

THE POWER OF INVESTMENT



Life is exciting. Let us help.®

2015 Summary Annual Report



THE POWER OF INVESTMENT

DEAR SHAREHOLDERS, CUSTOMERS AND EMPLOYEES:

There's no better way to unleash the potential of a company than to engage smart, accomplished people and give them the opportunity to add value and be held accountable for their contributions. Since taking over as CEO at Berkshire 14 years ago, I've made it a priority to build a culture where employees are passionate about their work, excited about confronting challenges and driven to achieve more than they ever thought possible. It's this investment in developing the America's Most Exciting Bank® culture that transformed our bank into a regional franchise, positioning us as a preferred financial partner to customers across New England and New York.

It's also this investment that has helped us to achieve double-digit returns for our shareholders in 2015. For the year, we recorded 18% revenue growth, 16% core EPS growth, double-digit loan and deposit growth, and substantial improvements in our profitability ratios. Our core results improved steadily in every quarter. We bolstered our presence in the middle of our footprint through the acquisition of Hampden Bancorp and diversified our business lending through the expansion of our SBA lending program and the acquisition of Firestone Financial. In short, I'm pleased with our results and our momentum heading into 2016.

CULTURE

As America's Most Exciting Bank®, we are passionate about practicing and living by the RIGHT values (Respect, Integrity, Guts, Having Fun and Teamwork).

FOOTPRINT

We offer services across New England and New York—reaching customers from Boston to Syracuse and multiple regions in between.

VISION

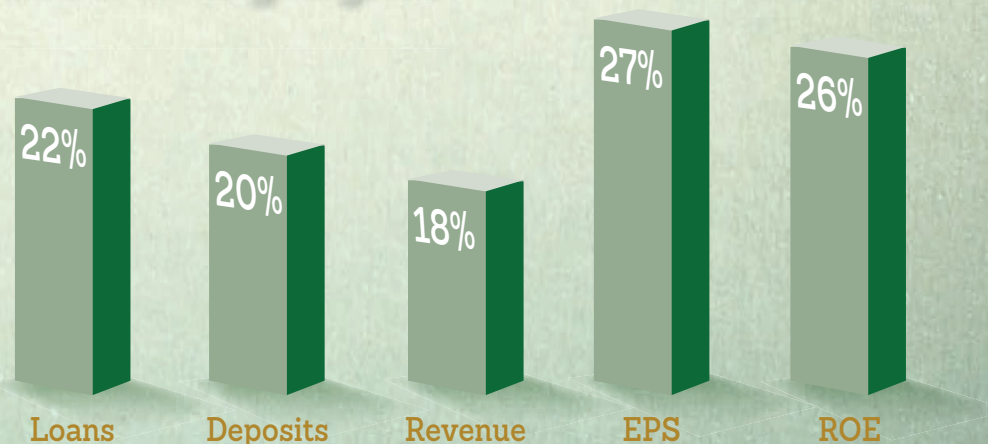
By bringing together a strong employee base, a dedicated strategy and operational efficiency, we can offer our customers the products and services they need, our employees an inspirational place to work, our communities the support they are looking for and our shareholders the returns they deserve.

Growing Our Franchise

The last year was marked by solid organic growth, expanding margins and disciplined acquisitions. We continued to enhance our presence across the footprint, investing in employees and communities, and establishing ourselves as a significant contender in newer markets. We are actively growing our influence in Eastern Mass., Connecticut and New York, and helping to fuel the vitality of these regions, while maintaining our commitment to our long-standing markets of Western Mass. and Vermont.

2015 Growth Highlights

(GAAP)





Berkshire's total loan growth for the year was 22%, including 8% organic growth coupled with contributions from the Hampden and Firestone acquisitions. Organic commercial loan growth measured 9%, and our teams continued to drive relationship-based C&I business across the region. We enhanced our commercial lending teams, brought in a new auto lending leader to build relationships throughout our footprint and continued to expand our residential lending group.

Meanwhile, deposit growth kept pace, growing 20% year-over-year, including double-digit organic growth in demand deposit balances. We continued to enhance our products and services suite for our deposit customers with the addition of Apple Pay™*, instant issue debit cards and an instant customer feedback tool available in branches. We brought in a new leader for our cash management team and rolled out additional services for our business customers. We also expanded our private banker and MyBanker groups across the footprint. These teams work hand in hand with our wealth and commercial teams to provide concierge-level service to our customers.

