you with information that is different. This Joint Proxy Statement-Prospectus is only accurate as of the date printed on the bottom of this page. If there is any material change affecting the formation of the holding company structure or the merger, you will be advised.

The shares of Customers Bancorp, Inc. to be issued in the proposed reorganization and merger will not be savings accounts or deposits, and will not be insured by the Federal Deposit Insurance Corporation or any other government agency. Investment in the shares involves investment risk, including possible loss of principal.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in the proposed reorganization and the merger, passed upon the accuracy of this Joint Proxy Statement-Prospectus or determined if this Joint Proxy Statement-Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Joint Proxy Statement-Prospectus is \_\_\_\_\_, 2011.

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Previously enacted and potential future legislation, including legislation to reform the U.S. financial regulatory system, could adversely affect Customers Bank's business.	26
The new Bureau of Consumer Financial Protection ("BCFP") may reshape the consumer financial laws through rulemaking and enforcement of unfair, deceptive or abusive practices, which may directly impact the business operations of depository institutions offering consumer financial products or services including Customers Bank.	26
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Customers Bank and/or CBI may become subject to additional Pennsylvania taxes as a result of the reorganization.	26
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Losses or liabilities may be higher than anticipated and may negatively impact Customers Bank’s earnings and financial position.	29
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Customers Bank and CBI intend to engage in acquisitions of other businesses from time to time, including FDIC-assisted acquisitions. These acquisitions may not produce revenue or earnings enhancements or cost savings at levels or within timeframes originally anticipated and may result in unforeseen integration difficulties.	30
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Some institutions Customers Bank or CBI could acquire may have distressed assets and there can be no assurance that Customers will be able to realize the value predicted from these assets or that it will make sufficient provision for future losses in the value of, or accurately estimate the future write-downs taken in respect of, these assets.

As a result of an investment or acquisition transaction, Customers may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on Customers' financial condition and results of operations, which could cause you to lose some or all of your investment.

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Customers Bank and/or CBI may in the future hire consultants or advisors on a contingent basis, who would only receive payment in the event an investment or acquisition transaction occurred and, therefore, they might be viewed as having an interest in such investment or acquisition transaction occurring.	34
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For Holders of Warrants and Options to Purchase Shares of Customers Bank

Common Stock

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You should rely only on the information contained in this document. None of Customers Bancorp, Inc., Customers Bank, Berkshire Bancorp, Inc. nor Berkshire Bank has authorized anyone to provide you with any other information. This document may only be used where it is legal to sell these securities.

The information contained in this Joint Proxy Statement-Prospectus is accurate only as of the date of this Joint Proxy Statement-Prospectus, regardless of the time of delivery of this Joint Proxy Statement-Prospectus or of any sale of securities.

#### EXPLANATORY NOTE

Customers Bancorp, Inc. has filed with the Securities and Exchange Commission a registration statement under the Securities Act for the registration of its Voting Common Stock and Class B Non-Voting Common Stock, and shares underlying warrants and options to acquire such stock, to be issued and exchanged pursuant to a plan of reorganization and a merger agreement. This Joint Proxy Statement-Prospectus and the accompanying notice of shareholder meeting constitute the prospectus of the Customers Bancorp, Inc. filed as part of such registration statement. Upon completion of the reorganization, Customers Bancorp, Inc. will be required to comply with the periodic reporting requirements under the Securities Exchange Act of 1934 (“Exchange Act”). Customers Bank is not presently subject to reporting requirements under the Exchange Act.



Customers Bank  
99 Bridge Street  
Phoenixville, Pennsylvania 19460  
(610) 933-2000

\_\_\_\_\_, 2010

I am pleased to advise you that the Board of Directors of Customers Bank, has approved the reorganization, pursuant to a Plan of Merger and Reorganization, into a bank holding company structure (which is referred to as the “reorganization), with a bank holding company that has already been formed, called Customers Bancorp, Inc., and the acquisition by merger of Berkshire Bancorp, Inc. (which is referred to as the “merger”) pursuant to that certain Agreement and Plan of Merger, dated as of August 23, 2010, by and among Customers Bank, Customers Bancorp, Inc., Berkshire Bank and Berkshire Bancorp, Inc. (which is referred to as the “Merger Agreement”). The reorganization will provide Customers Bank with additional flexibility for structuring acquisitions and also for taking advantage of opportunities under the continually evolving laws governing financial institutions. The acquisition by merger of Berkshire Bancorp, Inc. will allow Customers Bank to accelerate its growth plans in Berks County and increase its assets to over \$1 billion with 15 banking offices in Pennsylvania, New York and New Jersey.

Both the reorganization and the merger are contingent upon receipt of approval from various bank regulatory agencies, and the merger transaction is contingent upon the earlier effectuation of the reorganization. Therefore, if the shareholders of Customers Bank do not approve the reorganization, the merger will not occur.

On completion of the reorganization, as a shareholder of Customers Bank, you will receive one share of Customers Bancorp, Inc. Voting Common Stock for every three of your shares of Customers Bank’s Voting Common Stock and one share of Customers Bancorp, Inc. Class B Non-Voting Common Stock for every three shares of Customers Bank’s Class B Non-Voting Common Stock. The conversion of Customers Bank shares into shares of the holding company generally will be tax-free for U.S. federal income tax purposes.

Upon completion of the merger, each share of Berkshire Bancorp, Inc. common stock will be converted into the right to receive a certain fraction of shares of Customers Bancorp, Inc. Voting Common Stock, based upon the exchange ratio, calculated as the Berkshire Bancorp, Inc. valuation divided by three times the Customers Bank valuation, each as established in the Merger Agreement, plus cash in lieu of fractional shares, as discussed in the attached Joint Proxy Statement-Prospectus. The merger will only occur if the holders of two-thirds of the outstanding shares of Customers Bank Voting Common Stock and Berkshire Bancorp, Inc. common stock vote in favor of the Merger Agreement and the merger.

Customers Bank is requesting that its shareholders approve the Plan of Merger and Reorganization, the reorganization that will result in the holding company structure, the merger and the Merger Agreement, and if necessary, an adjournment of the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies. Because both the reorganization into a holding company structure and the merger require the that two-thirds of the outstanding shares of Customers Bank Voting Common Stock be voted in favor of each respective transaction, your vote is very important. Customers Bank has scheduled a meeting of shareholders to consider the holding company formation at the following date, time and place:

[TIME DATE LOCATION]



The enclosed proxy statement gives you detailed information about the meeting, the proposed holding company formation, the Merger Agreement and the merger.

Your Board of Directors enthusiastically supports the reorganization into a holding company structure and the merger, and recommend that you vote to approve both. Please sign and return the enclosed proxy card. You are also welcome to attend the meeting in person.

Jay S. Sidhu  
Chairman and Chief Executive Officer

---

Berkshire Bancorp, Inc.  
1101 Woodland Road  
Wyomissing, Pennsylvania 19160

[DATE]

I am pleased to advise you that the Board of Directors of Berkshire Bancorp, Inc. has approved the merger with and into Customers Bancorp, Inc. (which is referred to as the “merger”) pursuant to that certain Agreement and Plan of Merger, dated as of August 23, 2010, by and among Customers Bank, Customers Bancorp, Inc., Berkshire Bank and Berkshire Bancorp, Inc. (which is referred to as the “Merger Agreement”). The merger is contingent upon receipt of approval from various bank regulatory agencies and the earlier effectuation of the reorganization of Customers Bank into a holding company structure under Customers Bancorp, Inc. Therefore, if the shareholders of Customers Bank do not approve the reorganization or if the required bank regulatory approvals are not received, the merger will not occur.

