

BERKSHIRE HILLS BANCORP INC

Form S-4/A

August 02, 2017

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As filed with the Securities and Exchange Commission on August 2, 2017

Registration No. 333-219372

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Pre-Effective Amendment No. 1 to the

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

BERKSHIRE HILLS BANCORP, INC.

(Exact name of registrant as specified in its charter)

Delaware

6036

04-3510455

(State or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)

(I.R.S. Employer
Identification Number)

24 North Street

Pittsfield, Massachusetts 01201

(413) 443-5601

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Michael P. Daly

President and Chief Executive Officer

24 North Street

Pittsfield, Massachusetts 01201

(413) 443-5601

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

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Boston, MA 02210

(617) 439-2000

Approximate date of commencement of proposed sale to the public:

As soon as practicable after this registration statement becomes effective.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box:

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

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

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, \$0.01 par value per share	5,935,000(1)	N/A	\$ 136,946,518(2)	\$ 15,872(2)(3)
Preferred Stock, \$0.01 par value per share	500,000(1)	N/A	28,032,263(2)	3,250(2)(3)

(1)

Represents the estimated maximum number of shares of Berkshire Hills Bancorp, Inc. common and preferred stock to be issuable upon the completion of the merger to which this Registration Statement relates. The common stock reflects the shares of Berkshire Hills Bancorp issuable to Commerce Bancshares Corp. stockholders at closing and also the conversion of the Berkshire Hills Bancorp Series B preferred stock at a rate of two shares of Berkshire Hills Bancorp common stock for each share of Series B preferred stock, subject to the conversion limitations defined by the shareholder agreement described herein. In accordance with Rule 416, under the Securities Act of 1933, this registration statement shall also register any additional shares of registrant’s common and preferred stock that may become issuable to prevent dilution resulting from stock splits, stock dividends or similar transactions.

(2)

Pursuant to Rule 457(f)(2), the registration fee was computed on the basis of \$26.07, which was book value per share, as of June 30, 2017, of the Commerce Bancshares Corp. common stock that may be received by the Registrant pursuant to the merger.

(3)

Previously paid.

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

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Information in this proxy statement/prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY — SUBJECT TO COMPLETION — DATED AUGUST 2, 2017

COMMERCE BANCSHARES CORP. LOGO

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 [_____, 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 [Record Date] 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 11, 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;

-

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 16, 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 96.

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 86 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 96 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.**

	At March 31,		At December 31,				
(In thousands, except per share data)	2017	2016	2016	2015	2014	2013	2012
Selected Financial Data:							
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	4,100,400
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
Selected Operating Data:							
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,				
	2017	2016	2016	2015	2014	2013	2012
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	\$ 1.50
Adjusted earnings, diluted(2)	0.55	0.54	2.20	2.09	1.80	1.87	1.75
Total book value per share	30.77	29.18	30.65	28.64	28.17	27.08	26.00
Tangible book value per share(2)	18.97	18.44	18.81	17.84	17.19	16.27	15.30
Dividends	0.21	0.20	0.80	0.76	0.72	0.72	0.70
Market price at year end	36.05	26.89	36.85	29.11	26.66	27.27	26.00
Performance Ratios:(1)(3)							
Return on average assets	0.68%	0.82%	0.74%	0.68%	0.55%	0.78%	0.70%
Adjusted return on average assets(2)	0.85	0.85	0.86	0.82	0.73	0.88	0.80
Return on average equity	5.71	7.19	6.44	6.14	4.87	6.09	5.50
Adjusted return on equity(2)	7.17	7.40	7.51	7.40	6.46	6.92	6.50
Net interest margin, fully tax equivalent (FTE)(4)	3.33	3.33	3.31	3.31	3.26	3.63	3.50
Fee income/total net revenue	28.26	20.96	23.01	21.44	23.60	22.26	21.00
Growth Ratios:							
Total commercial loans	3.81%	1.49%	18.39%	28.65%	14.80%	4.51%	3.00%
Total loans	1.62	0.03	14.41	22.32	11.96	4.81	3.00
Total deposits	0.51	(0.08)	18.48	20.08	20.95	(6.14)	3.00
Total net revenue (compared to prior year)	38.62	26.31	11.18	18.40	(0.23)	14.96	10.00
Earnings per share (compared to prior year)	(15.38)	48.57	8.62	27.21	(17.58)	10.74	10.00

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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

		At or For the Three Months Ended March 31,		At or For the Years Ended December 31,				
(in thousands)		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	18,658
Adj: Income taxes		(1,801)	(256)	(5,455)	(5,409)	(7,185)	(3,750)	(6,114)
Total adjusted income (A)	(A)	\$ 19,400	\$ 16,489	\$ 68,442	\$ 59,610	\$ 44,742	\$ 46,696	\$ 44,242
Total revenue (GAAP)		\$ 101,643	\$ 73,327	\$ 298,118	\$ 268,137	\$ 226,461	\$ 226,984	\$ 197,443
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)	(B)	\$ 95,702	\$ 73,291	\$ 297,584	\$ 266,027	\$ 236,152	220,939	195,955
Total non-interest		\$ 74,326	\$ 47,100	\$ 203,302	\$ 196,830	\$ 165,986	\$ 157,359	\$ 141,443

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

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
Selected Financial Data:							
Total assets	\$ 2,219,402	\$ 2,177,221	\$ 2,238,060	\$ 2,014,295	\$ 2,095,118	\$ 1,918,750	\$ 1,724,400
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
Selected Operating Data:							
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	11.48	11.84	11.22	11.70	12.68	10.48

Total capital to
risk-weighted
assets

Tier 1 capital to
risk-weighted
assets

Stockholders
equity/total assets

9.46	9.24	9.33	9.07	9.71	10.11	8.16
7.33	6.96	7.09	7.42	6.77	6.92	7.09

(1)
All performance ratios are annualized and are based on average balance sheet amounts, where applicable.

(2)
Fully taxable equivalent considers the impact of tax advantaged investment securities and loans.

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Berkshire Hills Bancorp common stock is listed on the New York Stock Exchange under the symbol “BHLB.”

Commerce Bancshares stock is not traded on any established public trading market. The following table lists the high and low prices per share for Berkshire Hills Bancorp common stock and the cash dividends declared by Berkshire Hills Bancorp for the periods indicated.

Quarter Ended	Berkshire Hills Common Stock		
	High	Low	Dividends
September 30, 2017 (through July 28, 2017)	\$ 37.30	\$ 35.25	\$ —
June 30, 2017	38.65	33.55	0.21
March 31, 2017	37.45	32.90	0.21
December 31, 2016	37.35	27.25	0.20
September 30, 2016	28.37	25.90	0.20
June 30, 2016	28.18	24.80	0.20
March 31, 2016	28.93	24.71	0.20
December 31, 2015	30.69	26.32	0.19
September 30, 2015	29.81	26.68	0.19
June 30, 2015	29.30	26.77	0.19
March 31, 2015	27.92	24.27	0.19

On May 19, 2017, which is the last day on which shares of Berkshire Hills Bancorp common stock traded preceding the public announcement of the proposed Merger, the closing price of Berkshire Hills Bancorp common stock was \$35.55. On July 28, 2017, which is the most recently practicable date prior to the mailing of this proxy statement/prospectus, the closing price of Berkshire Hills Bancorp common stock was \$36.85. 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 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. See the risks and other factors set forth in the “Risk Factors” section beginning on page 11. You should obtain current market quotations for Berkshire Hills Bancorp common stock from a newspaper, on the Internet or by calling your broker.

As of August 1, 2017, there were approximately 3,679 holders of record of Berkshire Hills Bancorp common stock.

As of August 1, 2017, there were approximately 69 holders of record of Commerce Bancshares common stock.

Following the Merger, the declaration of dividends on shares of Berkshire Hills common stock will be at the discretion of Berkshire Hills Bancorp’s board of directors and will be determined after consideration of various factors, including earnings, cash requirements, the financial condition of Berkshire Hills Bancorp, applicable state law and government regulations and other factors deemed relevant by Berkshire Hills Bancorp’s board of directors. Each share of Berkshire Hills Bancorp Series B preferred stock will be entitled to receive 200 percent of the per share dividend when and as paid on Berkshire Hills common stock.

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Commerce Bancshares common stock is not listed and there is no established public trading market for the Commerce Bancshares common stock. No shares of Commerce Bancshares common stock were traded during the periods listed below.

	Commerce Bancshares Common Stock Dividends Per Share
Quarter Ended	
September 30, 2017 (through July 28, 2017)	\$ —
June 30, 2017	0.11
March 31, 2017	0.11
December 31, 2016	0.11
September 30, 2016	0.11
June 30, 2016	0.11
March 31, 2016	0.11
December 31, 2015	0.11
September 30, 2015	0.11
June 30, 2015	0.11
March 31, 2015	0.11

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SPECIAL MEETING OF COMMERCE BANCSHARES SHAREHOLDERS

This section contains information for Commerce Bancshares shareholders about the special meeting of shareholders that Commerce Bancshares has called to consider and approve the Merger Agreement and certain other proposals. Together with this document, Commerce Bancshares is also sending you a notice of the Commerce Bancshares special meeting of shareholders and a form of proxy that is solicited by its board of directors. The special meeting of shareholders will be held 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. This proxy statement/prospectus is first being mailed to shareholders of Commerce Bancshares on or about August 11, 2017.

Matters to Be Considered

The purpose of the Commerce Bancshares special meeting of shareholders is: (i) to vote on a proposal to approve the Merger Agreement, and (ii) 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. No business may be transacted at the special meeting except as specified in the notice accompanying this proxy statement/ prospectus.

Proxies

You may vote your shares of Commerce Bancshares common stock in any one of two alternative ways:

-

By paper proxy card; or

-

In person at the Commerce Bancshares shareholders' meeting.

