

BERKSHIRE HILLS BANCORP INC
Form S-4
February 04, 2019

As filed with the Securities and Exchange Commission on February 4, 2019

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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)

60 State Street

Boston, Massachusetts 02109

(800) 773-5601 ext. 133773

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

Richard M. Marotta

President and Chief Executive Officer

60 State Street

Boston, Massachusetts 02109

(800) 773-5601 ext. 133773

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

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Washington, D.C. 20005

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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.

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 13(a) of the Exchange 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	5,920,500 shares(1)	N/A	\$ 159,725,844(2)	\$ 19,359

(1) Represents the estimated maximum number of shares of Berkshire Hills Bancorp, Inc. common stock estimated to be issuable upon the completion of the merger to which this Registration Statement relates.

(2) Pursuant to Rule 457(f), the registration fee was computed on the basis of \$12.95, the market value of the common stock of SI Financial Group, Inc. to be exchanged or cancelled in the Merger, computed in accordance with Rule 457(c), multiplied by 12,334,042, the maximum number of shares of common stock of SI Financial Group, Inc. that may be received by the registrant and/or cancelled upon consummation of the merger.

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.

Information contained herein 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 document shall not constitute an offer to sell or the solicitation of an 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 FEBRUARY 4, 2019

[SI Financial Group, Inc. Logo]

MERGER PROPOSED—YOUR VOTE IS VERY IMPORTANT

Dear SI Financial Group, Inc. Stockholder:

On December 11, 2018, SI Financial Group, Inc. (which we refer to as “SI Financial”) entered into an Agreement and Plan of Merger (which we refer to as the “merger agreement”) with Berkshire Hills Bancorp, Inc. (which we refer to as “Berkshire Hills Bancorp”). Under the merger agreement, SI Financial will merge with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving corporation, in a transaction that we refer to as the “merger”. Immediately following the merger, SI Financial’s wholly-owned subsidiary, Savings Institute Bank and Trust, will merge with and into Berkshire Hills Bancorp’s wholly-owned subsidiary, Berkshire Bank, with Berkshire Bank as the surviving bank.

Under the terms of the merger agreement, each outstanding share of common stock, par value \$0.01 per share, of SI Financial (which we refer to as “SI Financial common stock”) will be converted into the right to receive 0.48 shares (which we refer to as the “merger consideration”) of common stock, par value \$0.01 per share of Berkshire Hills Bancorp (which we refer to as “Berkshire Hills Bancorp common stock”).

Shares of Berkshire Hills Bancorp common stock are listed on the New York Stock Exchange under the symbol “BHLB.” Shares of SI Financial common stock are listed on the Nasdaq Global Market under the symbol “SIFI.” Based on the closing price of Berkshire Hills Bancorp common stock on the New York Stock Exchange on December 11, 2018, the last trading day before public announcement of the merger, the value of the per share merger consideration payable to holders of SI Financial common stock would be \$15.02. Based on the closing price of Berkshire Hills Bancorp common stock on the New York Stock Exchange on [], 2019, the last practicable trading date before the date

of the attached proxy statement/prospectus, the value of the per share merger consideration payable to holders of SI Financial common stock would be \$[]. **You should obtain current market quotations for both Berkshire Hills Bancorp common stock and SI Financial common stock.** Based on the number of shares of SI Financial common stock outstanding and the number of shares of SI Financial common stock issuable pursuant to outstanding SI Financial stock options, in each case as of [], 2019, the total number of shares of Berkshire Hills Bancorp common stock expected to be issued in connection with the merger is approximately 5,920,500. In addition, based on the number of issued and outstanding shares of Berkshire Hills Bancorp common stock and SI Financial common stock on [], 2019, and based on the exchange ratio of 0.48, holders of shares of SI Financial common stock as of immediately prior to the closing of the merger will hold, in the aggregate, approximately []% of the issued and outstanding shares of Berkshire Hills Bancorp common stock immediately following the closing of the merger (without giving effect to any Berkshire Hills Bancorp common stock held by SI Financial's stockholders prior to the merger).

Although the number of shares of Berkshire Hills Bancorp common stock that holders of SI Financial common stock will be entitled to receive is fixed, the market value of the merger consideration will fluctuate with the market price of Berkshire Hills Bancorp common stock and will not be known at the time SI Financial stockholders vote on the merger. However, SI Financial has the right to terminate the merger agreement if, at any time during a five-day period commencing on the tenth day prior to closing, the average closing price of Berkshire Hills Bancorp common stock over the 20 consecutive trading days prior to the tenth day prior to closing (i) is less than \$24.99 and (ii) fails to meet certain comparison thresholds relative to the Nasdaq Bank Index, as further described in the accompanying proxy statement/prospectus. If SI Financial elects to exercise this termination right, then Berkshire Hills Bancorp has the option to override the proposed termination by increasing the exchange ratio to a level that would eliminate the effects of either of the two requirements of this termination right.

SI Financial is holding a special meeting for its stockholders to vote on the proposals necessary to complete the merger. The merger cannot be completed unless a majority of the shares of common stock of SI Financial outstanding and entitled to vote at the special meeting vote to approve the merger agreement. At the special meeting, SI Financial's stockholders will also be asked to vote on (i) the non-binding, advisory proposal to approve the compensation that certain named executive officers of SI Financial may receive that is based on or otherwise relates to the merger and (ii) a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies in favor of the merger proposal. The special meeting of stockholders of SI Financial will be held at [] on [], [], 2019 at [] a.m., Eastern Time. **SI Financial's board of directors has unanimously determined that the merger and the merger agreement are in the best interests of SI Financial and its stockholders and unanimously recommends that you vote "FOR" the approval of the merger agreement and "FOR" the other matters to be considered at the special meeting.**

Whether or not you plan to attend the special meeting, please take the time to vote by completing the enclosed proxy card and mailing it in the enclosed envelope. To ensure your representation at the special meeting, please promptly complete sign, date and return the enclosed proxy card in the enclosed postage-paid envelope or by submitting a proxy through the Internet or by telephone as described on the enclosed instructions. If you hold your shares in "street name," you should instruct your broker, bank or other nominee how to vote in accordance with the voting instruction form you receive from your broker, bank or other nominee.

The accompanying document is being delivered to SI Financial stockholders as Berkshire Hills Bancorp's prospectus for its offering of Berkshire Hills Bancorp common stock in connection with the merger, and as a proxy statement for the solicitation of proxies from SI Financial stockholders to vote for the approval of the merger agreement.

This proxy statement/prospectus provides you with detailed information about the proposed merger. It also contains or references information about Berkshire Hills Bancorp and SI Financial and related matters. You are encouraged to read this document carefully. **In particular, you should read the "Risk Factors" section beginning on page [] for a discussion of certain risks you should consider in evaluating the proposed merger and how it will affect you.**

Voting procedures are described in this proxy statement/prospectus. Your vote is important and I urge you to cast it promptly.

Sincerely,

Rheo A. Brouillard
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger or the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Berkshire Hills Bancorp or SI Financial, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This proxy statement/prospectus is dated [], 2019, and is first being mailed to SI Financial stockholders on or about [], 2019.

ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Berkshire Hills Bancorp and SI Financial from documents that Berkshire Hills and SI Financial have previously filed with the Securities and Exchange Commission (which we refer to as the “SEC”) that are not included in or delivered with the proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Berkshire Hills Bancorp or SI Financial at no cost from the SEC’s website at www.sec.gov. You will also be able to obtain these documents, free of charge, from Berkshire Hills Bancorp at www.ir.berkshirebank.com or from SI Financial at www.mysifi.com. These documents are also available without charge to you upon written or oral request to the applicable company’s principal executive offices. The respective addresses and telephone numbers of such principal executive offices are listed below:

Berkshire Hills Bancorp, Inc. 60 State Street Boston, Massachusetts 02109 Attention: Investor Relations Manager (800) 773-5601, ext. 13373	SI Financial Group, Inc. 803 Main Street Willimantic, Connecticut 06226 Attention: Investor Relations (860) 456-6514
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To obtain timely delivery of these documents, you must request them no later than [] in order to receive them before SI Financial’s special meeting of stockholders.

For a more detailed description of the information incorporated by reference into the proxy statement/prospectus and how you may obtain it, see the section entitled “Where You can Find More Information.”

You should rely only on the information contained in, or incorporated by reference into, the proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, the proxy statement/prospectus. The proxy statement/prospectus is dated [], 2019, and you should assume that the information in the proxy statement/prospectus is accurate only as of such date unless information specifically indicates that another date applies.

The proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction.

SI FINANCIAL GROUP, INC.

803 MAIN STREET

WILLIMANTIC, CONNECTICUT 06226

NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON []

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders (which we refer to as the “special meeting”) of SI Financial Group, Inc. (which we refer to as “SI Financial”) will be held on [] at [] [] .m., Eastern Time, at [], for the following purposes:

1. To consider and vote upon a proposal to approve the Agreement and Plan of Merger, dated as of December 11, 2018 (which we refer to as the “merger agreement”), by and between Berkshire Hills Bancorp, Inc. and SI Financial and the transactions contemplated thereby, in (which proposal we refer to as the “merger proposal”);
2. To consider and vote upon an advisory, non-binding proposal to approve compensation payable to the named executive officers of SI Financial in connection with the merger (which proposal we refer to as the “merger-related compensation proposal”); and
3. To approve one or more adjournments of the special meeting if necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger proposal (which proposal we refer to as the “adjournment proposal”).

The merger is described in more detail in this proxy statement/prospectus, which you should read carefully in its entirety before voting. A copy of the merger agreement is attached as Appendix A to this proxy statement/prospectus. Only SI Financial stockholders of record as of the close of business on [], 2019, are entitled to notice of and to vote at the special meeting or any adjournments or postponements of the special meeting.

The affirmative vote of the holders of a majority of the outstanding shares of SI Financial common stock is required to approve the merger proposal. The affirmative vote of the holders of at least a majority of the votes cast at the special meeting is required to approve each of the merger-related compensation proposal and the adjournment proposal.

SI Financial’s board of directors unanimously recommends that you vote “FOR” the merger proposal, “FOR” the merger-related compensation proposal, and “FOR” the adjournment proposal.

To ensure your representation at the special meeting, please follow the voting procedures described in the accompanying proxy statement/prospectus and on the enclosed proxy card. This will not prevent you from voting in person, but it will help to secure a quorum and allow your shares to be voted should anything prevent your attendance in person. Your proxy may be revoked at any time before it is voted by following the instructions provided in the proxy statement/prospectus.

BY ORDER OF THE BOARD OF DIRECTORS

Rheo A. Brouillard
President and Chief Executive Officer

Willimantic, Connecticut

[], 2019

YOUR VOTE IS IMPORTANT!

WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING IN PERSON, PLEASE SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE BY COMPLETING, SIGNING AND DATING THE ENCLOSED PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. If your shares are held in the name of a bank, broker or other nominee, please follow the instructions on the voting instruction card furnished to you by such record holder.

