

BERKSHIRE HILLS BANCORP INC

Form 424B3

August 10, 2017

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Registration No. 333-219372

**MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT**

Dear Commerce Bancshares Corp. Stockholder:

The boards of directors of Berkshire Hills Bancorp, Inc. and Commerce Bancshares Corp. have agreed to a merger of Commerce Bancshares Corp. with and into Berkshire Hills Bancorp, Inc. (the “Merger”), with Berkshire Hills Bancorp, Inc. as the surviving entity. Immediately thereafter, Commerce Bank & Trust Company will merge with and into Berkshire Bank, with Berkshire Bank as the surviving institution (the “Bank Merger”). Commerce Bancshares Corp. is holding a special meeting on September 21, 2017 at 3:00 p.m., local time, at the main office of Commerce Bank located at 386 Main Street, Worcester, Massachusetts 01615, for its stockholders of record on August 1, 2017, to consider and vote on the Agreement and Plan of Merger, dated as of May 22, 2017, by and between Berkshire Hills Bancorp, Inc. and Commerce Bancshares Corp. (the “Merger Agreement”), which will govern the Merger.

If the Merger is completed, each outstanding share of Commerce Bancshares Corp. common stock will be converted into the right to receive 0.93 shares of Berkshire Hills Bancorp, Inc. common stock (the “Common Stock Consideration”), subject to the provision in the Merger Agreement that no Commerce Bancshares Corp. stockholder shall receive, as aggregated with such stockholder’s immediate family members and affiliates for purposes of 12 C.F.R. §225.41 of Regulation Y (the “Acting in Concert Group”), Berkshire Hills Bancorp, Inc. common stock consideration that would exceed 9.9% of the outstanding Berkshire Hills Bancorp, Inc. common stock as of the effective time of the Merger (the “Voting Stock Consideration Limit”). In the event that any Commerce Bancshares Corp. stockholder, as aggregated with such stockholder’s Acting in Concert Group, would exceed the Voting Stock Consideration Limit, such Commerce Bancshares Corp. stockholder shall receive 0.465 shares of Berkshire Hills Bancorp, Inc. Series B Non-Voting Preferred Stock (“BHLB Preferred Stock Consideration”) for each share of Commerce Bancshares Corp. common stock that is not convertible into Berkshire Hills Bancorp, Inc. common stock as a consequence of the Voting Stock Consideration Limit and convertible under certain circumstances to Berkshire Hills Bancorp common stock to the extent that the Voting Stock Consideration Limit is not exceeded.

Based on Berkshire Hills Bancorp, Inc.’s closing price of \$35.55 on May 19, 2017 (the trading date preceding the public announcement of the proposed transaction), each share of Commerce Bancshares Corp. common stock exchanged for either 0.93 shares of Berkshire Hills Bancorp, Inc. common stock or, to the extent an Acting in Concert Group exceeds the Voting Stock Consideration Limit, 0.465 shares of Berkshire Hills Bancorp, Inc. preferred stock, would have a value of \$33.06 per share, with a proposed aggregate value of approximately \$209.2 million. Based on Berkshire Hills Bancorp, Inc.’s closing price of \$36.85 on July 28, 2017 (the most recent practicable date before the printing of this proxy statement/prospectus), each share of Commerce Bancshares Corp. common stock exchanged for either 0.93 shares of Berkshire Hills Bancorp, Inc. common stock or, to the extent an Acting in Concert Group exceeds the Voting Stock Consideration Limit, 0.465 shares of Berkshire Hills Bancorp, Inc. preferred stock, would have a value of \$34.27, with a proposed aggregate value of approximately \$216.9 million. Berkshire Hills Bancorp, Inc. common stock is listed on the New York Stock Exchange under the symbol “BHLB.” Commerce Bancshares Corp. common stock is not traded on any established public trading market.

Although the number of shares of Berkshire Hills Bancorp, Inc. common stock and preferred stock that holders of Commerce Bancshares Corp. common stock will be entitled to receive is fixed, the market value of the stock consideration will fluctuate with the market price of Berkshire Hills Bancorp, Inc. common stock and will not be known at the time Commerce Bancshares Corp. shareholders vote on the merger. However, as described in more

detail elsewhere in this proxy statement/ prospectus, under the terms of the Merger Agreement, if the average price of Berkshire Hills Bancorp, Inc. common stock over a specified period of time decreases below certain specified thresholds, Commerce Bancshares Corp. would have a right to terminate the Merger Agreement, unless Berkshire Hills Bancorp, Inc. elects to increase the exchange ratio, which would result in additional shares of Berkshire Hills Bancorp, Inc. common stock and preferred stock being issued.

The affirmative vote of the holders of two-thirds of the issued and outstanding shares of common stock of Commerce Bancshares Corp. is required to approve the Merger Agreement. Commerce Bancshares Corp. has scheduled a special meeting so its shareholders can vote on the Merger Agreement. Commerce Bancshares Corp. board of directors has determined that the Merger is advisable and in the best interests of Commerce Bancshares Corp. and Commerce Bancshares Corp. board of directors unanimously recommends that the Commerce Bancshares Corp. shareholders vote "FOR" the adoption of the Merger Agreement.

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This document serves two purposes. It is the proxy statement being used by Commerce Bancshares Corp. board of directors to solicit proxies for use at the Commerce Bancshares Corp. special meeting. It is also the prospectus of Berkshire Hills Bancorp, Inc. regarding the Berkshire Hills Bancorp, Inc. common stock and Berkshire Hills Bancorp, Inc. preferred stock to be issued if the Merger is completed. This document describes the Merger in detail and includes a copy of the Merger Agreement as Annex A.

Only shareholders of record as of August 1, 2017 are entitled to attend and vote at the Commerce Bancshares Corp. special meeting. This document describes the Commerce Bancshares Corp. special meeting, the Merger, the documents related to the Merger, and other related matters of Commerce Bancshares Corp. and Berkshire Hills Bancorp, Inc. Please read this entire document carefully, including the section discussing various risks related to the Merger and ownership of Berkshire Hills Bancorp, Inc. capital stock beginning on page 11. You can obtain information about Berkshire Hills Bancorp, Inc. from documents that have been filed with the Securities and Exchange Commission.

Your vote is very important. Whether or not you plan to attend the Commerce Bancshares Corp. special meeting, please take the time to submit your proxy by completing and mailing the enclosed proxy card, or by telephone or Internet, prior to the special meeting to ensure that your shares of Commerce Bancshares Corp. common stock will be represented and voted at the special meeting. If you do not return the proxy card, it will have the same effect as a vote “AGAINST” the Merger Agreement.

/s/ David G. Massad

David G. Massad  
Chairman of the Board  
Commerce Bancshares Corp.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION, NOR ANY BANK REGULATORY AGENCY, NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities to be issued in connection with the Merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated August 4, 2017 and is first being mailed to shareholders of Commerce Bancshares Corp. on or about August 11, 2017.

This document incorporates important business and financial information about Berkshire Hills Bancorp, Inc. from documents filed by it with the Securities and Exchange Commission that have not been included in or delivered with this document. You may read and copy these documents at the Securities and Exchange Commission’s public reference facilities. Please call the SEC at 1-800-SEC-0330 for information about these facilities. This information is also available at the Internet site the SEC maintains at <http://www.sec.gov>. See “Where You Can Find More Information” on page 97.

You also may request copies of these documents from Berkshire Hills Bancorp, Inc. Berkshire Hills Bancorp, Inc. will provide you with copies of these documents, without charge, upon written or oral request to:

Berkshire Hills Bancorp, Inc.  
24 North Street  
Pittsfield, Massachusetts 01201  
Attention: Investor Relations Department  
Telephone: (413) 236-3149

If you are a Commerce Bancshares Corp. shareholder and would like to request documents from Berkshire Hills Bancorp, Inc., please do so by September 14, 2017 to receive them before the Commerce Bancshares Corp. special meeting.

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COMMERCE BANCSHARES CORP.

386 Main Street

Worcester, Massachusetts 01608

Notice of Special Meeting of Shareholders

to be held September 21, 2017

A special meeting of shareholders of Commerce Bancshares Corp. will be held at 3:00 p.m., local time, on September 21, 2017 at the main office of Commerce Bank, located at 386 Main Street, Worcester, Massachusetts 01615. Any adjournments or postponements of the special meeting will be held at the same location.

At the special meeting, you will be asked to:

1.

Consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of May 22, 2017, by and between Berkshire Hills Bancorp, Inc. and Commerce Bancshares Corp. A copy of the Merger Agreement is included as Annex A to the accompanying proxy statement/prospectus; and

2.

Consider and vote upon a proposal to adjourn or postpone the Commerce Bancshares Corp. special meeting to another time and/or place, if more time is needed to allow Commerce Bancshares Corp. to solicit additional proxies for the approval of the Merger Agreement.

No business may be transacted at the Special Meeting except as specified in this notice. The enclosed proxy statement/prospectus describes the Merger Agreement and the proposed Merger in detail. We urge you to read these materials carefully. The enclosed proxy statement/prospectus forms a part of this notice.

The board of directors of Commerce Bancshares Corp. unanimously recommends that Commerce Bancshares Corp. shareholders vote "FOR" the proposal to approve the Merger Agreement and "FOR" the proposal to adjourn or postpone the special meeting to another time and/or place for the purpose of soliciting additional proxies in order to approve the Merger Agreement.

The board of directors of Commerce Bancshares Corp. has fixed the close of business on August 1, 2017 as the record date for determining the shareholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Your vote is very important. Your proxy is being solicited by Commerce Bancshares Corp.'s board of directors. The proposal to approve the Merger Agreement must be approved by the affirmative vote of holders of at least two-thirds of the outstanding shares of Commerce Bancshares Corp. common stock entitled to vote in order for the proposed merger to be consummated. Whether or not you plan to attend the special meeting in person, we urge you to complete and mail the enclosed proxy card, in the accompanying envelope, which requires no postage if mailed in the United States. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used.

