

Berkshire Hills Bancorp™

Life is exciting. Let us help.®

2017 SUMMARY ANNUAL REPORT



BOSTON, MA

A TRANSFORMATIONAL YEAR

DEAR SHAREHOLDERS, CUSTOMERS AND EMPLOYEES:

2017 was a big year for us. We delivered significant growth, steady progress toward our profitability goals and the development of new markets and teams. Our major accomplishments included:

- Growing net revenue by more than 40%
- Gaining a major position in Worcester, MA — an important regional market
- Moving our corporate headquarters to Boston
- Crossing the \$10 billion threshold for total assets
- Completing our largest acquisition and successfully managing our largest stock offering to date

In addition to solid organic growth, critical components of our success were the acquisition of Worcester-based Commerce Bancshares Corp. in October and the integration of Princeton, NJ area First Choice Bank acquired in December 2016. Our Company has a strong M&A track record which underpins our attractive positioning as a regional consolidator.

We're now the largest regional bank holding company headquartered in Boston and the third largest in New England. We're uniquely positioned to serve the needs and support the growth of Greater Boston, the sixth largest combined statistical area in the country. Through all of the change, we continue to maintain our focus on improving profitability, growing overall revenues and managing our expenses.

Improving Profitability, Strengthening Our Condition

We continue to execute on our strategy of improving profitability through scale and smart management of our business mix. Pre-tax earnings increased by 29% to \$100 million in 2017, and the pre-tax return on average assets improved by 5%. Including our Worcester operations, the fourth quarter efficiency ratio improved to 57% in 2017, achieving our stated goal of sub-60%.

Our metrics of financial condition all improved during the year – capital, liquidity, asset quality and interest rate sensitivity. While the economic climate is good, we are in an



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).

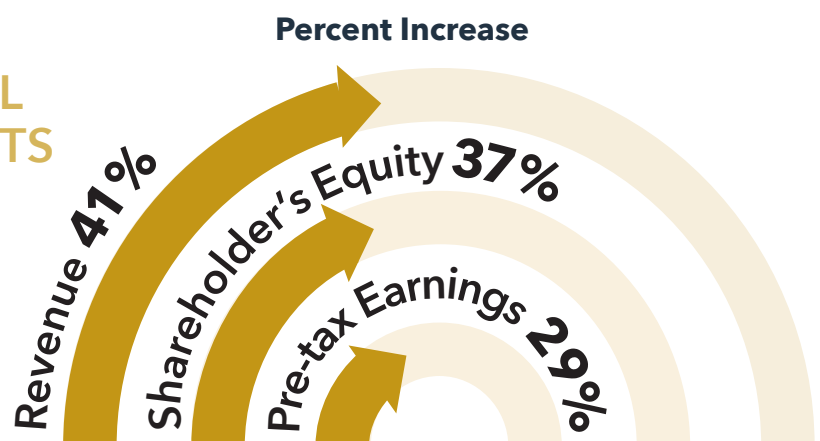
Footprint

With corporate headquarters in Boston, we are the largest Massachusetts-based regional bank – bringing our culture of excitement to communities across the Northeast and serving specialty lending and mortgage customers nationally.

Vision

By combining 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.

2017 FINANCIAL HIGHLIGHTS



extended recovery cycle and we believe it is prudent to remain vigilant with respect to our credit and risk disciplines. Federal income tax reform was enacted near year-end, which is expected to provide a boost to our local economies and benefit Berkshire's statutory tax rate beginning in 2018. This reform necessitated a one-time charge at the end of 2017, which reduced our income after taxes.

Culture First

Our primary focus is on our team and culture – our employees remain central to everything we do. Tough, smart, authentic and devoted defines our people, and we challenge them to be the best they can be, both inside and outside of work. We ask them to stretch and grow and we provide them with the tools and support to reach new heights. When our people are at their best, our customers, communities and shareholders are all rewarded.