If you have any questions concerning the merger or other matters to be considered at the special meeting, would like additional copies of this proxy statement/prospectus or need help voting your shares, please contact SI Financial's proxy solicitor:

[Proxy Solicitor Information]

PLEASE DO NOT SEND STOCK CERTIFICATES WITH THE PROXY CARD. YOU WILL BE SENT SEPARATE INSTRUCTIONS REGARDING THE SURRENDER OF YOUR STOCK CERTIFICATES.

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	<u>2</u>
<u>SUMMARY</u>	<u>8</u>
<u>RISK FACTORS</u>	<u>14</u>
<u>CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS</u>	<u>18</u>
<u>SELECTED HISTORICAL FINANCIAL INFORMATION</u>	<u>20</u>
<u>SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF BERKSHIRE HILLS BANCORP</u>	<u>20</u>
<u>Berkshire Hills Bancorp NON-GAAP FINANCIAL MEASURES</u>	<u>22</u>
<u>BERKSHIRE HILLS BANCORP RECONCILIATION OF NON-GAAP FINANCIAL MEASURES</u>	<u>23</u>
<u>SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF SI FINANCIAL</u>	<u>24</u>
<u>UNAUDITED COMPARATIVE PRO FORMA PER SHARE DATA</u>	<u>25</u>
<u>MARKET PRICE AND DIVIDEND INFORMATION</u>	<u>26</u>
<u>SPECIAL MEETING OF SI FINANCIAL STOCKHOLDERS</u>	<u>27</u>
<u>SI FINANCIAL PROPOSALS</u>	<u>30</u>
<u>THE MERGER</u>	<u>31</u>
<u>THE MERGER AGREEMENT</u>	<u>59</u>
<u>DESCRIPTION OF BERKSHIRE HILLS BANCORP CAPITAL STOCK</u>	<u>71</u>
<u>COMPARISON OF RIGHTS OF STOCKHOLDERS</u>	<u>73</u>
<u>MANAGEMENT AFTER THE MERGER</u>	<u>79</u>
<u>SI FINANCIAL GROUP, INC. STOCK OWNERSHIP</u>	<u>80</u>
<u>LEGAL MATTERS</u>	<u>82</u>
<u>EXPERTS</u>	<u>82</u>
<u>STOCKHOLDER PROPOSALS</u>	<u>82</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>82</u>
<u>Appendix A Agreement and Plan of Merger</u>	<u>A-1</u>
<u>Appendix B Opinion of Keefe, Bruyette & Woods, Inc.</u>	<u>B-1</u>

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

The following are answers to certain questions that you may have regarding the merger and the special meeting. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the appendices to, and the documents incorporated by reference in, this proxy statement/prospectus.

Q: WHY AM I RECEIVING THIS DOCUMENT?

Berkshire Hills Bancorp, Inc. (which we refer to as “Berkshire Hills Bancorp”) and SI Financial Group, Inc. (which we refer to as “SI Financial”) have agreed to combine under the terms of an Agreement and Plan of Merger dated as of December 11, 2018 (which we refer to as the “merger agreement”), that is described in this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Appendix A. In order to complete the merger of SI Financial with and into Berkshire Hills Bancorp (which we refer to as the “merger”), the stockholders of SI Financial must vote to approve the merger agreement. SI Financial will hold a special meeting of its stockholders to obtain these approvals. This proxy statement/prospectus contains important information about the merger, the merger agreement, the special meeting of SI Financial stockholders, and other related matters, and you should read it carefully.

The merger cannot be completed unless SI Financial stockholders vote to approve the merger agreement. With this proxy statement/prospectus, SI Financial’s board of directors is soliciting proxies from SI Financial stockholders to obtain this approval at the special meeting discussed below.

Q: WHAT WILL SI FINANCIAL STOCKHOLDERS RECEIVE IN THE MERGER?

If the merger proposal is approved and the merger is subsequently completed, SI Financial stockholders will receive 0.48 shares of Berkshire Hills Bancorp common stock for each share of SI Financial common stock held immediately prior to the merger. Berkshire Hills Bancorp will not issue any fractional shares of Berkshire Hills Bancorp common stock in the merger. SI Financial stockholders who would otherwise be entitled to a fractional share of Berkshire Hills Bancorp common stock upon the completion of the merger will instead receive an amount in cash equal to the product of (i) the fraction of a share of Berkshire Hills Bancorp common stock to which a SI Financial stockholder would otherwise be entitled multiplied by (ii) the average of the daily closing sale prices of Berkshire Hills Bancorp common stock as reported on the New York Stock Exchange for the ten consecutive trading days ending on the third business day prior to the closing date of the merger.

Q: HOW WILL THE MERGER AFFECT SI FINANCIAL STOCK OPTIONS?

At the effective time of the merger, all outstanding and unexercised options to purchase SI Financial common stock will fully vest and be converted into options to purchase a number of shares of Berkshire Hills Bancorp common stock (rounded down to the nearest whole share) determined by multiplying (i) the number of shares of SI Financial common stock subject to such SI Financial stock option immediately prior to the effective time by (ii) 0.48; and the exercise price per share of the new option will be equal to the quotient obtained by dividing (a) the per share exercise price for the shares of SI Financial common stock subject to such SI Financial option by (b) 0.48 (rounded up to the nearest whole cent).

Q: WILL THE VALUE OF THE MERGER CONSIDERATION CHANGE BETWEEN THE DATE OF THIS PROXY STATEMENT/PROSPECTUS AND THE TIME THAT THE MERGER IS COMPLETED?

Yes. Although the exchange ratio is fixed, the value of the merger consideration will fluctuate between the date of this proxy statement/prospectus and the completion of the merger based on the market value of Berkshire Hills Bancorp common stock. Any change in the market price of Berkshire Hills Bancorp common stock after the date of this proxy statement/prospectus will change the value of the merger consideration that SI Financial stockholders will receive.

Q: WHAT WILL HAPPEN TO SI FINANCIAL AS A RESULT OF THE MERGER?

If the merger is completed, SI Financial will merge with and into Berkshire Hills Bancorp, and SI Financial's separate corporate existence will cease to exist. Immediately following the merger, Savings Institute Bank and Trust Company, a Connecticut savings bank and wholly owned subsidiary of SI Financial (which we refer to as "Savings Institute Bank and Trust"), will merge with and into Berkshire Bank, a Massachusetts trust company and wholly owned subsidiary of Berkshire Hills Bancorp, with Berkshire Bank being the surviving bank, in a transaction we refer to as the "bank merger".

Q: WHEN WILL THE MERGER BE COMPLETED?

A: We expect the merger will be completed when all of the conditions to completion contained in the merger agreement are satisfied or waived, including the receipt of required regulatory approvals and the approval of the merger agreement by SI Financial stockholders at the special meeting. We currently expect to complete the merger in the second quarter of 2019. However, because fulfillment of some of the conditions to completion of the merger, such as the receipt of required regulatory approvals, is not entirely within our control, we cannot predict the actual timing of the completion of the merger.

Q: WHAT HAPPENS IF THE MERGER IS NOT COMPLETED?

A: If the merger is not completed, SI Financial stockholders will not receive any consideration for their shares of common stock in connection with the merger. Instead, SI Financial will remain an independent company and its common stock will continue to be listed and traded on the Nasdaq Global Market. Under specified circumstances, SI Financial may be required to pay to Berkshire Hills Bancorp a fee with respect to the termination of the merger agreement. For more information, please review the sections entitled “Terminating the Merger Agreement” and “Termination Fee” beginning on page [].

Q: WHERE CAN I FIND MORE INFORMATION ABOUT BERKSHIRE HILLS BANCORP AND SI FINANCIAL?

A: You can find more information about Berkshire Hills Bancorp and SI Financial from the various sources described under the section entitled “Where You Can Find More Information” at the end of this proxy statement/prospectus.

Q: WHEN AND WHERE IS THE SPECIAL MEETING?

A: SI Financial will hold a special meeting of its stockholders on [], at [] [] .m., Eastern Time, at [].

Q: WHO CAN VOTE AT THE SPECIAL MEETING?

A: Holders of record of SI Financial common stock at the close of business on [], 2019, the record date for the special meeting, are entitled to vote at the special meeting.

Q: HOW MANY VOTES MUST BE REPRESENTED IN PERSON OR BY PROXY AT THE SI FINANCIAL SPECIAL MEETING TO HAVE A QUORUM?

A:

The holders of a majority of all of the shares of SI Financial common stock entitled to vote at the special meeting, present in person or represented by proxy, will constitute a quorum at the special meeting.

Q: WHAT MATTERS ARE SI FINANCIAL STOCKHOLDERS BEING ASKED TO APPROVE AT THE SPECIAL MEETING?

A: SI Financial stockholders are being asked to vote on the following:

A proposal to approve the merger agreement, a copy of which is attached as Appendix A, and the transactions contemplated thereby, which we refer to as the “merger proposal”;

A proposal to approve, on an advisory, non-binding basis, compensation payable to the named executive officers of SI Financial in connection with the merger, which we refer to as the merger-related compensation proposal; and

A proposal to approve one or more adjournments of the special meeting if necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger proposal, which we refer to as the “adjournment proposal.”

Q: WHAT VOTE BY SI FINANCIAL STOCKHOLDERS IS REQUIRED TO APPROVE THE SPECIAL MEETING PROPOSALS?

Merger Proposal: Approval of the merger proposal requires the affirmative vote of a majority of the outstanding A: shares of SI Financial common stock entitled to vote on the merger agreement. Abstentions and broker non-votes will have the same effect as a vote against the merger proposal.

Merger-Related Compensation Proposal and Adjournment Proposal: Approval of the merger-related compensation proposal and the adjournment proposal each requires the affirmative vote of a majority of the votes cast on the proposal. Abstentions and broker non-votes will not affect whether either proposal is approved.

As of the record date for the special meeting, directors and senior executive officers of SI Financial, together with their affiliates, had sole or shared voting power over approximately []% of the SI Financial common stock outstanding and entitled to vote at the special meeting. Pursuant to the terms of the merger agreement, each of the directors and certain of the senior executive officers of SI Financial have entered into voting agreements with Berkshire Hills Bancorp pursuant to which they have agreed to vote an aggregate of 330,753 shares of SI Financial common stock in favor of the merger proposal at the special meeting.

Q: HOW MAY THE SI FINANCIAL STOCKHOLDERS VOTE THEIR SHARES FOR THE SPECIAL MEETING PROPOSALS PRESENTED IN THIS PROXY STATEMENT/PROSPECTUS?

SI Financial stockholders may vote by completing, signing, dating and returning the proxy card in the enclosed prepaid return envelope, or by following the telephone or Internet voting instructions on the proxy card as soon as possible, or by attending the special meeting and voting in person. This will enable your shares to be represented A: and voted at the special meeting. If your stock is held in "street name," you will receive instructions from your broker, bank or other nominee that you must follow to have your shares voted. Your broker, bank or other nominee may allow you to deliver your voting instructions via the telephone or the Internet. Please review the proxy card or instruction form provided by your broker, bank or other nominee that accompanies this proxy statement/prospectus.