Holders of Commerce Bancshares Corp. who submit to Commerce Bancshares Corp. before the special meeting a written demand for appraisal of their stock in connection with the proposed Merger, who do not vote for the proposal to approve the Merger Agreement, and who otherwise perfect their dissenters' rights by complying with the applicable statutory procedures under Massachusetts law will be entitled to receive a cash payment for the fair value of their stock. A summary of the applicable requirements of Massachusetts law is contained in this proxy statement/ prospectus. See "Questions and Answers About the Merger and the Commerce Bancshares Corp. Special Meeting" on page 1 and "Dissenters' Rights" on page 30. In addition, the text of the applicable provisions of Massachusetts law is attached to this document as Appendix C.

By Order of the Board of Directors

/s/ Pamela Massad

Pamela Massad

Corporate Secretary

Worcester, Massachusetts  
August 4, 2017

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QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE COMMERCE BANCSHARES CORP. SPECIAL MEETING

Q:  
WHY AM I RECEIVING THESE MATERIALS?

A:  
Berkshire Hills Bancorp, Inc. (“Berkshire Hills Bancorp”) entered into a Merger Agreement with Commerce Bancshares Corp. (“Commerce Bancshares”) pursuant to which Commerce Bancshares will merge with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving entity.

In order to complete the merger of Commerce Bancshares with and into Berkshire Hills Bancorp, the shareholders of Commerce Bancshares must vote to approve the Merger Agreement. Commerce Bancshares will hold a special meeting of its shareholders to solicit this approval, as well as solicit approvals on other merger-related matters. This proxy statement/prospectus contains important information about the Merger, the Merger Agreement, a copy of which is attached as Annex A to this proxy statement/prospectus, the special meeting of Commerce Bancshares shareholders, and other related matters, and we encourage you to read it carefully.

Q:  
WHAT WILL COMMERCE BANCSHARES’ SHAREHOLDERS BE VOTING ON AT THE SPECIAL MEETING?

A:  
At the special meeting of shareholders of Commerce Bancshares, the shareholders will be asked to vote to (i) approve the Merger Agreement, and (ii) if necessary, to approve a proposal to adjourn or postpone the Commerce Bancshares special meeting for the purpose of allowing additional time to solicit proxies. No business may be transacted at the Commerce Bancshares special meeting except as specified in the notice accompanying this proxy statement/prospectus.

Q:  
WHAT DO I NEED TO DO NOW?

A:  
After you have carefully read this proxy statement/prospectus, indicate on your proxy card how you want your shares to be voted, then sign and mail it in the enclosed postage-paid envelope as soon as possible so that your shares may be represented and voted at the Commerce Bancshares special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, Commerce Bancshares will count your proxy card as a vote “FOR” approval of the Merger Agreement, and “FOR” approval, if necessary, of the ability to adjourn or postpone the Commerce Bancshares special meeting for the purpose of allowing additional time to solicit proxies.

Q:  
WHAT AM I BEING ASKED TO VOTE ON AND HOW DOES MY BOARD RECOMMEND THAT I VOTE?

A:  
You are being asked to vote “FOR” the approval of the Merger Agreement and “FOR” approval, if necessary, of the ability to adjourn or postpone the Commerce Bancshares special meeting for the purpose of allowing additional time to solicit proxies. Commerce Bancshares board of directors has determined that the proposed merger is in the best interests of Commerce Bancshares shareholders, has approved the Merger Agreement and recommends that Commerce Bancshares shareholders vote “FOR” the approval of the Merger Agreement. You are also being asked to vote “FOR” the ability to adjourn the meeting and to transact any other business that properly comes before the special meeting, or any adjournment or postponements of the meeting.

Q:

WHAT WILL COMMERCE BANCSHARES SHAREHOLDERS RECEIVE IN THE MERGER?

A:

If the shareholders of Commerce Bancshares approve the Merger Agreement and the other conditions to closing are satisfied, for each share of Commerce Bancshares common stock you own, you will receive 0.93 shares of Berkshire Hills Bancorp common stock and cash in lieu of fractional shares (the “Common Stock Consideration”), subject to the Voting Stock Consideration Limit (as defined below). The Merger Agreement provides that no Commerce Bancshares stockholder, aggregated with such stockholder’s immediate family members and affiliates for purposes of 12 C.F.R. § 225.41 of Regulation Y (the “Acting in Concert Group”) may own more than 9.9% of the outstanding Berkshire Hills Bancorp common stock as of the effective time of the Merger (the “Voting Stock Consideration Limit”). In the event that any Commerce Bancshares stockholder, aggregated with such stockholder’s



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Acting in Concert Group, would otherwise exceed the Voting Stock Consideration Limit, such Commerce Bancshares stockholder shall receive 0.465 shares of Series B Non-Voting Berkshire Hills Bancorp preferred stock (the “Preferred Stock Consideration”) for each share of Commerce Bancshares common stock that is not convertible into Berkshire Hills Bancorp common stock in excess of the Voting Stock Consideration Limit and convertible under certain circumstances to Berkshire Hills Bancorp common stock to the extent that the Voting Stock Consideration Limit is not exceeded. For further information, see “Proposal I — The Proposed Merger — Description of Berkshire Hills Bancorp, Inc. Capital Stock.”

Q:

WHY IS MY VOTE IMPORTANT?

A:

The Merger cannot be completed unless the holders of at least two-thirds (2/3) of the issued and outstanding common stock of Commerce Bancshares vote to approve the Merger Agreement. The failure of a Commerce Bancshares shareholder to vote, by proxy or in person, will have the same effect as a vote against the Merger Agreement.

Q:

HOW DO I VOTE?

A:

You can vote by mail by completing, signing, dating and returning your proxy card in the postage-paid envelope provided. You can also vote in person at the Commerce Bancshares special meeting.

Q:

WHEN AND WHERE IS THE COMMERCE BANCSHARES SPECIAL MEETING?

A:

The Commerce Bancshares special meeting will be held at 3:00 p.m., local time, on September 21, 2017 at the main office of Commerce Bank, located at 386 Main Street, Worcester, Massachusetts 01615.

Q:

WHAT CONSTITUTES A QUORUM FOR THE COMMERCE BANCSHARES SPECIAL MEETING?

A:

The presence at the Commerce Bancshares special meeting, in person or by proxy, of holders representing at least a majority of the outstanding shares of Commerce Bancshares common stock entitled to be voted at the Commerce Bancshares special meeting will constitute a quorum for the transaction of business at the Commerce Bancshares special meeting. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

Q:

WHAT IS THE VOTE REQUIRED TO APPROVE EACH PROPOSAL AT THE COMMERCE BANCSHARES SPECIAL MEETING?

A:

At the special meeting, the affirmative vote of holders of at least two-thirds of the issued and outstanding shares of Commerce Bancshares common stock is required to approve the Merger Agreement. The vote on the proposal to adjourn or postpone the Commerce Bancshares special meeting for the purpose, among others, of allowing additional time to solicit proxies requires the affirmative vote of holders of a majority of the shares of Commerce Bancshares common stock present in person or by proxy at the special meeting, even if less than a quorum is present.

Q:  
ARE COMMERCE BANCSHARES SHAREHOLDERS ENTITLED TO DISSENTERS' RIGHTS?

A:  
Yes. Commerce Bancshares common stockholders who submit to Commerce Bancshares before the special meeting a written demand for appraisal of their stock in connection with the proposed Merger, who do not vote for the proposal to approve the Merger Agreement, and who otherwise perfect their dissenters' rights by complying with the applicable statutory procedures will be entitled to dissenters' rights under the Massachusetts Business Corporation Act. For further information, see "Proposal I — The Proposed Merger — Dissenters' Rights."

Q:  
IF MY SHARES ARE HELD IN "STREET NAME" BY MY BROKER, WILL MY BROKER VOTE MY SHARES FOR ME?

A:  
No. Your broker cannot vote on the merger proposal on your behalf without specific instructions from you. Your broker will vote your shares on the merger proposal only if you provide instructions on how to vote. You should follow the directions provided by your broker.

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Q.

WHAT IF I FAIL TO INSTRUCT MY BROKER?

A:

If you fail to instruct your broker how to vote your shares and the broker submits an unvoted proxy, the resulting broker “non-vote” will be counted toward a quorum at the Commerce Bancshares special meeting, but it will have the same effect as a vote against the Merger Agreement.

Q.

CAN I ATTEND THE SPECIAL MEETING AND VOTE MY SHARES IN PERSON?

A:

Yes. All shareholders of Commerce Bancshares, including shareholders of record and any shareholder who holds their shares “in street name” through banks, brokers, nominees or any other holder of record, are invited to attend the Commerce Bancshares special meeting. Holders of record of Commerce Bancshares common stock can vote in person at the Commerce Bancshares special meeting. If you are not a shareholder of record, you must obtain a proxy card, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Commerce Bancshares reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification.

Q:

CAN I CHANGE MY VOTE AFTER I HAVE VOTED?

A:

Yes. If you have not voted through your broker, there are three ways for you to revoke your proxy and change your vote. First, you may send written notice to the Corporate Secretary of Commerce Bancshares stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card. Third, you may vote in person at the Commerce Bancshares special meeting. If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker to change your vote. Your last vote will be the vote that is counted.

Q:

SHOULD I SEND IN MY COMMERCE BANCSHARES STOCK CERTIFICATES NOW?

A:

No. You should not send in your stock certificates at this time. You will separately receive a form with instructions for exchanging your Commerce Bancshares stock certificates sometime after we obtain Commerce Bancshares shareholders’ approval and all necessary regulatory approvals.

Q:

I AM ALSO A BERKSHIRE HILLS BANCORP SHAREHOLDER. DO I NEED TO DO ANYTHING WITH MY BERKSHIRE HILLS BANCORP STOCK CERTIFICATES?

A.

No. Berkshire Hills Bancorp shareholders will not exchange their certificates in the Merger. The certificates currently representing shares of Berkshire Hills Bancorp common stock will continue to represent the same number of shares of common stock of Berkshire Hills Bancorp after the Merger.

Q:

WHEN DO YOU EXPECT TO MERGE?

A:

Commerce Bancshares and Berkshire Hills Bancorp are working toward completing the Merger as quickly as possible, and may complete the Merger as early as mid-October 2017. However, Commerce Bancshares and Berkshire Hills Bancorp cannot assure you when or if the Merger will occur. Commerce Bancshares and Berkshire Hills Bancorp must first obtain the approval of the shareholders of Commerce Bancshares and all necessary regulatory approvals.