Upon completion of the merger, each share of Berkshire Bancorp, Inc. common stock will be converted into the right to receive a certain fraction of shares of Customers Bancorp, Inc. Voting Common Stock, based upon the exchange ratio, calculated as the Berkshire Bancorp, Inc. valuation divided by three times the Customers Bank valuation, each as established in the Merger Agreement, plus cash in lieu of fractional shares, as discussed in the attached Joint Proxy Statement-Prospectus. The merger will only occur if the reorganization of Customers Bank into a holding company structure is completed, and the holders of two-thirds of the outstanding shares of Customers Bank Voting Common Stock and Berkshire Bancorp, Inc. common stock vote in favor of the Merger Agreement and the merger. The conversion of Berkshire Bancorp, Inc. common stock into Customers Bancorp, Inc. Voting Common Stock will generally will be tax-free for U.S. federal income tax purposes.

Berkshire is requesting that shareholders of Berkshire Bancorp, Inc. approve and adopt the merger and the Merger Agreement, and if necessary, an adjournment of the meeting to a date to be proposed at the meeting, to solicit or receive additional proxies. Your vote is very important. There is a scheduled a special meeting of shareholders to consider the merger and Merger Agreement at the following date, time and place:

[TIME DATE LOCATION]

The enclosed proxy statement gives you detailed information about the meeting, the Merger Agreement and the merger.

Your Board of Directors enthusiastically supports the merger, and recommends that you vote to approve it. Please sign and return the enclosed proxy card. You are also welcome to attend the meeting in person.

CUSTOMERS BANK  
99 Bridge Street  
Phoenixville, Pennsylvania 19460  
(610) 933-2000

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

A Special Meeting of the shareholders of Customers Bank will be held on \_\_\_\_\_, \_\_\_\_ 2011, at the main office of Customers Bank, 99 Bridge Street, Phoenixville Pennsylvania, at \_\_\_\_\_ a.m. to vote on the following proposals:

- C1. To approve and adopt a Plan of Merger and Reorganization pursuant to which Customers Bank will reorganize to a bank holding company structure (which is referred to as the “reorganization”);
- C2. To approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank (which is referred to as the “Merger Agreement”) and to approve all transactions contemplated by the Merger Agreement. Pursuant to the Merger Agreement, Berkshire Bancorp, Inc. will merge with an into Customers Bancorp, Inc., and, immediately thereafter, Berkshire Bank will merge with and into Customers Bank; and
- C3. To adjourn the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies.

The board of directors has set the Record Date for the Special Meeting as \_\_\_\_\_, 2011. Only holders of record of Customers Bank’s Voting Common Stock at the close of business on that date can vote at the meeting. As long as a quorum is present or represented at the Special Meeting, the affirmative vote of two-thirds of Customers Bank’s outstanding Voting Common Stock is required to pass Proposals C1 and C2, and the affirmative vote of a majority of Customers Bank’s Voting Common Stock present, in person or by proxy is required to pass Proposal C3. As of the Record Date, there were \_\_\_\_\_ shares of Customers Bank’s Voting Common Stock outstanding.

Shareholders may be entitled to assert dissenters’ rights in connection with the reorganization. See “THE REORGANIZATION – Dissenters’ Rights” beginning on page 45 of this Joint Proxy Statement-Prospectus for a summary of the rights to which you may be entitled. Additionally, a copy of the law pertaining to dissenters’ rights, Sections 1607 and 1222 of the Pennsylvania Banking Code and Subchapter D of Chapter 15 and Section 1930 of the Pennsylvania Business Corporation Law, is attached as Annex C to the Joint Proxy Statement-Prospectus.

The directors of Customers Bank unanimously believe that Proposals C1 through C3 are in the best interests of Customers Bank and its shareholders, and urge shareholders to vote “FOR” each of Proposals C1 through C3.

By Order of the Board of Directors

Gertrude M. Hackney, Secretary

Dated: \_\_\_\_ \_\_, 2010



BERKSHIRE BANCORP, INC.  
1101 Woodland Road  
Wyomissing, Pennsylvania 19160  
(610) 376-7200

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

A Special Meeting of the shareholders of Berkshire Bancorp, Inc. will be held on \_\_\_\_\_, \_\_\_\_\_ 2011, at [LOCATION], at \_\_\_\_\_ a.m. to vote on the following proposals:

- B1. To approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank (which is referred to as the “Merger Agreement”) and to approve all transactions contemplated by the Merger Agreement. Pursuant to the Merger Agreement, Berkshire Bancorp, Inc. will merge with and into Customers Bancorp, Inc., and, immediately thereafter, Berkshire Bank will merge with and into Customers Bank; and
- B2. To adjourn the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies.

The board of directors has set the Record Date for the Special Meeting as \_\_\_\_\_, 2011. Only holders of record of Berkshire Bancorp, Inc.’s common stock at the close of business on that date can vote at the meeting. As long as a quorum is present or represented at the Special Meeting, the affirmative vote, in person or by proxy, of two-thirds of Berkshire Bancorp, Inc.’s outstanding common stock is required to pass Proposal B1, and the affirmative vote, in person or by proxy, of a majority of Berkshire Bancorp, Inc.’s common stock present is required to pass Proposal B2. As of the Record Date, there were \_\_\_\_\_ shares of Berkshire Bancorp, Inc.’s common stock outstanding.

Your vote is important regardless of the number of shares you own. If you abstain from voting or do not vote (either in person or proxy), it will have the practical effect of a vote against the Merger Agreement.

Even if you plan to attend the special meeting, the board of directors urges you to complete, sign, date and return the enclosed proxy card promptly in the envelope provided. This will not prevent you from attending the special meeting but will assure that your vote will be counted should you be unable to attend.

Shareholders may be entitled to assert dissenters’ rights in connection with the merger. See “THE MERGER – Rights of Dissenting Shareholders” beginning on page 65 of this Joint Proxy Statement-Prospectus for a summary of the rights to which you may be entitled. Additionally, a copy of the law pertaining to dissenters’ rights, Subchapter D of Chapter 15 and Section 1930 of the Pennsylvania Business Corporation Law, is attached as Annex I to the Joint Proxy Statement-Prospectus.

The directors of Berkshire Bancorp, Inc. unanimously believe that Proposals B1 and B2 are in the best interests of Berkshire Bancorp, Inc. and its shareholders, and urge shareholders to vote “FOR” each of Proposals B1 and B2.