Q: WILL A BROKER OR BANK HOLDING SHARES IN "STREET NAME" FOR A SI FINANCIAL STOCKHOLDER AUTOMATICALLY VOTE THOSE SHARES FOR THE STOCKHOLDER AT THE SPECIAL MEETING?

No. A broker or bank **WILL NOT** be able to vote your shares with respect to the merger proposal without first receiving instructions from you on how to vote. If your shares are held in "street name," you will receive separate voting instructions with your proxy materials. It is important that you provide timely instruction to your broker or A: bank to ensure that all shares of SI Financial common stock that you own are voted at the special meeting. The failure of a SI Financial stockholder whose shares of SI Financial common stock are held in "street name" to give voting instructions to the broker or bank will have the same effect as a vote "**AGAINST**" the merger proposal.

IF I AM A PARTICIPANT IN SI FINANCIAL'S ESOP, SI FINANCIAL'S 401(K) PLAN OR SI FINANCIAL'S EQUITY INCENTIVE PLAN, HOW WILL SHARES OWNED THROUGH SUCH PLANS BE VOTED?

If you participate in the Savings Institute Bank and Trust Company Employee Stock Ownership Plan (which we refer to as the "Savings Institute ESOP") or if you hold shares of SI Financial common stock through the Savings Institute Bank and Trust Company Profit Sharing and 401(k) Plan (which we refer to as the "Savings Institute 401(k) Plan"), or if you are a participant in SI Financial's 2012 Equity Incentive Plan (which we refer to as the "SI Financial Equity Incentive Plan") you will receive a voting instruction card for each plan that reflects all shares you may direct A: the trustees to vote on your behalf under the plans. Under the terms of the Savings Institute ESOP, the Savings Institute ESOP trustee votes all allocated shares of SI Financial common stock held by the Savings Institute ESOP as directed by the plan participants. The Savings Institute ESOP trustee, subject to the exercise of its fiduciary duties, will vote all unallocated shares of SI Financial common stock held by the Savings Institute ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions.

Under the terms of the Savings Institute 401(k) Plan, a participant is entitled to direct the trustee how to vote the shares of SI Financial common stock held in the SI Financial Stock Fund and credited to his or her Savings Institute 401(k) Plan account. The trustee will vote all shares for which no directions are given or for which instructions were not timely received in the same proportion as shares for which the trustee received voting instructions.

Under the terms of the SI Financial Equity Incentive Plan, participants may direct the plan trustee on how to vote the unvested shares of restricted stock awards and performance shares. The plan trustee will vote all shares held in the trust for which it does not receive timely instructions as directed by SI Financial.

Q: WILL SI FINANCIAL STOCKHOLDERS BE ABLE TO VOTE THEIR SHARES AT THE SPECIAL MEETING IN PERSON?

Yes. Submitting a proxy will not affect the right of any stockholder to vote in person at the special meeting. If you hold your shares in “street name” and wish to attend the special meeting, you must ask your broker or bank how to vote those shares in person at the special meeting.

Q: MAY A SI FINANCIAL STOCKHOLDER CHANGE OR REVOKE HIS OR HER VOTE AFTER SUBMITTING A PROXY?

A: Yes. If you have not voted through your broker, you can change your vote by:

providing written notice of revocation to Laurie L. Gervais, Corporate Secretary, SI Financial Group, Inc., which must be provided by the time the special meeting begins;

- submitting a new proxy card (any earlier proxies will be revoked automatically); or

attending the special meeting and voting in person. Any earlier proxy will be revoked. However, simply attending the special meeting without voting will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow your broker’s directions to change your vote.

Q: WHAT SHOULD A SI FINANCIAL STOCKHOLDER DO IF HE OR SHE RECEIVES MORE THAN ONE SET OF VOTING MATERIALS?

As a SI Financial stockholder, you may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold your SI Financial shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold SI Financial shares. In addition, if you are a holder of record and your SI Financial shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this proxy statement/prospectus in the section entitled “Special Meeting of SI Financial Stockholders.”

Q: DO SI FINANCIAL STOCKHOLDERS HAVE DISSENTERS’ OR APPRAISAL RIGHTS?

A: No. Under the Maryland General Corporation Law (the “MGCL”) and the articles of incorporation of SI Financial, SI Financial stockholders do not have appraisal rights in connection with the merger.

Q: WHAT DOES SI FINANCIAL’S BOARD OF DIRECTORS RECOMMEND WITH RESPECT TO THE THREE PROPOSALS?

A: SI Financial’s board of directors unanimously (i) determined that the merger agreement and the merger are in the best interests of SI Financial and its stockholders, (ii) approved the merger agreement and recommended that the SI Financial stockholders approve the merger agreement, and (iii) directed that the merger agreement be submitted for consideration by the SI Financial stockholders. Accordingly, the SI Financial board of directors unanimously recommends that SI Financial stockholders vote **“FOR”** the merger proposal, **“FOR”** the merger-related compensation proposal and **“FOR”** the adjournment proposal.

Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO SI FINANCIAL STOCKHOLDERS?

It is a condition to the completion of the merger that Berkshire Hills Bancorp and SI Financial receive written opinions from their respective counsel to the effect that the merger will be treated as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the “Internal Revenue Code.” Subject to the limitations and qualifications described in the section entitled “The Merger—Material U.S. Federal Income Tax Consequences of the Merger,” if you are a United States holder of SI Financial common stock, generally you will not recognize any gain or loss with respect to the exchange of shares of SI Financial common stock for shares of Berkshire Hills Bancorp common stock in the merger. However, SI Financial stockholders generally will recognize gain or loss with respect to cash received in lieu of fractional shares of Berkshire Hills Bancorp common stock that the SI Financial stockholders would otherwise be entitled to receive.

You should read “The Merger—Material U.S. Federal Income Tax Consequences of the Merger” beginning on page [] of this proxy statement/prospectus for more information about the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. **You should consult your tax advisor to determine the tax consequences of the merger to you.**

Q: ARE THERE RISKS INVOLVED IN UNDERTAKING THE MERGER?

A: Yes. You should read and carefully consider the risk factors set forth in the section of this proxy statement/prospectus entitled “Risk Factors” beginning on page [].

Q: WHY ARE SI FINANCIAL STOCKHOLDERS BEING ASKED TO APPROVE, ON AN ADVISORY, NON-BINDING BASIS, CERTAIN MERGER-RELATED EXECUTIVE COMPENSATION?

A: U.S. federal securities laws require SI Financial to seek an advisory, non-binding vote with respect to certain payments that may be made to SI Financial’s named executive officers in connection with the merger.

Q: WHAT WILL HAPPEN IF SI FINANCIAL STOCKHOLDERS DO NOT APPROVE THE MERGER-RELATED COMPENSATION PROPOSAL AT THE SPECIAL MEETING?

A: The vote with respect to the merger-related compensation proposal is an advisory vote and will not be binding on SI Financial. Therefore, if the merger proposal is approved by SI Financial’s stockholders, the merger-related compensation may still be paid to the SI Financial named executive officers if and to the extent required or allowed under applicable law even if SI Financial’s stockholders do not approve the merger-related compensation proposal.

Q: WILL THE MERGER-RELATED COMPENSATION BE PAID IF THE MERGER IS NOT CONSUMMATED?

A: No. Payment of the merger-related compensation is contingent upon the consummation of the merger.

Q: SHOULD SI FINANCIAL STOCKHOLDERS SEND IN THEIR STOCK CERTIFICATES NOW?

No. SI Financial stockholders **SHOULD NOT** send in any stock certificates now. If the merger is approved, A:transmittal materials, with instructions for their completion, will be provided to SI Financial stockholders under separate cover and the stock certificates should be sent at that time.

Q: WHAT SHOULD I DO IF I HOLD MY SHARES OF SI FINANCIAL COMMON STOCK IN BOOK-ENTRY FORM?

A: You are not required to take any special additional actions if your shares of SI Financial common stock are held in book-entry form. Promptly following the completion of the merger, shares of SI Financial common stock held in book-entry form automatically will be exchanged for shares of Berkshire Hills Bancorp common stock in book-entry form and cash to be paid in exchange for fractional shares, if any.

Q: WHAT HAPPENS IF I SELL MY SHARES OF SI FINANCIAL COMMON STOCK BEFORE THE SPECIAL MEETING?

A: The record date for SI Financial stockholders entitled to vote at the special meeting is earlier than both the date of the special meeting and the completion of the merger. If you transfer your shares of SI Financial common stock after the record date but before the special meeting, you will, unless special arrangements are made, retain your right to vote at the special meeting but will transfer the right to receive the merger consideration to the person to whom you transfer your shares.

Q: WHAT DO SI FINANCIAL STOCKHOLDERS NEED TO DO NOW?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, we are requesting you vote by mail, by telephone, by Internet or by attending the special meeting and voting in person. If you choose to vote by mail, you should complete, sign, date and promptly return the enclosed proxy card. The proxy card will instruct the persons named on the proxy card to vote your SI Financial shares at the special meeting as you direct. If you sign and send in a proxy card and do not indicate how you wish to vote, your proxy will be voted **“FOR”** each of the special meeting proposals. Alternatively, you can follow the telephone or Internet voting instructions on your proxy card.

Q: WHO CAN HELP ANSWER MY QUESTIONS?

A: If you have any questions about the merger or the special meeting, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy card, you should contact SI Financial’s proxy solicitor, [], at [] (for stockholders) or [] (for banks and brokers).

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 and the other documents to which this proxy statement/prospectus refers. For more information, see “Where You Can Find More Information,” beginning on page []. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.

The Companies

Berkshire Hills Bancorp, Inc.

60 State Street

Boston, Massachusetts 02109

(800) 773-5601, ext. 13373

Berkshire Hills Bancorp, a Delaware corporation, is a bank holding company headquartered in Boston, 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 trust company with 115 full service branch offices in Massachusetts, Connecticut, New York, Vermont, New Jersey and Pennsylvania. 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 September 30, 2018, Berkshire Hills Bancorp had total assets of \$12.0 billion, total deposits of \$8.8 billion and total stockholders’ equity of \$1.5 billion.

SI Financial Group, Inc.

803 Main Street

Willimantic, Connecticut 06226

(860) 456-6514

SI Financial, a Maryland corporation, is a bank holding company headquartered in Willimantic, Connecticut. SI Financial's common stock is quoted on the Nasdaq Global Market under the symbol "SIFI." SI Financial conducts its operations primarily through Savings Institute Bank and Trust, a Connecticut savings bank that offers products and services to meet the financial needs of its customers through its twenty-three branch offices in eastern Connecticut and Rhode Island. At September 30, 2018, SI Financial had total assets of \$1.6 billion, total deposits of \$1.3 billion and total stockholders' equity of \$170.0 million.

Special Meeting of SI Financial Stockholders; Required Vote (page [])

A special meeting of SI Financial stockholders is scheduled to be held on [] at [] []m., Eastern Time, at []. At the special meeting, you will be asked to vote on a proposal to approve the merger agreement between SI Financial and Berkshire Hills Bancorp. You will also be asked to vote on an advisory, non-binding proposal to approve the merger-related compensation. You may also be asked to vote to adjourn the special meeting if necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement.

