

BUILDING THE FUTURE

21ST CENTURY COMMUNITY BANKING



2019 SUMMARY ANNUAL REPORT

 **BerkshireHills**
Bancorp[®]

Life is exciting. Let us help.



Richard M. Marotta
Chief Executive Officer



PURPOSE

To financially empower our communities, reduce the wealth gap and help everyone realize life's exciting moments.



CULTURE

A culture grounded in our Be FIRST values that fosters respect, ethical behavior, diversity and inclusion, creates an environment where all employees belong and can reach their full potential.



VISION

To succeed as a relationship-driven financial institution by operating responsibly, investing in our people and communities and fostering a strong sense of belonging with sustainable returns.



FOOTPRINT

With corporate headquarters in Boston, we operate in seven northeastern states as a 21st century community bank with a reputation for responsiveness and engagement.

BUILDING THE FUTURE: 21ST CENTURY COMMUNITY BANKING

Dear Shareholders, Customers and Employees:

Berkshire Bank is building the future of 21st century community banking to future-proof the company and drive stakeholder value. A 21st century community bank provides robust digital platforms, programmatic initiatives that put its purpose and values into action and relevant products and services that build trust, deepen relationships and allow today's consumer to bank with dignity. This approach can improve profitability, customer service, risk management, company culture, and our communities.

As our report goes to press, the world faces the unprecedented outbreak of the COVID-19 pandemic. We are well-positioned to withstand these challenges and recognize the many ways this moment is testing individuals, businesses and our local economies. We're taking appropriate precautions to prevent the spread of the virus, provide our customers with financial flexibility and support our communities in meaningful ways. Our culture and values that you will read about in this report will be our foundation as we navigate a year that will be different from 2019.

Last year's results reflect our evolution and focus on long-term, sustainable, purpose-driven performance. We hit key operational targets, enhanced our culture and completed a strategic review all while achieving a total shareholder return that exceeded peers. Additional highlights include:

- 26% Total Shareholder Return (TSR)
- 15% deposit growth; 13% increase in equity; 4% increase in revenue
- SI Financial Group operations fully integrated
- Five new board directors enhancing diversity and expertise
- New Chief Experience Officer & Chief Human Resources Officer
- New Regional President roles
- Unveiled Be FIRST values & commitment
- Created Corporate Responsibility & Culture board committee

PURPOSE-DRIVEN PERFORMANCE

Our purpose is to financially empower our communities, reduce the wealth gap and help everyone realize life's exciting moments. As one of the largest community banks headquartered in New England and the largest based in Boston, our franchise stretches across seven states, providing the scale to explore opportunities and meet evolving customer demographics while maintaining a steadfast focus on relationship-based customer service.

In 2019, we continued with our evolution and adopted a focus on long-term, sustainable, purpose-driven performance to more effectively position the company to meet the financial demands of consumers in the decades to come. We completed the seamless conversion and integration of SI Financial Group, including its 23 branches in Eastern Connecticut and Rhode Island. This contiguous market expansion allowed us to bring resources, local responsiveness and our distinctive culture to strengthen the capabilities of the SI Financial team while increasing both assets and deposits by approximately 14%.

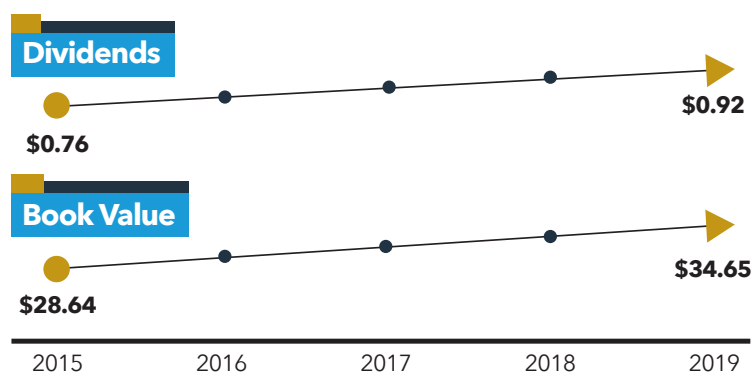
We launched new strategic initiatives aimed at building a 21st century community bank to future-proof the company in coming decades. We reshaped our business focus and balance sheet structure to improve our financial condition, and adjust to margin pressures while investing in community oriented products and services. After year-end, we promoted eight existing leaders to the new position of Regional President in each of the company's main geographic markets to lead regional collaboration and top priority initiatives.