By Order of the Board of Directors

Norman E. Heilenman, Chairman of the Board

Dated: \_\_\_\_ \_\_, 2011

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## FORWARD-LOOKING STATEMENTS

This Joint Proxy Statement-Prospectus and all attachments hereto, including the annual report and audited and unaudited financial statements of Customers Bank and Berkshire Bancorp, Inc., as well as other written or oral communications made from time to time by Customers Bank, Customers Bancorp, Inc., Berkshire Bank and Berkshire Bancorp, Inc. may contain certain forward-looking information within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. These statements relate to future events or future predictions, including events or predictions relating to future financial performance, and are generally identifiable by the use of forward-looking terminology such as “believes,” “expects,” “may,” “will,” “should,” “plan,” “intend,” or “anticipate” or negative thereof or comparable terminology, or by discussion of strategy that involve risks and uncertainties. These forward-looking statements are only predictions and estimates regarding future events and circumstances and involve known and unknown risks, uncertainties and other factors, including the risks described under “Risk Factors” 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 on various assumptions that may not prove to be correct.

In addition to the risks described in the “Risk Factors” section of this Joint Proxy Statement-Prospectus, important factors to consider and evaluate in such forward-looking statements include:

- Changes in the external competitive market factors that might impact results of operations;
- Changes in laws and regulations, including without limitation changes in capital requirements under the federal prompt corrective action regulations;
- Changes in business strategy or an inability to execute strategy due to the occurrence of unanticipated events;
- Ability to identify potential candidates for, and consummate, acquisition or investment transactions;
- Constraints on ability to consummate an attractive acquisition or investment transaction because of significant competition for these opportunities;
- Failure to complete any or all of the transactions described herein on the terms currently contemplated;
- Local, regional and national economic conditions and events and the impact they may have on Customers Bank, Berkshire Bank and their customers;
- Ability to attract deposits and other sources of liquidity;
- Changes in the financial performance and/or condition of Customers Bank’s or Berkshire Bank’s 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;
- Changes in Customers Bank’s or Berkshire Bancorp’s capital structure resulting from future capital offerings or acquisitions;
- Changes in the timing or substance of Customers Bank’s strategic and operating plans resulting from future acquisitions or acquisition proposals;
- The integration of Customers Bank’s recent FDIC-assisted acquisition may present unforeseen challenges;
- Inflation, interest rate, securities market and monetary fluctuations;
- The timely development and acceptance of new banking products and services and perceived overall value of these products and services by users;
- Changes in consumer spending, borrowing and saving habits;
- Technological changes;

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



These forward-looking statements are subject to significant uncertainties and contingencies, many of which are beyond the control of Customers Bancorp, Inc., Customers Bank, Berkshire Bancorp, Inc. and Berkshire Bank. Although the expectations reflected in the forward-looking statements are currently believed to be reasonable, future results, levels of activity, performance or achievements cannot be guaranteed. Accordingly, there can be no assurance that actual results will meet expectations or will not be materially lower than the results contemplated in this Joint Proxy Statement-Prospectus and the attachments hereto. 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, the dates of those documents. None of Customers Bancorp, Inc., Customers Bank, Berkshire Bancorp, Inc. nor Berkshire Bank undertakes any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

## SUMMARY

### COMMONLY USED TERMS

For purposes of this Joint Proxy Statement-Prospectus, any references to “CBI” refer to Customers Bancorp, Inc., any references to “Customers” refer to Customers Bank and CBI collectively, any references to “BBI” refer to Berkshire Bancorp, Inc. and any references to “Berkshire” refer to Berkshire Bank and BBI collectively.

### QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND VOTING

Why am I receiving these proxy materials?

Customers Bank and BBI are sending you this Joint Proxy Statement-Prospectus and the accompanying proxy card because your proxy to vote at a Special Meeting is being solicited. If you were a holder of Customers Bank Voting Common Stock on [\_\_\_\_\_, 2011] (which is referred to as the “Record Date”), you are entitled to notice of and to vote at the Special Meeting of Shareholders of Customers Bank to be held at [\_\_\_\_\_] on [\_\_\_\_\_, 2011] at [\_\_\_\_\_] (which is referred to as the “Customers Special Meeting”).

If you were a holder of BBI common stock on the Record Date, you are entitled to notice of and to vote at the Special Meeting of Shareholders of BBI to be held at [TIME] on [\_\_\_\_\_, 2011] at [LOCATION] (which is referred to as the “Berkshire Special Meeting”). Shareholders of record on the Record Date are invited to attend the meeting for their respective entities to vote on the proposals described in this Joint Proxy Statement-Prospectus. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign, and return the accompanying proxy card.

Customers Bank has mailed this Joint Proxy Statement-Prospectus and the accompanying proxy card to all shareholders of record entitled to vote at the Customers Special Meeting, and BBI has mailed this Joint Proxy Statement-Prospectus and the accompanying proxy card to all shareholders of record entitled to vote at the Berkshire Special Meeting.

Who is entitled to vote at the meeting?

Customers Bank. To be able to vote, you must have been a beneficial owner or record holder of Customers Bank’s Voting Common Stock on \_\_\_\_\_, 2011, the Record Date.

If, at the close of business on the Record Date, your Customers Bank shares were registered directly in your name, then you are a shareholder of record. As a shareholder of record you may vote in person at the Customers Special

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Meeting or by proxy. Whether or not you plan to attend the meeting, Customers Bank urges you to complete and return the accompanying proxy card to ensure your vote is counted.

If, at the close of business on the Record Date, your Customers Bank shares were not issued directly in your name, but rather were held in an account at a brokerage firm, bank, or by another agent, you are the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by your broker, bank, or other agent. The broker, bank, or other agent holding your shares in that account is considered to be the shareholder of record for purposes of voting at the Customers Special Meeting. As a beneficial owner, you have the right to direct your broker, bank, or other agent on how to vote the shares of Voting Common Stock in your account. You are also invited to attend the Customers Special Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy issued in your name from your broker, bank or other agent.

BBI. To be able to vote, you must have been a beneficial owner or record holder of BBI common stock on \_\_\_\_\_, 2011, the Record Date.

If, at the close of business on the Record Date, your BBI shares were registered directly in your name, then you are a shareholder of record. As a shareholder of record you may vote in person at the Berkshire Special Meeting or by proxy. Whether or not you plan to attend the meeting, BBI urges you to complete and return the accompanying proxy card to ensure your vote is counted.

If, at the close of business on the Record Date, your BBI shares were not issued directly in your name, but rather were held in an account at a brokerage firm, bank, or by another agent, you are the beneficial owner of shares held in “street name” and these proxy materials are being forwarded to you by your broker, bank, or other agent. The broker, bank, or other agent holding your shares in that account is considered to be the shareholder of record for purposes of voting at the Berkshire Special Meeting. As a beneficial owner, you have the right to direct your broker, bank, or other agent on how to vote the shares of BBI common stock in your account. You are also invited to attend the Berkshire Special Meeting. However, since you are not the shareholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy issued in your name from your broker, bank or other agent.

What am I being asked to vote on?

Customers Bank. There are three matters scheduled for a vote at the Customers Special Meeting:

- C1. To approve and adopt a Plan of Merger and Reorganization pursuant to which Customers Bank will reorganize to a bank holding company structure;
- C2. To approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank, and to approve all transactions contemplated by such agreement. Pursuant to the Merger Agreement, Berkshire Bancorp, Inc. will merge with and into Customers Bancorp, Inc., and, immediately thereafter, Berkshire Bank will merge with and into Customers Bank; and
- C3. To adjourn the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies.