Please read the following instructions and vote by whatever method is most convenient for you:

Paper Proxy Card. Each copy of this document mailed to Commerce Bancshares shareholders is accompanied by a proxy card with voting instructions for submission by mail. You should complete and return the proxy card accompanying this document to ensure that your vote is counted at the Commerce Bancshares special meeting, or at any adjournment or postponement of the meeting, regardless of whether you plan to attend the Commerce Bancshares special meeting.

In Person. You can vote your shares by attending the special meeting and voting in person. (Please note, however, that attendance at the special meeting will not in itself constitute revocation of a proxy previously delivered to Commerce Bancshares.)

You can revoke your proxy at any time before the vote is taken at the Commerce Bancshares special meeting. If your shares are held in "street name," your broker will vote your shares on the proposal to approve the Merger Agreement only if you provide instructions to your broker on how to vote. If you have not voted through your broker, you may revoke your proxy by:

-

submitting written notice of revocation to the Secretary of Commerce Bancshares prior to the voting of such proxy;

-

submitting a properly executed proxy bearing a later date; or

-

voting in person at the special meeting.

Written notices of revocation and other communications about revoking your proxy should be addressed to:
Commerce Bancshares Corp.

386 Main Street

Worcester, Massachusetts 01608

Attention: William F. Burke, Executive Vice President and Chief Financial Officer

If your shares of common stock are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

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All shares of common stock represented by valid proxies received by Commerce Bancshares through this solicitation that are not revoked will be voted in accordance with your instructions on the proxy card. If you do not specify on your proxy card how you want your shares voted before signing and returning it, your proxy will be voted "FOR" approval of the Merger Agreement, and "FOR" the proposal to adjourn or postpone the special meeting if more time is needed to solicit additional proxies for the approval of the Merger Agreement.

Commerce Bancshares shareholders should NOT send stock certificates with their proxy cards. After the Merger is completed, Commerce Bancshares shareholders will be sent a transmittal form and instructions, at which time they will be requested to submit their stock certificates.

Solicitation of Proxies

Commerce Bancshares is soliciting proxies and will bear the entire cost of soliciting proxies from its shareholders. In addition to solicitation of proxies by mail, Commerce Bancshares will request that banks, brokers and other record holders send proxies and proxy material to the beneficial owners of Commerce Bancshares common stock and secure their voting instructions, if necessary. Commerce Bancshares will reimburse the record holders for their reasonable expenses in taking those actions. Commerce Bancshares may use several of its regular employees, who will not be specially compensated, to solicit proxies from Commerce Bancshares shareholders, either personally or by telephone, electronic mail or letter.

Record Date

The Commerce Bancshares board of directors has fixed the close of business on August 1, 2017 as the record date for determining Commerce Bancshares shareholders entitled to receive notice of and to vote at the Commerce Bancshares special meeting of shareholders. On August 1, 2017, 6,328,300 shares of Commerce Bancshares common stock were outstanding and held by approximately 69 holders of record.

Voting Rights and Vote Required

The presence, in person or by properly executed proxy, of the holders of a majority of the outstanding shares of Commerce Bancshares common stock is necessary to constitute a quorum at the Commerce Bancshares special meeting of shareholders. Abstentions and broker non-votes will be counted solely for the purpose of determining whether a quorum is present. An unvoted proxy submitted by a broker is sometimes referred to as a broker non-vote. Approval of the Merger Agreement requires the affirmative vote of the holders of at least two-thirds (2/3) of the issued and outstanding shares of Commerce Bancshares common stock entitled to vote at the Commerce Bancshares special meeting. You are entitled to one vote for each share of Commerce Bancshares common stock you held as of the record date.

Because the affirmative vote of the holders of at least two-thirds (2/3) of the outstanding shares of Commerce Bancshares common stock entitled to vote at the Commerce Bancshares special meeting is needed for Commerce Bancshares and Berkshire Hills Bancorp to proceed with the Merger, the failure to vote by proxy or in person will have the same effect as a vote "AGAINST" the Merger Agreement. Abstentions and broker non-votes also will have the same effect as a vote "AGAINST" the Merger Agreement. Accordingly, the Commerce Bancshares board of directors urges Commerce Bancshares shareholders to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope.

As of the record date, directors of Commerce Bancshares and their affiliates had the right to vote 6,088,864 shares of Commerce Bancshares common stock, or approximately 96.21% of the outstanding Commerce Bancshares common stock at that date. At the time the Merger Agreement with Berkshire Hills Bancorp was signed, each director of Commerce Bancshares entered into a separate agreement with Berkshire Hills Bancorp, pursuant to which, among other things, they agreed to vote or cause to be voted all shares over which they maintain sole or shared voting power in favor of approval of the Merger Agreement.

Recommendation of the Board of Directors

The Commerce Bancshares board of directors has unanimously approved the Merger Agreement and the transactions contemplated in the Merger Agreement. The Commerce Bancshares board of directors has

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determined that the Merger Agreement and the transactions contemplated in the Merger Agreement are advisable and in the best interests of Commerce Bancshares and its shareholders and unanimously recommends that you vote “FOR” approval of the Merger Agreement and “FOR” the proposal to adjourn or postpone the special meeting if more time is needed to solicit additional proxies for the approval of the Merger Agreement.

See “Proposal I — The Proposed Merger — Commerce Bancshares’ Reasons for the Merger and Recommendation of the Commerce Bancshares Board of Directors” on page 35 for a more detailed discussion of the Commerce Bancshares board of directors’ recommendation.

Voting at the Commerce Bancshares Special Meeting

If you want to vote your shares of Commerce Bancshares common stock held in street name in person at the Commerce Bancshares special meeting, you will have to obtain a written proxy in your name from the broker, bank or other nominee who holds your shares.

Security Ownership of Certain Beneficial Owners of Commerce Bancshares and the Commerce Bancshares Directors and Executive Officers

The following table sets forth the number of shares of Commerce Bancshares common stock beneficially owned by any person (including any group) who is known to Commerce Bancshares to be the beneficial owner of more than five percent of Commerce Bancshares’ class of common stock, each director of Commerce Bancshares, and all directors and officers of Commerce Bancshares as a group, as of August 1, 2017. Except for Mr. Massad, no person is known by Commerce Bancshares to own more than ten percent of Commerce Bancshares’ outstanding common stock.

Name	Amount and Nature of Beneficial Ownership(1)	Percent of Class(2)
David G. Massad	5,807,052	91.76%
Michael P. Angelini	9,344	*
David M. Brunelle	68	*
Michael F. Collins, M.D.	53	*
Herbert G. Ingram	95,408	1.51%
George J. Isaac	1,257	*
Shaun M. Martin	58	*
Pamela A. Massad	83,023	1.31%
R. Norman Peters(3)	92,460	1.46%
Brian W. Thompson	96	*
Michael P. Tsotsis	45	*
Total owned by directors and executive officers as a group (11 persons)	6,088,864	96.21%

(1)

Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: voting power, which includes the power to vote, or to direct the voting of, our common stock; and/or, investment power, which includes the power to dispose, or to direct the disposition of, our common stock, is determined to be a beneficial owner of the common stock. Unless otherwise indicated, the beneficial owner has sole voting and investment power. Shares beneficially owned include warrants and options to purchase shares which are currently exercisable or which will be exercisable within 60 days of August 1, 2017.

(2)

Based on 6,328,300 shares issued and outstanding as of August 1, 2017. Percentage calculations presume that the

identified individual or group exercises all of his, her or their respective warrants and options and that no other holders of warrants or options exercise their warrants or options.

(3)

Consists of 92,460 shares of Commerce Bancshares common stock held of record by R. Norman Peters, Trustee of the R. Norman Peters Family Trust.

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DISSENTERS' RIGHTS

Section 13.02(a)(1) of the Massachusetts Business Corporation Act generally provides that shareholders of Massachusetts corporations are entitled to assert appraisal rights in the event of a merger and to receive payment in cash for the fair value of their shares of stock instead of the merger consideration. Commerce Bancshares has concluded that Commerce Bancshares shareholders are entitled to exercise appraisal rights in connection with the proposed merger with Berkshire Hills Bancorp. Commerce Bancshares shareholders electing to exercise dissenters' rights must comply with the provisions of Section 13 of the Massachusetts Business Corporation Act. A copy of the applicable portions of the Massachusetts Business Corporation Act is attached to this proxy statement/prospectus as Annex C. Failure to follow those provisions exactly could result in a loss of appraisal rights, in which case dissenting shareholders will receive the merger consideration with respect to their shares.

Commerce Bancshares shareholders who are entitled to vote on the merger and who would like to assert their appraisal rights are required to do the following pursuant to Section 13 of the Massachusetts Business Corporation Act:

- Deliver written notice to Commerce Bancshares of their intent to demand payment for their shares of Commerce Bancshares common stock if the proposed merger is effectuated. The notice must be delivered before the shareholder vote to approve the merger agreement takes place. Voting against, abstaining from voting or failure to vote with respect to the merger agreement does not by itself constitute demand for appraisal for purposes of Massachusetts law. The written objection should be filed with Commerce Bancshares Corp., Attn: Corporate Secretary, 386 Main Street, Worcester, Massachusetts 01608.
- Refrain from voting "FOR" approval of the Commerce Bancshares merger agreement proposal. If a shareholder returns a signed and dated proxy but does not specify a vote "AGAINST" approval of the Commerce Bancshares merger agreement proposal or a direction to "ABSTAIN" from voting on the proposal, the proxy will be voted "FOR" approval of the Commerce Bancshares merger agreement proposal, which will have the effect of waiving their appraisal rights.
- Comply with other procedures required under Section 13 of the Massachusetts Business Corporation Act.