Q:

WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?

A:

If the Merger is not completed, Commerce Bancshares shareholders will not receive any consideration for their shares of Commerce Bancshares common stock in connection with the Merger. Instead, Commerce Bancshares will remain an independent entity. In addition, if the Merger Agreement is terminated in certain circumstances, a termination fee may be required to be paid by Commerce Bancshares or Berkshire Hills Bancorp. See “Proposal I — The Proposed Merger — Terminating the Merger Agreement” for a complete discussion of the circumstances under which termination fees will be required to be paid.

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Q:  
WHAT ARE THE MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER TO U.S. HOLDERS OF COMMERCE BANCSHARES STOCK?

A:  
The Merger is intended to qualify for U.S. federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Accordingly, U.S. holders of Commerce Bancshares common stock generally will not recognize any gain or loss on the exchange of shares of Commerce Bancshares common stock for shares of Berkshire Hills Bancorp common stock, and generally should not recognize any gain or loss on the exchange of shares of Commerce Bancshares common stock for shares of Berkshire Hills Bancorp preferred stock. However, a U.S. holder of Commerce Bancshares common stock generally will be subject to U.S. federal income tax on cash received in lieu of any fractional share of Berkshire Hills Bancorp common stock or preferred stock that a holder would otherwise be entitled to receive. For further information, see “Proposal I — The Proposed Merger — Material United States Federal Income Tax Consequences of the Merger” beginning on page 51. This tax treatment may not apply to all Commerce Bancshares shareholders. Determining the actual tax consequences of the Merger to Commerce Bancshares shareholders can be complicated and will depend on your particular circumstances. Commerce Bancshares shareholders should consult their own tax advisor for a full understanding of the Merger’s tax consequences that are particular to each shareholder.

Q:  
WHOM SHOULD I CALL WITH QUESTIONS OR TO OBTAIN ADDITIONAL COPIES OF THIS PROXY STATEMENT/PROSPECTUS?

A:  
Commerce Bancshares shareholders should contact:

Commerce Bancshares Corp.  
386 Main Street  
Worcester, MA 01608  
Attention: William F. Burke, Executive Vice President and Chief Financial Officer  
(508) 797-6996

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SUMMARY

This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information important to you. To understand the Merger more fully, you should read this entire document carefully, including the documents attached to this proxy statement/prospectus.

The Companies

Berkshire Hills Bancorp, Inc. and Berkshire Bank

24 North Street

Pittsfield, Massachusetts 01201

(413) 443-5601

Berkshire Hills Bancorp, Inc., a Delaware corporation, is a financial services holding company headquartered in Pittsfield, Massachusetts that was incorporated and commenced operations in 2000. Berkshire Hills Bancorp's common stock is listed on The New York Stock Exchange under the symbol "BHLB." Berkshire Hills Bancorp conducts its operations primarily through Berkshire Bank, a Massachusetts-chartered trust company. Berkshire Bank is headquartered in Pittsfield, Massachusetts, and serves communities throughout Massachusetts, eastern and central New York, southern Vermont, central Connecticut, central New Jersey, and parts of Pennsylvania through its network of 97 full service branch offices and additional commercial and residential loan offices. Berkshire Bank also has a Boston-based national equipment lending business, a Mid-Atlantic based small business lending team and a Mid-Atlantic based national mortgage banking business. Berkshire Bank provides personal and business banking, insurance, and wealth management services. Berkshire Hills Bancorp is also the holding company for Berkshire Insurance Group, an insurance agency in Western Massachusetts. At March 31, 2017, Berkshire Hills Bancorp had total assets of \$9.3 billion, total deposits of \$6.6 billion, total loans of \$6.6 billion and total stockholders' equity of \$1.1 billion. On May 25, 2017, Berkshire Hills Bancorp sold 4,637,690 shares of its common stock at a price to the public of \$34.50 per share resulting in net proceeds of \$152.9 million.

Commerce Bancshares Corp. and Commerce Bank & Trust Company

386 Main Street

Worcester, Massachusetts 01608

(508) 797-6800

Commerce Bancshares Corp., a Massachusetts corporation, is the holding company of Commerce Bank & Trust Company and headquartered in Worcester, Massachusetts. Commerce Bancshares is a privately-held company. Commerce Bank & Trust Company, headquartered in Worcester, Massachusetts, was founded in 1955. Serving as a community bank in the Worcester and Boston areas, Commerce Bank & Trust Company has approximately \$2.2 billion in assets and 16 branches. Commerce Bank & Trust Company offers middle-market lending, specialty finance services, and maintains relationships with multiple Payroll Service Bureau customers. At March 31, 2017, Commerce Bancshares had total assets of \$2.2 billion, total deposits of \$2.0 billion and total loans of \$1.5 billion.

Special Meeting of Commerce Bancshares Shareholders; Required Vote (page 27)

A special meeting of Commerce Bancshares shareholders is scheduled to be held at the main office of Commerce Bank, located at 386 Main Street, Worcester, Massachusetts 01615 at 3:00 p.m., local time, on September 21, 2017. At the special meeting, you will be asked to vote on a proposal to approve the Merger Agreement between Commerce Bancshares and Berkshire Hills Bancorp. If necessary, you will also be asked to vote upon a proposal to adjourn or postpone the Commerce Bancshares special meeting for the purpose, among others, of allowing additional time to solicit proxies.

Only Commerce Bancshares shareholders of record as of the close of business on August 1, 2017 are entitled to notice of, and to vote at, the Commerce Bancshares special meeting and any adjournments or postponements of the meeting. Approval of the Merger Agreement requires the affirmative vote of holders of at least two-thirds of the issued and outstanding shares of Commerce Bancshares common stock entitled to vote. As of the record date, there were 6,328,300 shares of Commerce Bancshares common stock outstanding. Directors of

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Commerce Bancshares who have or share voting power with respect to 6,088,864 outstanding shares of Commerce Bancshares common stock, representing 96.21% of the outstanding shares of Commerce Bancshares common stock as of the record date have agreed with Berkshire Hills Bancorp to vote all of their shares in favor of the Merger at the special meeting.

The Merger and the Merger Agreement (page 32)

The acquisition of Commerce Bancshares is governed by the Merger Agreement. The Merger Agreement provides that, if all of the conditions are satisfied or waived, Commerce Bancshares will be merged with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving entity. Immediately thereafter, Commerce Bank & Trust Company will merge with and into Berkshire Bank, with Berkshire Bank as the surviving institution. We encourage you to read the Merger Agreement, which is included as Annex A to this proxy statement/prospectus.

What Commerce Bancshares Stockholders Will Receive in Consideration to be Received in the Merger (page 49)

If the Merger is completed, each share of Commerce Bancshares common stock will be converted into the right to receive 0.93 shares of Berkshire Hills Bancorp common stock and cash in lieu of fractional shares, subject to the Voting Stock Consideration Limit (as described previously). The Merger Agreement provides that no Commerce Bancshares stockholder, aggregated with such stockholder's Acting in Concert Group may own more than the Voting Stock Consideration Limit. In the event that any Commerce Bancshares stockholder, aggregated with such stockholder's Acting in Concert Group, would otherwise exceed the Voting Stock Consideration Limit, such Commerce Bancshares stockholder shall receive 0.465 shares of Preferred Stock Consideration for each share of Commerce Bancshares common stock that is not convertible into Berkshire Hills Bancorp common stock as a consequence of the Voting Stock Consideration Limit.

Based on Berkshire Hills Bancorp, Inc.'s closing price of \$35.55 on May 19, 2017 (the trading date preceding the public announcement of the proposed transaction), each share of Commerce Bancshares Corp. common stock exchanged for either 0.93 shares of Berkshire Hills Bancorp, Inc. common stock or, to the extent an Acting in Concert Group exceeds the Voting Stock Consideration Limit, 0.465 shares of Berkshire Hills Bancorp, Inc. preferred stock, would have a value of \$33.06 per share, with a proposed aggregate value of approximately \$209.2 million. Based on Berkshire Hills Bancorp, Inc.'s closing price of \$36.85 on July 28, 2017 (the most recent practicable date before the printing of this proxy statement/ prospectus), each share of Commerce Bancshares Corp. common stock exchanged for either 0.93 shares of Berkshire Hills Bancorp, Inc. common stock or, to the extent an Acting in Concert Group exceeds the Voting Stock Consideration Limit, 0.465 shares of Berkshire Hills Bancorp, Inc. preferred stock, would have a value of \$34.27, with a proposed aggregate value of approximately \$216.9 million. Berkshire Hills Bancorp, Inc. common stock is listed on the New York Stock Exchange under the symbol "BHLB." Commerce Bancshares Corp. common stock is not traded on any established public trading market.

Recommendation of Commerce Bancshares' Board of Directors (page 35)

Commerce Bancshares' board of directors has unanimously approved the Merger Agreement and the proposed Merger. The Commerce Bancshares board believes that the Merger Agreement, including the Merger contemplated by the Merger Agreement, is fair to, and in the best interests of, Commerce Bancshares and its shareholders, and therefore unanimously recommends that Commerce Bancshares shareholders vote "FOR" the proposal to approve the Merger Agreement. In reaching this decision, Commerce Bancshares' board of directors considered a variety of factors, which are described in the section captioned "Proposal I — The Proposed Merger — Commerce Bancshares' Reasons for the Merger and Recommendation of the Commerce Bancshares Board" beginning on page 35.

Commerce Bancshares' board of directors unanimously recommends that Commerce Bancshares shareholders vote "FOR" the proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the Merger Agreement.

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Regulatory Matters Relating to the Merger (page 65)

Under the terms of the Merger Agreement, the Merger cannot be completed unless the Merger of Commerce Bancshares and Berkshire Hills Bancorp and the merger of Commerce Bank & Trust Company and Berkshire Bank are approved by the requisite governmental entities and bank regulators, principally, the Federal Deposit Insurance Corporation, the Massachusetts Division of Banks and the Board of Governors of the Federal Reserve System. Berkshire Hills Bancorp and Berkshire Bank have filed the relevant applications.