BBI. There are two matters scheduled for a vote at the Berkshire Special Meeting:

- B1. To approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank, and to approve all transactions contemplated by such agreement. Pursuant to the Merger Agreement, Berkshire Bancorp, Inc. will merge with and into Customers Bancorp, Inc., and, immediately thereafter, Berkshire Bank will merge with and into Customers Bank; and
- B2. To adjourn the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies.

Customers Bank’s board of directors recommends a vote “FOR” Proposals C1 through C3 above.

For additional information about the proposed reorganization of Customers Bank, see “QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION AND THE MERGER” beginning on page 8 of this Joint Proxy Statement-Prospectus, and the sections of this Joint Proxy Statement-Prospectus referred to therein. For additional

information about the proposed merger of BBI with and into CBI, see “QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION AND THE MERGER” beginning on page 8 of this Joint Proxy Statement-Prospectus, and the sections of this Joint Proxy Statement-Prospectus referred to therein.

BBI’s board of directors recommends a vote “FOR” Proposals B1 and B2 above.

For additional information about the proposed merger of BBI with and into CBI, see “QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION AND THE MERGER” beginning on page 8 of this Joint Proxy Statement-Prospectus, and the sections of this Joint Proxy Statement-Prospectus referred to therein.

How many votes do I have?

Each holder of Customers Bank’s Voting Common Stock is entitled to one vote per share held, and each holder of BBI common stock is entitled to one vote per share held.

#### What is a quorum?

For a proposal to be considered at either the Customers Special Meeting or the Berkshire Special Meeting, a quorum must be present. The presence, in person or by proxy, of a majority of the issued and outstanding shares entitled to vote will constitute a quorum. The shareholders present, in person or by proxy, at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Abstentions and “broker non-votes” (that is, shares held by a broker or nominee that are represented at the meeting, but with respect to which such broker or nominee is not instructed to vote on a particular proposal and does not have discretionary voting power) will not be counted for the purpose of determining whether a quorum is present at either the Customers Special Meeting or the Berkshire Special Meeting.

Your shares will be counted toward the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank, or other agent) or if you are present at the meeting. If there is no quorum, the chairperson of the meeting, or a majority of the votes present at the meeting, may adjourn the meeting to another date.

At any adjourned meeting at which a quorum is present in person or by proxy, any business may be transacted which might have been transacted at the original meeting if a quorum had been present.

#### What vote is required?

Customers Bank. For Proposals C1 and C2, to approve and adopt a Plan of Merger and Reorganization pursuant to which Customers Bank will be reorganized into a bank holding company structure, and to approve and adopt the Merger Agreement and the transactions contemplated thereby, if a quorum is present, the affirmative vote of holders of two-thirds of all shares of Customers Bank’s outstanding Voting Common Stock is required to approve each of Proposals C1 and C2. Abstentions and broker non-votes are not deemed to constitute “votes cast” and, therefore, will have the same effect as a vote against the proposals.

For Proposal C3, if a quorum is present, the affirmative vote of a majority of the stock having voting powers, present, in person or by proxy, is required to approve such proposal. Abstentions and broker non-votes are not deemed to constitute “votes cast” and, therefore, do not count either for or against approval of a given proposal.

BBI. For Proposal B1, to approve and adopt the Merger Agreement and the transactions contemplated thereby, if a quorum is present, the affirmative vote, in person or by proxy, of holders of two-thirds of all shares of BBI’s outstanding common stock is required to approve such proposal. Abstentions and broker non-votes are not deemed to constitute “votes cast” and, therefore, will have the same effect as a vote against the Merger Agreement and the transactions contemplated thereby.

For Proposal B2, if a quorum is present, the affirmative vote, in person or by proxy, of a majority of the common stock present, is required to approve such proposal. Abstentions and broker non-votes are not deemed to constitute “votes cast” and, therefore, do not count either for or against approval of a given proposal.

#### How do I vote?

Customers Bank. For any matter to be voted on at the Customers Special Meeting, you may vote “For” or “Against” or abstain from voting.

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Shareholder of Record: Shares Registered in Your Name. If you were a shareholder of record of Customers Bank on the Record Date, you may vote in person at the Customers Special Meeting. Alternatively, you may vote by proxy by using the accompanying proxy card. Whether or not you plan to attend the meeting, Customers Bank urges you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy. In such case, notify the Corporate Secretary before the meeting begins of your presence at the meeting and your intention to revoke your previously voted proxy.

To vote in person, come to the Customers Special Meeting and the ballot will be given to you when you arrive.

To vote by proxy, simply complete, sign, and date the accompanying proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the Customers Special Meeting, your shares will be voted as you direct unless you revoke your proxy.

**Beneficial Owner: Shares Registered in the Name of Broker, Bank, or Other Agent.** If your shares of Customers Bank's Voting Common Stock are held in "street name," that is, your shares are held in the name of a brokerage firm, bank, or other nominee, in lieu of a proxy card you should receive a voting instruction form from that institution by mail. Complete and mail the voting instruction card as instructed to ensure that your vote is counted.

If your shares are held in street name and you wish to vote in person at the Customers Special Meeting, you must obtain a proxy issued in your name from the record holder (that is, your brokerage firm, bank or other nominee) and bring it with you to the meeting. Customers recommends that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the meeting.

**BBI.** For any matter to be voted on at the Berkshire Special Meeting, you may vote "For" or "Against" or abstain from voting.

**Shareholder of Record: Shares Registered in Your Name.** If you were a shareholder of record of BBI on the Record Date, you may vote in person at the Berkshire Special Meeting. Alternatively, you may vote by proxy by using the accompanying proxy card. Whether or not you plan to attend the meeting, BBI urges you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person if you have already voted by proxy. In such case, notify the Corporate Secretary before the meeting begins of your presence at the meeting and your intention to revoke your previously voted proxy.

To vote in person, come to the Berkshire Special Meeting and the ballot will be given to you when you arrive.

To vote by proxy, simply complete, sign, and date the accompanying proxy card and return it promptly in the envelope provided. If you return your signed proxy card before the Berkshire Special Meeting, your shares will be voted as you direct unless you revoke your proxy.

**Beneficial Owner: Shares Registered in the Name of Broker, Bank, or Other Agent.** If your shares of BBI's common stock are held in "street name," that is, your shares are held in the name of a brokerage firm, bank, or other nominee, in lieu of a proxy card you should receive a voting instruction form from that institution by mail. Complete and mail the voting instruction card as instructed to ensure that your vote is counted.

If your shares are held in street name and you wish to vote in person at the Berkshire Special Meeting, you must obtain a proxy issued in your name from the record holder (that is, your brokerage firm, bank or other nominee) and bring it with you to the meeting. Berkshire recommends that you vote your shares in advance as described above so that your vote will be counted if you later decide not to attend the meeting.

What if I return a proxy card but do not make specific choices?

If you return a signed proxy card without marking any voting selections, your shares will be voted "FOR" each proposal listed on the proxy card. If any other matter is properly presented at the meeting for which the proxy card is submitted, then one of the proxies named on the proxy card will vote your shares using his or her discretion.

What if I receive more than one proxy card or voting instruction form?