Only SI Financial stockholders of record as of the close of business on [] are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

Approval of the merger proposal requires the affirmative vote of a majority of the outstanding shares of SI Financial common stock entitled to vote on the merger agreement. Abstentions and broker non-votes will have the same effect as a vote against the merger proposal.

Approval of the merger-related compensation proposal requires the affirmative vote of a majority of the votes cast on the proposal. Abstentions and broker non-votes will not affect whether the proposal is approved.

Approval of the proposal to adjourn the special meeting requires the affirmative vote of a majority of the votes cast on the proposal. Abstentions and broker non-votes will not affect whether the proposal is approved.

As of the record date, there were [] shares of SI Financial common stock outstanding and entitled to vote. The directors and senior executive officers of SI Financial, as a group, beneficially owned [] shares of SI Financial common stock, representing approximately []% of the outstanding shares of SI Financial common stock as of the record date. Each of the directors and certain senior executive officers of SI Financial have agreed to vote an aggregate of 330,753 shares of SI Financial common stock in favor of the merger proposal at the special meeting.

The Merger and the Merger Agreement (page [])

Berkshire Hills Bancorp's acquisition of SI Financial is governed by the merger agreement. The merger agreement provides that if all of the conditions to the merger contained in the merger agreement are satisfied or waived, SI Financial will be merged with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving entity. **We encourage you to read the merger agreement, which is included as Appendix A to this proxy statement/prospectus.**

In the Merger, SI Financial Stockholders Will Receive Shares of Berkshire Hills Bancorp Common Stock (page [])

Under the merger agreement, each outstanding share of SI Financial common stock will be exchanged for 0.48 shares (which we refer to as the "exchange ratio") of Berkshire Hills Bancorp common stock, plus a cash payment for any fractional shares in an amount equal to the product of (i) the fraction of a share of Berkshire Hills Bancorp common stock to which a SI Financial stockholder otherwise would be entitled multiplied by (ii) the average of the daily closing sales prices of Berkshire Hills Bancorp common stock as reported on the New York Stock Exchange for the ten consecutive trading days ending on the third business day prior to the closing date of the merger.

Treatment of SI Financial Stock Options (page [])

At the effective time of the merger, each SI Financial stock option, whether vested or unvested, outstanding and unexercised immediately prior to the effective time, will fully vest and be converted into an option to purchase a number of shares of Berkshire Hills Bancorp common stock (rounded down to the nearest whole share) determined by multiplying (i) the number of shares of SI Financial common stock subject to such SI Financial stock option immediately prior to the effective time by (ii) 0.48; and the exercise price per share of the new option will be equal to the quotient obtained by dividing (a) the per share exercise price for the shares of SI Financial common stock subject to such SI Financial option by (b) 0.48 (rounded up to the nearest whole cent).

Comparative Market Prices

The following table shows the closing price per share of Berkshire Hills Bancorp common stock and SI Financial common stock on December 11, 2018, which is the last day on which shares of Berkshire Hills Bancorp common stock traded preceding the public announcement of the merger, and on [], 2019, the most recent practicable date prior to the mailing of this proxy statement/prospectus. The table also shows the implied value of the merger consideration, which was computed by multiplying the price of a share of Berkshire Hills Bancorp common stock by the exchange ratio of 0.48. See “the Merger—Consideration to be Received in the Merger” on page [].

	Berkshire Hills Bancorp Common Stock	SI Financial Common Stock	Implied Value of Merger Consideration
December 11, 2018	\$ 31.29	\$ 13.03	\$ 15.02
[]	\$	\$	\$

Recommendation of SI Financial Board of Directors (page [])

The SI Financial board of directors has unanimously approved the merger agreement. The SI Financial board believes that the merger agreement and the merger are in the best interests of SI Financial and its stockholders, and therefore **unanimously recommends that SI Financial stockholders vote “FOR” the merger proposal.** In reaching this decision, SI Financial’s board of directors considered a variety of factors, which are described in the section captioned “The Merger—SI Financial’s Reasons for the Merger and Recommendation of the SI Financial Board of Directors” beginning on page [].

In addition, the SI Financial board of directors unanimously recommends that SI Financial stockholders vote “**FOR**” the merger-related compensation proposal and “**FOR**” the adjournment proposal.

Opinion of SI Financial's Financial Advisor (page [])

In connection with the merger, SI Financial's financial advisor, Keefe, Bruyette & Woods, Inc. ("KBW"), delivered a written opinion, dated December 11, 2018, to the SI Financial board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of SI Financial common stock of the exchange ratio in the proposed merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Appendix B to this proxy statement/prospectus. **The opinion was for the information of, and was directed to, the SI Financial board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion does not address the underlying business decision of SI Financial to engage in the merger or enter into the merger agreement or constitute a recommendation to the SI Financial board of directors in connection with the merger, and it does not constitute a recommendation to any holder of SI Financial common stock as to how to vote or act in connection with the merger or any other matter.**

Interests of SI Financial's Directors and Executive Officers in the Merger that are Different From Yours (page [])

In considering the recommendations of the SI Financial board of directors, SI Financial stockholders should be aware that SI Financial's directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of SI Financial stockholders generally. The SI Financial board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement and in determining to recommend to the SI Financial stockholders that they vote to approve the merger proposal. These interests include:

At the effective time, each SI Financial stock option, whether vested or unvested, outstanding and unexercised immediately prior to the effective time, will fully vest and be converted into an option to purchase a number of shares of Berkshire Hills Bancorp common stock (rounded down to the nearest whole share) determined by multiplying (i) the number of shares of SI Financial common stock subject to such SI Financial stock option immediately prior to the effective time by (ii) 0.48; and the exercise price per share of the new option will be equal to the quotient obtained by dividing (a) the per share exercise price for the shares of SI Financial common stock subject to such SI Financial option by (b) 0.48 (rounded up to the nearest whole cent).

Employment and change in control severance agreements with the executive officers of SI Financial provide for a cash severance payment and continued medical, dental and life insurance coverage in the event of termination of employment without cause or for good reason within one or two years after a change in control.

The supplemental executive retirement plan that SI Financial maintains with Lauren L. Murphy, Chief Financial Officer, provides that, following a change in control, she will be entitled to the normal retirement benefit under such plan even if her employment terminates prior to her normal retirement age.

The supplemental executive retirement plan in which Rheo A. Brouillard, President and Chief Executive Officer, Laurie L. Gervais, Executive Vice President, and Ms. Murphy participate provides a benefit if a change in control occurs prior to the completion of the scheduled repayments of the Savings Institute ESOP acquisition loans.

An agreement that Ms. Gervais has entered into with SI Financial and Berkshire Hills Bancorp pursuant to which she will provide consulting services to Berkshire Hills Bancorp following completion of the merger and an additional payment as consideration for certain restrictive covenants.

An agreement that Ms. Murphy has entered into with SI Financial and Berkshire Hills Bancorp pursuant to which she received a cash payment in 2018 in partial satisfaction of the cash severance payment that would otherwise be payable under her change in control agreement with SI Financial.

Berkshire Hills Bancorp has agreed to appoint Mr. Brouillard to the boards of directors of Berkshire Hills Bancorp and Berkshire Bank.

Director retirement agreements with Mark Alliod and Michael Garvey provide that, following a change in control, they will be entitled to the normal retirement benefit under such agreements even if their service terminates before they satisfy the service requirements under such agreements.

Berkshire Hills Bancorp has agreed to establish an advisory board and invite those individuals who serve on the board of directors of SI Financial as of the date of the merger agreement, other than Mr. Brouillard, to join the advisory board. It is anticipated that the advisory board will meet as requested by the board of directors of Berkshire Bank from and after the effective time of the merger for a term of one year. Each member of the advisory board will be paid an annual retainer fee of \$10,000.

The merger agreement provides SI Financial's directors and officers with rights to indemnification and continued coverage under directors' and officers' liability insurance policies.

Regulatory Matters Relating to the Merger and the Bank Merger (page [])

The merger and the bank merger cannot be completed unless they are first approved by the Federal Deposit Insurance Corporation ("FDIC"), the Massachusetts Commissioner of Banks, the Connecticut Banking Department, the Rhode Island Department of Business Regulation and Division of Banking, and the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Berkshire Hills Bancorp intends to file the required applications. As of the date of this proxy statement/prospectus, Berkshire Hills Bancorp has not received any approvals from these regulators. While Berkshire Hills Bancorp does not know of any reason why it would not obtain regulatory approvals required to consummate the merger in a timely manner, Berkshire Hills Bancorp cannot be certain when or if it will receive such regulatory approvals.

Conditions to Completing the Merger (page [])

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

- approval of the merger agreement by SI Financial stockholders;
- receipt of all required regulatory approvals and the expiration of all statutory waiting periods;
- authorization for listing on the New York Stock Exchange of the shares of Berkshire Hills Bancorp common stock to be issued in the merger;
- effectiveness of the registration statement of which this proxy statement/prospectus is a part of;
-

the absence of any order, decree, injunction, statute, rule or regulation that enjoins or prohibits the consummation of the merger;

- receipt of all requisite third party consents;

performance in all material respects by each of Berkshire Hills Bancorp and SI Financial of its obligations under the merger agreement unless waived by the other party;

receipt by each of Berkshire Hills Bancorp and SI Financial of an opinion from its respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

subject to the materiality standards provided in the merger agreement, the continued accuracy of representations and warranties made on the date of the merger agreement;

- no burdensome governmental condition has been placed on Berkshire Hills Bancorp; and
- no material adverse effect with respect to either party has occurred.

Terminating the Merger Agreement (page [])

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

the merger has not been consummated by December 31, 2019, unless the failure to complete the merger by that time was due to such party's failure to perform or observe the covenants and agreements contained in the merger agreement;

- SI Financial stockholders do not approve the merger agreement at the special meeting;
- a required regulatory approval, consent or waiver is denied or any governmental entity prohibits the consummation of the merger or the transactions contemplated by the merger agreement; or

there is a material breach by the other party of any representation, warranty, covenant or agreement contained in the merger agreement, which breach cannot be cured prior to the closing date, or has not been cured within 30 days after the giving of written notice to such party of such breach.

SI Financial has the right to terminate the merger agreement if, at any time during a five-day period commencing on the tenth day prior to closing, the average closing price of Berkshire Hills Bancorp common stock over the 20 consecutive trading days prior to the tenth day prior to closing (i) is less than \$24.99 and (ii) fails to meet certain comparison thresholds relative to the Nasdaq Bank Index, as further described in the section of this proxy statement/prospectus entitled "The Merger Agreement – Termination of the Merger Agreement" beginning on page []. If SI Financial elects to exercise this termination right, then Berkshire Hills Bancorp has the option to override the proposed termination by increasing the exchange ratio to a level that would eliminate the effects of either of the two requirements of this termination right.

