BERKSHIRE HILLS BANCORP INC Form 10-Q August 11, 2014 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2014

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from

to

Commission File Number: 001-15781

BERKSHIRE HILLS BANCORP, INC.

(Exact name of registrant as specified in its charter)

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Delaware

04-3510455

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

24 North Street, Pittsfield, Massachusetts

01201 (Zip Code)

(Address of principal executive offices)

Registrant s telephone number, including area code: (413) 443-5601

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer o

Accelerated Filer x

Non-Accelerated Filer o

Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes o No x

The Registrant had 25,167,129 shares of common stock, par value \$0.01 per share, outstanding as of August 6, 2014.

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PART I

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

BERKSHIRE HILLS BANCORP, INC.

CONSOLIDATED BALANCE SHEETS

Assets 8 1.62 5.84 1.86 8 1.62 5.84 1.86 8.81 1.86 8.81 1.86 8.86 1.86 8.86 1.86 8.86 1.86 8.86 1.86 8.86 7.55 3.93 Trading security 1.19.71 1.48.40 1.080.668 760.048 760.048 760.048 760.048 870.048 44.921 562.82 760.048 44.921 562.82 760.048 44.921 562.82 760.048 44.921 562.82 760.048 76	(In thousands, except share data)	June 30, 2014	December 31, 2013
Short-term investments 31,236 18,698 Total cash and cash equivalents 112,878 75,539 Trading security 14,971 14,400 Securities available for sale, at fair value 1,080,668 76,048 Securities held to maturity (fair values of \$44,359 and \$45,764) 43,178 44,921 Federal Home Loan Bank stock and other restricted securities 59,479 50,282 Total securities 20,185 15,840 Loans held for sale, at fair value 20,185 15,840 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,379,500 1,417,100 Commercial and industrial loans 727,99 87,293 Commercial and industrial loans 727,99 87,293 Consumer loans 34,50,33 4,180,233 Total loans 4,450,303 4,816,233 Loans be for loan losses 34,353 3,3233 Net loans 86,936 84,459 Ober real estate owned 2,445 2,758 Goodwill 264,77 25,687			
Total cash and cash equivalents 112,878 75,539 Trading security 14,971 14,840 Securities available for sale, at fair value 1,080,668 760,048 Securities held to maturity (fair values of \$44,359 and \$45,764) 43,178 44,921 Federal Home Loan Bank stock and other restricted securities 59,479 50,282 Total securities 20,185 870,091 Loans held for sale, at fair value 20,185 1,584,07 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 69,836 Total loans 4,450,303 4,180,232 Less: Allowance for loan losses (34,353) 33,3323 Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791	Cash and due from banks	\$ 81,642	\$ 56,841
Trading security 14.971 14.840 Securities available for sale, at fair value 1,080,668 760,048 Securities held to maturity (fair values of \$44,359 and \$45,764) 43,178 44,921 Federal Home Loan Bank stock and other restricted securities 59,479 50,282 Total securities 1,198,296 870,091 Loans held for sale, at fair value 20,185 15,840 Residential mortgages 1,379,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 4,450,33 4,180,523 Loss: Allowance for loan losses 34,353 33,323 Net Joans 4,450,30 4,445,00 Net Joans 4,450,30 4,445,00 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Other real estate owned 2,647 25,871 Other real estate owned will be insurance policies 13,761 13,791 Other real estate owned 3,751	Short-term investments		
Trading security 14.971 1.48.00 Securities available for sale, at fair value 1,080,668 760,048 Securities held to maturity (fair values of \$44,359 and \$45,764) 43.178 44.921 Federal Home Loan Bank stock and other restricted securities 59.479 50.282 Total securities 1,198,296 870,091 Loans held for sale, at fair value 20,185 15,840 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 4,450,30 4,180,523 Loss: Allowance for loan losses 4,450,30 4,180,523 Loss: Allowance for loan losses 63,4353 63,323 Net loans 4,450,30 4,450,30 Vother real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other real estate owned 2,647 5,701 Other real estate owned 3,791 5,71 Cash surrender value of bank-owned life insurance policies <t< td=""><td>Total cash and cash equivalents</td><td>· ·</td><td></td></t<>	Total cash and cash equivalents	· ·	
Securities available for sale, at fair values of \$44,359 and \$45,764) 1,080,668 760,048 Securities held to maturity (fair values of \$44,359 and \$45,764) 43,178 44,921 Federal Home Loan Bank stock and other restricted securities 1,198,296 870,091 Loans held for sale, at fair value 20,185 1,584,00 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Consumer loans 4,450,303 4,180,233 Less: Allowance for loan losses 3(3,435) 33,323 Net loans 4,415,950 4,417,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other real estate owned 3,7911 50,711 Cash surrender value of bank-owned life insurance policies 13,761 13,791 Cash surrender value of bank-owned life insurance policies 5,254 54,000	•		
Securities available for sale, at fair values of \$44,359 and \$45,764) 1,080,668 760,048 Securities held to maturity (fair values of \$44,359 and \$45,764) 43,178 44,921 Federal Home Loan Bank stock and other restricted securities 59,479 50,282 Total securities 1,198,296 870,091 Loans held for sale, at fair value 20,185 1,584,074 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,102 Commercial and industrial loans 727,959 687,293 Consumer loans 4450,303 4,180,233 Total loans 4,450,303 4,180,233 Less: Allowance for loan losses 3(34,33) 33,323 Net loans 4,415,500 4,417,200 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other real estate owned 3,7911 50,711 Other real estate owned 3,7911 50	Trading security	14,971	14,840
Federal Home Loan Bank stock and other restricted securities 59,479 50,282 Total securities 1,198,296 870,091 Loans held for sale, at fair value 20,185 15,840 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Cotal loans 4,450,303 4,80,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 26,477 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 5,213 5,672,799 Total deposits		1,080,668	760,048