Conditions to Completing the Merger (page 59)

The completion of the Merger is subject to the fulfillment of a number of conditions, including:

- the effectiveness of the registration statement of which this proxy statement/prospectus forms a part;
- approval of the Merger Agreement by the holders of at least two-thirds of the issued and outstanding shares of Commerce Bancshares common stock entitled to vote;
- receipt of all requisite regulatory approvals to complete the Merger and the bank merger;
- the continued accuracy of each party's representations and warranties made as of the date of the Merger Agreement, except to the extent any inaccuracy does not constitute a material adverse effect (as defined in the Merger Agreement);
- each party complying with its respective obligations and agreements pursuant to the Merger Agreement, except to the extent that noncompliance does not constitute a material adverse effect (as defined in the Merger Agreement);
- as of immediately prior to the completion of the Merger, not more than 5.0% of the issued and outstanding shares of Commerce Bancshares common stock shall have served a written notice of dissent from the Merger Agreement to Commerce Bancshares under the Massachusetts Business Corporation Act;
- receipt of a fully executed agreement by and between Berkshire Hills Bancorp and David G. Massad, the majority owner and Chairman of Commerce Bancshares, with respect to Mr. Massad's proposed ownership of Berkshire Hills Bancorp common stock and preferred stock (which agreement has already been executed by Berkshire Hills Bancorp and David G. Massad);
- confirmation that the Commerce Bancshares subordinated debt obligation has been repaid immediately prior to the consummation of the Merger;
- confirmation by Berkshire Hills Bancorp and Berkshire Bank that all action required to duly elect Pamela Massad and David Brunelle, two Commerce Bancshares board members, to the boards of directors of Berkshire Hills Bancorp and Berkshire Bank has been completed; and
- Berkshire Hills Bancorp and Commerce Bancshares shall each have received the written opinions, dated as of the closing date of the Merger, of Luse Gorman, PC and Nutter McClennen & Fish LLP, respectively, to the effect that the Merger will be treated for federal income tax purposes as a reorganization under Section 368(a) of the Internal



Revenue Code.

Terminating the Merger Agreement (page 67)

The Merger Agreement may be terminated by mutual written consent of Berkshire Hills Bancorp and Commerce Bancshares at any time prior to the completion of the Merger. Additionally, subject to conditions and circumstances described in the Merger Agreement, either Berkshire Hills Bancorp or Commerce Bancshares may terminate the Merger Agreement if, among other things, any of the following occur:

- the Merger has not been consummated by April 30, 2018, provided that the failure to consummate the Merger by such date was not due to terminating party's material breach of any representation, warranty, covenant or other agreement contained in the Merger Agreement;

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- Commerce Bancshares shareholders do not approve the Merger Agreement at the Commerce Bancshares special meeting;

- a required regulatory approval or non-objection is denied or a governmental authority prohibits the Merger; or

- there is a breach by the other party of any representation, warranty, covenant or agreement contained in the Merger Agreement, which cannot be cured, or has not been cured within thirty (30) business days after the giving of written notice to such party of such breach.

Commerce Bancshares may terminate the Merger Agreement if Berkshire Hills Bancorp's stock price falls below thresholds set forth in the Merger Agreement and Berkshire Hills Bancorp does not increase the exchange ratio pursuant to a prescribed formula.

Berkshire Hills Bancorp may terminate the Merger Agreement if (i) Commerce Bancshares receives a superior proposal and has entered into an acquisition agreement with respect to the superior proposal in accordance with the provisions of the Merger Agreement, (ii) the board of directors of Commerce Bancshares submits the Merger Agreement to the Commerce Bancshares stockholders without a recommendation for approval, or (iii) the board of directors of Commerce Bancshares withdraws, modifies or changes its recommendation to stockholders for approval of the Merger Agreement, after having consulted with and considered the advice of its financial and legal advisors. Commerce Bancshares may also terminate the Merger Agreement if Commerce Bancshares has received a superior proposal and the board of directors of Commerce Bancshares had made a determination to accept such superior proposal and complied with the provisions of the Merger Agreement.

Termination Fee (page 67)

Under certain circumstances described in the Merger Agreement, Berkshire Hills Bancorp may be entitled to receive a \$8.6 million termination fee in connection with the termination of the Merger Agreement. Under certain circumstances described in the Merger Agreement, Commerce Bancshares may be entitled to receive a \$4.3 million termination fee in connection with the termination of the Merger Agreement. See "Proposal I — The Proposed Merger — Terminating the Merger Agreement" on page 67 for a list of the circumstances under which a termination fee is payable.

Interests of Certain Persons in the Merger that are Different from Yours (page 54)

In considering the recommendation of the board of directors of Commerce Bancshares to approve the Merger Agreement, you should be aware that officers and directors of Commerce Bancshares have employment and other compensation agreements or economic interests that give them interests in the Merger that are somewhat different from, or in addition to, their interests as Commerce Bancshares shareholders. Some of the interests of the officers and directors include:

- Employment agreements with Brian W. Thompson, President and Chief Executive Officer, William F. Burke, Executive Vice President and Chief Financial Officer, Michael J. Crawford, Executive Vice President and Chief Operating Officer, and a change of control agreement with James R. Belliveau, Executive Vice President and Chief Technology Officer, that provide for cash severance payments and continued health insurance in connection with a termination of employment without cause or for good reason following a change in control, each of which will be terminated in connection with the Merger in exchange for the payment of cash and benefits pursuant to individual acknowledgement agreements that Berkshire Hills Bancorp, Commerce Bancshares and Commerce Bank & Trust Company have entered into with each individual;

- A shareholder agreement by Berkshire Hills Bancorp has entered into with David G. Massad, the majority owner and Chairman of Commerce Bancshares, with respect to Mr. Massad's proposed ownership of Berkshire Hills Bancorp

common stock and preferred stock;

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The Commerce Bancshares 2010 Long-Term Incentive Plan shall terminate in connection with the Merger, and the holder of a phantom stock award, whether or not vested, will receive an amount

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of cash determined by multiplying (i) the excess, if any, of \$34.00 less the applicable per share exercise price of that Commerce Bancshares phantom stock award by (ii) the number of shares of Commerce common stock subject to that Commerce Bancshares phantom stock award, less any required tax withholding;

- A Three-Year Retention Agreement that Berkshire Hills Bancorp, Inc. and Berkshire Bank have entered into with James Belliveau;

- A Consulting and Release Agreement that Berkshire Bank has entered into with each of Brian W. Thompson and Michael J. Crawford;

- An Acknowledgement Agreement that Berkshire Hills Bancorp, Commerce Bancshares and Commerce Bank & Trust Company have entered into with each of Brian W. Thompson, William F. Burke, Michael J. Crawford and James R. Belliveau;

- The appointment of two individuals who are directors of Commerce Bancshares, Pamela Massad and David Brunelle, to the Berkshire Hills Bancorp and Berkshire Bank boards of directors; and

- Rights of Commerce Bancshares officers and directors to continued indemnification coverage and continued coverage under directors' and officers' liability insurance policies.

Accounting Treatment of the Merger (page 50)

The Merger will be accounted for in accordance with accounting standards for business combinations in accordance with U.S. generally accepted accounting principles.

Comparison of Rights of Shareholders (page 85)

When the Merger is completed, Commerce Bancshares shareholders will become Berkshire Hills Bancorp shareholders and their rights will be governed by Delaware law and by Berkshire Hills Bancorp's certificate of incorporation and bylaws. See "Comparison of Rights of Shareholders" beginning on page 85 for a summary of the material differences between the respective rights of Commerce Bancshares and Berkshire Hills Bancorp shareholders.

Dissenters' Rights (page 30)

Commerce Bancshares shareholders entitled to vote on the Merger have the right to dissent from the Merger. If the Merger is completed, each Commerce Bancshares shareholder who submits to Commerce Bancshares before the special meeting a written demand for appraisal of their stock in connection with the proposed Merger, who does not vote for the proposal to approve the Merger Agreement, and who otherwise perfects their dissenters' rights by complying with all applicable requirements of the Massachusetts Business Corporation Act, will be entitled to receive a cash payment equal to the fair value of their shares of Commerce Bancshares common stock, determined in the manner set forth under the Massachusetts Business Corporation Act, instead of the merger consideration. A dissenting shareholder who files the required written objection with Commerce Bancshares prior to the shareholder vote on the Merger need not vote against the Merger, but a vote in favor of the Merger will constitute a waiver of the shareholder's statutory appraisal rights. A vote against the Merger does not, alone, constitute a written objection. Fair value of Commerce Bancshares common stock in an appraisal proceeding may be more than, less than or the same as the value of merger consideration at the time the Merger is completed. A copy of the section of the Massachusetts Business Corporation Act pertaining to dissenters' appraisals rights is attached as Annex C to this proxy statement/prospectus. You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights.

Material Federal Income Tax Consequences of the Merger (page 51)

The Merger is intended to qualify for U.S federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Accordingly, U.S. holders of Commerce Bancshares common stock generally will not recognize any gain or loss on the exchange of shares of Commerce Bancshares common stock for shares of Berkshire Hills Bancorp common stock, and

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generally should not recognize any gain or loss on the exchange of shares of Commerce Bancshares common stock for shares of Berkshire Hills Bancorp preferred stock. However, a U.S. holder of Commerce Bancshares common stock generally will be subject to U.S. federal income tax on cash received in lieu of any fractional share of Berkshire Hills Bancorp common stock or preferred stock that a holder would otherwise be entitled to receive.

This tax treatment may not apply to all Commerce Bancshares shareholders. Determining the actual tax consequences of the Merger to Commerce Bancshares shareholders can be complicated and will depend on your particular circumstances. Commerce Bancshares shareholders should consult their own tax advisor for a full understanding of the Merger's tax consequences that are particular to each shareholder.

To review the U.S. federal income tax consequences of the Merger to U.S. holders of Commerce Bancshares common stock in greater detail, please see the section "Proposal I — The Proposed Merger — Material United States Federal Income Tax Consequences of the Merger" beginning on page 51.

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/ prospectus, including the matters addressed under the section “Caution About Forward-Looking Statements” beginning on page 17, you should consider carefully the risk factors described below, in deciding how to vote. You should also read and consider the risk factors associated with the business of Berkshire Hills Bancorp because the risk factors may affect the operations and financial results of the consolidated entity. These risk factors may be found in the periodic reports and other documents of Berkshire Hills Bancorp and is incorporated by reference into this proxy statement/prospectus. See “Where You Can Find More Information” on page 97.