These collective actions allow us to pursue opportunities more closely aligned with our strategic vision and respond to consumers who seek value and relationship-based, socially responsible banking. We know there is no shortage of great business ideas within communities that have been historically overlooked. That's why we're expanding our efforts into urban markets with underbanked communities through Reevx Labs, Friends & Family Fund and other products, services and programs. More information on these initiatives and our comprehensive array of products and services can be found on our berkshirebank.com website.

OUR BE FIRST CULTURE

Delivering relevant products, services and digital experiences so that everyone can bank with dignity is only part of what it takes to build a successful 21st century community bank. A business is only as strong as its foundation, and company culture is the beating heart that guides our collective conscious. A company with a

LONG-TERM PER-SHARE PERFORMANCE 21% GROWTH



SELECT FINANCIAL INFORMATION

Balance Sheet (\$ millions - period end)	FY19	FY18
Total Assets	\$13,216	\$12,212
Total Securities	1,770	1,919
Total Loans	9,502	9,043
Goodwill and Intangibles	599	552
Deposits	10,336	8,982
Borrowings	828	1,518
Shareholders' Equity	1,759	1,553
Operating Results (\$ millions)	FY19	FY18
Net Interest Income	\$365	\$356
Non-Interest Income	84	74
Total Net Revenue	449	430
Provision for Loan Losses	35	25
Non-Interest Expense	290	267
Net Income	97	106
Per Common Share Data (\$)	FY19	FY18
Earnings, Diluted	\$1.97	\$2.29
Earnings, Adjusted*	2.40	2.79
Dividends	0.92	0.88
Book Value	34.65	33.30
Tangible Book Value*	22.56	21.15

*Note: Earnings, Adjusted and Tangible Book Value are non-GAAP financial measures; see Form 10-K for discussion and further detail.



2019 AWARDS

- **Forbes Best Banks in America**
- **U.S. Chamber of Commerce Foundation Citizens Award**
Top Corporate Steward- Small-Middle Market Business
- **North American Employee Engagement Award** Social Responsibility
- **New England Community Bank Heroes** Gold
- **Boston Business Journal Top Charitable Contributors List**
7th straight year
- **Communitas Award-Leadership in Corporate Social Responsibility**
For the Be FIRST Commitment
- **Best of the Berkshires**
Best Bank (12th straight year!), Insurance Agent, Mortgage Lender, Wealth Management
- **Nationally Ranked SBA Lender**
- **Top Large SBA Commercial Lender in Upstate New York**
- **Export Lender of the Year**
44 Business Capital, a Division of Berkshire Bank
- **Bronze Lender NJ**

For more information, see our

CORPORATE RESPONSIBILITY REPORT:
berkshirebank.com/csr



best-in-class workplace culture and one that embraces diversity will always deliver higher returns for shareholders, mitigate risk and provide employees with an environment where everyone belongs.

In early 2019, we rolled out our Be FIRST values of Belonging, Focusing, Inclusion, Respect, Service and Teamwork. These values build on our history and integrate the beliefs of the companies and employees who now comprise Berkshire Bank. They more accurately reflect who we are today and who we desire to be in the future to ensure we fulfill our corporate purpose. With our values serving the lens through which we act, we are delivering a culture that mirrors our evolution over the last decade. We established the Corporate Responsibility & Culture Committee of our Board of Directors, created a Diversity & Inclusion Employee Committee to focus on implementing our diversity and inclusion strategy and launched seven new Employee Resource Groups.