During the second quarter, we closed and integrated the acquisition of Hampden Bank. This brought with it seven new branches, a strong customer base and well-established commercial and business banking teams. It also bumped us into the top four in deposit market share in the Springfield, Mass. region and positioned us well to stay competitive in that market. We followed up with the acquisition of Firestone Financial, a specialty equipment financing company headquartered in Needham, Mass. The Firestone team, made up of disciplined and dedicated lenders who bring years of experience in specialty lending, has already made an impact, helping us to diversify our loan portfolio and our product suite. Both deals were accretive to earnings, capital and profitability measures, and are good examples of our disciplined acquisition strategy.

On the business banking side, we've been focused on streamlining our processes and upgrading our offerings, and we're proud of what the team has accomplished. For the fiscal year 2015, Berkshire was named the #1 Small Business Lender

*Apple Pay is a trademark of Apple Inc.

Select Financial Information

Balance Sheet (\$ millions - period end)	FY15	FY14
Total assets	\$7,832	\$6,502
Total securities	1,371	1,206
Total loans	5,725	4,681
Goodwill and intangibles	335	276
Deposits	5,589	4,655
Borrowings	1,264	1,052
Shareholders' equity	887	709
Operating Results (\$ millions)	FY15	FY14
Net interest	\$214	\$179
Non-interest income	54	47
Total net revenue	268	226
Provision for loan losses	17	15
Non-interest expense	197	166
Net income	50	34
Per Share Data (\$)	FY15	FY14
Earnings, diluted*	\$1.73	\$1.36
Dividends	0.76	0.72
Book value	28.64	28.17
Tangible book value	17.84	17.19

*Note: Net non-core operating charges totaled \$0.36 per share FY15, and \$0.44 per share FY14.



The new **X**[®] represents our strong culture and mission to be America's Most Exciting Bank[®], our desire to help customers find life's exciting moments and our commitment to high performance.

in Western Mass., the state of Vermont, and the Albany to Syracuse region of New York. We also announced the planned addition of a nationally ranked SBA team based in the Philadelphia, Penn. area and are excited about these continued prospects.

We upgraded and expanded our wealth management group in 2015, bringing in veteran portfolio managers and trust advisors, and promoting a new leadership team. The enhanced team has strong ties in our communities and produced good results last year, beating the benchmarks in a tough market. We also continued to build on the insurance side, where we've added a new benefits team and increased our product offerings.

Importantly, we've expanded our margins and improved our profitability through all of this growth. We ended the year with double-digit improvement in both return on assets and return on equity. Our efficiency ratio has improved to just over 60%, and our tangible book value per share grew by 4%, including the impact of acquisitions. At least as important was our ability to expand our net interest margin in a competitive, low-interest-rate environment. I'm proud of how hard our teams worked to accomplish this, focusing on extremely disciplined growth throughout the year.

Contributing to Our Communities

Having a positive impact on the communities we serve is integral to the values of our bank. Our employees take pride in the work they do to support local charities, and we do our best to support their efforts through paid time off for volunteering and by running a foundation that has funded millions in community grants across our footprint. In 2015, we added to our program with focused efforts on supporting local veterans, active military and their families through volunteer projects, grants, and new product and service offerings. We also launched a corporate initiative to become a more environmentally sustainable



Ray Bourque
Berkshire Bank spokesperson
and hockey legend

Strategic Partnerships



As the home financing and retail banking provider of MTA Benefits, Berkshire Bank created unique mortgage, checking account, consumer and equity loan products specifically for Massachusetts Teachers Association members and their families.

company, with goals to reduce our carbon footprint in the coming years.

Investment in People

One of the most important things we did this year was strengthen the leadership team through the reorganization of responsibilities and subsequent promotions at the executive level. In September, Richard Marotta was promoted to President of the Bank and Sean Gray was named Chief Operating Officer. Each has been essential to the growth of this company, and their promotions reflect that fact.