Because the market price of Berkshire Hills Bancorp common stock will fluctuate, Commerce Bancshares shareholders cannot be sure of the trading price of the merger consideration they will receive and the price of Berkshire Hills Bancorp common stock might decrease after the Merger.

Upon completion of the Merger, each share of Commerce Bancshares common stock will be converted into the right to receive merger consideration consisting of shares of Berkshire Hills Bancorp common stock or, subject to the 9.9% ownership limitation, Berkshire Hills Bancorp non-voting preferred stock for those shares of Commerce Bancshares common stock that cannot be converted to Berkshire Hills Bancorp common stock due to this ownership limit. Commerce Bancshares does not have the right under the Merger Agreement to increase the exchange ratio in the Merger Agreement in the event of any decline in the stock price of Berkshire Hills Bancorp prior to the Merger. There also will be a period of time between the date when shareholders of Commerce Bancshares vote on the Merger Agreement and the date when the Merger is completed. The market price of Berkshire Hills Bancorp common stock may vary between the date of this proxy statement/prospectus, the date of the Commerce Bancshares special meeting, and the date of completion of the Merger. For example, during the twelve-month period ending on July 28, 2017 (the most recent practicable date before the printing of this proxy statement/prospectus), the price of Berkshire Hills Bancorp common stock varied from a low of \$25.90 to a high of \$38.65 and ended that period at \$36.85. The market value of Berkshire Hills Bancorp common stock fluctuates based upon general market economic conditions, Berkshire Hills Bancorp’s business and prospects and other factors. Many of these factors are beyond the control of Commerce Bancshares and Berkshire Hills Bancorp and are not necessarily related to a change in the financial performance or condition of Commerce Bancshares or Berkshire Hills Bancorp. As the market price for shares of Berkshire Hills Bancorp common stock will fluctuate, based on numerous factors, the value of the shares of Berkshire Hills Bancorp common stock (or, to the extent an Acting in Concert Group exceeds the Voting Stock Consideration Limit, the value of Berkshire Hills Bancorp preferred stock) that a Commerce Bancshares shareholder will receive in the Merger will correspondingly fluctuate. It is impossible to predict accurately the market price of Berkshire Hills Bancorp common stock after completion of the Merger. Accordingly, the price of Berkshire Hills Bancorp common stock on the date of the special meeting may not be indicative of the price of Berkshire Hills Bancorp common stock immediately prior to completion of the Merger and the price of Berkshire Hills Bancorp common stock after the Merger is completed. Berkshire Hills Bancorp common stock is listed on the New York Stock Exchange under the symbol “BHLB.” We urge you to obtain current market quotations for Berkshire Hills Bancorp common stock.

Holders of Berkshire Hills Bancorp Series B preferred stock will have a limited market to trade their Series B preferred stock.

There is no established public trading market for the Series B preferred stock, and Berkshire Hills Bancorp does not expect a market to develop. In addition, we do not intend to apply for listing of the Series B preferred stock on any national securities exchange or trading system.

The Series B preferred stock is only convertible to Berkshire Hills Bancorp common stock under limited conditions. Accordingly, holders of Series B preferred stock may experience illiquidity with respect to their shares of Series B preferred stock.

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Each Shareholder subject to the Voting Stock Consideration Limit will receive Berkshire Hills Bancorp Series B preferred stock as consideration for their shares of Commerce Bancshares common stock, which is a series of non-voting preferred stock. Accordingly, each Commerce Bancshares shareholder who receives Series B preferred stock will have less influence over Berkshire Hills Bancorp as compared to the influence that such shareholder may now have over Commerce Bancshares and will have limited options to convert to Berkshire Hills Bancorp common stock.

Certain shareholders of Commerce Bancshares currently have a controlling interest in Commerce Bancshares and may vote on the election of directors and other matters affecting Commerce Bancshares. In connection with the merger, Berkshire Hills Bancorp will issue Series B preferred stock to any Commerce Bancshares shareholder as consideration for any shares of Commerce Bancshares common stock that are not convertible to Berkshire Hills Bancorp common stock as a result of the Voting Stock Consideration Limit. Accordingly, one or more shareholder of Commerce Bancshares will be limited to a 9.9% voting interest in Berkshire Hills Bancorp and the remaining Commerce Bancshares common stock will be converted to Series B non-voting preferred stock. These Commerce Bancshares shareholders will experience a decline in their influence on management of Berkshire Hills Bancorp as a result. Furthermore, the Series B preferred stock may only convert to Berkshire Hills Bancorp common stock under limited conditions, including a transfer to an individual outside of the Acting in Concert Group or a conversion of a limited number of shares to permit the holder to own no more than 9.9% of the then-outstanding Berkshire Hills Bancorp common stock, which further limits their influence on Berkshire Hills Bancorp and management of Berkshire Hills Bancorp.

General market conditions and unpredictable factors could adversely affect market value for the Berkshire Hills Bancorp common stock and Series B preferred stock.

There can be no assurance about the market value of the Series B preferred stock that will be issued upon completion of the merger. Several factors, many of which are beyond the control of Berkshire Hills Bancorp, could influence the market value of such stock, including:

- Whether Berkshire Hills Bancorp declares or fails to declare dividends from time to time;
- Berkshire Hills Bancorp's general economic condition and creditworthiness;
- Interest rate risk;
- Developments in the securities, credit, and housing markets, and developments with respect to financial institutions generally;
- The market for similar securities; and
- Economic, corporate, securities market, geopolitical, regulatory or judicial events that affect Berkshire Hills Bancorp, the banking industry, or the financial markets generally.

Shares of Berkshire Hills Bancorp common stock and Series B preferred stock will be equity interests and will not constitute indebtedness. As such, such stock will rank junior to all indebtedness of, and other non-equity claims on, Berkshire Hills Bancorp with respect to assets available to satisfy claims.

Shareholders of both Berkshire Hills Bancorp and Commerce will have a reduced ownership and voting interest after the merger and will exercise less influence over management.



As a result of the merger, the percentage ownership of every shareholder in the combined company will be smaller than the shareholder's percentage ownership of Berkshire Hills Bancorp or Commerce Bancshares, respectively, prior to the merger. Berkshire Hills Bancorp estimates that upon completion of the merger, current Commerce Bancshares shareholders will own approximately 12.0% of the outstanding shares of Berkshire Hills Bancorp common stock and 500,000 shares of Series B preferred stock, and current Berkshire Hills Bancorp shareholders will own approximately 88.0% of Berkshire Hills Bancorp common stock and no shares of the Series B preferred stock (based on March 31, 2017 information). If hypothetically all of the Series B preferred stock were converted to Berkshire Hills Bancorp common stock immediately after the Merger at a rate of two shares of Berkshire Hills Bancorp common stock for each

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share of Series B preferred stock, current Commerce Bancshares shareholders would own approximately 14.0% of the outstanding shares of Berkshire Hills Bancorp common stock, and current Berkshire Hills Bancorp shareholders would own approximately 86.0% (based on March 31, 2017 information).

Future issuances of Berkshire Hills Bancorp equity securities could dilute shareholder ownership and voting interest. Berkshire Hills Bancorp's Certificate of Incorporation authorizes the issuance of up to fifty million shares of common stock and one million shares of preferred stock. Any future issuance of equity securities by Berkshire Hills Bancorp may result in dilution in the percentage ownership and voting interest of Berkshire Hills Bancorp shareholders, including, after completion of the Merger, former Commerce Bancshares shareholders. Also, any securities Berkshire Hills Bancorp sells in the future may be valued differently, and the issuance of equity securities for future services, acquisitions or other corporate actions may have the effect of diluting the value of the shares held by Berkshire Hills Bancorp shareholders.

The restrictions on solicitation contained in the Merger Agreement and the termination fee may discourage other companies from trying to acquire Commerce Bancshares.

Until the completion of the Merger, Commerce Bancshares is prohibited from taking any action to knowingly initiate, solicit or engage in discussions or negotiations with, or knowingly provide any information to any person other than Berkshire Hills Bancorp concerning any purchase of a majority of the outstanding Commerce Bancshares common stock, any merger of Commerce Bancshares, or the sale of substantially all of the assets of Commerce Bancshares, or any similar transaction. In addition, Commerce Bancshares has agreed to pay a termination fee to Berkshire Hills Bancorp in specified circumstances. These provisions could discourage other companies from trying to acquire Commerce Bancshares even though those other companies might be willing to offer greater value to Commerce Bancshares' shareholders than Berkshire Hills Bancorp has offered in the Merger. The payment of the termination fee could also have a material adverse effect on Commerce Bancshares' financial condition.

Commerce Bancshares will be subject to business uncertainties and contractual restrictions while the Merger is pending.

The pursuit of the Merger may place a significant burden on management and internal resources of Commerce Bancshares. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition could affect Commerce Bancshares' financial results. In addition, the Merger Agreement requires that Commerce Bancshares operate in the usual, regular and ordinary course of business and restricts Commerce Bancshares from taking certain actions prior to the effective time of the Merger or termination of the Merger without Berkshire Hills Bancorp's consent in writing. These restrictions may prevent Commerce Bancshares from pursuing attractive business opportunities that may arise prior to the completion of the Merger.

There is no assurance when or even if the Merger will be completed.

Completion of the Merger is subject to satisfaction or waiver of a number of conditions. See "Proposal I — The Proposed Merger — Conditions to Completing the Merger." There can be no assurance that Berkshire Hills Bancorp and Commerce Bancshares will be able to satisfy the closing conditions or that closing conditions beyond their control will be satisfied or waived.

Berkshire Hills Bancorp and Commerce Bancshares can agree at any time to terminate the Merger Agreement, even if Commerce Bancshares' shareholders have already voted to approve the Merger Agreement. Berkshire Hills Bancorp and Commerce Bancshares can also terminate the Merger Agreement under other specified circumstances. See "Proposal I — The Proposed Merger — Terminating the Merger Agreement."

Certain of Commerce Bancshares' officers and directors have interests that are different from, or in addition to, interests of Commerce Bancshares' shareholders generally.