Section 13 of the Massachusetts Business Corporation Act requires that Berkshire Hills Bancorp deliver, within 10 days after the effective date of the merger, a written appraisal notice and forms containing certain information to all shareholders who have properly complied with the procedures for demanding appraisal. Shareholders who have received such notice and wish to exercise appraisal rights must make certain certifications to Berkshire Hills Bancorp and deposit their share certificates with Berkshire Hills Bancorp in order to perfect their appraisal rights. Each shareholder that has properly perfected their appraisal rights will be entitled to a cash payment of the estimated fair value of the shares, plus interest but subject to any applicable withholding taxes, within 30 days of the written appraisal notice and forms' due date, except for shareholders who acquired their shares on or after May 22, 2017, who are not entitled to payment until they accept the offer from Berkshire Hills Bancorp. A shareholder that fails to execute and return the forms, and comply with the terms stated therein, will not be entitled to a payment.

If a dissenting shareholder believes that the amount paid or offered to be paid by Berkshire Hills Bancorp is less than the fair value of their shares, the dissenting shareholder is required, within 30 days of receipt of the payment or offer of payment, to notify Berkshire Hills Bancorp in writing of the shareholder's own estimate of the fair value of the shares and demand payment of that amount plus interest, less any payment received. If the shareholder's demand for payment is not settled within 60 days of Berkshire Hills Bancorp's receipt thereof, Berkshire Hills Bancorp is required to petition the court to determine the fair value of the shares and accrued interest or, if the petition is not made, to pay the amount demanded plus interest to the dissenting shareholder.

The foregoing summary is not intended to be a complete statement of the procedures for exercising appraisal rights under Massachusetts law. Any shareholder who believes they are entitled to appraisal rights and wishes to preserve those rights should carefully review Sections 13.01 through 13.31 of the Massachusetts Business Corporation Act,

which are attached as Annex C to this proxy statement/

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prospectus, which set forth the procedures to be complied with in perfecting any such rights. Shareholders who wish to dissent from the merger and pursue their appraisal rights should consult with legal counsel to ensure strict compliance with statutory procedures and avoid the loss of any appraisal rights to which they may be entitled. Dissenting shareholders should also consult with a tax advisor regarding the tax consequences of exercising their appraisal rights under Massachusetts law.

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PROPOSAL I — THE PROPOSED MERGER

The following summary of the Merger Agreement is qualified by reference to the complete text of the Merger Agreement. A copy of the Merger Agreement is attached as Annex A to this proxy statement/ prospectus and is incorporated by reference into this proxy statement/prospectus. You should read the Merger Agreement completely and carefully as it, rather than this description, is the legal document that governs the Merger.

General

The Merger Agreement provides for the merger of Commerce Bancshares with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving entity. Commerce Bancshares will cease to exist upon closing of the Merger. Immediately thereafter, Commerce Bank & Trust Company will merge with and into Berkshire Bank, with Berkshire Bank as the surviving institution.

Background of the Merger

Commerce Bancshares' senior management and board of directors, with the assistance of Commerce Bancshares' financial advisors, have reviewed from time to time various potential strategic alternatives available to Commerce Bancshares, including being acquired by a larger banking company or combining with a comparably-sized banking company. In evaluating strategic alternatives, Commerce Bancshares' senior management and board of directors have considered potential criteria for screening strategic partners and evaluating a potential strategic transaction and the evolving mergers and acquisitions environment. In addition, Commerce Bancshares' senior management and board of directors have compared from time to time the quantitative measures of Commerce Bancshares' performance with those of comparable banking companies and reviewed conditions in the banking industry generally, including the trend towards consolidation and potential strategies for enhancing Commerce Bancshares' competitive position in its market.

On December 6, 2016, Commerce Bancshares engaged Sandler O'Neill & Partners, L.P. to advise Commerce Bancshares in a potential sale transaction. Representatives of Sandler O'Neill were instructed to conduct a targeted solicitation process to gauge potential buyers' levels of interest in considering an acquisition of Commerce Bancshares. Representatives of Sandler O'Neill were specifically directed to contact Berkshire Hills Bancorp and a limited number of other potential acquirers.

Beginning in December 2016, representatives of Sandler O'Neill contacted Berkshire Hills Bancorp and six other prospective acquirers. Like Berkshire Hills Bancorp, each of those other prospective acquirers is a banking company that is substantially larger than Commerce and has a meaningful presence in markets in or near which Commerce Bancshares operates. Berkshire Hills Bancorp and these other companies were perceived as likely to be in a position to make a compelling offer based upon (i) their ability to consummate an acquisition of Commerce Bancshares, (ii) their ability to offer to acquire Commerce Bancshares solely or mostly for stock, (iii) the quality of the stock consideration that might be offered, including the liquidity and performance over time, (iv) the anticipated strategic interest in the Commerce Bancshares franchise, and (v) the ability to conduct due diligence and negotiate an agreement expeditiously.

Four potential acquirers other than Berkshire Hills Bancorp initially expressed interest in learning more about the potential transaction and signed customary confidentiality agreements, which were identical in all material respects. Berkshire Hills Bancorp at that time declined to enter into a confidentiality agreement. Each of those four potential acquirers received a confidential information memorandum describing Commerce Bancshares which representatives of Sandler O'Neill assisted Commerce Bancshares' senior management in preparing and obtained concurrent access to a data site with preliminary due diligence information. Of those four potential acquirers, two, which we refer to as "Company A" and "Company B" in this proxy statement/prospectus, submitted written preliminary indications of interest in January 2017. Each of the other two potential acquirers informed representatives of Sandler O'Neill that it was not interested in pursuing an acquisition of Commerce Bancshares.

At Commerce Bancshares' direction, representatives of Sandler O'Neill entered into parallel discussions with Company A and Company B with the goal of increasing the attractiveness of the economic terms of their respective proposals from the perspective of Commerce Bancshares shareholders

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and assessing the prospects that the proposed transaction could be completed as contemplated. A material consideration in the valuation of Commerce Bancshares by each of Company A and Company B was Commerce Bancshares' portfolio of loans collateralized by taxicab medallions, which we refer to in this proxy statement/prospectus as the "Medallion Loans". Moreover, Company A's willingness to consider an acquisition of Commerce Bancshares was conditioned upon Commerce Bancshares' agreement that it would sell the Medallion Loans prior to the completion of the acquisition.

Commerce Bancshares' portfolio of Medallion Loans stems from its 2012 acquisition of Mercantile Capital Corp., the holding company of Mercantile Bank & Trust based in Boston, Massachusetts. At the time of that acquisition, Mercantile was one of the leading providers of Medallion Loans secured by taxi medallions in Boston and Cambridge, Massachusetts. Commerce Bancshares continued to offer Medallion Loans after the acquisition, and at March 31, 2017, Commerce Bancshares had total Medallion Loans of \$103 million, secured by 392 medallions in Boston (85%) and Cambridge (15%).

Recent changes in the taxicab and for-hire vehicle industries have created uncertainty regarding the value of the Medallion Loans. Ridesharing applications, or ridesharing apps, used by for-hire vehicles compete directly with operators of medallion taxis. This competition has materially decreased the market value for taxi medallions. Commerce Bancshares estimates that the value of taxi medallions in Boston peaked in 2014, when the medallions sold for \$700,000, and that as of December 31, 2016, Boston medallions were valued at approximately \$365,000.

Decreases in the value of taxi medallions in the Boston and Cambridge markets may adversely affect the Medallion Loans in various ways. For example, such a decrease may result in an increase in the loan-to-value ratios of the Medallion Loans, which in turn may decrease the market value of those loans. In addition, when medallion values decline significantly, there typically is an increase in the risk of Medallion Loan delinquencies, foreclosures and borrower bankruptcies. Moreover, Commerce Bancshares' ability to recover on defaulted Medallion Loans by foreclosing on and selling the medallion collateral would be diminished, which could result in material losses on defaulted Medallion Loans. Company B informed Commerce Bancshares that as a consequence of the material decline in the market value for taxi medallions in the Boston and Cambridge markets in recent years, Company B anticipated that it would need to significantly decrease the value of the Medallion Loans as part of its purchase accounting adjustments if it acquired Commerce Bancshares.

In an effort to reduce uncertainty inherent in the valuation of Commerce Bancshares' Medallion Loan portfolio and to seek to improve the proposed terms that Company A and Company B were willing to offer, Commerce Bancshares considered through late March the feasibility of various alternatives to maximize the value of the Medallion Loans, including through the sale of the Medallion Loans to an unrelated third-party in a transaction separate from the acquisition of Commerce Bancshares. After considering various tax, accounting and regulatory considerations, Commerce Bancshares concluded that it would likely not be in the best interest of Commerce Bancshares stockholders to transfer the Medallion Loans in a transaction separate from the acquisition of Commerce Bancshares.

In mid-March, Berkshire Hills Bancorp informed representatives of Sandler O'Neill that it had reconsidered and was interested in submitting a proposal to acquire Commerce Bancshares. Berkshire Hills Bancorp signed a confidentiality agreement that was not materially different than those signed by Company A and Company B, and then obtained access to the same data site available to Company A and Company B. Berkshire Hills Bancorp met with Commerce Bancshares' senior management and completed its initial due diligence review of Commerce Bancshares, including a review of all of the Medallion Loans.

On April 19, 2017, Berkshire Hills Bancorp delivered to Commerce Bancshares a written expression of interest in acquiring Commerce Bancshares for a combination of stock and cash. Berkshire Hills Bancorp proposed to pay 75% of the merger consideration in the form of Berkshire Hills Bancorp common stock with each Commerce Bancshares stock being converted into shares of Berkshire Hills Bancorp common stock using a fixed exchange ratio of 0.95 shares of Berkshire Hills Bancorp common stock for each share of Commerce Bancshares common stock, and to acquire each of the remaining shares of Commerce Bancshares common stock for cash, valuing Commerce Bancshares common stock at \$34.00 per share. Berkshire Hills Bancorp's indication of interest was subject to customary contingencies, including completion of more in-depth due diligence and the negotiation of a mutually acceptable merger agreement,

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and a request by Berkshire Hills Bancorp's President and CEO Michael Daly for an opportunity to meet personally with Mr. Massad, but was not conditioned upon the sale of the Medallion Loans prior to or in connection with the closing of the proposed transaction.