We also expanded the executive team, promoting eight members to executive vice president, representing each of our primary business lines and the roles they play in this company going forward. Each of these new executives have demonstrated strong integrity and high energy, and have new ideas to drive higher performance. Each is also deeply committed to the AMEB culture and to fostering growth and opportunities for employees at this company. As I said at the beginning of this letter, I don't think there's a better way to unleash the potential of a company than through engagement and accountability, and I'm excited about our future opportunities, having empowered this kind of talent and energy.

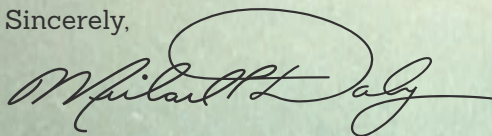
Coming Full Circle

As I look back over 2015, I'm happy with the results we've produced. It's been a year of smart, disciplined growth. We have the right people in place with the right priorities to take this company to the next level. As a fellow shareholder, I'm pleased with the double-digit stock return this year. Our tangible book value continues to grow as does our market cap and the liquidity in our stock. We raised the dividend by 6% at the beginning of the year and followed that up by another 5% raise at the beginning of 2016.

I'm also excited about our prospects for the year ahead. We're focused on growing revenues, maintaining our expense discipline, and improving our profitability and shareholder returns. We take very seriously our promises to deliver for our shareholders, and I feel it's important that we continue to listen to and engage them.

We've worked hard to create a culture and build a footprint that sets us apart from our competitors, and I believe those things will continue to be differentiators for us. I'm confident about our future opportunities and our ability to capitalize on them. With your support, I'm looking forward to continuing to grow and strengthen this franchise.

Sincerely,



Michael P. Daly

President & CEO of Berkshire Hills Bancorp, Inc.

Earnings

30% Compound Annual Growth



Values shown in millions

Revenue

17% Compound Annual Growth



Values shown in millions

CORPORATE PROFILE

\$7.8 Billion
in Assets

93

Branch Locations

- » Retail banking, commercial banking, insurance and wealth management
- » Branches located across New England and New York
- » Wealth assets under management of \$1.5 billion

INVESTMENT CONSIDERATIONS

- » Strong core earnings momentum and improving profitability
- » Diversified revenue drivers and controlled expenses
- » Well-positioned footprint in attractive markets
- » AMEB culture – results driven
- » Acquisition Discipline – a strength in a consolidating market
- » Focused on profitability goals and shareholder value

ABOUT US

Stock Information

as of 12/31/15

Ticker	NYSE: BHLB
Stock Price	\$29.11
Market Cap	\$902 million
Forward P/E (FY16 consensus)	12.9x
Price / Book	1.02x
Price / Tangible Book	1.63x
52 Week Range	\$24.32–\$30.40
Annualized Dividend (1Q16)	\$0.80
Dividend Yield	2.7%
Shares Outstanding	31.0 million
Average Daily Volume (FY15)	112,000 shares

COMMUNITY REINVESTMENT

A Path to a Sustainable Future

Through the AMEB GreenSM program we intend to reduce both our paper use and energy consumption by at least 10% over the next three years. In addition, we are committed to dedicating 15% of our volunteer services to environmental community causes.



XTEAM[®] Volunteer Snapshot

70% of our employees participated in volunteer events in 2015. We provided 40,000 hours of service throughout the year, supporting 258 company-sponsored volunteer events and contributing to our largest "Company-Wide Week of Service" in history. Our Foundation funded over \$1.8 million in community grants across our footprint, including partnerships with United Way and Habitat for Humanity.



Military and Veterans' Personal and Business Services



Berkshire Bank is committed to making banking easier for our servicemen and servicewomen by providing discounts, money management tools, banking and lending offers to save money. In November 2015, we expanded our Military and Veterans' personal and business banking package designed for active duty and reservists as well as disabled and retired veterans. In addition, our Foundation provided a donation to Soldier On in honor of Veterans Day.