These include: (1) acknowledgement agreements for certain officers of Commerce Bancshares that provide for cash severance payments and continued health insurance benefits upon completion of the Merger; (2) a cash payment in connection with the termination of all outstanding Commerce Bancshares

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phantom stock awards; (3) the appointment of two directors of Commerce Bancshares to the board of directors of Berkshire Hills Bancorp and Berkshire Bank immediately following the Merger; (4) consulting and retention agreements with certain key executives of Commerce Bancshares; and (5) provisions in the Merger Agreement relating to indemnification of directors and officers and insurance for directors and officers of Commerce Bancshares for events occurring before the Merger.

For a more detailed discussion of these interests, see “Merger-Related Executive Compensation for Commerce Bancshares’ Executive Officers” beginning on page 57.

Failure to complete the Merger could negatively impact the future businesses and financial results of Berkshire Hills Bancorp and Commerce Bancshares.

If the Merger is not completed, the ongoing businesses of Berkshire Hills Bancorp and Commerce Bancshares may be adversely affected and Berkshire Hills Bancorp and Commerce Bancshares will be subject to several risks, including the following:

- Berkshire Hills Bancorp and Commerce Bancshares will be required to pay certain costs relating to the Merger, whether or not the Merger is completed, such as legal, accounting, and other professional fees;
- under the Merger Agreement, Commerce Bancshares is subject to certain restrictions on the conduct of its business prior to completing the Merger, which may adversely affect its ability to execute certain of its business strategies; and
- matters relating to the Merger may require substantial commitments of time and resources by Berkshire Hills Bancorp and Commerce Bancshares management, which could otherwise have been devoted to other opportunities that may have been beneficial to Berkshire Hills Bancorp and Commerce Bancshares as independent companies, as the case may be.

In addition, if the Merger is not completed, Berkshire Hills Bancorp and/or Commerce Bancshares may experience negative reactions from the financial markets and from their respective customers and employees. Berkshire Hills Bancorp and/or Commerce Bancshares also could be subject to litigation related to any failure to complete the Merger or to enforcement proceedings commenced against Berkshire Hills Bancorp or Commerce Bancshares to perform their respective obligations under the Merger Agreement. If the Merger is not completed, Berkshire Hills Bancorp and Commerce Bancshares cannot assure their shareholders that the risks described above will not materialize and will not materially affect the business, financial results and stock prices of Berkshire Hills Bancorp and/or Commerce Bancshares.

The shares of Berkshire Hills Bancorp common stock to be received by Commerce Bancshares shareholders receiving the stock consideration as a result of the Merger will have different rights from shares of Commerce Bancshares common stock.

Following completion of the Merger, Commerce Bancshares shareholders will no longer be shareholders of Commerce Bancshares, a Massachusetts corporation, but instead will be shareholders of Berkshire Hills Bancorp, a Delaware corporation. There will be important differences between your current rights as a Commerce Bancshares shareholder and the rights to which you will be entitled as a Berkshire Hills Bancorp shareholder. See “Comparison of Rights of Shareholders” beginning on page 85 for a discussion of the different rights associated with Berkshire Hills Bancorp common stock and Commerce Bancshares common stock.

Berkshire Hills Bancorp may fail to realize the anticipated benefits of the Merger.

The success of the Merger will depend on, among other things, Berkshire Hills Bancorp’s ability to realize anticipated cost savings and to combine the businesses of Berkshire Hills Bancorp and Commerce Bancshares in a manner that does not materially disrupt the existing customer relationships of Commerce Bank & Trust Company or Berkshire Bank, or result in decreased revenues from any loss of customers. If Berkshire Hills Bancorp is not able to successfully achieve these objectives, the anticipated benefits of the Merger may not be realized fully or at all or may take longer to realize than expected.



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Berkshire Hills Bancorp and Commerce Bancshares have operated and, until the completion of the Merger, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, the disruption of Berkshire Hills Bancorp's or Commerce Bancshares' ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of Berkshire Hills Bancorp to maintain relationships with customers and employees or to achieve the anticipated benefits of the Merger.

Berkshire Hills Bancorp and Berkshire Bank may not receive the required regulatory approvals. Such approvals may be subject to adverse regulatory conditions.

Before the Merger and bank merger may be completed, various approvals or waivers must be obtained from, or notifications submitted to, various governmental entities and bank regulators, principally, the Federal Deposit Insurance Corporation, the Massachusetts Department of Banking and the Board of Governors of the Federal Reserve System. An adverse development in either party's regulatory standing or other factors could result in an inability to obtain one or more of the required regulatory approvals or delay their receipt. Neither Commerce Bancshares nor Berkshire Hills Bancorp can guarantee that it will receive all required regulatory approvals in order to complete the Merger. In addition, some of the governmental authorities from whom those approvals must be obtained may impose conditions, terms, obligations or restrictions on the completion of the Merger or require changes in the terms of the Merger and such conditions, terms, obligations or restrictions may have the effect of delaying the completion of the Merger, imposing additional material costs on or materially limiting the revenues of the combined company following the Merger or otherwise reduce the anticipated benefits of the Merger if the Merger were consummated successfully within the expected timeframe. In addition, neither Berkshire Hills Bancorp nor Commerce Bancshares can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the Merger. Additionally, the completion of the Merger is conditioned on the absence of any orders, decrees or injunction by any court or agency of competent jurisdiction that would enjoin or prohibit the completion of the Merger. In addition, Berkshire Hills Bancorp and Commerce Bancshares will each have the right not to complete the Merger if any such regulatory approvals include any condition or requirement that would result in a material adverse effect or a burdensome condition on either of the parties or their subsidiaries.

The fairness opinion obtained by Commerce Bancshares from its financial advisor will not reflect changes in circumstances subsequent to the date of such opinion.

Commerce Bancshares has obtained a fairness opinion dated as of May 18, 2017, from its financial advisor, Sandler O'Neill & Partners, L.P. ("Sandler") to the effect that, as of such date, the exchange ratio was fair from a financial point of view to the common shareholders of Commerce Bancshares. Commerce Bancshares has not obtained, and will not obtain, an updated opinion as of the date of this proxy statement/prospectus from its financial advisor. Changes in the operations and prospects of Berkshire Hills Bancorp or Commerce Bancshares, general market and economic conditions and other factors that may be beyond the control of Berkshire Hills Bancorp and Commerce Bancshares may alter the value of Commerce Bancshares or the price of shares of Berkshire Hills Bancorp common stock by the time the Merger is completed. The Sandler opinion does not speak to the time the Merger will be completed or to any other date other than the date of such opinion. As a result, the opinion will not address the fairness of the exchange ratio, from a financial point of view, to the common shareholders of Commerce Bancshares at the time the Merger is completed. For a description of the Sandler opinion, including the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler, please see "The Merger — Opinion of Commerce Bancshares' Financial Advisor" beginning on page 38 of this proxy statement/prospectus.

### Risks Relating to Berkshire Hills Bancorp's Business

You should read and consider risk factors specific to Berkshire Hills Bancorp's business that will also affect the combined company after the Merger. These risks are described in the sections entitled "Risk Factors" in Berkshire Hills Bancorp's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and Berkshire Hills Bancorp's Quarterly Report on Form 10-Q for the period ended March 31, 2017,

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and in other documents incorporated by reference into this proxy statement/prospectus. Please see the section entitled “Where You Can Find More Information” beginning on page 97 of this proxy statement/prospectus for the location of information incorporated by reference into this proxy statement/prospectus.

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CAUTION ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this document that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (referred to as the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (referred to as the Securities Exchange Act), and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The sections of this document which contain forward-looking statements include, but are not limited to, “Questions And Answers About the Merger and Commerce Bancshares Special Meeting,” “Summary,” “Risk Factors,” “Proposal I — The Proposed Merger — Background of the Merger,” and “Proposal I — The Proposed Merger — Commerce Bancshares’ Reasons for the Merger and Recommendation of the Commerce Bancshares Board of Directors.” You can identify these statements from the use of the words “may,” “should,” “could,” “would,” “plan,” “potential,” “estimate,” “project,” “believe,” “anticipate,” “expect,” “target” and similar expressions.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including among other things, changes in general economic and business conditions and the risks and other factors set forth in the “Risk Factors” section beginning on page 11.

Because of these and other uncertainties, Berkshire Hills Bancorp’s actual results, performance or achievements, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, Berkshire Hills Bancorp’s and Commerce Bancshares’ past results of operations do not necessarily indicate Berkshire Hills Bancorp’s and Commerce Bancshares combined future results. You should not place undue reliance on any forward-looking statements, which speak only as of the dates on which they were made. Berkshire Hills Bancorp is not undertaking an obligation to update these forward-looking statements, even though its situation may change in the future, except as required under federal securities law. Berkshire Hills Bancorp qualifies all of its forward-looking statements by these cautionary statements.

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The following tables show summarized historical financial data for Berkshire Hills Bancorp and Commerce Bancshares. You should read this summary financial information in connection with Berkshire Hills Bancorp's historical financial information, which is incorporated by reference into this document.

Unaudited consolidated interim financial statements for Berkshire Hills Bancorp and the unaudited interim financial statements for Commerce Bancshares at or for the three months ended March 31, 2017 include normal, recurring adjustments necessary to fairly present the data for those periods. The unaudited data is not necessarily indicative of expected results of a full year's operation.

Selected Historical Financial and Other Data of  
BERKSHIRE HILLS Bancorp, Inc.