If you receive more than one proxy card or voting instruction form because your shares are held in multiple accounts or registered in different names or addresses, or because you hold shares of both Customers Bank and BBI, please be sure to complete, sign, date, and return each proxy card or voting instruction form to ensure that all of your shares will be voted. If you receive proxy cards and voting instruction forms from both Customers Bank and BBI, please be sure to return each completed, signed and dated proxy card and voting instruction form to the proper entity. So proxy

cards and voting instruction forms related to the Customers Special Meeting should be returned to Customers Bank in the return envelope provided with the Customers Bank proxy materials. Likewise, proxy cards and voting instruction forms related to the Berkshire Special Meeting should be returned to BBI in the return envelope provided with the BBI proxy materials.

Only shares relating to proxy cards and voting instruction forms that have been signed, dated, and timely returned will be counted in toward a quorum and voted.



Who will count the votes and how will my votes be counted?

Votes will be counted by the judge of elections appointed for each Special Meeting. For the Customers Special Meeting, the judge of election will be Ruth Hammers, or, in her absence, one or more other individuals to be appointed in accordance with Customers Bank's bylaws. For the Berkshire Special Meeting, the judge of election will be [\_\_\_\_], or, in [his/her] absence, one or more other individuals to be appointed in accordance with BBI's bylaws. The judge of elections at each Special Meeting will count "FOR" and "AGAINST" votes for each proposal.

Can I change my vote after I have sent you my proxy?

Yes. You can revoke your proxy at any time before the applicable vote at the Special Meeting for the entity of which you are a shareholder. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

- You may submit another properly completed proxy with a later date;
- You may send a written notice that you are revoking your proxy to the applicable Corporate Secretary:
  - If to Customers Bank, at 1015 Penn Ave. Suite 103, Wyomissing, Pennsylvania 19610, Attention: Corporate Secretary; or
  - If to BBI, at 1101 Woodland Road, Wyomissing, Pennsylvania 19610, Attention Corporate Secretary;
- You may attend the meeting and vote in person (however, simply attending the meeting will not, by itself, revoke your proxy; you must notify the Corporate Secretary before the meeting begins of your presence at the meeting and your intention to revoke your previously voted proxy).

If your shares are held by a broker, bank, or other agent, you should follow the instructions provided by them.

How may I communicate with the board of directors?

Customers Bank. Please address any communications to Customers Bank's board of directors, in writing to Customers Bank's Corporate Secretary at 1015 Penn Ave. Suite 103, Wyomissing, Pennsylvania 19610. The Corporate Secretary will relay shareholder communications to the board of directors or any individual director to whom communications are directed.

BBI. Please address any communications to BBI's board of directors, in writing to BBI's Corporate Secretary at 1101 Woodland Road, Wyomissing, Pennsylvania 19610. The Corporate Secretary will relay shareholder communications to the board of directors or any individual director to whom communications are directed.

Who will bear the cost of soliciting proxies?

Customers Bank will bear the cost of the solicitation of proxies for the Customers Special Meeting, including preparation, assembly, printing and distribution of the proxy card and any additional solicitation materials furnished to shareholders in connection with the Customers Special Meeting. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others so that they may forward the solicitation materials to the beneficial owners. Customers Bank may reimburse such

persons for their reasonable expenses in forwarding solicitation materials to beneficial owners. The original solicitation of proxies may be supplemented by solicitation by personal contact, telephone, facsimile, email, or any other means by Customers Bank's directors, officers, or employees. No additional compensation will be paid to those individuals for any such services.

BBI will bear the cost of the solicitation of proxies for the Berkshire Special Meeting, including preparation, assembly, printing and distribution of the proxy card and any additional solicitation materials furnished to shareholders in connection with the Berkshire Special Meeting. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others so that they may forward the solicitation materials to the beneficial owners. BBI may reimburse such persons for their reasonable expenses in forwarding solicitation materials to beneficial owners. The original solicitation of proxies may be supplemented by solicitation by personal contact, telephone, facsimile, email, or any other means by BBI's directors, officers, or employees. No additional compensation will be paid to those individuals for any such services.

The cost of preparation, assembly, printing, and distribution of this Joint Proxy Statement-Prospectus will be shared by Customers Bank and BBI.

How can I find out the results of the voting at the meeting?

The voting results for Customers Bank will be announced at the Customers Special Meeting. The voting results for BBI will be announced at the Berkshire Special Meeting.

What is the recommendation of the board of directors?

Customers Bank. Customers Bank's board of directors recommends a vote:

FOR Proposal C1, to approve and adopt a Plan of Merger and Reorganization pursuant to which Customers Bank will reorganize to form a bank holding company structure;

FOR Proposal C2, to approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank, and to approve all transactions contemplated by such agreement. Pursuant to the Merger Agreement, Berkshire Bancorp, Inc. will merge with and into Customers Bancorp, Inc., and, immediately thereafter, Berkshire Bank will merge with and into Customers Bank; and

FOR Proposal C3, to adjourn the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies.

With respect to any other matter that properly comes before the Customers Special Meeting, the proxies will vote in accordance with their best judgment.

Unless you give other instructions on your proxy card, the persons named as proxies on your signed proxy card will vote in accordance with the recommendations of Customers Bank's board of directors with respect to each of the proposals and the election of each director position, and in their discretion with respect to any other matter properly brought before the Customers Special Meeting.

BBI. BBI's board of directors recommends a vote:

FOR Proposal B1, to approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank, and to approve all transactions contemplated by such agreement. Pursuant to the Merger Agreement, Berkshire Bancorp, Inc. will merge with and into Customers Bancorp, Inc., and, immediately thereafter, Berkshire Bank will merge with and into Customers Bank; and

FOR Proposal B2, to adjourn the meeting to a date to be proposed at the meeting, if necessary to solicit or receive additional proxies.

With respect to any other matter that properly comes before the Berkshire Special Meeting, the proxies will vote in accordance with their best judgment.

Unless you give other instructions on your proxy card, the persons named as proxies on your signed proxy card will vote in accordance with the recommendations of BBI's board of directors with respect to each of the proposals and the election of each director position, and in their discretion with respect to any other matter properly brought before the

Berkshire Special Meeting.

Whom should I call if I have questions about the Special Meeting, the reorganization or the merger?

Customers Bank. If you are a Customers Bank shareholder, you should contact Trudy Hackney, Customers Bank's Corporate Secretary, at (484) 359-7135 (for questions about the Customers Special Meeting), and Thomas Brugger, Customers Bank's Chief Financial Officer, at (484) 359-7113 (for questions about the reorganization and the merger).

BBI. If you are a BBI shareholder, you should contact BBI's Corporate Secretary at (610) 376-7200.

## QUESTIONS AND ANSWERS ABOUT THE REORGANIZATION AND THE MERGER

This question and answer summary highlights selected information contained in other sections of this Joint Proxy Statement-Prospectus. To understand the reorganization and the merger more fully, you should carefully read this entire Joint Proxy Statement-Prospectus, including all appendices and financial statements.

What is the proposed transaction for which I am being asked to vote?