Representatives of Commerce Bancshares invited representatives of Berkshire Hills Bancorp, Company A and Company B to present each party's best and final offer. On May 2, representatives of Commerce and Sandler O'Neill met with representatives of Company B and with Mr. Daly on behalf of Berkshire Hills Bancorp. At that time, Mr. Massad and Mr. Daly also held a private, one-on-one conversation initiated by Mr. Massad. Following those meetings, Commerce Bancshares determined that Berkshire Hills Bancorp met its stated criteria for a potential transaction partner based upon (i) its ability to consummate an acquisition of Commerce Bancshares, (ii) its ability to offer to acquire Commerce Bancshares solely or mostly for stock, (iii) the quality of the stock consideration that Berkshire Hills Bancorp could offer, including the liquidity and performance of its stock over time, (iv) Berkshire Hills Bancorp's strategic interest in the Commerce Bancshares franchise and the perceived "fit" between the two companies, and (v) the ability of Berkshire Hills Bancorp to complete due diligence and negotiate an agreement expeditiously. Commerce Bancshares agreed that it would negotiate exclusively with Berkshire Hills Bancorp, and Berkshire Hills Bancorp promptly completed its due diligence review.

In Commerce Bancshares' discussions with Berkshire Hills Bancorp, Commerce Bancshares sought to increase the percentage of the merger consideration that would be payable in the form of Berkshire Hills Bancorp common stock. Representatives of Commerce Bancshares and Berkshire Hills Bancorp also discussed the proposed approximately \$105 million purchase accounting adjustment that Berkshire Hills Bancorp expected to make to reduce the value of Commerce Bancshares' loans, with the vast majority of the adjustment to be made to the Medallion Loans. In addition, Commerce Bancshares and Berkshire Hills Bancorp discussed Berkshire Hills Bancorp's proposed plan to issue additional common stock in a public offering to increase Berkshire Hills Bancorp's common equity capital by at least \$125 million. In connection with the anticipated public offering, Commerce Bancshares consented to Sandler O'Neill's participation as a manager of the offering.

Recognizing that Mr. Massad would be a significant shareholder of Berkshire Hills Bancorp common stock as a result of the merger transaction, Berkshire Hills Bancorp and Mr. Massad also discussed whether Mr. Massad would be willing to receive shares of Series B Non-Voting Berkshire Hills Bancorp preferred stock in lieu of shares of Berkshire Hills Bancorp common stock to the extent that the ownership of Berkshire Hills Bancorp common stock by Mr. Massad and his Acting in Concert Group would exceed 9.9% of the shares of Berkshire Hills Bancorp common stock outstanding immediately after the completion of the Merger. In addition, Berkshire Hills Bancorp and Mr. Massad discussed passivity commitments, trading volume restrictions and other terms that Berkshire Hills Bancorp proposed to address in a Shareholder Agreement between Mr. Massad and Berkshire Hills Bancorp that was a condition to Berkshire Hills Bancorp's willingness to enter into a merger agreement. As an inducement to Mr. Massad to accept the restrictions in the Shareholder Agreement and to agree to limit the amount of Berkshire Hills Bancorp common stock that he and his Acting in Concert Group would receive in the Merger to 9.9% of the shares of Berkshire Hills Bancorp common stock outstanding immediately after the completion of the Merger, Berkshire Hills Bancorp modified its proposal to provide that the merger consideration would consist solely of Berkshire Hills Bancorp capital stock and to convert each share of Commerce Bancshares common stock into 0.93 shares of Berkshire Hills Bancorp common stock (or, in Mr. Massad's case, the economic equivalent of Series B Non-Voting Berkshire Hills Bancorp preferred stock, to the extent that the shares of Berkshire Hills Bancorp common stock that Mr. Massad and his Acting in Concert Group would otherwise receive in the Merger would exceed the Voting Stock Consideration Limit).

On May 4, Berkshire Hills Bancorp provided the initial draft of a merger agreement. From May 5 through May 18, Commerce Bancshares senior management, representatives of Mr. Massad, and Nutter McClennen & Fish LLP, counsel to Commerce Bancshares and Mr. Massad, participated in discussions with Berkshire Hills Bancorp's senior management and legal counsel on various issues relating to the terms of the Merger and Shareholder Agreement and other aspects of the proposed transaction. The parties also finalized related agreements confirming the treatment of pre-existing severance and other compensation arrangements for Brian W. Thompson, William Burke, Michael J. Crawford and James R. Belliveau. See "— Interests of Certain Persons in the Merger that are Different from Yours," beginning on page 54 of this proxy statement/prospectus.

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On May 15, representatives of Commerce Bancshares' senior management, Sandler O'Neill, and Nutter met in person with Berkshire Hills Bancorp's senior management to review Berkshire Hills Bancorp's current financial condition, recent operating results and strategic plans.

On May 18, the Commerce Bancshares board of directors met in person with representatives of Sandler O'Neill and Nutter. The Commerce Bancshares board reviewed the terms of the proposed merger agreement and the Shareholder Agreement between Mr. Massad and Berkshire Hills Bancorp. In particular, the Commerce Bancshares board reviewed the material terms of the merger agreement, including the merger consideration, closing conditions, Commerce Bancshares' ability to consider unsolicited acquisition proposals under certain circumstances, the parties' termination rights, and the corresponding termination fees. At this meeting, representatives of Sandler O'Neill reviewed the financial aspects of the proposed Merger and rendered an oral opinion (which was confirmed by a written opinion, dated May 18, 2017) to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in such opinion, the exchange ratio in the proposed Merger was fair, from a financial point of view, to the holders of Commerce Bancshares common stock. See "— Opinion of Commerce Bancshares Corp.'s Financial Advisor," beginning on page 38 of this proxy statement/prospectus, and the Sandler O'Neill opinion included as Annex B to this proxy statement/prospectus.

Mr. Thompson briefed the Commerce Bancshares board of directors on the roles anticipated for him, Mr. Crawford and Mr. Belliveau, noting that he and Mr. Crawford would serve as consultants to Berkshire Bank for a period of six months following the Merger, that Berkshire Bank may extend their consulting engagement for an additional six months upon 30 days prior notice to and approval by the consultant, and the compensation paid to Messrs. Thompson and Crawford as consultants would \$63,792 and \$41,845 per month respectively. See "— Interests of Certain Persons in the Merger that are Different from Yours," beginning on page 54 of this proxy statement/prospectus. Throughout the presentations, Commerce Bancshares' directors provided comments and asked questions, which were addressed by Mr. Thompson, representatives of Sandler O'Neill and Nutter. At the conclusion of the meeting, by the unanimous vote of all directors, the Commerce Bancshares board of directors approved the Merger Agreement and the proposed Merger, authorized management to enter into the Merger Agreement and other related agreements, and recommended that the Commerce Bancshares shareholders vote in favor of approving the Merger Agreement.

On the morning of May 22, before the opening of trading on the U.S. stock market, each of Commerce Bancshares' directors delivered signed voting agreements to Berkshire Hills Bancorp; Commerce Bancshares and Berkshire Hills Bancorp entered into the Merger Agreement; and Commerce Bancshares and Berkshire Hills Bancorp issued a joint press release announcing that they had entered into the Merger Agreement.

Commerce Bancshares' Reasons for the Merger and Recommendation of the Commerce Bancshares' Board of Directors

The board of directors of Commerce Bancshares believes that the Merger Agreement and the Merger are fair to and in the best interests of Commerce Bancshares, and that the consideration to be paid in the Merger is fair to and in the best interests of the stockholders of Commerce Bancshares. Accordingly, the Commerce Bancshares board of directors has approved the Merger Agreement and unanimously recommends that Commerce Bancshares stockholders vote "FOR" the adoption of the Merger Agreement.

In approving the Merger Agreement, the Commerce Bancshares' board of directors consulted with legal counsel as to its legal duties and the terms of the Merger Agreement and with its financial advisors with respect to the financial aspects of the transaction and specific transaction terms. In arriving at its determination, the Commerce Bancshares' board of directors also considered a number of factors, including the following:

- the Commerce Bancshares board of directors' and senior management's knowledge of Commerce Bancshares' business, operations, properties, assets, financial condition, operating results and prospects, and its and their understanding of Berkshire Hills Bancorp's business, operations, properties, assets, financial condition, operating results, historical market prices and prospects, including information obtained through due diligence;

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- the fact that the Commerce Bancshares stockholders will receive shares of Berkshire Hills Bancorp common stock (or preferred stock convertible into common stock) pursuant to the Merger and the potential that the value of Berkshire Hills Bancorp common stock will increase after the signing of the Merger Agreement;

- the May 18, 2017 financial presentation of Sandler O'Neill (including the assumptions and methodologies underlying the analyses in connection therewith) and the written opinion of Sandler O'Neill delivered to Commerce Bancshares' board of directors on May 18, 2017, to the effect that, as of May 18, 2017 and based upon and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in such opinion, the exchange ratio in the proposed Merger was fair, from a financial point of view, to the holders of Commerce Bancshares common stock, as more fully described under "— Opinion of Commerce Bancshares Corp's Financial Advisor," beginning on page 38 of this proxy statement/prospectus, and in the Sandler O'Neill opinion included as Annex B to this proxy statement/prospectus;

- the ability of Commerce Bancshares under the terms of the Merger Agreement to negotiate with third parties concerning certain unsolicited competing acquisition proposals if Commerce Bancshares were to receive such a proposal prior to the approval of the Merger Agreement by Commerce Bancshares' stockholders, and to terminate the Merger Agreement upon the payment to Berkshire Hills Bancorp of a termination fee of \$8.5 million;

- the efforts made to negotiate a Merger Agreement favorable to Commerce Bancshares and its stockholders and the terms and conditions of the Merger Agreement;

- the fact that two Commerce Bancshares directors will become directors of Berkshires Hills Bancorp upon the closing of the Merger; and

- the fact that Mr. Massad, the holder of approximately 92% of Commerce Bancshares' outstanding common stock, is supportive of the Merger Agreement and the Merger.