Making sure our employees are treated equitably, fairly and have the resources they need to thrive is critical to future-proofing the company. We completed a comprehensive assessment of employee engagement including a survey to evaluate our current performance and held in-person and virtual employee town halls. In recognition of our collective actions, Berkshire Bank was included in the Bloomberg Gender Equality Index, which tracks companies committed to supporting gender equality, for the first time, building on our \$15 minimum wage and the company-wide implementation of the Massachusetts Equal Pay Act. These accomplishments ensure that we deliver a workplace culture that all our employees can be proud of and that improves our financial performance.

THE BE FIRST COMMITMENT

Banks play a pivotal role in society, and with changes in technology, the regulatory environment, consumer preferences, expectations, and our neighborhoods, we must reimagine the role we play in the community. The Be FIRST Commitment is our comprehensive plan to enhance our social performance, improve our culture, future-proof the company and transform our communities by building a responsible workforce, fostering sustainable communities and financing the future. In 2019, we provided \$4.7MM in contributions to help close the wealth gap so that all citizens, regardless of ethnicity, have equal opportunity for upward economic mobility, improving the business climate and helping our communities thrive. The XTEAM®, our award winning employee volunteer program, achieved 100% employee participation for the fourth straight year, and our financial wellness programming helped to impact 32,231 individuals. As a result of the commitment of our employees, company and each of you, we were recognized with the North American Employee Engagement Award for Social Responsibility, the US Chamber of Commerce Foundation Top Corporate Steward Citizen Award and the Communitas Award for Leadership in Corporate Social Responsibility.

Our 2019 Corporate Responsibility Report, *Leading The Way Forward: Purpose Driven Performance*, highlights our progress on The Be FIRST Commitment and our environmental, social and governance performance. It is available on our Investor Relations and Bank website at berkshirebank.com/csr.

A CULTURE OF BELONGING



BELONGING

fosters an environment where all relationships matter

FOCUSING

on a positive attitude and everything else will follow

INCLUSION

invites openness and builds belonging

RESPECT

cultivates an unyielding commitment to integrity and responsibility

SERVICE

quality should be delivered regardless of income or wealth

TEAMWORK

empowers collaboration and cooperation

LONG-TERM STAKEHOLDER FOCUS

We believe that purpose and profit are inextricably linked, and delivering positive financial and social returns for all our stakeholders not only leads to long-term, sustainable performance, but is central to improving profitability, mitigating risk and creating a best-in-class workplace culture. We increased our dividend on common shares by 5% in January 2019 and an additional 4% increase was announced in January 2020. We continue to broaden the expertise, diversity and geographic representation of our board, adding five new directors and announced that J. Williar ("Bill") Dunlaevy was elected to replace William Ryan as Board Chair.

We're proud of the steps we've taken together to evolve the company and invest in the vitality of future generations. We'll continue to focus on strengthening our franchise and building a 21st century community bank that delivers purpose-driven performance. I'm grateful to our board and our leadership team for their dedication to our vision and enthusiastic about the opportunities ahead. We thank all our employees, customers, communities and shareholders for their continuing support and belief in a values-driven approach to banking.

Sincerely,

Richard M. Marotta
Chief Executive Officer



FUTURE-PROOFING BUSINESS

Reevx

LABS

Explore · Expand · Express

Reevx Labs is part of our continued commitment to bettering the community and revolutionizing the banking experience. Each Reevx Lab features a series of free co-working spaces for the community with the goal of creating places where entrepreneurs and nonprofits can connect with their peers and access the bank's MyBankers for support of their financial needs, as they pursue their missions. Berkshire Bank is committed to keeping its promise to communities by building relationships and understanding their needs.



The Friends & Family Fund, powered by The Runway Project, is designed to help entrepreneurs of color access seed capital and spur economic growth in underserved communities using a relationship-based community underwriting process that eliminates historical barriers. Trusted advisors provide holistic business support and ongoing financial coaching to entrepreneurs as they build their companies to ensure success.