**Reorganization.** Customers Bank shareholders are being asked to vote on a resolution to approve and adopt the Plan of Merger and Reorganization (which is referred to as the “Plan of Reorganization”) described in this Joint Proxy Statement-Prospectus in order to effect a reorganization (which is referred to as the “reorganization”) of Customers Bank into a bank holding company structure whereby all of the current shareholders of Customers Bank will become shareholders of CBI, and Customers Bank will become a wholly owned subsidiary of CBI. The reorganization, if approved by shareholders of Customers Bank at the Special Meeting, will involve several steps including, among others, an application to applicable bank regulators for permission to form interim bank as a merger subsidiary into which Customers Bank can merge in order to become a wholly owned subsidiary of CBI, applications to applicable bank regulators for permission for Customers Bank to merge into Customers Interim Bank in accordance with the Plan of Reorganization, the exchange at a ratio of three-to-one of outstanding shares of Customers Bank’s Voting Common Stock and Class B Non-Voting Common Stock for shares of CBI’s Voting Common Stock and Class B Non-Voting Common Stock, and the exchange of outstanding warrants and options to purchase shares of Customers Bank’s Voting Common Stock for warrants or options, respectively, to purchase shares of CBI’s Voting Common Stock.

For more information on the reorganization and the Plan of Reorganization, see “THE REORGANIZATION” beginning at page 40 of this Joint Proxy Statement-Prospectus and the Plan of Merger and Reorganization attached as Annex A to this Joint Proxy Statement-Prospectus.

**Merger.** Both Customers Bank and BBI shareholders are being asked to vote on a resolution to approve and adopt the Agreement and Plan of Merger, dated as of August 23, 2010, by and among Berkshire Bancorp, Inc., Berkshire Bank, Customers Bancorp, Inc., and Customers Bank (which is referred to as the “Merger Agreement”), and to approve all transactions contemplated by such agreement (which is referred to as the “merger”). The consummation of the merger is contingent upon the consummation of the reorganization, Customers Bank and BBI shareholder approval, and bank regulatory approval. Assuming consummation of the reorganization, if the merger is approved by both Customers Bank and BBI shareholders, the merger will involve several steps including, among others, an application to applicable bank regulators for permission to merge BBI into CBI (which is referred to as the “holding company merger”) and thereafter to merge Berkshire Bank into Customers Bank (which is referred to as the “bank merger”) in accordance with the Merger Agreement, and the exchange of BBI shares for CBI shares pursuant to the exchange ratio set forth in the Merger Agreement (more particularly described below under “What will I receive as consideration?”). Accordingly, the effective time of the holding company merger will precede the effective time of the bank merger.

Who is being asked to vote?

**Reorganization.** Only holders of Customers Bank Voting Common Stock as of the Record Date are being asked to vote on the reorganization. BBI shareholders, holders of Customers Bank Class B Non-Voting Common Stock, and holders of Customers Bank Voting Common Stock who were not holders of such stock on the Record Date are not entitled to vote on the reorganization.

**Merger.** Holders of Customers Bank Voting Common Stock and holders of BBI common stock as of the Record Date are being asked to vote on the merger. Holders of Customers Bank Class B Non-Voting Common Stock, and holders

of Customers Bank Voting Common Stock and BBI common stock who were not holders of such stock on the Record Date are not entitled to vote on the merger.

What will I receive as consideration?

Reorganization. In the reorganization, all Customers Bank shareholders will receive one CBI share of Voting Common Stock for every three shares of Customers Bank's Voting Common Stock held immediately prior to the closing of the reorganization, and one share of CBI's Class B Non-Voting Common Stock for every three shares of Customers Bank's Class B Non-Voting Common Stock held immediately prior to the closing of the reorganization. CBI will not issue any fractional shares in the reorganization. Holders who would otherwise be entitled to a fractional share of CBI Voting Common Stock or Class B Non-Voting Common Stock will instead receive an amount in cash, rounded to the nearest cent and without interest, equal to the product of (1) the fraction of such share to which the holder would otherwise have been entitled, and (2) the book value of one share of Voting Common Stock or Class B Non-Voting Common Stock, as applicable, of Customers Bank as of the final day of the quarter ended immediately prior to the closing of the reorganization. The book value per share of Customers Bank's Voting Common Stock and Class B Non-Voting Common Stock as of September 30, 2010 was \$4.39.

Merger. In the merger, all BBI shareholders will receive merger consideration as follows:

Each share of BBI common stock will be converted into the right to receive the number of shares of CBI Voting Common Stock equal to an exchange ratio to be calculated at the closing of the merger plus cash in lieu of fractional shares. The exchange ratio is the "Berkshire Valuation" divided by three (3) times the "NCB Valuation."

The Merger Agreement defines the "Berkshire Valuation" as the greater of (1) \$1.95, or (2) (A) (i) BBI's tangible common book value as of the most recent calendar month-end prior to the effective time of the merger, minus (ii) the Book Value Adjustment (which is the dollar amount necessary, as of the most recent calendar month end prior to the effective time of the merger, to bring Berkshire Bank's total loan loss reserves up to an amount equal to 40% of its nonperforming loans), if any, minus the costs (whether capitalized or expensed) that have been accrued or otherwise incurred as of the effective time by either or both of BBI and Berkshire Bank related to the Merger Agreement and transactions contemplated thereby, divided by (B) the number of shares of BBI common stock outstanding at the effective time.

The Merger Agreement defines the "NCB Valuation" as Customers Bank's tangible common book value as of the most recent calendar month-end prior to the effective time of the merger, divided by the then-current number of shares of Customers Bank Voting Common Stock and Class B Non-Voting Common Stock outstanding at the effective time.

For example, if the effective time of the merger was October 1, 2010, the merger consideration would have been 0.1539 shares of CBI Voting Common Stock (with a pro forma tangible book value of \$13.17 per share of CBI Voting Common Stock) in exchange for each share of BBI common stock outstanding immediately prior to the merger. This is calculated as the Berkshire Valuation of \$2.03 divided by three times the NCB Valuation of \$4.39. The Berkshire Valuation of \$2.03 is (1) the sum of \$8,012,638 (tangible common book value) plus \$196,077 (cost adjustment in accordance with the terms of the Merger Agreement), divided by (2) 4,051,063 shares of BBI common stock outstanding as of October 1, 2010. The NCB Valuation of \$4.39 is (1) \$97,693,000 (tangible common book value), divided by (2) 22,261,400 shares of Customers Bank's Common Stock outstanding as of October 1, 2010. Please keep in mind that numbers in this paragraph are provided as an example of what the merger consideration would be assuming the merger went into effect on October 1, 2010. Since this Joint Proxy Statement-Prospectus was declared effective and mailed after October 1, 2010, the numbers are not a true representation of what BBI shareholders will receive as consideration for the merger. As the tangible common book value of both BBI and Customers Bank fluctuates, the per share merger consideration will also change.

Shares of BBI common stock owned by Customers Bank, Berkshire Bank or BBI (other than BBI shares held in trust accounts, managed accounts and the like, or otherwise held in a fiduciary or agency capacity, that are beneficially owned by third parties and other than BBI shares held, directly or indirectly, by CBI, Customers Bank, BBI or Berkshire Bank in respect of a debt previously contracted) are excluded from the shares of BBI common stock that will be exchanged in the merger.

For a more complete description of the merger consideration, see "The Merger Agreement" beginning at page 66 of this Joint Proxy Statement-Prospectus.

What will happen, upon consummation of the reorganization, to options and warrants to purchase Customers Bank's Common Stock?