Our staff has grown to over 2,000 strong, and reaches across regional and national markets. Our MyTeller virtual tellers and MyBankers are providing new levels of convenience and access for our customers. Our first focus is always on organic business development, but our team is adept at evaluating and executing on merger opportunities when they come along. They worked with exceptional dispatch to accomplish the year's merger-related activities.

We felt it was important to share the benefit of the federal tax reform through investments in our people and our communities. We increased our minimum wage to \$15/hour, announced a special bonus program, and increased our commitment to training and development at AMEBU – America's Most Exciting Bank University. We also made an additional \$2 million contribution to our charitable foundation.

Adding Teams in New Markets

We had a successful year recruiting talent in new markets and business lines. While integrating our new operations based in the Mid-Atlantic, we recruited strong commercial banking leadership in that market to pursue expanded opportunities.

SELECT FINANCIAL INFORMATION

Balance Sheet (\$ millions - period end)	FY17	FY16
Total Assets	\$11,571	\$9,163
Total Securities	1,899	1,628
Total Loans	8,299	6,550
Goodwill and Intangibles	558	423
Deposits	8,750	6,622
Borrowings	1,137	1,314
Shareholders' Equity	1,496	1,093
Operating Results (\$ millions)	FY17	FY16
Net Interest Income	\$295	\$232
Non-Interest Income	125	66
Total Net Revenue	420	298
Provision for Loan Losses	21	17
Non-Interest Expense	300	203
Net Income	55	59
Per Share Data (\$)	FY17	FY16
Earnings, Diluted	\$1.39	\$1.88
Earnings, Adjusted*	2.29	2.20
Dividends	0.84	0.80
Book Value	32.14	30.65
Tangible Book Value	19.83	18.81

*Note: Adjusted earnings per share is a non-GAAP financial measure; see Form 10-K for discussion and further detail.

On the mortgage side, our First Choice Loan Services, Inc. mortgage team delivered earnings on plan despite a downturn in mortgage banking industry revenues, demonstrating the talent and flexibility required for success in this business.

The Commerce acquisition brought us the leading deposit market share in Worcester, MA, New England's second largest city. It also became the catalyst for the relocation of our corporate headquarters to Boston.



TOP LEFT: MyBanker with Spokesperson and Hockey Legend, Ray Bourque
 TOP RIGHT: Virtual MyTellerSM Machine at Flagship Boston Branch
 MIDDLE: Community Partner of Boston Seasons at City Hall Plaza
 BOTTOM: New Corporate Headquarters in Boston Financial District

This move gives us more market access in Greater Boston and facilitates access to our regional and national specialty lending markets. We added 16 new branches and a team that has enthusiastically combined with our staff.

We recruited new leadership in commercial, retail and private banking to manage our Greater Boston market region, including Boston and Worcester. We also recruited a mortgage banking team in the region. We added international and government banking professionals, and we selectively added talent across our banking and wealth management business lines in several of our markets.

Each of our teams executed well in 2017, resulting in solid organic growth. We ranked 17th nationally by loan count in the annual rankings of SBA 7(a) loan production, and our mortgage bankers continue to be in the top 50 among banks nationally.

Revolutionary Banking

We're reshaping our banking model, focusing on well-placed branch locations, reducing branch overhead, increasing our MyTellerSM capabilities and deploying MyBankersTM who can implement our financial solutions to support active customer relationships. Our regional leadership model delivers the right decision making and support within our markets while accessing the products and capabilities available to us due

Berkshire Hills Bancorp

STRONGER TOGETHER



to our scale. In 2017, we consolidated three branches in existing markets. In addition to adding the 16 Commerce offices, we opened the doors at new locations on Congress Street in Boston and in Farmington, CT, with attractive locations opening their doors in 2018 in Simsbury, CT and Malta, NY.