At any time prior to SI Financial's special meeting of stockholders, by Berkshire Hills Bancorp if (i) SI Financial shall have materially breached its obligations under the merger agreement, (ii) the board of directors of SI Financial shall have failed to recommend approval of the merger to its stockholders or withholds, withdraws, amends or modifies its recommendation in any manner adverse to Berkshire Hills Bancorp, (iii) the board of directors of SI Financial shall have recommended, proposed, or publicly announced its intention to recommend or propose, to engage in an acquisition transaction with any party other than Berkshire Hills Bancorp, (iv) a tender or exchange offer for 20% or more of the outstanding shares of SI Financial Common Stock is commenced and the board of directors of SI Financial shall have failed to publicly recommend against such tender or exchange offer within five business days of being requested to do so by Berkshire Hills Bancorp, or (v) SI Financial shall have materially breached its obligations

by failing to call, give notice of, convene, and hold the special meeting.

SI Financial may also terminate the merger agreement if SI Financial has received a superior proposal and the board of directors of SI Financial had made a determination to accept such superior proposal and complied with the provisions of the merger agreement.

Termination Fee (page [])

If the merger agreement is terminated under certain circumstances, including circumstances involving alternative acquisition proposals with respect to SI Financial or changes in the recommendation of the SI Financial board of directors, SI Financial may be required to pay Berkshire Hills Bancorp a termination fee equal to \$7.4 million. The termination fee could discourage other companies from seeking to acquire or merge with SI Financial.

Accounting Treatment of the Merger (page [])

The Merger will be accounted for using the acquisition method in accordance with U.S. generally accepted accounting principles.

Comparison of Rights of Stockholders (page [])

The rights of SI Financial stockholders will change as a result of the merger due to differences in Berkshire Hills Bancorp's and SI Financial's governing documents. The rights of SI Financial stockholders are governed by Maryland law and by SI Financial's articles of incorporation and bylaws, each as amended to date. Upon the completion of the merger, SI Financial stockholders will become stockholders of Berkshire Hills Bancorp, as the continuing legal entity after the merger, and the rights of SI Financial stockholders will therefore be governed by Berkshire Hills Bancorp's certificate of incorporation and bylaws. See "Comparison of Rights of Stockholders" beginning on page [] for a summary of the material differences between the respective rights of SI Financial and Berkshire Hills Bancorp stockholders.

No Dissenters' or Appraisal Rights (page [])

Under Maryland law, SI Financial stockholders will not be entitled to any appraisal rights or dissenters' rights in connection with the merger. See "No Dissenters' or Appraisal Rights" on page [].

Material U.S. Federal Income Tax Consequences of the Merger (page [])

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 SI Financial common stock generally will not recognize any gain or loss on the exchange of shares of SI Financial common stock for shares of Berkshire Hills Bancorp common stock. However, a U.S. holder of SI Financial 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 that a holder would otherwise be entitled to receive.

This tax treatment may not apply to all SI Financial stockholders. Determining the actual tax consequences of the merger to SI Financial stockholders can be complicated and will depend on your particular circumstances. SI Financial stockholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each stockholder.

To review the tax consequences of the merger to SI Financial stockholders in greater detail, please see the section "The Merger—Material U.S. Federal Income Tax Consequences of the Merger."

Risk Factors (page [])

You should consider all the information contained in or incorporated by reference into this proxy statement/prospectus in deciding how to vote for the proposals presented in the proxy statement/prospectus. In particular, you should consider the factors described under “Risk Factors.”

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 [], 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 and SI Financial because these risk factors may affect the operations and financial results of the combined company. These risk factors may be found in the Berkshire Hills Bancorp Quarterly Report on Form 10-Q for the nine months ended September 30, 2018, the Berkshire Hills Bancorp Annual Report on Form 10-K for the fiscal year ended December 31, 2017, the SI Financial Quarterly Report on Form 10-Q for the nine months ended September 30, 2018, and the SI Financial Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Because the market price of Berkshire Hills Bancorp common stock will fluctuate, SI Financial stockholders cannot be certain of the market value of the merger consideration they will receive.

Upon completion of the merger, each share of SI Financial common stock will be converted into the right to receive 0.48 shares of Berkshire Hills Bancorp common stock. There will be no adjustment to the exchange ratio (except for adjustments to reflect the effect of any stock split, reverse stock split, stock dividend, recapitalization, reclassification or other similar transaction with respect to Berkshire Hills Bancorp common stock), and SI Financial does not have a right to terminate the merger agreement based upon changes in the market price of Berkshire Hills Bancorp common stock, subject to the limited exception described below. Accordingly, the dollar value of Berkshire Hills Bancorp common stock that SI Financial stockholders will receive upon completion of the merger will depend upon the market value of Berkshire Hills Bancorp common stock at the time of completion of the merger, which may be lower or higher than the closing price of Berkshire Hills Bancorp common stock on the last full trading day preceding public announcement that Berkshire Hills Bancorp and SI Financial entered into the merger agreement, the last full trading day prior to the date this proxy statement/prospectus was mailed or the date of the special meeting. The market values of Berkshire Hills Bancorp common stock and SI Financial common stock have varied since Berkshire Hills Bancorp and SI Financial entered into the merger agreement and will continue to vary in the future due to changes in the business, operations or prospects of Berkshire Hills Bancorp and SI Financial, market assessments of the merger, regulatory considerations, market and economic considerations, and other factors, most of which are beyond Berkshire Hills Bancorp’s and SI Financial’s control. Accordingly, at the time of the special meeting, SI Financial stockholders will not necessarily know or be able to calculate the value of the stock consideration they would be entitled to receive upon completion of the merger. You should obtain current market quotations for shares of Berkshire Hills Bancorp common stock and for shares of SI Financial common stock. See “Market Price and Dividend Information” on page [] for ranges of historic market prices of Berkshire Hills Bancorp common stock and SI Financial common stock.

If, at any time during the five-day period starting on the tenth day prior to closing, the average closing price of Berkshire Hills Bancorp common stock for the twenty-trading day period ending on such date is less than \$24.99, and since the date of the merger agreement Berkshire Hills Bancorp common stock has underperformed the Nasdaq Bank Index by more than 20 percentage points, SI Financial may elect to terminate the merger agreement. If SI Financial

provides notice of its intent to terminate, Berkshire Hills Bancorp will have the option of paying additional consideration, as specified in the merger agreement, in order to proceed with the merger.

SI Financial will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on SI Financial. These uncertainties may impair SI Financial's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers and others who deal with SI Financial to seek to change existing business relationships with SI Financial. SI Financial employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

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

Failure to complete the merger could negatively impact the stock price and future business and financial results of SI Financial.

SI Financial has already incurred substantial expenses in connection with the merger. If the merger is not completed, the ongoing business of SI Financial may be adversely affected and SI Financial will be subject to several risks and consequences, including the following:

• If the merger agreement is terminated under specified circumstances, SI Financial will be required to pay a termination fee of \$7.4 million;

• SI Financial will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisory and printing fees;

• under the merger agreement, SI Financial is subject to certain restrictions on the conduct of its business prior to completing the merger, which may adversely affect its operating results;

• matters relating to the merger may require substantial commitments of time and resources by SI Financial management, which could otherwise have been devoted to other opportunities that may have been beneficial to SI Financial as an independent company;

• SI Financial may experience negative reactions from the financial markets and from its customers and employees; and

• SI Financial could be subject to litigation related to any failure to complete the merger or to enforcement proceedings to perform its obligations under the merger agreement.

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire SI Financial.

Until the completion of the merger, with some exceptions, SI Financial is prohibited from soliciting, initiating, encouraging or participating in any discussion of or otherwise considering any inquiry or proposal that may lead to an acquisition proposal, such as a merger or other business combination transactions, with any person other than Berkshire Hills Bancorp. In addition, SI Financial has agreed to pay a \$7.4 million termination fee to Berkshire Hills Bancorp in specified circumstances. These provisions could discourage other companies that may have an interest in acquiring SI Financial from considering or proposing such an acquisition even though those other companies might be willing to offer greater value to SI Financial's stockholders than Berkshire Hills Bancorp has offered in the merger. The payment of the termination fee could also have a material adverse effect on SI Financial's financial condition.

Certain of SI Financial's officers and directors have interests that are different from, or in addition to, interests of SI Financial stockholders generally.

Directors and officers of SI Financial have interests in the merger that are different from, or in addition to, the interests of SI Financial stockholders generally. The SI Financial board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement and in determining to recommend to the SI Financial stockholders that they vote to approve the merger proposal. These interests are described in detail under the section entitled "The Merger—Interests of SI Financial's Directors and Executive Officers in the Merger that are Different From Yours" beginning on page [].

SI Financial stockholders will have a reduced ownership and voting interest after the merger and will exercise less influence over management of the combined organization.

SI Financial stockholders currently have the right to vote in the election of the SI Financial board of directors and on various other matters affecting SI Financial. Upon the completion of the merger, each SI Financial stockholder will become a stockholder of Berkshire Hills Bancorp with a percentage ownership of the combined organization that is significantly smaller than the stockholder's percentage ownership of SI Financial. It is expected that the former stockholders of SI Financial as a group will receive shares in the merger constituting approximately []% of the outstanding shares of Berkshire Hills Bancorp common stock immediately after the merger, representing less than a majority of the ownership and voting power of Berkshire Hills Bancorp. As a result, SI Financial stockholders will have significantly less influence on the management and policies of Berkshire Hills Bancorp than they now have on the management and policies of SI Financial.

The shares of Berkshire Hills Bancorp common stock to be received by SI Financial stockholders receiving the stock consideration as a result of the merger will have different rights from shares of SI Financial common stock.

Following completion of the merger, SI Financial stockholders will no longer be stockholders of SI Financial but will instead be stockholders of Berkshire Hills Bancorp. There will be important differences between the current rights of SI Financial stockholders and the rights of Berkshire Hills Bancorp stockholders that may be important to SI Financial stockholders. See “Comparison of Rights of Stockholders” beginning on page [] for a discussion of the material differences between the rights associated with Berkshire Hills Bancorp common stock and SI Financial common stock.

The fairness opinion received by SI Financial’s board of directors from SI Financial’s financial advisor prior to execution of the merger agreement does not reflect changes in circumstances subsequent to the date of the fairness opinion.

KBW, SI Financial’s financial advisor in connection with the merger, delivered to the board of directors of SI Financial its opinion dated December 11, 2018. The opinion does not speak as of the time the merger will be completed or any date other than the date of such opinion. The opinion does not reflect changes that may occur or may have occurred after the date of the opinion, including changes to the operations and prospects of Berkshire Hills Bancorp or SI Financial, changes in general market and economic conditions or regulatory or other factors. Any such changes may materially alter or affect the relative values of Berkshire Hills Bancorp and SI Financial.

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 “The Merger—Conditions to Completing the Merger” on page []. There can be no assurance that Berkshire Hills Bancorp and SI Financial will be able to satisfy the closing conditions or that closing conditions beyond their control will be satisfied or waived.

Berkshire Hills Bancorp and SI Financial can agree at any time to terminate the merger agreement, even if SI Financial stockholders have already voted to approve the merger agreement. Berkshire Hills Bancorp and SI Financial can also terminate the merger agreement under other specified circumstances. See “The Merger—Terminating the Merger Agreement” on page [].

Regulatory approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.