All warrants and options for the purchase of Customers Bank's Voting Common Stock or Class B Non-Voting Common Stock that have been granted will automatically become warrants or options, respectively, to purchase one-third the number of shares of CBI's Voting Common Stock or Class B Non-Voting Common Stock, as

applicable. The number of CBI shares for which each outstanding option or warrant will be exercisable after the reorganization will be rounded up to the nearest whole number of shares, subject to the holder's agreement to any necessary corresponding upward rounding adjustments of the per share exercise price to the nearest whole cent.

What will happen, upon the consummation of the merger, to outstanding warrants to purchase BBI common stock? All warrants to purchase BBI common stock that are outstanding and unexercised immediately prior to the effective time of the merger will be converted automatically into the right to receive warrants to purchase shares of CBI Voting Common Stock upon the same terms and conditions as the BBI warrants, except that the expiration date shall be extended five (5) years and the number of shares and exercise price of the warrants will be adjusted as follows:

- The number of shares of CBI Voting Common Stock to be subject to the converted BBI warrants will be equal to the product of the number of shares of BBI common stock subject to the BBI warrants multiplied by the exchange ratio (described above in "What will I receive as consideration? – The Merger"), provided that any fractional shares of CBI Voting Common Stock resulting from such multiplication will be rounded down to the nearest whole share; and



- The exercise price per share of CBI Voting Common Stock under the converted BBI warrants will be equal to the exercise price per share of BBI common stock under the BBI warrants divided by the exchange ratio, provided that such exercise price will be rounded up to the nearest cent.

At all times after the effective time of the merger, CBI will reserve for issuance such number of shares of CBI Voting Common Stock as necessary so as to permit the exercise of converted BBI warrants in the manner contemplated by the Merger Agreement and in the instruments pursuant to which such BBI warrants were granted.

Do I have to take any action to exchange my shares?

Reorganization. Upon completion of the reorganization, shares of Customers Bank's Voting Common Stock and Class B Non-Voting Common Stock will automatically be exchanged for shares of CBI's Voting Common Stock and Class B Non-Voting Common Stock without any action on the part of Customers Bank's shareholders.

After the reorganization, Customers Bank shareholders will be mailed a letter of transmittal and instructions related to the exchange of the certificates and other instruments representing ownership of Customers Bank's Voting Common Stock, Class B Non-Voting Common Stock, or options or warrants to purchase Customers Bank's Voting Common Stock, as applicable, for certificates or other instruments representing CBI's securities into which such securities have been converted as a result of the reorganization.

Customers Bank shareholders should not send in their certificates or other instruments representing their prior ownership of securities until they are notified to do so.

Merger. As of the effective time of the merger, shares of BBI's common stock will automatically be cancelled and converted into the right to receive the merger consideration pursuant to the Merger Agreement. Each BBI share certificate will thereafter represent only the right to receive the merger consideration into which the shares represented by such certificate have been converted, as well as any dividends to which holders of BBI common stock become entitled in accordance with the Merger Agreement.

Upon completion of the merger, BBI shareholders will be mailed a letter of transmittal and instructions related to the exchange of BBI share certificates and other instruments representing ownership of BBI's common stock for the merger consideration.

BBI shareholders should not send in their certificates or other instruments representing their prior ownership of securities until they are notified to do so.

Can I trade Customers Bank and/or BBI shares between the date of this Joint Proxy Statement-Prospectus and the closing of the reorganization?

Yes. To the extent you are currently allowed to trade such shares, Customers Bank's and BBI's shares will continue to be tradable during this period.

After the reorganization and the merger, where can I trade CBI's shares?

There is currently no established trading market for CBI's Voting Common Stock or Class B Non-Voting Common Stock and CBI does not expect there to be an established trading market for such shares after the reorganization and the merger. CBI's Voting Common Stock and Class B Non-Voting Common Stock may not be listed or quoted on any exchange. To date, trades of Customers Bank's Voting Common Stock and Class B Non-Voting Common Stock have not regularly been reported, so it is unlikely that trades of CBI's Voting Common Stock and Class B Non-Voting

Common Stock will be regularly reported in the foreseeable future.

In the event that any BBI shareholder would be entitled to receive as consideration for the merger a number of shares equaling greater than 4.9% of CBI's Voting Common Stock outstanding immediately after the merger, such BBI shareholder will receive as merger consideration only the number of shares equaling 4.9% of CBI's Voting Common Stock outstanding immediate after the merger until such BBI shareholder obtains applicable regulatory approval or accepts shares of CBI's Class B Non-Voting Common Stock for the rest of the merger consideration owed to such BBI shareholder.

Will the reorganization or the merger affect Customers Bank's current or future operations?

CBI currently believes that neither the reorganization nor the merger should have material impact on how Customers Bank conducts its day-to-day operations. A holding company structure may allow Customers Bank to conduct some activities that it could not conduct on its own, or it may allow it to make some acquisitions that it could not otherwise make. A merger between BBI and CBI would expand Customer Bank's footprint in Berks County, Pennsylvania. Please see "Risk Factors" beginning at page 15 of this Joint Proxy Statement-Prospectus for a discussion of various ways in which the reorganization and merger could have an adverse effect on CBI and Customers Bank.

Will the reorganization or merger dilute my economic interest?

Reorganization. The reorganization will not dilute Customers Bank's shareholders' economic interest. The number of shares of CBI outstanding immediately after the consummation of the reorganization will be one-third the number of shares of Customers Bank outstanding immediately before consummation of the transaction, but the relative economic interest associated with the shares will remain the same.

Merger. The merger will dilute Customers Bank's shareholders' economic interest in CBI compared to their economic interest immediately prior to the merger, and it will also dilute BBI's shareholders' economic interest in CBI compared to their former economic interest in BBI.

Will the reorganization or merger result in any changes to my rights as a shareholder?

Reorganization. Yes. Rights under the Pennsylvania Business Corporation Law as a CBI shareholder will differ in certain respects from rights of a Customers Bank shareholder under the Pennsylvania Banking Code. In addition, CBI's articles of incorporation and bylaws would differ from Customers Bank's articles of incorporation and bylaws. The material changes in rights resulting from the reorganization are summarized at "COMPARISON OF SHAREHOLDERS' RIGHTS" beginning at page 85 of this Joint Proxy Statement-Prospectus.

Merger. Yes. While the rights of a BBI shareholder may be the same as a CBI shareholder under the Pennsylvania Business Corporation Law, with the exception of certain provisions which BBI and CBI may have opted out of, CBI's articles of incorporation and bylaws would differ from BBI's articles and bylaws. The material changes in rights resulting from the reorganization are summarized at "COMPARISON OF SHAREHOLDERS' RIGHTS" beginning at page 85 of this Joint Proxy Statement-Prospectus.

What are the expected federal income tax consequences of the reorganization and merger?