(In thousands, except per share data)	At March 31,		At December 31,				
	2017	2016	2016	2015	2014	2013	2012
<b>Selected Financial Data:</b>							
Total assets	\$ 9,297,908	\$ 7,807,911	\$ 9,162,542	\$ 7,831,086	\$ 6,501,079	\$ 5,671,724	\$ 5,295,000
Securities	1,714,235	1,374,465	1,628,246	1,371,316	1,205,794	870,091	573,870
Loans	6,655,933	5,726,690	6,549,787	5,725,236	4,680,600	4,180,523	3,988,000
Allowance for loan losses	(45,804)	(40,055)	(43,998)	(39,308)	(35,662)	(33,323)	(33,200)
Goodwill and other intangible assets	421,750	333,504	422,551	334,607	276,270	270,662	274,250
Deposits	6,656,054	5,584,390	6,622,092	5,589,135	4,654,679	3,848,529	4,100,000
Borrowings	1,383,927	1,169,923	1,313,997	1,263,318	1,051,371	1,063,032	446,890
Total shareholders' equity	1,099,553	905,837	1,093,298	887,189	709,287	678,062	667,260
	For the Three Months Ended March 31,		For the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
<b>Selected Operating Data:</b>							
Total interest and dividend income	\$ 80,709	\$ 68,476	\$ 280,439	\$ 247,030	\$ 207,042	\$ 203,741	\$ 175,939
Total interest expense	13,823	10,779	48,172	33,181	28,351	34,989	32,551
	66,886	57,697	232,267	213,849	178,691	168,752	143,388



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Net interest income							
Fee income	28,723	15,371	68,606	57,480	53,434	50,525	51,265
All other non-interest (loss) income	6,034	259	(2,755)	(3,192)	(5,664)	7,707	2,791
Total non-interest income	34,757	15,630	65,851	54,288	47,770	58,232	54,056
Total net revenue	101,643	73,327	298,118	268,137	226,461	226,984	197,444
Provision for loan losses	5,095	4,006	17,362	16,726	14,968	11,378	9,590
Total non-interest expense	74,326	47,100	203,302	196,829	165,986	157,359	140,806
Income tax expense – continuing operations	6,762	6,220	18,784	5,064	11,763	17,104	13,223
Net (loss) income from discontinued operations	—	—	—	—	—	—	(637)
Net income	\$ 15,460	\$ 16,001	\$ 58,670	\$ 49,518	\$ 33,744	\$ 41,143	\$ 33,188
Dividends per common share	\$ 0.21	\$ 0.20	\$ 0.80	\$ 0.76	\$ 0.72	\$ 0.72	\$ 0.69
Basic earnings per common share	0.44	0.52	1.89	1.74	1.36	1.66	1.49
Diluted earnings per common share	0.44	0.52	1.88	1.73	1.36	1.65	1.49
Weighted average common shares outstanding – basic	35,280	30,511	30,988	28,393	24,730	24,802	22,201
Weighted average common shares outstanding –	35,452	30,688	31,167	28,564	24,854	24,965	22,329

diluted

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	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				20
	2017	2016	2016	2015	2014	2013	
Selected Operating Ratios and Other Data:(1)							
Per Common Share Data:							
Net earnings, diluted	\$ 0.44	\$ 0.52	\$ 1.88	\$ 1.74	\$ 1.36	\$ 1.65	\$
Adjusted earnings, diluted(2)	0.55	0.54	2.20	2.09	1.80	1.87	
Total book value per share	30.77	29.18	30.65	28.64	28.17	27.08	
Tangible book value per share(2)	18.97	18.44	18.81	17.84	17.19	16.27	
Dividends	0.21	0.20	0.80	0.76	0.72	0.72	
Market price at year end	36.05	26.89	36.85	29.11	26.66	27.27	
Performance Ratios:(1)(3)							
Return on average assets	0.68%	0.82%	0.74%	0.68%	0.55%	0.78%	
Adjusted return on average assets(2)	0.85	0.85	0.86	0.82	0.73	0.88	
Return on average equity	5.71	7.19	6.44	6.14	4.87	6.09	
Adjusted return on equity(2)	7.17	7.40	7.51	7.40	6.46	6.92	
Net interest margin, fully tax equivalent (FTE)(4)	3.33	3.33	3.31	3.31	3.26	3.63	
Fee income/total net revenue	28.26	20.96	23.01	21.44	23.60	22.26	
Growth Ratios:							
Total commercial loans	3.81%	1.49%	18.39%	28.65%	14.80%	4.51%	
Total loans	1.62	0.03	14.41	22.32	11.96	4.81	
Total deposits	0.51	(0.08)	18.48	20.08	20.95	(6.14)	
Total net revenue (compared to prior year)	38.62	26.31	11.18	18.40	(0.23)	14.96	
Earnings per share (compared to prior year)	(15.38)	48.57	8.62	27.21	(17.58)	10.74	

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Adjusted earnings per share (compared to prior year)(2)	1.85	8.00	5.26	16.11	(3.74)	(5.56)
Selected Financial Data:(1)						
Total assets	\$ 9,297,908	\$ 7,807,911	\$ 9,162,542	\$ 7,831,086	\$ 6,501,079	\$ 5,671,724
Total earning assets	8,485,672	7,141,521	8,340,287	7,140,387	5,923,462	5,085,152
Total investments	1,739,998	1,398,912	1,669,827	1,371,316	1,205,794	870,091
Total loans	6,655,933	5,726,690	6,549,787	5,725,236	4,680,600	4,180,523
Allowance for loan losses	(45,804)	(40,055)	(43,998)	(39,308)	(35,662)	(33,323)
Total intangible assets	421,750	333,504	422,551	334,607	276,270	270,662
Total deposits	6,656,054	5,584,390	6,622,092	5,589,135	4,654,679	3,848,529
Total borrowings	1,383,927	1,169,923	1,313,997	1,263,318	1,051,371	1,063,032
Total shareholders' equity	1,009,553	905,837	1,093,298	887,189	709,287	678,062
Net income	15,460	16,001	58,670	49,518	33,744	41,143
Adjusted net income(2)	19,400	16,489	68,442	59,610	44,742	46,696
Asset Quality Ratios:(5)						
Net loans charged-off/average total loans	0.20%	0.23%	0.21%	0.25%	0.29%	0.29%
Allowance for loan losses/total loans	0.69	0.70	0.67	0.69	0.76	0.80
Capital and Liquidity Ratios:						
Tier 1 capital to average assets – Company	7.86%	7.75%	7.88%	7.71%	7.01%	N/A%
Total capital to risk-weighted assets – Company	11.77	11.82	11.87	11.91	11.38	N/A
Tier 1 capital to average assets – Bank	7.69	7.70	7.84	7.66	7.18	7.99
Total capital to risk-weighted assets – Bank	11.08	11.15	11.21	11.16	10.78	11.62
Shareholders' equity/total assets	11.83	11.60	11.93	11.33	10.91	11.95
Tangible common shareholders' equity to tangible assets(2)	7.64	7.66	7.68	7.37	6.96	7.54

Loans/deposits	100	103	99	102	101	109
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(1)

Adjusted measurements are non-GAAP financial measures that are adjusted to exclude certain revenue and expense items primarily related to acquisitions and restructuring activities. Refer to the Reconciliation of Non-GAAP Financial Measures and discussion of Non-GAAP financial measures for additional information.

(2)

Non-GAAP financial measure.

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(3)  
All performance ratios are annualized and are based on average balance sheet amounts, where applicable.

(4)  
Fully taxable equivalent considers the impact of tax advantaged investment securities and loans.

(5)  
Generally accepted accounting principles require that loans acquired in a business combination be recorded at fair value, whereas loans from business activities are recorded at cost. The fair value of loans acquired in a business combination includes expected loan losses, and there is no loan loss allowance recorded for these loans at the time of acquisition. Accordingly, the ratio of the loan loss allowance to total loans is reduced as a result of the existence of such loans, and this measure is not directly comparable to prior periods. Similarly, net loan charge-offs are normally reduced for loans acquired in a business combination since these loans are recorded net of expected loan losses. Therefore, the ratio of net loan charge-offs to average loans is reduced as a result of the existence of such loans, and this measure is not directly comparable to prior periods. Other institutions may have loans acquired in a business combination, and therefore there may be no direct comparability of these ratios between and among other institutions.

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## RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands)	At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
Net income (GAAP)	\$ 15,460	\$ 16,001	\$ 58,670	\$ 49,518	\$ 33,744	\$ 41,143	\$ 33,188
Adj: Securities (gains) losses and other revenue adjustments	(5,941)	(36)	551	(2,110)	(482)	(6,045)	(1,488)
Adj: Net gains on sale of business operations	—	—	(1,085)	—	—	—	—
Adj: Merger, acquisition, restructuring, conversion related and other expense adjustments	11,682	780	15,761	17,611	18,665	15,348	18,650
Adj: Income taxes	(1,801)	(256)	(5,455)	(5,409)	(7,185)	(3,750)	(6,114)
Total adjusted income (A)	\$ 19,400	\$ 16,489	\$ 68,442	\$ 59,610	\$ 44,742	\$ 46,696	\$ 44,244
Total revenue (GAAP)	\$ 101,643	\$ 73,327	\$ 298,118	\$ 268,137	\$ 226,461	\$ 226,984	\$ 197,444
Adj: Securities (gains) losses and other revenue adjustments	(5,941)	(36)	551	(2,110)	9,691	(6,045)	(1,488)
Adj: Net gains on sale of business operations	—	—	(1,085)	—	—	—	—
Total operating revenue (B)	\$ 95,702	\$ 73,291	\$ 297,584	\$ 266,027	\$ 236,152	220,939	195,956
Total non-interest	\$ 74,326	\$ 47,100	\$ 203,302	\$ 196,830	\$ 165,986	\$ 157,359	\$ 141,444

expense (GAAP)								
Less: Total acquisition, restructuring and other expense adjustments		(11,682)	(780)	(15,761)	(17,611)	(8,492)	(15,348)	(18,611)
Adjusted non-interest expense (non-GAAP) (in millions, except per share data)	(C)	\$ 62,644	\$ 46,320	\$ 187,541	\$ 179,219	\$ 157,494	\$ 142,011	\$ 122,700
Total average assets	(D)	\$ 9,144	\$ 7,791	\$ 7,958	\$ 7,249	\$ 6,171	\$ 5,306	\$ 4,531
Total average shareholders' equity	(E)	1,082	891	911	805	693	675	588
Total average tangible shareholders' equity(2)	(F)	660	557	563	494	415	403	376
Total tangible shareholders' equity, period end(2)	(G)	678	572	671	553	433	407	392
Total tangible assets, period end(2)	(H)	8,876	7,474	8,740	7,497	6,226	5,402	5,021
Total common shares outstanding, period end (thousands)	(I)	35,729	31,039	35,673	30,974	25,183	25,036	25,140
Average diluted shares outstanding (thousands)	(J)	35,452	30,688	31,167	28,564	24,854	24,965	22,320
GAAP earnings per share, diluted		\$ 0.44	\$ 0.52	\$ 1.88	\$ 1.73	\$ 1.36	\$ 1.65	\$ 1.49
Adjusted earnings per share, diluted(2)	(A/J)	0.55	0.54	2.20	2.09	1.80	1.87	1.98



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Book value per share (period end)		30.77	29.18	30.65	28.64	28.17	27.08	26.53
Tangible book value per share (period end)(2)	(G/I)	18.97	18.44	18.81	17.84	17.19	16.27	15.56
Total shareholders' equity/total assets		11.83	11.60	11.93	11.33	10.91	11.95	12.60
Total tangible shareholders' equity/total tangible assets(2)	(G)/(H)	7.64	7.66	7.68	7.38	6.95	7.54	7.79
Performance ratios(1)								
GAAP return on assets		0.68%	0.82%	0.74%	0.68%	0.55%	0.78%	0.73%
Adjusted return on assets(2)	(A/D)	0.85	0.85	0.86	0.82	0.73	0.88	0.98
GAAP return on equity		5.71	7.19	6.44	6.15	4.87	6.09	5.66
Adjusted return on equity(2)	(A/E)	7.17	7.40	7.51	7.40	6.46	6.92	7.52

(1)

Ratios are annualized and based on average balance sheet amounts, where applicable. Quarterly data may not sum to year-to-date data due to rounding.