Commerce Bancshares' board of directors also weighed the factors described above against certain factors and potential risks associated with entering into the Merger Agreement, including, among others, the following:

- the fact that the exchange ratio is fixed, which means that Commerce Bancshares' stockholders could be adversely affected by a decrease in the trading price of Berkshire Hills Bancorp common stock following the signing of the Merger Agreement;

- the possibility of costs and delays resulting from seeking the regulatory approvals necessary to complete the transactions contemplated by the Merger Agreement, the possibility that the Merger may not be completed if such approvals are not obtained, and the potential negative impacts on Commerce Bancshares and its business if such approvals are not obtained;

- the fact that the integration of Commerce Bancshares and Berkshire Hills Bancorp may be complex and time consuming and may require substantial resources and effort, and the risk that if the combined bank is not successfully integrated, 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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the possibility that the anticipated strategic and other benefits to Commerce Bancshares and the combined bank following the completion of the Merger will not be realized or will take longer to realize than expected;

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the potential for diversion of management and employee attention and for increased employee attrition during the period prior to the completion of the Merger, and the potential effect of the Merger on Commerce Bancshares' customers and business relationships;

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the restrictions on the conduct of Commerce Bancshares' business prior to the completion of the Merger, requiring Commerce Bancshares to conduct its business only in the ordinary course,

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subject to specific limitations, which could delay or prevent Commerce Bancshares from undertaking business opportunities that may arise pending completion of the Merger and could negatively impact Commerce Bancshares' customers and business relationships;

- the fact that the Merger Agreement contains certain restrictions on the ability of Commerce Bancshares to solicit proposals for alternative transactions or engage in discussions regarding such proposals, including the requirement for Commerce Bancshares to pay Berkshire Hills Bancorp a termination fee of \$8.5 million in certain circumstances;

- the transaction costs to be incurred by Commerce Bancshares in connection with the Merger;

- the interests of Commerce Bancshares' executive officers described in "— Interests of Certain Persons in the Merger that are Different from Yours," beginning on page 54 of this proxy statement/ prospectus; and

- the various other applicable risks associated with Commerce Bancshares, Berkshire Hills Bancorp and the Merger, including the risks described in "— Risk Factors," beginning on page 11 of this proxy statement/prospectus.

In considering the recommendation of Commerce Bancshares' board of directors with respect to the proposal to approve the Merger Agreement and the proposed Merger, you should be aware that certain of Commerce Bancshares executive officers may have interests in the Merger that are different from yours. Commerce Bancshares' board of directors was aware of and considered these interests, among other matters, in evaluating the Merger Agreement and the transactions contemplated by the Merger Agreement and in recommending that the Merger Agreement be approved by the Commerce Bancshares stockholders. See "— Interests of Certain Persons in the Merger that are Different from Yours," beginning on page 54 of this proxy statement/prospectus.

The foregoing discussion of the information and factors considered by Commerce Bancshares' board of directors in reaching its conclusions and recommendations is not intended to be exhaustive, but includes the material factors considered by Commerce Bancshares' board of directors. In view of the wide variety of factors considered by Commerce Bancshares' board of directors in connection with its evaluation of the Merger Agreement and the transactions contemplated by the Merger Agreement, and the complexity of these matters, the Commerce Bancshares board did not find it practicable to, and did not attempt to, quantify, rank or otherwise assign any relative or specific weights to the various specific factors considered in reaching its determination and making its recommendation. Commerce Bancshares' board of directors considered all of the foregoing factors as a whole and based its recommendation on the totality of the information presented. In considering the factors described above, individual members of Commerce Bancshares's board of directors may have given different weights to different factors.

Berkshire Hills Bancorp's Reasons for the Merger

Berkshire Hills Bancorp's and Berkshire Bank's boards of directors reviewed and discussed the transaction with their management and unanimously determined that the Merger is advisable and is fair to, and in the best interests of, Berkshire Hills Bancorp and Berkshire Bank. In reaching its determination, the Berkshire Hills Bancorp and Berkshire Bank boards of directors considered a number of factors, including, among others, the following:

- the Merger will accelerate Berkshire Bank's growth in the greater Boston area, Central Massachusetts and Eastern Massachusetts and result in significant scale in the Central and Eastern Massachusetts region;

- while the Merger will result in Berkshire Hills Bancorp's consolidated assets exceeding the \$10 billion threshold and result in regulatory costs and revenue impacts, the size of the acquisition is expected to reduce the financial effect of exceeding the threshold;

- the complementary cultures of Berkshire Hills Bancorp and Commerce and each company's focus on exemplary customer service, which Berkshire Hills Bancorp believes should facilitate the successful integration and implementation of the transaction; and

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- potential increased income opportunity derived from the ability to expand Berkshire Hills Bancorp's suite of products and services to Commerce's customers and to market certain products to Commerce's customers that are not presently offered.

This discussion of the factors considered by Berkshire Hills Bancorp's and Berkshire Bank's boards of directors is not exhaustive. Berkshire Hills Bancorp's and Berkshire Bank's boards of directors considered these factors as a whole, and considered them to be favorable to, and supportive of, its determination. Berkshire Hills Bancorp's and Berkshire Bank's boards of directors did not consider it practical, nor did it attempt, to quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. In considering the factors described above, individual members of Berkshire Hills Bancorp's and Berkshire Bank's boards of directors may have given different weights to different factors.

Opinion of Commerce Bancshares Corp's Financial Advisor

Commerce Bancshares Corp. (or, for the purposes of this section, "Commerce Bancshares") retained Sandler O'Neill to act as an independent financial advisor to Commerce Bancshares's board of directors in connection with Commerce Bancshares's consideration of a possible business combination. Sandler O'Neill is a nationally recognized investment banking firm whose principal business specialty is financial institutions. In the ordinary course of its investment banking business, Sandler O'Neill is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

Sandler O'Neill acted as an independent financial advisor in connection with the proposed transaction and participated in certain of the negotiations leading to the execution of the merger agreement. At the May 18, 2017 meeting at which Commerce Bancshares's board of directors considered and discussed the terms of the merger agreement and the merger, Sandler O'Neill delivered to Commerce Bancshares's board of directors its oral opinion, which was subsequently confirmed in writing, to the effect that, as of May 18, 2017, the exchange ratio provided for in the merger agreement was fair to the holders of Commerce Bancshares common stock from a financial point of view. The full text of Sandler O'Neill's opinion is attached as Annex B to this proxy statement/prospectus. The opinion outlines the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion. The description of the opinion set forth below is qualified in its entirety by reference to the full text of the opinion. Holders of Commerce Bancshares common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Sandler O'Neill's opinion speaks only as of the date of the opinion. The opinion was directed to Commerce Bancshares's board of directors in connection with its consideration of the merger agreement and the merger and does not constitute a recommendation to any shareholder of Commerce Bancshares as to how any such shareholder should vote at any meeting of shareholders called to consider and vote upon the approval of the merger agreement and the merger. Sandler O'Neill's opinion was directed only to the fairness, from a financial point of view, of the exchange ratio to the holders of Commerce Bancshares common stock and does not address the underlying business decision of Commerce Bancshares to engage in the merger, the form or structure of the merger or any other transactions contemplated in the merger agreement, the relative merits of the merger as compared to any other alternative transactions or business strategies that might exist for Commerce Bancshares or the effect of any other transaction in which Commerce Bancshares might engage. Sandler O'Neill did not express any opinion as to the fairness of the amount or nature of the compensation to be received in the merger by any officer, director or employee of Commerce Bancshares or Berkshire Hills Bancorp, Inc. (or, for the purposes of this section, "Berkshire Hills Bancorp"), or any class of such persons, if any, relative to the compensation to be received in the merger by any other shareholder, including the merger consideration to be received by the holders of Commerce Bancshares common stock. Sandler O'Neill's opinion was approved by Sandler O'Neill's fairness opinion committee.

In connection with its opinion, Sandler O'Neill reviewed and considered, among other things:

- a draft of the merger agreement, dated May 17, 2017;

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certain publicly available financial statements and other historical financial information of Commerce Bancshares that Sandler O'Neill deemed relevant;

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- certain publicly available financial statements and other historical financial information of Berkshire Hills Bancorp and its banking subsidiary that Sandler O’Neill deemed relevant;
- certain internal financial projections for Commerce Bancshares for the year ending December 31, 2017, as provided by the senior management of Commerce Bancshares, as well as an estimated long-term net income growth rate and estimated dividends per share for the years thereafter, as provided by the senior management of Commerce Bancshares;
- publicly available consensus mean analyst earnings per share estimates for Berkshire Hills Bancorp for the years ending December 31, 2017 and December 31, 2018, as well as an estimated long-term earnings per share growth rate and dividends per share for the years thereafter, as provided by the senior management of Berkshire Hills Bancorp ;
- the pro forma financial impact of the merger on Berkshire Hills Bancorp based on certain assumptions relating to purchase accounting adjustments, cost savings, transaction expenses, regulatory expenses as a result of Berkshire Hills Bancorp crossing the \$10 billion in assets threshold at closing of the merger and for the years ending December 31, 2018 through December 31, 2021, the public offering and sale of an amount of Berkshire Hills Bancorp common stock prior to closing of the merger that would raise net proceeds to Berkshire Hills Bancorp of \$150 million (the “Berkshire Hills Bancorp Common Stock Offering”), as well as estimated net income projections for Commerce Bancshares for the years ending December 31, 2018 through December 31, 2021, as provided by the senior management of Berkshire Hills Bancorp;
- the publicly reported historical price and trading activity for Berkshire Hills Bancorp common stock, including a comparison of certain stock market information for Berkshire Hills Bancorp common stock and certain stock indices as well as publicly available information for certain other similar companies, the securities of which are publicly traded;
- a comparison of certain financial information for Commerce Bancshares and Berkshire Hills Bancorp with similar financial institutions for which information is publicly available;
- the financial terms of certain recent business combinations in the bank and thrift industry (on a regional and nationwide basis), to the extent publicly available;
- the current market environment generally and the banking environment in particular; and
- such other information, financial studies, analyses and investigations and financial, economic and market criteria as Sandler O’Neill considered relevant.