Reorganization. The reorganization is intended to qualify as a tax-free reorganization for federal income tax purposes. Stradley Ronon Stevens & Young, LLP, Customers Bank's tax counsel, has opined, to the effect that, on the basis of certain representations as to matters of fact and assumptions, including that such representations are accurate and remain accurate through the effective date of the reorganization, (1) the shareholders of Customers Bank will not recognize any gain or loss for federal income tax purposes upon the exchange of their shares in Customers Bank solely for shares in CBI, except with respect to receipt of cash in lieu of any fractional shares of CBI, and (2) none of Customers Bank, CBI and Customers Interim Bank will recognize any gain or loss in connection with the reorganization. If a shareholder of Customers Bank dissents to the proposed reorganization and receives solely cash in exchange for shares of Customers Bank, such cash will be treated as received by such shareholder in a taxable exchange, subject to special rules. Thus, while there can be no guarantee that the U.S. Internal Revenue Service will adopt a similar position, it is expected that Customers Bank shareholders will have no federal income tax consequences as a result of the reorganization, except with respect to receipt of cash in lieu of any fractional shares of CBI or in the case of dissenting shareholders who elect dissenters' rights. Customers Bank shareholders should consult

with their tax adviser about state and local tax consequences of the reorganization, if any, because the information about tax consequences in this Joint Proxy Statement-Prospectus relates to the federal income tax consequences of the reorganization only. Please refer to “CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS OF THE REORGANIZATION” beginning on page 46 of joint prospectus-proxy statement for a description of the material U.S. federal income tax consequences of the reorganization to Customers Bank’s shareholders.

Merger. The transactions contemplated by the merger are intended to qualify as a tax-free reorganizations for federal income tax purposes. Each of CBI and BBI has received an opinion from its respective tax counsel, to the effect that, on the basis of certain representations as to matters of fact and assumptions, including that such representations are accurate and remain accurate through the effective date of the merger, (1) the shareholders of BBI will not recognize any gain or loss for federal income tax purposes upon the exchange of their shares of BBI common stock (or the BBI 6% Non-Cumulative Non-Voting Convertible Perpetual Preferred Stock, Series C (the “BBI Series C Stock”)), solely for shares in CBI Voting Common Stock except with respect to receipt of cash in lieu of any fractional shares of CBI and, with respect to the BBI Series C Stock, accrued dividends thereon, and (2) neither BBI nor Berkshire Bank will recognize any gain or loss in connection with the merger (except with respect to the amount of bad debt reserve of Berkshire Bank that must be recaptured for federal income tax purposes as a result of the merger of Berkshire Bank with and into Customers Bank). If a shareholder of BBI dissents to the proposed merger and receives solely cash in exchange for shares of BBI, such cash will be treated as received by such shareholder in a taxable exchange, subject to special rules. Thus, while there can be no guarantee that the U.S. Internal Revenue Service will adopt a similar position, it is expected that BBI shareholders will have no federal income tax consequences as a result of the reorganization, except with respect to receipt of cash in lieu of any fractional shares of BBI and, with respect to the BBI Series C Stock, accrued dividends thereon, or in the case of dissenting shareholders who elect dissenters’ rights. BBI shareholders should consult with their tax adviser about state and local tax consequences of the reorganization, if any, because the information about tax consequences in this Joint Proxy Statement-Prospectus relates to the federal income tax consequences of the reorganization only. Please refer to “CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONDISERATIONS OF THE MERGER” beginning on page 79 of joint prospectus–proxy statement for a description of the material U.S. federal income tax consequences of the merger to BBI’s shareholders.

The United States federal income tax consequences described above may not apply to all holders of Customers Bank shares or BBI shares, as the case may be. Your tax consequences will depend on your individual situation. Accordingly, you are urged to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

When do you expect the reorganization and the merger to be completed?

Customers and Berkshire intend to close both the reorganization and the merger as quickly as possible. Assuming the reorganization is approved by Customers Bank’s shareholders and the applicable banking regulators, and the merger is approved by both Customers Bank’s and BBI’s shareholders and applicable banking regulators, the reorganization and the merger are expected to close in early to mid 2011. However, completion of either transaction could be delayed if necessary regulatory approvals are not obtained, or if Customers Bank proposes to complete additional acquisitions or similar transactions. See “THE REORGANIZATION - Background and Reasons for the Reorganization- Acquisition Strategy” on page 40 for more information about potential acquisitions or similar transactions. The boards of directors of CBI and Customers Bank have the right to withdraw from or postpone the reorganization for any reason even if all necessary regulatory and shareholder approvals have been obtained. The boards of directors of all parties to the Merger Agreement have the right to withdraw from or postpone the merger under certain conditions. See “THE MERGER AGREEMENT – Termination of the Merger Agreement” beginning at page 77 of this Joint Proxy Statement-Prospectus for more information.

What vote is required to approve the reorganization and the merger?

Reorganization. The affirmative vote of the holders of two-thirds (2/3) of the shares of Voting Common Stock of Customers Bank that are outstanding on the Record Date is required to approve the reorganization.

Merger. The affirmative vote of holders of two-thirds (2/3) of the shares of Customers Bank's Voting Common Stock and BBI's common stock that are outstanding on the Record Date is required to approve the merger.

What vote do the boards of directors recommend?

Reorganization. Customers Bank's board of directors recommends that Customers Bank's shareholders vote "FOR" the proposal to approve and adopt the Plan of Reorganization pursuant to which Customers Bank will reorganize to form a bank holding company structure.

Merger. Each of Customers Bank's and BBI's boards of directors recommends that shareholders vote "FOR" the proposal to approve and adopt the Merger Agreement and approve the transactions contemplated thereby, and "FOR" the adjournment the applicable meeting to a date to be proposed at such meeting, if necessary to solicit or receive additional proxies.

Are the interests of Customers Bank's and BBI's boards of directors and executive officers in the reorganization and merger the same as mine?

In considering the information contained in this Joint Proxy Statement-Prospectus, you should be aware that Customers Bank's and BBI's directors and executive officers have interests in the reorganization and merger that may be different from, or in addition to, the interests of Customers Bank's and BBI's shareholders. These additional interests may create potential conflicts of interest and cause these individuals to view the proposed transaction differently than you may view it as a shareholder.

Customers Bank's and BBI's boards of directors were aware of these interests and took them into account in the decision to declare advisable, in the case of Customers Bank, the Plan of Reorganization and the reorganization contemplated thereby, and in the case of both Customers Bank and BBI, the Merger Agreement and transactions contemplated thereby. For information concerning these interests, please see the discussion under the caption "INTERESTS OF MANAGEMENT AND OTHERS IN THE REORGANIZATION" on page 49 and "THE MERGER – Financial Interests of Directors, Officers, and Others in the Merger" beginning at page 58 of this Joint Proxy Statement-Prospectus.

Do I have the right to dissent from the reorganization or merger?

Reorganization. Customers Bank's shareholders have the right under Pennsylvania law to dissent from the reorganization and to demand and receive cash for the fair value of Customers Bank's stock held by such person. In order to assert dissenters' rights, shareholders must precisely follow the process described in "THE REORGANIZATION – Dissenters' Rights" beginning on page 45 and in Annex C.

Generally, a Customers Bank shareholder who wishes to dissent must:

- File with Customers Bank a written notice of intention to demand that the shareholder be paid the fair value for his or her shares of Customers Bank's Voting Common Stock and Class B Non-Voting Common Stock rather than receive CBI shares as described in the Plan of Reorganization. The dissenting shareholder must file this notice with Customers Bank prior to the shareholder vote on the reorganization at the Customers Special Meeting;
- A dissenting shareholder may not change the beneficial ownership of his or her shares of Customers Bank's Voting Common Stock and Class B Non-Voting Common Stock from the date of the filing of the notice of intention to demand payment through the effective date of the reorganization; and