Before the merger may be completed, certain approvals or consents must be obtained from the various bank regulatory and other authorities in the United States, the Commonwealth of Massachusetts and the States of Connecticut and Rhode Island. There can be no assurance as to whether the federal or state regulatory approval will be received or the timing of the approvals. Berkshire Hills Bancorp is not obligated to complete the merger if the regulatory approvals received in connection with the completion of the merger include any conditions or restrictions that would constitute a “burdensome condition” as defined in the merger agreement. While SI Financial does not currently expect that any such conditions or restrictions would be imposed, there can be no assurance that they will not be, and such conditions or restrictions could have the effect of delaying or preventing completion of the merger.

Goodwill incurred in the merger may negatively affect Berkshire Hills Bancorp’s financial condition.

To the extent that the merger consideration, consisting of the number of shares of Berkshire Hills Bancorp common stock issued or to be issued in the merger, exceeds the fair value of the net assets, including identifiable intangibles of SI Financial, that amount will be reported as goodwill by Berkshire Hills Bancorp. In accordance with current accounting guidance, goodwill will not be amortized but will be evaluated for impairment annually. A failure to realize expected benefits of the merger could adversely impact the carrying value of the goodwill recognized in the merger, and in turn negatively affect Berkshire Hills Bancorp’s financial condition.

SI Financial stockholders do not have dissenters’ or appraisal rights in the merger.

Appraisal or dissenters’ rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in that extraordinary transaction. Under Maryland law, and pursuant to SI Financial’s articles of incorporation, holders of SI Financial common stock are not entitled to appraisal rights in the merger with respect to their shares of SI Financial common stock because SI Financial common stock is listed on a national securities exchange and SI Financial’s articles of incorporation do not provide for appraisal rights unless specifically granted by SI Financial’s board of directors.

Berkshire Hills Bancorp may be unable to successfully integrate SI Financial's operations or otherwise realize the expected benefits from the merger, which would adversely affect Berkshire Hills Bancorp's results of operations and financial condition.

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the operations of the two companies include:

- integrating personnel with diverse business backgrounds;
- combining different corporate cultures; and
- retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of the business and the loss of key personnel. The integration of the two companies will require the experience and expertise of certain key employees of SI Financial who are expected to be retained by Berkshire Hills Bancorp. Berkshire Hills Bancorp may not be successful in retaining these employees for the time period necessary to successfully integrate SI Financial's operations with those of Berkshire Hills Bancorp. The diversion of management's attention and any delay or difficulty encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business and results of operation of Berkshire Hills Bancorp following the merger.

The success of the merger will depend, in part, on Berkshire Hills Bancorp's ability to realize the anticipated benefits and cost savings from combining the business of Berkshire Hills Bancorp with SI Financial. If Berkshire Hills Bancorp is unable to successfully integrate SI Financial, the anticipated benefits and cost savings of the merger may not be realized fully or may take longer to realize than expected. For example, Berkshire Hills Bancorp may fail to realize the anticipated increase in earning and cost savings anticipated to be derived from the acquisition. In addition, as with regard to any merger, a significant decline in asset valuations or cash flows may also cause Berkshire Hills Bancorp not to realize expected benefits.

The price of Berkshire Hills Bancorp common stock might decrease after the merger.

Upon completion of the merger, holders of SI Financial common stock will become holders of Berkshire Hills Bancorp common stock. Berkshire Hills Bancorp common stock could decline in value after the merger. The market value of Berkshire Hills Bancorp common stock fluctuates based upon various factors, including changes in the business, operations or prospects of Berkshire Hills Bancorp, market assessments of the merger, regulatory

considerations, market and economic considerations, and other factors. Further, the market price of Berkshire Hills Bancorp common stock after the merger may be affected by factors different from those currently affecting the common stock of Berkshire Hills Bancorp or SI Financial. The businesses of SI Financial and Berkshire Hills Bancorp differ and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations and market prices of common stock of each of SI Financial and Berkshire Hills Bancorp. For a discussion of the businesses of SI Financial and Berkshire Hills Bancorp and of certain factors to consider in connection with those businesses, see the documents incorporated by reference in this proxy statement/prospectus and referred to under "Where You Can Find More Information" beginning on page [].

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, 2017 and in other documents incorporated by reference into this document. Please see the section entitled "Where You Can Find More Information" for the location of information incorporated by reference into this document.

Risks Relating to SI Financial's Business.

You should read and consider risk factors specific to SI Financial's business that will also affect the combined company after the merger. These risks are described in the sections entitled "Risk Factors" in SI Financial's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in other documents incorporated by reference into this document. Please see the section entitled "Where You Can Find More Information" for the location of information incorporated by reference into this document.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Some of the statements contained or incorporated by reference in this document are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 giving Berkshire Hills Bancorp's or SI Financial's expectations or predictions of future financial or business performance or conditions. Forward-looking statements are typically identified by words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "projections," "prospects" or "potential," by future conditional verbs such as "will," "would," "should," "could" or "may," or by variations of such words or by similar expressions. Such forward-looking statements include, but are not limited to, statements about the benefits of the merger or the bank merger, including future financial and operating results of Berkshire Hills Bancorp, SI Financial or the combined company following the merger, the combined company's plans, objectives, expectations and intentions, the expected timing of the completion of the merger, financing plans and the availability of capital, the likelihood of success and impact of litigation and other statements that are not historical facts. These statements are only predictions based on Berkshire Hills Bancorp's and SI Financial's current expectations and projections about future events. There are important factors that could cause Berkshire Hills Bancorp's and SI Financial's actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the numerous risks and uncertainties described in the section entitled "Risk Factors" beginning on page [].

These forward-looking statements are subject to numerous assumptions, risks, and uncertainties which change over time. In addition to factors previously disclosed in Berkshire Hills Bancorp's and SI Financial's reports filed with the SEC, the following factors, among others, could cause actual results to differ materially from forward-looking statements:

- the inability to close the merger and the bank merger in a timely manner;
- the failure to complete the merger due to the failure of SI Financial stockholders to approve the merger proposal;
- failure to obtain applicable regulatory approvals and meet other closing conditions to the merger on the expected terms and schedule;
- the potential impact of announcement or consummation of the merger on relationships with third parties, including customers, employees, and competitors;
- business disruption following the merger;
-

difficulties and delays in integrating the Berkshire Hills Bancorp and SI Financial businesses or fully realizing cost savings and other benefits;

- Berkshire Hills Bancorp's potential exposure to unknown or contingent liabilities of SI Financial;
 - the challenges of integrating, retaining, and hiring key personnel;
- failure to attract new customers and retain existing customers in the manner anticipated;

the outcome of pending or threatened litigation, or of matters before regulatory agencies, whether currently existing or commencing in the future, including litigation related to the merger;

any interruption or breach of security resulting in failures or disruptions in customer account management, general ledger, deposit, loan, or other systems;

changes in Berkshire Hills Bancorp's stock price before closing, including as a result of the financial performances of Berkshire Hills Bancorp and SI Financial prior to closing;

operational issues stemming from, and/or capital spending necessitated by, the potential need to adapt to industry changes in information technology systems, on which Berkshire Hills Bancorp and SI Financial are highly dependent;

changes in legislation, regulation, policies, or administrative practices, whether by judicial, governmental, or legislative action, including, but not limited to, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which we refer to as the “Dodd-Frank Act,” and other changes pertaining to banking, securities, taxation, rent regulation and housing, financial accounting and reporting, environmental protection, and insurance, and the ability to comply with such changes in a timely manner;

changes in the monetary and fiscal policies of the U.S. Government, including policies of the U.S. Department of the Treasury and the Federal Reserve;

changes in interest rates, which may affect Berkshire Hills Bancorp’s or SI Financial’s net income, prepayment penalty income, mortgage banking income, and other future cash flows, or the market value of Berkshire Hills Bancorp’s or SI Financial’s assets, including its investment securities;

- potential changes to the federal tax code;

- changes in accounting principles, policies, practices, or guidelines;

changes in Berkshire Hills Bancorp’s credit ratings or in Berkshire Hills Bancorp’s ability to access the capital markets;

- natural disasters, war, or terrorist activities; and

other economic, competitive, governmental, regulatory, technological, and geopolitical factors affecting Berkshire Hills Bancorp’s or SI Financial’s operations, pricing, and services.

Additionally, the timing and occurrence or non-occurrence of events may be subject to circumstances beyond Berkshire Hills Bancorp’s or SI Financial’s control.

Annualized, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

For any forward-looking statements made in this document or in any documents incorporated by reference into this document, Berkshire Hills Bancorp and SI Financial claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document or the date of the applicable document incorporated by reference in this document. Except to the extent required by applicable law, Berkshire Hills Bancorp

and SI Financial do not undertake to update forward-looking statements to reflect facts, circumstances, assumptions, or events that occur after the date the forward-looking statements are made. All written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to Berkshire Hills Bancorp, SI Financial, or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this document.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables show summarized historical financial data for Berkshire Hills Bancorp and SI Financial. 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, and in connection with SI Financial's historical financial information, which is incorporated by reference into this document. See the section entitled "Where You Can Find More Information" for instructions on how to obtain the information that has been incorporated by reference. Amounts as of and for the nine months ended September 30, 2018 and 2017 are unaudited and are not necessarily indicative of the results of operations for the fully year or any other interim period. Management of Berkshire Hills Bancorp and SI Financial believe that such amounts reflect all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of its respective results of operations and financial position as of the dates and for the periods indicated.

SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF BERKSHIRE HILLS BANCORP, INC.