Sandler O’Neill also discussed with certain members of the senior management of Commerce Bancshares the business, financial condition, results of operations and prospects of Commerce Bancshares and held similar discussions with certain members of the senior management of Berkshire Hills Bancorp regarding the business, financial condition, results of operations and prospects of Berkshire Hills Bancorp.

In performing its review, Sandler O'Neill relied upon the accuracy and completeness of all of the financial and other information that was available to and reviewed by Sandler O'Neill from public sources, that was provided to Sandler O'Neill by Commerce Bancshares or Berkshire Hills Bancorp or their respective representatives, or that was otherwise reviewed by Sandler O'Neill, and Sandler O'Neill assumed such accuracy and completeness for purposes of rendering its opinion without any independent verification or investigation. Sandler O'Neill relied on the assurances of the respective managements of Commerce Bancshares and Berkshire Hills Bancorp that they were not aware of any facts or circumstances that would make any of such information inaccurate or misleading. Sandler O'Neill was not asked to and did not undertake an independent verification of any of such information and Sandler O'Neill did not assume any responsibility or liability for the accuracy or completeness thereof. Sandler O'Neill did not make an independent evaluation or perform an appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of Commerce Bancshares or Berkshire Hills Bancorp or any of their respective subsidiaries, nor was Sandler O'Neill furnished with any such evaluations or appraisals. Sandler O'Neill rendered no opinion or evaluation on the collectability of any assets or the future performance of any loans of Commerce Bancshares or Berkshire Hills Bancorp. Sandler O'Neill did not make an

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independent evaluation of the adequacy of the allowance for loan losses of Commerce Bancshares or Berkshire Hills Bancorp, or of the combined entity after the Merger, and Sandler O'Neill did not review any individual credit files relating to Commerce Bancshares or Berkshire Hills Bancorp. Sandler O'Neill assumed, with Commerce Bancshares's consent, that the respective allowances for loan losses for both Commerce Bancshares and Berkshire Hills Bancorp are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity.

In preparing its analyses, Sandler O'Neill used certain internal financial projections for Commerce Bancshares for the year ending December 31, 2017, as provided by the senior management of Commerce Bancshares, as well as an estimated long-term net income growth rate and estimated dividends per share for the years thereafter, as provided by the senior management of Commerce Bancshares. In addition, Sandler O'Neill used publicly available consensus mean analyst earnings per share estimates for Berkshire Hills Bancorp for the years ending December 31, 2017 and December 31, 2018, as well as an estimated long-term earnings per share growth rate and dividends per share for the years thereafter, as provided by the senior management of Berkshire Hills Bancorp. Sandler O'Neill also received and used in its pro forma analyses certain assumptions relating to purchase accounting adjustments, cost savings, transaction expenses, regulatory expenses as a result of Berkshire Hills Bancorp crossing the \$10 billion in assets threshold at closing of the merger and for the years ending December 31, 2018 through December 31, 2021, the Berkshire Hills Bancorp Common Stock Offering, as well as estimated net income projections for Commerce Bancshares for the years ending December 31, 2018 through December 31, 2021, as provided by the senior management of Berkshire Hills Bancorp. With respect to the foregoing information, the respective senior managements of Commerce Bancshares and Berkshire Hills Bancorp confirmed to Sandler O'Neill that such information reflected (or, in the case of the publicly available consensus mean analyst earnings per share estimates referred to above, were consistent with) the best currently available projections, estimates and judgments of those respective senior managements as to the future financial performance of Commerce Bancshares and Berkshire Hills Bancorp, respectively, and the other matters covered thereby, and Sandler O'Neill assumed that the future financial performance reflected in such information would be achieved. Sandler O'Neill expressed no opinion as to such information, or the assumptions on which such information was based. Sandler O'Neill also assumed that there had been no material change in the respective assets, financial condition, results of operations, business or prospects of Commerce Bancshares or Berkshire Hills Bancorp since the date of the most recent financial statements made available to Sandler O'Neill. Sandler O'Neill assumed in all respects material to its analysis that Commerce Bancshares and Berkshire Hills Bancorp will remain as going concerns for all periods relevant to its analysis.

Sandler O'Neill also assumed, with Commerce Bancshares's consent, that (i) each of the parties to the merger agreement will comply in all material respects with all material terms and conditions of the merger agreement and all related agreements, that all of the representations and warranties contained in such agreements are true and correct in all material respects, that each of the parties to such agreements will perform in all material respects all of the covenants and other obligations required to be performed by such party under such agreements and that the conditions precedent in such agreements are not and will not be waived, (ii) in the course of obtaining the necessary regulatory or third party approvals, consents and releases with respect to the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Commerce Bancshares, Berkshire Hills Bancorp or the merger or any related transaction, (iii) the merger and any related transactions will be consummated in accordance with the terms of the merger agreement without any waiver, modification or amendment of any material term, condition or agreement thereof and in compliance with all applicable laws and other requirements, and (iv) the merger will qualify as a tax-free reorganization for federal income tax purposes. Finally, with Commerce Bancshares's consent, Sandler O'Neill relied upon the advice that Commerce Bancshares received from its legal, accounting and tax advisors as to all legal, accounting and tax matters relating to the merger and the other transactions contemplated by the merger agreement. Sandler O'Neill expressed no opinion as to any such matters.

Sandler O'Neill's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Sandler O'Neill as of, the date thereof. Events occurring after the date thereof could materially affect Sandler O'Neill's opinion. Sandler O'Neill has not undertaken to update, revise, reaffirm or withdraw its opinion or otherwise comment upon events occurring

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after the date thereof. Sandler O'Neill expressed no opinion as to the trading value of Berkshire Hills Bancorp common stock at any time or what the value of Berkshire Hills Bancorp common stock will be once it is actually received by the holders of Commerce Bancshares common stock.

In rendering its opinion, Sandler O'Neill performed a variety of financial analyses. The summary below is not a complete description of the analyses underlying Sandler O'Neill's opinion or the presentation made by Sandler O'Neill to Commerce Bancshares's board of directors, but is a summary of all material analyses performed and presented by Sandler O'Neill. The summary includes information presented in tabular format. In order to fully understand the financial analyses, these tables must be read together with the accompanying text. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex process involving subjective judgments as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. The process, therefore, is not necessarily susceptible to a partial analysis or summary description. Sandler O'Neill believes that its analyses must be considered as a whole and that selecting portions of the factors and analyses to be considered without considering all factors and analyses, or attempting to ascribe relative weights to some or all such factors and analyses, could create an incomplete view of the evaluation process underlying its opinion. Also, no company included in Sandler O'Neill's comparative analyses described below is identical to Commerce Bancshares or Berkshire Hills Bancorp and no transaction is identical to the merger.

Accordingly, an analysis of comparable companies or transactions involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies and other factors that could affect the public trading values or merger transaction values, as the case may be, of Commerce Bancshares and Berkshire Hills Bancorp and the companies to which they are being compared. In arriving at its opinion, Sandler O'Neill did not attribute any particular weight to any analysis or factor that it considered. Rather, Sandler O'Neill made qualitative judgments as to the significance and relevance of each analysis and factor. Sandler O'Neill did not form an opinion as to whether any individual analysis or factor (positive or negative) considered in isolation supported or failed to support its opinion, rather, Sandler O'Neill made its determination as to the fairness of the exchange ratio on the basis of its experience and professional judgment after considering the results of all its analyses taken as a whole.

In performing its analyses, Sandler O'Neill also made numerous assumptions with respect to industry performance, business and economic conditions and various other matters, many of which are beyond the control of Commerce Bancshares, Berkshire Hills Bancorp and Sandler O'Neill. The analyses performed by Sandler O'Neill are not necessarily indicative of actual values or future results, both of which may be significantly more or less favorable than suggested by such analyses. Sandler O'Neill prepared its analyses solely for purposes of rendering its opinion and provided such analyses to Commerce Bancshares's board of directors at its May 18, 2017 meeting. Estimates on the values of companies do not purport to be appraisals or necessarily reflect the prices at which companies or their securities may actually be sold. Such estimates are inherently subject to uncertainty and actual values may be materially different. Accordingly, Sandler O'Neill's analyses do not necessarily reflect the value of Commerce Bancshares common stock or the prices at which Berkshire Hills Bancorp common stock may be sold at any time. The analyses of Sandler O'Neill and its opinion were among a number of factors taken into consideration by Commerce Bancshares's board of directors in making its determination to approve the merger agreement and should not be viewed as determinative of the exchange ratio or the decision of Commerce Bancshares's board of directors or management with respect to the fairness of the merger. The type and amount of consideration payable in the merger were determined through negotiation between Commerce Bancshares and Berkshire Hills Bancorp.

Summary of Exchange Ratio and Implied Transaction Metrics. Sandler O'Neill reviewed the financial terms of the proposed merger. Subject to certain adjustments, as more fully described in the merger agreement, at closing, each share of Commerce Bancshares common stock issued and outstanding prior to the Effective Time will receive 0.93 of a share of the common stock of Berkshire Hills Bancorp; provided, however, that no Commerce Bancshares stockholder shall receive either individually or in aggregate with such stockholder's Acting in Concert Group, as such term is defined in the merger agreement, shares of Berkshire Hills Bancorp common stock that would exceed 9.9% of the outstanding Berkshire Hills Bancorp common stock as of the Effective Time. The Agreement provides, generally, that in the event that any Commerce Bancshares stockholder, individually or aggregated with such stockholder's Acting in Concert

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Group, exceeds the Voting Stock Consideration Limit, such Commerce Bancshares stockholder, and each member of the Acting in Concert Group, shall receive the Berkshire Hills Bancorp Preferred Stock Consideration.