LEADERSHIP TEAM

Berkshire Bank Executive Team

BACK: Gary F. Urkevich, Allison P. O'Rourke, George F. Bacigalupo, Linda A. Johnston, Sean A. Gray, Michael P. Daly, Richard M. Marotta, Josephine Iannelli, Michael D. Carroll, Tami M. Gunsch. FRONT: Scott J. Houghtaling, Mark N. Foster, Deborah A. Stephenson, James T. Curran

Berkshire Bank Executive Team

Michael P. Daly
Chief Executive Officer

Richard M. Marotta
President

Sean A. Gray
Chief Operating Officer

Josephine Iannelli
SEVP, Chief Financial Officer

George F. Bacigalupo
SEVP, Commercial Banking

Linda A. Johnston
SEVP, Human Resources

Michael D. Carroll
EVP, Chief Risk Officer

James T. Curran
EVP, Regional Commercial
Leader – Central
Massachusetts and
Connecticut

Mark N. Foster
EVP, Regional Commercial
Leader – Eastern
Massachusetts and ABL

Tami M. Gunsch
EVP, Retail Banking

Scott J. Houghtaling
EVP, Regional Commercial
Leader – New York

Allison P. O'Rourke
EVP, Investor Relations and
Financial Institutions
Banking

Deborah A. Stephenson
EVP, Compliance and
Regulatory

Gary F. Urkevich
EVP, IT and Project
Management

Board of Directors

William J. Ryan
Chairman of the Board,
Former Chairman & CEO of
TD Banknorth Inc.

Paul T. Bossidy
President & CEO of
Patriapbre Capital LLC

Thomas R. Burton
Former CEO of Hampden
Bancorp, Inc. & Hampden
Bank

Robert M. Curley
Berkshire Bank New York
Chairman & Former
Chairman & President for
Citizens Bank in New York

Michael P. Daly
President & CEO of
Berkshire Hills Bancorp, Inc.

John B. Davies
Former Executive
Vice President of
Massachusetts Mutual Life
Insurance Company

Rodney C. Dimock
Principal at Arrow Capital,
LLC & Former President of
Cornerstone Properties &
Aetna Realty Investors, Inc.

J. Williar Dunlaevy
Former Chairman & CEO
of Legacy Bancorp, Inc. &
Legacy Banks

Susan M. Hill
Founder & Former
Vice President of
Hill & Thompson, P.C.

Cornelius D. Mahoney
Former Chairman, President
& CEO of Woronoco
Bancorp, Inc. & Woronoco
Savings

Laurie Norton Moffatt
Director & CEO of the
Norman Rockwell Museum

Richard J. Murphy
Executive Vice President
& Chief Operating Officer
of the Tri-City ValleyCats

Barton D. Raser
Vice President & Co-owner
of Carr Hardware & Supply
Company, Inc.

Richard D. Suski
Former Principal of
RDS Associates

D. Jeffrey Templeton
Owner & President of
The Mosher Company, Inc.

Corporate Offices

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berkshirebank.com

Stock Listing

Berkshire Hills Bancorp, Inc. is listed on the New York Stock Exchange under the symbol "BHLB"

Investor Information

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investorrelations@berkshirebank.com

Transfer Agent and Registrar

Shareholders who wish to change the name, address, ownership of stock, report lost stock certificates, inquire about the Dividend Reinvestment Plan or consolidate stock accounts should contact:

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Brentwood, NY 11717
844-458-9357
shareholder@broadridge.com
shareholder.broadridge.com/bhlb

2016 Annual Meeting of Shareholders

Thursday, May 5, 2016 | 10 a.m. ET
The Crowne Plaza Hotel
One West Street
Pittsfield, MA 01201

BHLB
LISTED
NYSE

This document contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) which involve significant risks and uncertainties; undue reliance should not be placed on these statements. Actual results may differ materially including factors discussed in "Forward-Looking Statements" in the Company's 2015 Annual Report on Form 10-K, which is available at the Securities and Exchange Commission's Internet website sec.gov and to which reference is hereby made. This Form can be obtained from ir.berkshirebank.com or will be furnished on written request without charge to persons who are beneficial owners of securities of the Company as of the record date for the Annual Meeting of Shareholders.

Banking products are provided by Berkshire Bank: Member FDIC; Equal Housing Lender. Berkshire Bank is a Massachusetts chartered bank. Insurance and investment products as well as investment securities and obligations of Berkshire Hills Bancorp, Inc. are not FDIC-insured, are not a bank deposit, "NOT guaranteed BY THE BANK," "NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY" and may lose value.