Total securities 1,198,296 870,091 Loans held for sale, at fair value 20,185 15,840 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,333) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 5,52,54 54,009 Total assets 8,631,374 5,672,799 Liabilites Demand deposits 9,794,574 677,917 NOW deposits 1,425,348 1,338,365	Securities held to maturity (fair values of \$44,359 and \$45,764)	43,178	44,921
Loans held for sale, at fair value 20,185 15,840 Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses 3(3,333) (33,333) Net loans 4,415,950 4,147,000 Premises and equipment, net 86,936 84,459 Other real estate owned 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bark-owned life insurance policies 102,988 101,530 Deferred tax assets, net 55,254 54,009 Total assets 5,5254 5,672,799 Valuation \$ 794,574 \$ 677,917 NOW deposits \$ 794,574 \$ 677,917 NOW deposits \$ 794,574 \$ 677,917 NOW apposits \$ 748,770 431,496 Total deposits \$ 748,770	Federal Home Loan Bank stock and other restricted securities	59,479	50,282
Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets \$ 794,574 \$ 677,917 NOW deposits \$ 794,574 \$ 677,917 Money market deposits \$ 794,574 \$ 677,917 Money market deposits 416,879 353,612 Money market deposits 478,770	Total securities	1,198,296	870,091
Residential mortgages 1,397,231 1,384,274 Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets \$ 794,574 \$ 677,917 NOW deposits \$ 794,574 \$ 677,917 Money market deposits \$ 794,574 \$ 677,917 Money market deposits 416,879 353,612 Money market deposits 478,770			
Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 4,478,563 3,848,529	Loans held for sale, at fair value	20,185	15,840
Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 4,478,563 3,848,529			
Commercial real estate 1,579,500 1,417,120 Commercial and industrial loans 727,959 687,293 Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 4,478,563 3,848,529	Residential mortgages	1,397,231	1,384,274
Consumer loans 745,613 691,836 Total loans 4,450,303 4,180,523 Less: Allowance for loan losses 34,353 33,323 Net loans 4,15,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 102,988 101,530 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 5,672,799 Liabilities Demand deposits 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 4,78,770 431,496 Time deposits 4,78,770 431,496 Time deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510		1,579,500	1,417,120
Total loans 4,450,303 4,180,523 Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 55,254 56,72,799 Liabilities V 416,879 353,612 Money market deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Commercial and industrial loans	727,959	687,293
Less: Allowance for loan losses (34,353) (33,323) Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities *** Demand deposits** 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,010,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Consumer loans	745,613	691,836
Net loans 4,415,950 4,147,200 Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities Demand deposits 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,852 Savings deposits 1,425,348 1,383,852 Time deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Total loans	4,450,303	4,180,523
Premises and equipment, net 86,936 84,459 Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets \$6,311,374 \$5,672,799 Liabilities Demand deposits \$794,574 \$677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,01,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Less: Allowance for loan losses	(34,353)	(33,323)
Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities V 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Net loans	4,415,950	4,147,200
Other real estate owned 2,445 2,758 Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities V 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510			
Goodwill 264,770 256,871 Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets 6,311,374 5,672,799 Liabilities Demand deposits 794,574 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Premises and equipment, net	86,936	84,459
Other intangible assets 13,761 13,791 Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets \$ 6,311,374 \$ 5,672,799 Liabilities Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Other real estate owned	2,445	2,758
Cash surrender value of bank-owned life insurance policies 102,988 101,530 Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets \$ 6,311,374 \$ 5,672,799 Liabilities Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Goodwill	264,770	256,871
Deferred tax assets, net 37,911 50,711 Other assets 55,254 54,009 Total assets \$ 6,311,374 \$ 5,672,799 Liabilities Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Other intangible assets	13,761	13,791
Other assets 55,254 54,009 Total assets \$ 6,311,374 \$ 5,672,799 Liabilities Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Cash surrender value of bank-owned life insurance policies	102,988	101,530
Total assets \$ 6,311,374 \$ 5,672,799 Liabilities Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Deferred tax assets, net	37,911	50,711
Liabilities Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Other assets	55,254	54,009
Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Total assets	\$ 6,311,374	\$ 5,672,799
Demand deposits \$ 794,574 \$ 677,917 NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510			
NOW deposits 416,879 353,612 Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Liabilities		
Money market deposits 1,425,348 1,383,856 Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Demand deposits	\$ 794,574	\$ 677,917
Savings deposits 478,770 431,496 Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	NOW deposits	416,879	353,612
Time deposits 1,362,992 1,001,648 Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510	Money market deposits	1,425,348	1,383,856
Total deposits 4,478,563 3,848,529 Short-term debt 900,000 872,510		478,770	431,496
Short-term debt 900,000 872,510	Time deposits	1,362,992	1,001,648
	Total deposits	4,478,563	3,848,529
Long-term Federal Home Loan Bank advances 64,179 101,918	Short-term debt	900,000	872,510
	Long-term Federal Home Loan Bank advances	64,179	101,918