Based on 6,328,300 shares of Commerce Bancshares common stock and common stock equivalents issued and outstanding, as of March 31, 2017, the closing price of Berkshire Hills Bancorp common stock on May 17, 2017 of \$36.00 and a per share exchange ratio of 0.93, Sandler O'Neill calculated an implied transaction price per share for Commerce Bancshares common stock of \$33.48 and an aggregate implied transaction value of approximately \$211.9 million. Based upon historical financial information for Commerce Bancshares as of or for the last twelve months ("LTM") ended March 31, 2017 and estimated earnings per share for the year ending December 31, 2017, as provided by Commerce Bancshares senior management, Sandler O'Neill calculated the following implied transaction metrics.

Transaction Price / Last Twelve Months Earnings Per Share of Commerce:	14.8x
Transaction Price / 2017 Management Estimated Earnings Per Share(1):	14.9x
Transaction Price / Book Value Per Share of Commerce:	130.3%
Transaction Price / Tangible Book Value Per Share of Commerce:	140.0%
Transaction Price / Adjusted Tangible Book Value Per Share of Commerce(2):	196.3%
Core Deposit Premium(3):	4.8%

(1)

Provided by Commerce Bancshares's Senior Management

(2)

Tangible Book Value per share is adjusted to reflect the after-tax impact of the estimated \$66.7 million write-down of the Taxi Medallion portfolio that Berkshire Hills Bancorp has publicly disclosed that it intends to make as part of its purchase accounting adjustment. The assumed tax rate of 35% was provided by Berkshire Hills Bancorp management.

(3)

Core deposits calculated as total deposits less Jumbo CD's (\$100,000 or greater), brokered deposits and payroll deposits

Commerce Comparable Company Analyses. Sandler O'Neill used publicly available information to compare selected financial information for Commerce with a group of financial institutions selected by Sandler O'Neill (the "Commerce Bancshares Peer Group"). The Commerce Peer Group consisted of banks publicly traded on the NASDAQ, NYSE or NYSE Market headquartered in the Northeast Region or NY, NJ or PA with assets between \$1.5 billion and \$3.5 billion, excluding announced merger targets. The Commerce Peer Group consisted of the following companies:

Bar Harbor Bankshares	Bryn Mawr Bank Corporation
Arrow Financial Corporation	CNB Financial Corporation
Enterprise Bancorp, Inc.	Sun Bancorp, Inc.
People's Financial Services Corp.	Republic First Bancorp, Inc.
BCB Bancorp, Inc.	First Bancorp, Inc.
Chemung Financial Corporation	Bankwell Financial Group, Inc.
Codorus Valley Bancorp, Inc.	

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The analysis compared publicly available financial information for Commerce Bancshares as of or for the LTM period ended March 31, 2017 with the corresponding publicly available data for the Commerce Bancshares Peer Group as of or for the LTM period ended March 31, 2017 (unless otherwise noted), with pricing data as of May 17, 2017. The table below sets forth the data for Commerce Bancshares and the high, low, median and mean data for the Commerce Bancshares Peer Group.

	Commerce Bancshares	Commerce Bancshares Peer Group			
		Mean	Median	High	Low
Total Assets (in millions)	\$ 2,219	\$ 2,264	\$ 2,024	\$ 3,427	\$ 1,671
Market Value (in millions)	—	\$ 358	\$ 335	\$ 697	\$ 178
Price/Tangible Book Value	—	182%	172%	264%	140%
Price/LTM Earnings Per Share	—	16.7x	16.6x	21.9x	7.6x
Price/Mean Analyst 2017E Earnings Per Share(1)	—	16.3x	17.1x	17.2x	14.6x
Current Dividend Yield	—	2.2%	2.6%	3.6%	0.00%
LTM Efficiency Ratio	57.2%	66.5%	62.0%	89.1%	50.4%
LTM Net interest Margin	2.96%	3.40%	3.36%	3.90%	2.90%
LTM Return on Average Assets	0.75%	0.98%	0.88%	2.82%	0.32%
LTM Return on Average Common Equity	8.80%	9.55%	9.21%	22.15%	3.77%
Tangible Common Equity/Tangible Assets	6.85%	8.69%	8.34%	12.84%	6.54%
CRE Concentration Ratio	272.5%	256.9%	242.8%	467.5%	105.4%
Loans/Deposits(2)	72.6%	91.9%	94.2%	109.1%	59.6%
NPA(3)/Total Assets(4)	1.14%	0.89%	0.58%	2.32%	0.23%

(1)

Based on publicly available mean analyst earnings per share estimates.

(2)

Financial data for Arrow Financial Corporation as of December 31, 2016

(3)

Nonperforming assets defined as nonaccrual and renegotiated loans and leases, and real estate owned

(4)

Financial data for Bar Harbor Bankshares, CNB Financial Corporation, Sun Bancorp, Inc. and First Bancorp, Inc. as of December 31, 2016

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Commerce Bancshares Net Present Value Analyses. Sandler O'Neill performed an analysis that estimated the net present value per share of Commerce Bancshares common stock assuming Commerce Bancshares performed in accordance with internal financial projections for the years ending December 31, 2017 through December 31, 2021, as provided by the senior management of Commerce Bancshares. To approximate the terminal value of a share of Commerce Bancshares common stock at December 31, 2021, Sandler O'Neill applied price to 2021 earnings per share multiples ranging from 15.0x to 20.0x and price to December 31, 2021 tangible book value per share multiples ranging from 175% to 200%. The terminal values were then discounted to present values using different discount rates ranging from 10.0% to 15.0% which were chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Commerce Bancshares common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Commerce Bancshares common stock of \$26.00 to \$42.07 when applying multiples of earnings per share and \$32.58 to \$45.58 when applying multiples of tangible book value per share.

Earnings Per Share Multiples

Discount Rate	15.0x	16.0x	17.0x	18.0x	19.0x	20.0x
10.0%	\$ 31.96	\$ 33.98	\$ 36.00	\$ 38.03	\$ 40.05	\$ 42.07
11.0%	\$ 30.64	\$ 32.58	\$ 34.52	\$ 36.46	\$ 38.39	\$ 40.33
12.0%	\$ 29.39	\$ 31.25	\$ 33.11	\$ 34.96	\$ 36.82	\$ 38.68
13.0%	\$ 28.20	\$ 29.98	\$ 31.77	\$ 33.55	\$ 35.33	\$ 37.11
14.0%	\$ 27.08	\$ 28.78	\$ 30.49	\$ 32.20	\$ 33.91	\$ 35.61
15.0%	\$ 26.00	\$ 27.64	\$ 29.28	\$ 30.92	\$ 32.55	\$ 34.19

Tangible Book Value Per Share Multiples

Discount Rate	175%	180%	185%	190%	195%	200%
10.0%	\$ 40.09	\$ 41.19	\$ 42.28	\$ 43.38	\$ 44.48	\$ 45.58
11.0%	\$ 38.43	\$ 39.48	\$ 40.53	\$ 41.59	\$ 42.64	\$ 43.69
12.0%	\$ 36.85	\$ 37.86	\$ 38.87	\$ 39.88	\$ 40.89	\$ 41.90
13.0%	\$ 35.36	\$ 36.33	\$ 37.29	\$ 38.26	\$ 39.23	\$ 40.20
14.0%	\$ 33.94	\$ 34.86	\$ 35.79	\$ 36.72	\$ 37.65	\$ 38.58
15.0%	\$ 32.58	\$ 33.47	\$ 34.36	\$ 35.25	\$ 36.14	\$ 37.03

Sandler O'Neill also considered and discussed with the Commerce Bancshares board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Sandler O'Neill performed a similar analysis assuming Commerce Bancshares's net income varied from 15% above projections to 15% below projections. This analysis resulted in the following range of per share values for Commerce Bancshares common stock, applying the price to 2021 earnings per share multiples range of 15.0x to 20.0x referred to above and a discount rate of 12.51%.

Earnings Per Share Multiples

Variance to Net Income Forecast	15.0x	16.0x	17.0x	18.0x	19.0x	20.0x
(15.0)%	\$ 24.69	\$ 26.23	\$ 27.78	\$ 29.32	\$ 30.87	\$ 32.41
(10.0)%	\$ 26.05	\$ 27.69	\$ 29.32	\$ 30.96	\$ 32.60	\$ 34.23
(5.0)%	\$ 27.42	\$ 29.14	\$ 30.87	\$ 32.60	\$ 34.32	\$ 36.05
0.0%	\$ 28.78	\$ 30.60	\$ 32.41	\$ 34.23	\$ 36.05	\$ 37.87
5.0%	\$ 30.14	\$ 32.05	\$ 33.96	\$ 35.87	\$ 37.78	\$ 39.69
10.0%	\$ 31.51	\$ 33.50	\$ 35.50	\$ 37.50	\$ 39.50	\$ 41.50
15.0%	\$ 32.87	\$ 34.96	\$ 37.05	\$ 39.14	\$ 41.23	\$ 43.32

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Sandler O'Neill noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

Analysis of Selected Merger Transactions. Sandler O'Neill reviewed two groups of selected merger and acquisition transactions involving U.S. banks and thrifts (the "Nationwide Precedent Transactions" and the "Northeast Region Precedent Transactions"). The Nationwide Precedent Transactions group consisted of bank and thrift transactions announced between January 1, 2016 and May 17, 2017 with disclosed deal values and target assets between \$1.5 billion and \$2.5 billion. The Northeast Region Precedent Transactions group consisted of bank and thrifts transactions announced between January 1, 2014 and May 17, 2017 with disclosed deal values, targets headquartered in the Northeast Region and target assets greater than \$500 million.