CORPORATE PROFILE

\$13.2 Billion in Assets

- Retail banking, commercial banking, insurance and wealth management
- **130 branches** located across New England, New York, New Jersey and Pennsylvania
- Wealth assets under management of **\$1.5 billion**



INVESTMENT CONSIDERATIONS

- Boston headquartered regional community bank with a diverse northeast footprint
- Building a 21st century community bank, positioning for future decades with values based market offerings, personalized relationship management and digital channels
- Targeting higher quality, sustainable earnings with a focus on purpose-driven performance for all stakeholders
- Investments in enterprise management systems provide scale and flexibility



Personal attention to customers' finances is the hallmark of our service in-person, remotely or online.

LEADING THE WAY FORWARD: PURPOSE-DRIVEN PERFORMANCE

THE BE FIRST COMMITMENT



We celebrate our diverse communities and foster a sense of belonging for our customers as individuals. We believe in racial, social and gender equity and strive to connect with our communities to bank everyone with dignity.



EMPLOYEE RESOURCE GROUPS

PRIDE • PEOPLE OF COLOR/MULTICULTURAL
POWER OF WOMEN • ABILITIES IN MOTION
PATRIOT • ALLY • PROGRAMS



LEADERSHIP TEAM

Richard M. Marotta

Chief Executive Officer

Sean A. Gray

President and Chief Operating Officer

James M. Moses

SEVP, Chief Financial Officer

George F. Bacigalupo

SEVP, Commercial Banking

Tami M. Gunsch

SEVP & Director of
Relationship Banking

Malia Lazu

EVP, Chief Experience & Culture Officer
Regional President, Eastern
Massachusetts

Gregory D. Lindenmuth

SEVP, Chief Risk Officer

Georgia Melas

EVP, Chief Credit Officer

Wm. Gordon Prescott

EVP, General Counsel and
Corporate Secretary

Deborah A. Stephenson

SEVP, Compliance and Regulatory

BOARD OF DIRECTORS

J. Williar Dunlaevy

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

Baye Adofo-Wilson, Esq.

CEO BAW Development, LLC

Rheo A. Brouillard

Former President and Chief Executive
Officer of SI Financial Group, Inc
& Savings Institute Bank & Trust

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

John B. Davies

Former Executive Vice President
of Massachusetts Mutual Life
Insurance Company

William H. Hughes III

Founder and President of
Open4 Learning

Cornelius D. Mahoney

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

Richard M. Marotta

Chief Executive Officer
of Berkshire Hills Bancorp, Inc.

Pamela A. Massad, Esq.

Of Counsel with Fletcher Tilton PC

Dr. Sylvia Maxfield

Dean, Providence College School
of Business

Laurie Norton Moffatt

Director & CEO of the
Norman Rockwell Museum

William J. Ryan

Former Chairman & CEO
of TD Banknorth

Jonathan I. Shulman

Former EVP & Treasurer Keycorp

D. Jeffrey Templeton

Owner & President of
The Mosher Company, Inc.

INCLUSION & SERVICE FOR ALL



ENSURING GENDER EQUALITY

For the first time, Berkshire Bank was listed in the Bloomberg Gender Equality Index, ranking the company as one of the top workplaces globally for gender equality.

THE
DIMOCK
CENTER

Healing and caring for the
community for over 150 years.

BANKING FOR ALL: IN PRACTICE, NOT JUST IN THEORY

Nearly 3 in 10 U.S. adults have no emergency savings. We at Berkshire Bank believe that everyone deserves financial stability. Adequate financial literacy is not the only solution, but it's an integral step towards reaching financial stability and security.

We partnered with The Dimock Center on a four week Financial Literacy Program for its residents to learn about credit, budgeting, homeownership, banking, and more.



CORPORATE OFFICES

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STOCK LISTING

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

INVESTOR INFORMATION

Investor Relations
Attn: David Gonci
Berkshire Hills Bancorp, Inc.
800.773.5601
investorrelations@berkshirebank.com

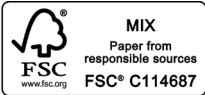
TRANSFER AGENT AND REGISTRAR

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:

Broadridge Corporate Issuer Solutions, Inc.
P.O. Box 1342
Brentwood, NY 11717
844.458.9357
shareholder@broadridge.com
shareholder.broadridge.com/bhlb



**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.



**EQUAL HOUSING
LENDER**

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.