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Total borrowings 1.053.892 1.064,1	07
1,000,052	
Other liabilities 88,456 82,1	.01
Total liabilities 5,620,911 4,994,7	37
Stockholders equity	
Common stock (\$.01 par value; 50,000,000 shares authorized and 26,525,466 shares issued	
and 25,115,138 shares outstanding in 2014; 26,525,466 shares issued and 25,036,169 shares	
outstanding in 2013) 265 2	265
Additional paid-in capital 585,340 587,2	247
Unearned compensation (6,888)	663)
Retained earnings 142,249 141,9	158
Accumulated other comprehensive income (loss) 4,276 (9,0) 57)
Treasury stock, at cost (1,410,328 shares in 2014 and 1,489,297 shares in 2013) (34,779)	(88)
Total stockholders equity 690,463 678,0)62
Total liabilities and stockholders equity \$ 6,311,374 \$ 5,672,7	199

The accompanying notes are an integral part of these consolidated financial statements.

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BERKSHIRE HILLS BANCORP, INC.

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,		ded	Six Months Ended June 30,	
(In thousands, except per share data)	2014	,	2013	2014	2013
Interest and dividend income					
Loans	\$ 42,309	\$	45,443 \$	84,803	\$ 92,524
Securities and other	8,866		4,254	16,167	8,054
Total interest and dividend income	51,175		49,697	100,970	100,578
Interest expense					
Deposits	4,478		5,052	9,199	10,415
Borrowings	2,368		3,541	4,676	7,122
Total interest expense	6,846		8,593	13,875	17,537
Net interest income	44,329		41,104	87,095	83,041
Non-interest income					
Loan related income	1,846		2,644	3,094	5,361
Mortgage banking income	691		2,129	1,063	4,346
Deposit related fees	6,610		4,805	12,049	9,064
Insurance commissions and fees	2,460		2,407	5,509	5,404
Wealth management fees	2,294		2,070	4,843	4,334
Total fee income	13,901		14,055	26,558	28,509
Other	402		546	926	890
Gain on sale of securities, net	203		1,005	237	1,005
Loss on termination of hedges				(8,792)	
Total non-interest income	14,506		15,606	18,929	30,404
Total net revenue	58,835		56,710	106,024	113,445
Provision for loan losses	3,989		2,700	7,385	5,100
Non-interest expense					
Compensation and benefits	20,279		18,151	40,138	35,892
Occupancy and equipment	6,656		5,737	13,470	11,505
Technology and communications	3,800		3,480	7,578	6,471
Marketing and promotion	621		603	1,142	1,241
Professional services	1,024		1,764	2,176	3,254
FDIC premiums and assessments	1,029		890	2,038	1,718
Other real estate owned and foreclosures	33		284	556	307
Amortization of intangible assets	1,274		1,345	2,580	2,722
Acquisition, restructuring and conversion related					
expenses	190		775	6,491	5,839
Other	4,357		4,906	8,454	8,469
Total non-interest expense	39,263		37,935	84,623	77,418
Income before income taxes	15,583		16,075	14,016	30,927
Income tax expense	4,119		4,038	3,658	8,425
Net income	\$ 11,464	\$	12,037 \$	5 10,358	,