A Culture of Engagement

Civic engagement starts with our people, with 100% involvement in community service. This included 92% participation in our annual Xtraordinary Day of Service, where we close the bank for an afternoon, encouraging all of our employees to give back to their local communities that day. Our team donated more than 40,000 hours of service in 2017. Berkshire was nationally recognized for corporate citizenship by the U.S. Chamber of Commerce and was a finalist for the HALO Award recognizing top U.S. companies for their social responsibility. We pride ourselves on supporting small business and we received SBA Top Lender and Top Veterans Lender awards in several of our regions. Our Foundation provided \$2 million in charitable contributions in 2017, which support was replenished by the Company as part of its reinvestment of tax reform benefits.

For Our Shareholders

Berkshire's book value per share gained 5% during the year, and we also increased our quarterly cash dividend by 5%. The Company's year-end market capitalization increased 26% to \$1.7 billion, and our average trading volume increased 75% year-over-year, largely due to stock issuances. Total shareholder return was in the 68th percentile compared to national regional bank peers.

A Vision of Performance

Our industry lost a great banking leader in recent months with the passing of Robert "Bob" Wilmers, who served for decades at the helm of M&T Bank in Buffalo. Under his leadership, M&T became a large and well-respected regional bank with strong performance and solid corporate values that translated into market stature. His plainspoken and outspoken annual letter to shareholders each year was widely anticipated in the industry. Bob had a second home in the Berkshires. He was a friend and mentor to me, and a longtime personal supporter of community initiatives in our traditional home territory.

Bob will be missed, but he has been a model to us all of what a difference a well-run banking company can be in the lives and prosperity of its communities. We believe in that vision. We also encourage the sensible regulatory environment that Bob always advocated. We see opportunity in front of us. Our focus is on building a better future in our markets as symbolized by the cityscapes on the cover of this report. Our team is talented, motivated and in position to deliver in the months and years ahead.

I'd like to thank you for your interest in our Company and hope you'll be part of the excitement and performance that we see ahead for our enterprise.

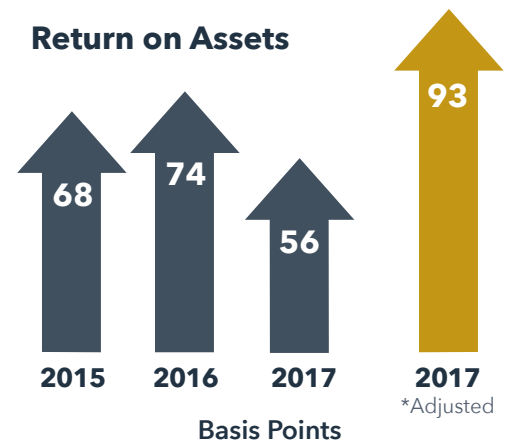
Sincerely,



Michael P. Daly
Chief Executive Officer

DRIVING PROFITABILITY

Return on Assets



*Note: Adjusted ROA is a non-GAAP financial measure; see form 10-K for further discussion and details



CORPORATE PROFILE



\$11.6 Billion in Assets

» Retail banking, commercial banking, insurance and wealth management

» 113 branches located across New England, New York, New Jersey and Pennsylvania

» Wealth assets under management of \$1.5 billion

INVESTMENT CONSIDERATIONS

» Strong earnings momentum and improving profitability

» Boston-based regional bank delivering franchise value in attractive markets

» Distinctive culture drives results

» Disciplined regional consolidator

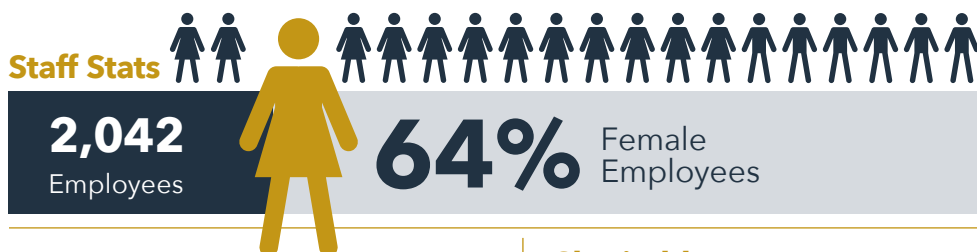
» Focused on profitability goals and building shareholder value