(In thousands, except per share data)	At September 30,		At December 31,				2013
	2018	2017	2017	2016	2015	2014	
Selected Financial Data:							
Total assets	\$ 12,030,059	\$ 9,766,703	\$ 11,570,751	\$ 9,162,542	\$ 7,831,086	\$ 6,501,079	\$ 5,000,000
Securities	1,917,874	1,823,798	1,898,564	1,628,246	1,371,316	1,205,794	870,000
Loans(1)	8,904,513	6,947,406	8,299,338	6,549,787	5,725,236	4,680,600	4,100,000
Allowance for loan losses	(58,457)	(49,004)	(51,834)	(43,998)	(39,308)	(35,662)	(30,000)
Goodwill and other intangible assets	552,945	420,242	557,583	422,551	334,607	276,270	270,000
Total deposits	8,766,101	6,790,146	8,749,530	6,622,092	5,589,135	4,654,679	3,800,000
Borrowings	1,540,126	1,488,649	1,137,075	1,313,997	1,263,318	1,051,371	1,000,000
Total stockholders' equity	1,532,315	1,284,527	1,496,264	1,093,298	887,189	709,287	670,000

	For the Nine Months Ended September 30,		For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Selected Operating Data:							
Total interest and dividend income	\$ 343,310	\$ 254,435	\$ 360,258	\$ 280,439	\$ 247,030	\$ 207,042	\$ 203,741
Total interest expense	77,378	46,006	65,463	48,172	33,181	28,351	34,989
Net interest income	265,932	208,429	294,795	232,267	213,849	178,691	168,752
Fee income	87,176	92,594	122,801	68,606	57,480	53,434	50,525
All other non-interest (loss) income	1,655	3,797	2,888	(2,755)	(3,192)	(5,664)	7,707
Total non-interest income	88,831	96,391	125,689	65,851	54,288	47,770	58,232
Total net revenue	354,763	304,820	420,484	298,118	268,137	226,461	226,984
Provision for loan losses	18,735	14,884	21,025	17,362	16,726	14,968	11,378

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Total non-interest expense	220,183	209,669	299,710	203,302	196,829	165,986	157,359
Income tax expense (continuing operations)	24,339	22,210	44,502	18,784	5,064	11,763	17,104
Net (loss) income from discontinued operations	—	—	—	—	—	—	—
Net income	91,506	58,057	55,247	58,670	49,518	33,744	41,143
Dividends per common share	0.66	0.63	0.84	0.80	0.76	0.72	0.72
Basic earnings per common share	1.99	1.55	1.40	1.89	1.74	1.36	1.66
Diluted earnings per common share	1.98	1.54	1.39	1.88	1.73	1.36	1.65
Weighted average common shares outstanding—basic	46,009	37,547	39,456	30,988	28,393	24,730	24,802
Weighted average common shares outstanding—diluted	46,226	37,908	39,695	31,167	28,564	24,854	24,965

	At or For the Nine Months Ended September 30,		At or For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Selected Operating Ratios and Other Data:							
Per Common Share Data(1)							
Net earnings diluted	\$ 1.98	\$ 1.54	\$ 1.39	\$ 1.88	\$ 1.73	\$ 1.36	\$ 1.65
Adjusted earnings, diluted(2)	2.08	1.71	2.29	2.20	2.09	1.80	1.87
Total book value per share	32.84	31.78	32.14	30.65	28.64	28.17	27.08
Tangible book value per share(2)	20.68	21.38	19.83	18.81	17.84	17.19	16.27
Dividends	0.66	0.63	0.84	0.80	0.76	0.72	0.72
Market price at period end	40.70	38.75	36.60	36.85	29.11	26.66	27.27
Performance Ratios(1)(3):							
Return on average assets	1.05 %	0.85 %	0.56 %	0.74 %	0.68 %	0.55 %	0.78 %
Adjusted return on average assets(2)	1.10 %	0.92 %	0.93 %	0.86 %	0.82 %	0.73 %	0.88 %
Return on average equity	7.96 %	6.63 %	4.45 %	6.44 %	6.14 %	4.87 %	6.09 %
Adjusted return on average equity(2)	8.36 %	7.37 %	7.31 %	7.51 %	7.40 %	6.46 %	6.92 %
Net interest margin, fully tax equivalent(4)	3.39 %	3.35 %	3.40 %	3.31 %	3.34 %	3.30 %	3.67 %
Fee income/total net revenue	24.57 %	30.38 %	29.20 %	23.01 %	21.44 %	23.60 %	22.26 %
Growth Ratios:							
Total commercial loans	5.40 %	8.94 %	37.79 %	18.39 %	28.65 %	14.80 %	4.51 %
Total loans	9.72 %	8.09 %	26.71 %	14.41 %	22.32 %	11.96 %	4.81 %
Total deposits	0.25 %	3.38 %	32.13 %	18.48 %	20.08 %	20.95 %	(6.14)%
Total net revenue, (compared to prior year)	16.38 %	37.16 %	41.05 %	11.18 %	18.40 %	(0.23)%	14.96 %
Earnings per share, (compared to prior year)	28.57 %	(1.90)%	(26.06)%	8.62 %	27.21 %	(17.58)%	10.74 %
Adjusted earnings per share, (compared to prior year)(2)	21.64 %	4.32 %	4.09 %	5.26 %	16.11 %	(3.74)%	(5.56)%
Asset Quality Ratios(5):							
Net loans charged-offs (annualized/average total loans)	0.19 %	0.20 %	0.19 %	0.21 %	0.25 %	0.29 %	0.29 %
Allowance for loan losses/total loans	0.66 %	0.71 %	0.62 %	0.67 %	0.69 %	0.76 %	0.80 %
Capital and Liquidity Ratios(1):							
Tier 1 capital to average assets—Company	9.09 %	9.46 %	9.01 %	7.88 %	7.71 %	7.01 %	N/A
Total capital to risk-weighted assets—Company	12.99 %	14.27 %	12.43 %	11.87 %	11.91 %	11.38 %	N/A
Tier 1 capital to average assets—Bank	9.08 %	7.91 %	8.32 %	7.84 %	7.66 %	7.18 %	7.99 %
Total capital to risk-weighted assets—Bank	12.20 %	11.69 %	11.17 %	11.21 %	11.16 %	10.78 %	11.62 %
Shareholders' equity/total assets	12.74 %	13.15 %	12.93 %	11.93 %	11.33 %	10.91 %	11.95 %

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Tangible common shareholders' equity to tangible assets(2)	8.53	%	9.25	%	8.52	%	7.68	%	7.37	%	6.96	%	7.54	%
Loans/deposits	102	%	102	%	95	%	99	%	102	%	101	%	109	%

(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 Berkshire Hills Bancorp Reconciliation of Non-GAAP Financial Measures and discussion of Non-GAAP financial measures for additional information.

(2) Non-GAAP financial measure.

(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. 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.

BERKSHIRE HILLS BANCORP 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 below. In all cases, it should be understood that non-GAAP 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 adjusted 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 report 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, gains on the sale of business operations and assets, losses recorded for hedge terminations, merger costs, restructuring costs, legal settlements, and systems conversion and contract restructuring costs. Securities gains/losses include gains/losses on equity securities beginning in the first quarter of 2018. In 2017, there was a large adjustment for the write-down of the deferred tax asset at year-end due to the passage of federal tax reform. There was also an adjustment for investments in employees and communities which were made by Berkshire Hills Bancorp in recognition of the future benefits of federal tax reform. Berkshire Hills Bancorp also measures adjusted revenues and adjusted expenses which result from the above adjustments. An adjustment is also calculated to adjust for the difference between tax expense calculated for adjusted earnings and for GAAP earnings.

Berkshire Hills Bancorp calculates certain profitability measures based on its adjusted revenue, expenses, and earnings. Berkshire Hills Bancorp also calculates adjusted earnings per share based on its measure of adjusted earnings and based on diluted common shares. 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 performance. Management also believes that the computation of non-GAAP adjusted earnings and adjusted earnings per share may facilitate the comparison of Berkshire Hills Bancorp to other companies in the financial services industry.

Charges related to merger and acquisition activity consist primarily of severance/benefit related expenses, contract termination costs, system conversion costs, variable compensation expenses, and professional fees. Systems conversion costs relate primarily to Berkshire Hills Bancorp’s core systems conversion and related systems conversions costs, and core systems contract restructuring. Restructuring costs primarily consist of Berkshire Hills

Bancorp's continued effort to create efficiencies in operations through calculated adjustments to the branch banking footprint. Expense adjustments include variable rate compensation related to non-operating items.

Berkshire Hills Bancorp also adjusts certain equity related measures to exclude intangible assets due to the importance of these measures to the investment community.

BERKSHIRE HILLS BANCORP RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(in thousands)	At or for the Nine Months Ended		At or For the Years Ended December 31,				
	September 30, 2018	September 30, 2017	2017	2016	2015	2014	2013
Net income (GAAP)	\$ 91,506	\$ 58,057	\$55,247	\$58,670	\$49,518	\$33,744	\$41,143
Adj: Securities (gains) losses and other revenue adjustments	696	(5,939)	(5,969)	551	(2,110)	9,691	(6,045)
Adj: Net gains on sale of business operations	(460)	(296)	(296)	(1,085)	-	-	-
Adj: Merger, acquisition, restructuring, conversion related and other expense adjustments	6,138	16,005	34,958	15,761	17,611	8,492	15,348
Adj: Deferred tax asset impairment		-	18,145	-	-	-	-
Adj: Income taxes	(1,678)	(3,314)	(11,277)	(5,455)	(5,409)	(7,185)	(3,750)
Total adjusted income (non-GAAP)	(A) \$ 96,202	\$ 64,513	\$90,808	\$68,442	\$59,610	\$44,742	\$46,696
Total revenue (GAAP)	\$ 354,763	\$ 304,820	\$420,484	\$298,118	\$268,137	\$226,461	\$226,984
Adj: Securities (gains) losses and other revenue adjustments	696	(5,939)	(5,969)	551	(2,110)	9,691	(6,045)
Adj: Net gains on sale of business operations	(460)	(296)	(296)	(1,085)	-	-	-
	(B) \$ 354,999	\$ 298,585	\$414,219	\$297,584	\$266,027	\$236,152	\$220,939

Total operating revenue (non-GAAP)								
Total non-interest expense (GAAP)		\$ 220,183	\$ 209,669	\$ 299,710	\$ 203,302	\$ 196,830	\$ 165,986	\$ 157,359
Less: Total non-operating expense (see above)		(6,138)	(16,005)	(34,958)	(15,761)	(17,611)	(8,492)	(15,348)
Adjusted non-interest expense (non-GAAP)	(C)	\$ 214,045	\$ 193,664	\$ 264,752	\$ 187,541	\$ 179,219	\$ 157,494	\$ 142,011
(in millions, except per share data)								
Total average assets	(D)	\$ 11,687	\$ 9,369	\$ 9,815	\$ 7,958	\$ 7,249	\$ 6,171	\$ 5,306
Total average shareholders' equity	(E)	1,534	1,167	1,244	911	805	693	675
Total average tangible shareholders' equity	(F)	978	746	793	563	494	415	403
Total average tangible common shareholders' equity (2)	(G)	937	746	784	563	494	415	403
Total tangible shareholders' equity, period-end (2)	(H)	979	864	939	671	553	433	407
Total tangible common shareholders' equity, period-end (2)	(I)	939	864	898	671	553	433	407
Total tangible assets, period-end (2)	(J)	11,477	9,346	11,013	8,740	7,496	6,226	5,402
Total common shares outstanding, period-end (thousands)	(K)	45,420	40,424	45,290	35,673	30,974	25,183	25,036

Average diluted shares outstanding (thousands)	(L)	46,226	37,708	39,695	31,167	28,564	24,854	24,965
GAAP earnings per share, diluted		\$ 1.98	\$ 1.54	\$ 1.39	\$ 1.88	\$ 1.73	\$ 1.36	\$ 1.65
Adjusted earnings per share, diluted	(A/L)	2.08	1.71	2.29	2.20	2.09	1.80	1.87
Book value per share, period-end		32.84	31.78	32.14	30.65	28.64	28.17	27.08
Tangible book value per share, period-end	(I/K)	20.68	21.38	19.83	18.81	17.84	17.19	16.27
Total shareholders' equity/total assets		12.74	13.15	12.93	11.93	11.33	10.91	11.95
Total tangible shareholders' equity/total tangible assets	(H)/(J)	8.53	9.25	8.52	7.68	7.37	6.95	7.54
Performance ratios (1)								
GAAP return on assets		1.05	% 0.83	% 0.56	% 0.74	% 0.68	% 0.55	% 0.78
Adjusted return on assets	(A/D)	1.10	0.92	0.93	0.86	0.82	0.73	0.88
GAAP return on equity		7.96	6.63	4.45	6.44	6.15	4.87	6.09
Adjusted return on equity	(A/E)	8.36	7.37	7.31	7.51	7.40	6.46	6.92

(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.