The Nationwide Precedent Transactions group was composed of the following transactions:

Acquiror	Target
Sandy Springs Bancorp, Inc.	WashingtonFirst Bankshares, Inc.
TowneBank	Paragon Commercial Corp.
Simmons First National Corp.	First Texas BHC, Inc.
Simmons First National Corp.	Southwest Bancorp, Inc.
Pacific Premier Bancorp	Heritage Oaks Bancorp
Independent Bank Group	Carlisle Bancshares, Inc.
Collins Family Trust	Inter National Bank
Community Bank System, Inc.	Merchants Bancshares, Inc.
First Midwest Bancorp, Inc.	Standard Bancshares, Inc.
People's United Financial, Inc.	Suffolk Bancorp
South State Corporation	Southeastern Bank Financial Corp.
Bar Harbor Bankshares	Lake Sunapee Bank Group
WesBanco, Inc.	Your Community Bankshares, Inc.
Mechanics Bank	California Republic Bancorp
Old National Bancorp	Anchor BanCorp Wisconsin, Inc.
OceanFirst Financial Corp.	Cape Bancorp, Inc.

The Northeast Region Precedent Transactions group was composed of the following transactions:

Acquiror	Target
Community Bank System, Inc.	Merchants Bancshares, Inc.
Bar Harbor Bankshares	Lake Sunapee Bank Group
Westfield Financial, Inc.	Chicopee Bancorp, Inc.
Investor Group	Radius Bancorp, Inc.
Liberty Bank	Naugatuck Valley Financial Corp.
Camden National Corp.	SBM Financial, Inc.
Berkshire Hills Bancorp, Inc.	Hampden Bancorp, Inc.
Independent Bank Corp.	Peoples Federal Bancshares, Inc.
Eastern Bank Corp.	Centrix Bank & Trust

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Using the latest publicly available information prior to the announcement of the relevant transaction, Sandler O'Neill reviewed the following transaction metrics: transaction price to LTM earnings per share, transaction price to estimated earnings per share, transaction price to book value per share, transaction price to tangible book value per share and tangible book value premium to core deposits. Sandler O'Neill compared the indicated transaction multiples for the merger to the high, low, mean and median multiples of the Northeast Region Precedent Transactions group as well the Nationwide Precedent Transactions group.

		Nationwide Precedent Transactions			
	Commerce/BHLB	Mean	Median	High	Low
Transaction Price / LTM Earnings Per Share:	14.8x	20.4x	21.4x	36.2x	3.2x
Transaction Price / Estimated Earnings Per Share:	14.9x	22.6x	20.4x	34.1x	13.7x
Transaction Price / Book Value Per Share:	130%	169%	186%	244%	56%
Transaction Price / Tangible Book Value Per Share (at March 31, 2017 and as adjusted for Commerce's Tax Medallion Portfolio(1)):	140% / 196%	190%	194%	261%	103%
Tangible Book Value Premium to Core Deposits:	4.8%	12.1%	11.7%	25.4%	1.0%
		Northeast Region Precedent Transactions			
	Commerce/BHLB	Mean	Median	High	Low
Transaction Price / LTM Earnings Per Share:	14.8x	29.6x	26.2x	60.0x	15.8x
Transaction Price / Estimated Earnings Per Share:	14.9x	34.1x	41.0x	42.5x	18.7x
Transaction Price / Book Value Per Share:	130%	138%	126%	216%	82%
Transaction Price / Tangible Book Value Per Share (at March 31, 2017 and as adjusted for Commerce's Tax Medallion Portfolio(1)):	140% / 196%	146%	135%	216%	82%
Tangible Book Value Premium to Core Deposits:	4.8%	7.5%	6.0%	14.1%	5.3%

(1)

Tangible Book Value per share is adjusted to reflect the after-tax impact of the estimated \$66.7 million write-down of the Taxi Medallion portfolio that Berkshire Hills Bancorp has publicly disclosed that it intends to make as part of its purchase accounting adjustment. The assumed tax rate of 35% was provided by Berkshire Hills Bancorp management

Berkshire Hills Bancorp Comparable Company Analyses. Sandler O'Neill used publicly available information to compare selected financial information for Berkshire Hills Bancorp with a group of financial institutions selected by Sandler O'Neill (the "Berkshire Hills Bancorp Peer Group"). The Berkshire Hills Bancorp Peer Group consisted of banks publicly traded on the NASDAQ, NYSE or NYSE MKT headquartered in the Mid-Atlantic or Northeast Regions with assets between \$6.0 billion and \$12.0 billion, excluding announced merger targets and banks headquartered in Puerto Rico. The Berkshire Hills Bancorp Peer Group consisted of the following companies:

Customers Bancorp, Inc.	NBT Bancorp, Inc.
Community Bank System, Inc.	Boston Private Financial Holdings, Inc.
Independent Bank Corp.	Eagle Bancorp, Inc.
S&T Bancorp, Inc.	First Commonwealth Financial Corporation
Brookline Bancorp, Inc.	Tompkins Financial Corporation

Flushing Financial Corporation

The analysis compared publicly available financial information for Berkshire Hills Bancorp as of or for the LTM period ended March 31, 2017 with the corresponding publicly available data for the Berkshire Hills Bancorp Peer Group as of or for the LTM period ended March 31, 2017 (unless otherwise noted), with pricing data as of May 17, 2017. The table below sets forth the data for Berkshire Hills Bancorp and the high, low, median and mean data for the Berkshire Hills Bancorp Peer Group.

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		Berkshire Hills Bancorp Peer Group			
	BHLB	Mean	Median	High	Low
Total Assets (in millions)	\$ 9,298	\$ 7,608	\$ 7,090	\$ 9,907	\$ 6,231
Market Value (in millions)	\$ 1,288	\$ 1,399	\$ 1,198	\$ 2,743	\$ 806
Price/Tangible Book Value	190%	220%	219%	334%	136%
Price/LTM Earnings Per Share	19.9x	17.8x	18.9x	23.1x	11.9x
Price/Mean Analyst 2017E Earnings Per Share(1)	15.3x	17.2x	17.7x	22.1x	10.8x
Current Dividend Yield	2.3%	2.3%	2.5%	3.0%	0.0%
LTM Efficiency ratio	61.0%	56.7%	58.7%	67.9%	39.7%
LTM Net Interest Margin	3.31%	3.36%	3.42%	4.14%	2.80%
LTM Return on Average Assets	0.70%	1.06%	1.01%	1.53%	0.87%
LTM Return on Average Equity	6.06%	9.94%	9.43%	13.35%	7.90%
Tangible Common Equity/Tangible Assets	7.64%	8.18%	8.19%	10.85%	6.65%
CRE Concentration Ratio	251.3%	298.6%	308.8%	548.0%	54.3%
Loans/Deposits(2)	100.0%	97.0%	98.8%	117.4%	67.2%
NPAs(3)/Total Assets(4)	0.58%	0.60%	0.56%	1.09%	0.29%

(1)

Based on publicly available mean analyst earnings per share estimates.

(2)

Financial data for NBT Bancorp, Inc. and Tompkins Financial Corporation as of December 31, 2016

(3)

Nonperforming assets defined as nonaccrual and renegotiated loans and leases, and real estate owned

(4)

Financial data for Customers Bancorp, Inc. and NBT Bancorp, Inc. as of December 31, 2016

Berkshire Hills Bancorp Stock Trading History. Sandler O'Neill reviewed the historical stock price performance of Berkshire Hills Bancorp common stock for the one and three-year periods ended May 17, 2017. Sandler O'Neill then compared the relationship between the stock price performance of Berkshire Hills Bancorp's common stock to movements in its peer group (as described above) as well as certain stock indices.

Berkshire Hills Bancorp One-Year Stock Price Performance

	Beginning May 17, 2016	Ending May 17, 2017
Berkshire Hills Bancorp	100.0%	137.5%
Berkshire Hills Bancorp Peer Group	100.0%	130.3%
NASDAQ Index	100.0%	131.2%
S&P 500 Index	100.0%	115.1%

Berkshire Hills Bancorp Three-Year Stock Price Performance

	Beginning May 17, 2014	Ending May 17, 2017
Berkshire Hills Bancorp	100.0%	161.3%
Berkshire Hills Bancorp Peer Group	100.0%	154.4%
NASDAQ Bank Index	100.0%	145.8%
S&P 500 Index	100.0%	125.5%

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Berkshire Hills Bancorp Net Present Value Analyses. Sandler O'Neill performed an analysis that estimated the net present value per share of Berkshire Hills Bancorp common stock assuming that Berkshire Hills Bancorp performed in accordance with publicly available consensus mean analyst earnings per share estimates for the years ending December 31, 2017 and December 31, 2018, as well as an estimated long-term annual earnings per share growth rate for Berkshire Hills Bancorp for the years thereafter, as provided by the senior management of Berkshire Hills Bancorp. To approximate the terminal value of Berkshire Hills Bancorp common stock at December 31, 2021, Sandler O'Neill applied price to 2021 earnings per share multiples ranging from 16.0x to 21.0x and price to December 31, 2021 tangible book value per share multiples ranging from 165% to 240%. The terminal values were then discounted to present values using different discount rates ranging from 8.0% to 12.0% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Berkshire Hills Bancorp common stock. As illustrated in the following tables, the analysis indicated an imputed range of values per share of Berkshire Hills Bancorp common stock of \$31.68 to \$47.98 when applying multiples of earnings per share and \$29.52 to \$49.07 when applying multiples of tangible book value per share.

Earnings Per Share Multiples

Discount Rate	16.0x	17.0x	18.0x	19.0x	20.0x	21.0x
8.0%	\$ 37.39	\$ 39.51	\$ 41.63	\$ 43.74	\$ 45.86	\$ 47.98
9.0%	\$ 35.85	\$ 37.88	\$ 39.90	\$ 41.93	\$ 43.96	\$ 45.98
10.0%	\$ 34.39	\$ 36.33	\$ 38.27	\$ 40.21	\$ 42.15	\$ 44.09
11.0%	\$ 33.00	\$ 34.86	\$ 36.72	\$ 38.58	\$ 40.44	\$ 42.29
12.0%	\$ 31.68	\$ 33.46				