STOCK INFORMATION

as of 12/31/17

Ticker	NYSE: BHLB
Stock Price	\$36.60
Market Cap	\$1.7 billion
P/E (FY17)	16.0x
Price/Book	1.14x
Price/Tangible Book	1.85x
52 Week Range	\$32.85-\$40.00
Annualized Dividend (1Q18)	\$0.88
Dividend Yield	2.4%
Shares Outstanding	45.3 million
Average Daily Volume (FY17)	210,000 shares

A RESPONSIBLE & DIVERSE CULTURE



Western MA • Capital District NY
Central NY • Vermont & Connecticut



LEADERSHIP TEAM

Gary F. Urkevich, Mark N. Foster, George F. Bacigalupo, Tami M. Gunsch, Scott J. Houghtaling, Linda A. Johnston, Sean A. Gray, Michael P. Daly, Richard M. Marotta, James M. Moses, Deborah A. Stephenson, Allison P. O'Rourke, Gregory D. Lindenmuth, Michael D. Carroll

Michael P. Daly

Chief Executive Officer

Richard M. Marotta

President

Sean A. Gray

Chief Operating Officer

James M. Moses

SEVP, Chief Financial Officer

George F. Bacigalupo

SEVP, Commercial Banking

Linda A. Johnston

SEVP, Human Resources

Michael D. Carroll

EVP, Commercial Banking
and Specialty Lending

Mark N. Foster

EVP, Regional Commercial Leader -
Eastern Massachusetts and ABL

Tami M. Gunsch

EVP & Director of
Relationship Banking

Scott J. Houghtaling

EVP, Regional Commercial Leader -
New York

Gregory D. Lindenmuth

EVP, Chief Risk Officer

Allison P. O'Rourke

EVP, Finance

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

Paul T. Bossidy

President & CEO of
Patripabre Capital LLC

David M. Brunelle

Co-Founder and Managing Director
of North Pointe Wealth Management

Robert M. Curley

Berkshire Bank New York Chairman,
Former Chairman & President for
Citizens Bank in New York

Michael P. Daly

Chief Executive Officer
of Berkshire Hills Bancorp, Inc.

John B. Davies

Former Executive Vice President
of Massachusetts Mutual Life
Insurance Company

J. Williar Dunlaevy

Former Chairman & CEO
of Legacy Bancorp, Inc.
& Legacy Banks

Cornelius D. Mahoney

Former Chairman, President & CEO
of Woronoco Bancorp, Inc. &
Woronoco Savings Bank

Pamela A. Massad, Esq.

Of Counsel with Fletcher Tilton PC

Laurie Norton Moffatt

Director & CEO of the
Norman Rockwell Museum

Richard J. Murphy

Executive Vice President &
Chief Operating Officer of the
Tri-City ValleyCats

Patrick J. Sheehan

Owner & Manager of
Sheehan Health Group

D. Jeffrey Templeton

Owner & President of
The Mosher Company, Inc.

Corporate Offices

Berkshire Hills Bancorp, Inc.
60 State Street
Boston, MA 02109
800-773-5601
berkshirebank.com

Stock Listing

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

Investor Information

Investor Relations
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Berkshire Hills Bancorp, Inc.
800-773-5601
investorrelations@berkshirebank.com

Transfer Agent and Registrar

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

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shareholder@broadridge.com
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2018 Annual Meeting of Shareholders

Thursday, May 17, 2018 | 10 a.m. ET
Berkshire 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). There are several factors that could cause actual results to differ significantly from expectations described in the forward-looking statements. For a discussion of such factors, please see Berkshire's most recently filed reports on Forms 10-K and 10-Q, which are available on the SEC's website at www.sec.gov. Berkshire does not undertake any obligation to update forward-looking statements.

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.