(2)

Non-GAAP financial measure.

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### NON-GAAP FINANCIAL MEASURES

This document contains certain non-GAAP financial measures in addition to results presented in accordance with Generally Accepted Accounting Principles (“GAAP”). These non-GAAP measures are intended to provide the reader with additional supplemental perspectives on operating results, performance trends, and financial condition.

Non-GAAP financial measures are not a substitute for GAAP measures; they should be read and used in conjunction with Berkshire Hills Bancorp’s GAAP financial information. A reconciliation of non-GAAP financial measures to GAAP measures is provided above. In all cases, it should be understood that non-GAAP financial measures do not depict amounts that accrue directly to the benefit of shareholders. An item which management excludes when computing non-GAAP adjusted earnings can be of substantial importance to Berkshire Hills Bancorp’s results for any particular quarter or year. Berkshire Hills Bancorp’s non-GAAP earnings information set forth is not necessarily comparable to non-GAAP information which may be presented by other companies. Each non-GAAP measure used by Berkshire Hills Bancorp in this proxy statement/prospectus as supplemental financial data should be considered in conjunction with Berkshire Hills Bancorp’s GAAP financial information.

Berkshire Hills Bancorp utilizes the non-GAAP measure of adjusted earnings in evaluating operating trends, including components for adjusted revenue and expense. These measures exclude amounts which Berkshire Hills Bancorp views as unrelated to its normalized operations, including securities gains/losses, losses recorded for the hedge terminations, merger costs, restructuring costs, and systems conversion costs. Adjusted earnings are presented net of an adjustment for income tax expense. References to adjusted net income or adjusted income are also meant to refer to adjusted earnings. Berkshire Hills Bancorp also calculates adjusted earnings per share based on its measure of adjusted earnings. Berkshire Hills Bancorp views these amounts as important to understanding its operating trends, particularly due to the impact of accounting standards related to merger and acquisition activity. Analysts also rely on these measures in estimating and evaluating Berkshire Hills Bancorp’s operating performance. Management also believes that the computation of non-GAAP earnings and earnings per share may facilitate the comparison of Berkshire Hills Bancorp to other companies in the financial services industry.

Adjusted revenue and adjusted expense are computed based on the items used to compute adjusted earnings. Adjusted revenue excludes net securities gains. In several years, securities gains were recognized on stock positions held in acquired banks that resulted in the recording of revenue to recognize the gain at the time of the merger. In the first quarter of 2017, \$13 million in securities gains were realized as a result of strong market conditions. In 2014 and 2017, revenue was also adjusted to exclude losses recorded on the termination of hedges, which were related to the acquisition of branches that was completed in the first quarter of 2014 and the acquisition of First Choice Bancorp in the fourth quarter of 2016. In 2013 and 2014, an adjustment was recorded for non-material out of period adjustments to net interest income, which were largely offsetting between the two periods.

Adjusted non-interest expense excludes merger and acquisition costs. These costs include professional fees, severance/benefit costs, systems conversion costs, and contract termination costs. Berkshire Hills Bancorp views merger and acquisition costs as part of the economic investment in acquired operations which are intended to provide future earnings benefits and return on investment. Restructuring costs include costs and losses related to the disposition of branches and other leased and owned real estate, as well as costs related to organization restructurings. Berkshire Hills Bancorp evaluates restructuring costs and considers the length of time for future operating benefits to payback these costs. Berkshire Hills Bancorp also includes net operating results of discontinued operations with restructuring costs. Berkshire Hills Bancorp adjusts expenses to exclude costs related to the conversion of core systems and other major computer systems which are not typical of normal annual operations and which build infrastructure for future expansion. In some cases, variable compensation costs related to the above projects are among the costs excluded in determining adjusted non-interest expense.

Berkshire Hills Bancorp determines the amount of the income tax expense adjustment as the difference between tax expense based on the GAAP tax rate and based on the effective tax rate applicable to core income. In 2014, due to the components of income in that year, Berkshire Hills Bancorp determined the income tax expense associated with the adjusting items for revenue and expense, and this amount was recorded as the income tax expense adjustment.

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Adjusted return on assets and adjusted return on equity are computed as non-GAAP measures of performance and are based on adjusted net income and are used for the same reasons that adjusted net income is measured. Berkshire Hills Bancorp also measures its tangible equity, which excludes the balance of goodwill and other intangible assets. Berkshire Hills Bancorp measures tangible book value per share and the ratio of tangible equity to tangible assets. Tangible book value per share is an important valuation metric utilized by the investment community. The ratio of tangible equity to tangible assets is used by analysts and investors as one measure considered in evaluating Berkshire Hills Bancorp's leverage.

**Selected Historical Financial and Other Data of COMMERCE BANCSHARES**

	At March 31,		At December 31,				
(in thousands, except per share data)	2017	2016	2016	2015	2014	2013	2012
<b>Selected Financial Data:</b>							
Total assets	\$ 2,219,402	\$ 2,177,221	\$ 2,238,060	\$ 2,014,295	\$ 2,095,118	\$ 1,918,750	\$ 1,724,000
Securities	119,400	107,410	102,731	68,019	70,068	67,399	93,505
Loans held for sale	—	—	—	—	—	—	18,157
Loans	1,457,026	1,367,947	1,426,120	1,351,662	1,224,071	1,062,608	1,046,000
Allowance for loan losses	16,029	14,465	17,785	13,146	12,014	8,812	9,158
Bank owned life insurance	28,488	28,126	28,404	28,025	26,914	25,883	25,433
Deposits	2,005,727	1,973,684	2,022,493	1,812,862	1,896,576	1,734,408	1,508,000
Borrowed funds and subordinated notes	35,160	38,196	40,949	38,582	42,808	38,579	81,400
Total stockholders' equity	162,657	151,637	158,589	149,399	141,917	132,832	122,270
<b>Selected Operating Data:</b>							
Total interest and dividend income	\$ 16,628	\$ 16,150	\$ 63,331	\$ 58,932	\$ 57,252	\$ 56,174	\$ 55,003
Total interest expense	2,416	2,411	9,629	9,309	9,748	10,560	11,160
Net interest income	14,212	13,739	53,702	49,623	47,504	45,614	43,843
Net gain on sale of loans	—	—	—	—	—	—	9,625

and mortgage  
banking  
revenue

All other fee income	2,718	2,657	11,341	10,846	10,677	9,770	8,800
Total net revenue	16,930	16,396	65,043	60,469	58,181	55,384	62,268
Provision for loan losses	(1,004)	1,866	6,068	6,029	3,999	1,258	10,728
Total non-interest expense	9,838	9,535	37,935	36,479	35,376	32,536	37,948
Income tax expense	3,279	1,993	8,515	7,115	7,261	8,526	5,079
Net income	\$ 4,817	\$ 3,002	\$ 12,525	\$ 10,846	\$ 11,563	\$ 13,819	\$ 8,513
Preferred dividend	—	—	—	—	—	—	—
Net income to common shareholders	4,817	3,002	12,525	10,846	11,545	13,819	8,513
Dividends per common share	\$ 0.11	\$ 0.11	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.28	\$ 0.45

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	At or For the Three Months Ended March 31,		At or For the Year Ended December 31,				
	2017	2016	2016	2015	2014	2013	2012
Selected Operating Ratios and Other Data:							
Share Data:							
Book value per common share	\$ 25.70	\$ 23.96	\$ 25.06	\$ 23.61	\$ 22.43	\$ 20.99	\$ 19.32
Performance Ratios:(1)							
Return on average assets	0.94%	0.63%	0.66%	0.61%	0.63%	0.82%	0.59%
Return on average equity	11.91	7.89	8.07	7.32	8.31	10.69	7.00
Net interest rate margin, fully tax equivalent (FTE)(2)	2.88	3.01	2.97	2.94	2.69	3.01	3.19
Non-interest income/total net revenue	16.05	16.21	17.44	17.94	18.35	17.64	29.59
Non-interest expense/average assets	1.92	2.01	2.01	2.06	1.92	1.93	2.63
Dividend payout ratio	14.45	23.19	22.23	25.67	24.12	12.82	33.45
Growth Ratios:							
Total loans	6.51%	1.20%	5.51%	10.42%	15.19%	1.52%	28.16%
Total deposits	1.62	8.87	11.56	(4.41)	9.35	14.99	27.08
Total net revenue	3.26	12.14	7.56	3.93	5.05	(11.06)	18.03
Asset Quality Ratios:							
Net loan charge-off/average total loans	0.21%	0.16%	0.10%	0.39%	0.07%	0.16%	1.16%
Allowance for loan losses/total loans	1.10	1.06	1.25	0.97	0.98	0.83	0.87
Capital Ratios:							
Tier 1 capital to average assets	7.40%	7.36%	7.81%	7.71%	7.28%	7.14%	6.88%
	11.82						

Total capital to  
risk-weighted  
assets