SELECTED HISTORICAL FINANCIAL AND OTHER DATA OF SI FINANCIAL

(In thousands, except per share data)	At September 30,		At December 31,		2015	2014
	2018	2017	2017	2016		
Selected Financial Data:						
Total assets	\$1,607,135	\$1,585,000	\$1,580,956	\$1,550,890	\$1,481,834	\$1,350,000
Loans(1)	1,291,968	1,241,533	1,250,343	1,233,536	1,177,039	1,053,000
Allowance for loan losses	14,227	12,217	12,334	11,820	9,863	7,797
Securities	147,576	168,545	154,053	159,367	175,132	173,000
Total deposits	1,250,093	1,214,089	1,208,047	1,130,685	1,058,017	1,010,000
Borrowings(2)	161,028	175,063	178,342	226,007	242,843	156,500
Total stockholders' equity	170,012	171,002	168,481	164,727	154,330	157,700
	For the Nine Months Ended September 30,		For the Years Ended December 31,			
	2018	2017	2017	2016	2015	2014
Selected Operating Data:						
Total interest income	\$42,672	\$40,349	\$53,987	\$52,911	\$48,126	\$47,520
Total interest expense	9,215	8,305	11,081	10,083	8,901	8,243
Net interest income	33,457	32,044	42,906	42,828	39,225	39,277
Service charges and fee income	5,240	5,704	7,460	7,662	7,930	8,185
All other non-interest income	3,392	2,959	3,701	7,932	2,391	1,981
Total non-interest income	8,632	8,663	11,161	15,594	10,321	10,166
Total net revenue	51,304	49,012	65,148	68,505	58,447	57,683
Provision for loan losses	2,022	501	661	2,190	2,509	1,539
Total non-interest expense	29,856	30,023	39,795	39,998	40,585	41,500
Income tax expense (benefit)	2,147	3,378	8,369	4,924	2,104	1,988
Net income (loss)	\$8,064	\$6,805	\$5,242	\$11,310	\$4,348	\$4,411
	At or For the Nine Months Ended September 30,		At or For the Years Ended December 31,			
	2018	2017	2017	2016	2015	2014
Selected Operating Ratios and Other Data:						
Performance Ratios:						
Return on average assets(3)	0.68	% 0.58	% 0.33	% 0.75	% 0.31	% 0.33
Return on average equity(4)	6.34	% 5.39	% 3.09	% 7.09	% 2.79	% 2.82
Net interest rate spread(5)	2.77	% 2.68	% 2.69	% 2.85	% 2.82	% 2.97
Net interest margin(6)	3.00	% 2.88	% 2.89	% 3.01	% 2.97	% 3.11
Non-interest income/total net revenue	16.83	% 17.68	% 17.13	% 22.76	% 17.66	% 17.62
Non-interest expense/average assets	2.51	% 2.54	% 2.51	% 2.64	% 2.87	% 3.06
Capital Ratios:						
Stockholders' equity/total assets	10.58	% 10.79	% 10.66	% 10.62	% 10.41	% 11.68

Tier 1 capital to average assets—Savings Institute Bank and Trust	9.61	%	9.52	%	9.40	%	9.41	%	9.38	%	9.37
Total capital to risk-weighted assets—Savings Institute Bank and Trust	14.27	%	15.65	%	15.02	%	15.40	%	15.37	%	15.87
Asset Quality Ratios:											
Net loans charged-off/average total loans	0.01	%	0.01	%	0.01	%	0.02	%	0.04	%	0.06
Allowance for loan losses/total loans	1.10	%	0.99	%	0.99	%	0.96	%	0.84	%	0.74
Share Data:											
Basic earnings per common share	0.68		0.57		0.44		0.96		0.36		0.36
Diluted earnings per common share	0.68		0.57		0.44		0.95		0.36		0.36
Dividends per common share	0.18		0.15		0.20		0.16		0.16		0.12
Tangible book value per share(7)	12.76		12.59		12.38		12.06		11.15		10.88
Market price at (period) year end	14.00		14.95		14.70		15.40		13.65		11.33
Weighted average common shares outstanding—basic	11,832,723		11,850,229		11,859,401		11,806,927		11,976,291		12,313,000
Weighted average common shares outstanding—diluted	11,917,026		11,939,719		11,926,519		11,868,122		12,005,987		12,347,000

Note: All quarter to date information is annualized where applicable.

(1) Includes loans held for sale and deferred loan costs.

(2) Includes Federal Home Loan Bank advances and junior subordinated debt owed to unconsolidated trust.

(3) Net income (loss) divided by average total assets.

(4) Net income (loss) divided by average total equity.

(5) Net interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities.

(6) Net interest margin represents net interest income as a percentage of average interest-earning assets for the period.

(7) Non-GAAP financial measure.

SI FINANCIAL NON-GAAP FINANCIAL MEASURES

This document contains a non-GAAP financial measure in addition to results presented in accordance with Generally Accepted Accounting Principles (“GAAP”). Non-GAAP measures are intended to provide the reader with additional supplemental perspectives on SI Financial’s financial performance, 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 SI Financial’s GAAP financial information. Non-GAAP measures used by SI Financial in this proxy statement/prospectus as supplemental financial data should be considered in conjunction with SI Financial’s GAAP financial information.

SI Financial adjusts its tangible book value measure to exclude intangible assets due to the importance of equity-related measures to the investment community. A reconciliation of the tangible book value per share, a non-GAAP measure, to book share value per share, a GAAP measure, is provided below.

SI FINANCIAL RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

	September 30,		December 31,				
	2018	2017	2017	2016	2015	2014	2013
Book value per share	\$14.13	\$13.98	\$13.76	\$13.49	\$12.63	\$12.35	\$11.94
Effect of intangible assets per share	(1.37)	(1.39)	(1.38)	(1.43)	(1.48)	(1.47)	(1.53)
Tangible book value per share	\$12.76	\$12.59	\$12.38	\$12.06	\$11.15	\$10.88	\$10.41

UNAUDITED COMPARATIVE PRO FORMA PER SHARE DATA

The following table summarizes selected common share and per common share information about Berkshire Hills Bancorp and SI Financial giving effect to the merger (which is referred to as “pro forma” information). The data in the table is based on and should be read together with the financial information and the financial statements of Berkshire Hills Bancorp and SI Financial presented in or incorporated by reference in this document.

The pro forma information is based on available information and certain assumptions that Berkshire Hills Bancorp and SI Financial management believe are reasonable. The pro forma information about book value per common share assumes that the merger took place as of September 30, 2018. The pro forma information about dividends per common share and net income per common share assumes that the merger took place as of January 1, 2017. The pro forma information in the table assumes that the merger is accounted for under the acquisition method of accounting.

Pro forma amounts per common share were calculated based on Berkshire Hills Bancorp’s actual common shares outstanding for the periods presented together with an estimate of Berkshire Hills Bancorp common shares to be issued as consideration for the merger utilizing SI Financial share information and Berkshire Hills Bancorp common stock price information as of December 10, 2018. It is further assumed that Berkshire Hills Bancorp’s cash dividend to common shares is based on an annual rate of \$0.84 per share for 2017 and \$0.88 for 2018. The actual payment of dividends is subject to numerous factors, and no assurance can be given that Berkshire Hills Bancorp will pay dividends following the completion of the merger or that dividends will not be reduced in the future.

This information is presented for illustrative purposes only. You should not rely on the pro forma amounts as they are not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the dates indicated, nor are they necessarily indicative of the future operating results or financial position of the combined company. The pro forma information, although helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring and merger-related costs or other factors that may result as a consequence of the merger and, accordingly, does not attempt to predict or suggest future results.

	Berkshire Hills Bancorp Historical	SI Financial Historical	Pro Forma Combined⁽¹⁾⁽²⁾	Per Equivalent SI Financial Share⁽⁴⁾
Book value per common share ⁽³⁾ : At September 30, 2018	\$ 32.84	\$ 14.13	\$ 32.39	\$ 15.55

Cash dividends declared to common stockholders per share:

Nine months ended September 30, 2018	0.66	0.18	0.66	0.32
Year ended December 31, 2017	0.84	0.20	0.84	0.40

Basic earnings per common share:

Nine months ended September 30, 2018	1.99	0.68	2.00	0.96
Year ended December 31, 2017	1.40	0.44	1.48	0.71

Diluted earnings per common share:

Nine months ended September 30, 2018	1.98	0.68	2.00	0.96
Year ended December 31, 2017	1.39	0.44	1.47	0.71

The pro forma combined basic and diluted net income per share of Berkshire Hills Bancorp common stock is based on the pro forma combined net income for the merged entities divided by total pro forma weighted average basic (1) and diluted common shares of the combined entities. The net income for the merged entities includes fair value adjustments, net of tax effects, totaling \$6.1 million and \$4.6 million for the year ended December 31, 2017 and the nine months ended September 30, 2018, respectively.

(2) Pro forma dividends per share represent Berkshire Hills Bancorp's historical dividends per share.

(3) The pro forma combined book value per share is based on the pro forma common shareholder's equity divided by total pro forma common shares.

(4) Represents the pro forma combined information multiplied by the 0.48 exchange ratio.

MARKET PRICE AND DIVIDEND INFORMATION

Berkshire Hills Bancorp common stock is listed on the New York Stock Exchange under the symbol “BHLB.” SI Financial common stock is listed on the Nasdaq Global Market under the symbol “SIFI.” The following table lists the high and low closing prices per share for Berkshire Hills Bancorp common stock and SI Financial common stock and the cash dividends declared by each company for the periods indicated.

Quarter Ended	Berkshire Hills Bancorp Common Stock			SI Financial Common Stock		
	High	Low	Dividends	High	Low	Dividends
March 31, 2019 (through December 31, 2018)	\$ 41.00	\$ 26.09	\$ 0.22	\$ 14.29	\$ 12.60	\$ 0.06
September 30, 2018	43.15	40.35	0.22	15.15	13.65	0.06
June 30, 2018	43.55	37.40	0.22	15.30	14.20	0.06
March 31, 2018	39.75	36.35	0.22	15.10	13.90	0.06
December 31, 2017	39.65	35.95	0.21	15.60	14.25	0.05
September 30, 2017	38.75	33.15	0.21	16.30	14.05	0.05
June 30, 2017	37.95	33.65	0.21	16.15	14.05	0.05
March 31, 2017	36.80	34.20	0.21	15.35	13.55	0.05

You should obtain current market quotations for Berkshire Hills Bancorp and SI Financial common stock, as the market price of Berkshire Hills Bancorp common stock will fluctuate between the date of this document and the date on which the merger is completed, and thereafter. You can get these quotations on the Internet, from a newspaper or by calling your broker.

As of [], there were approximately [] holders of record of Berkshire Hills Bancorp common stock. As of [], there were approximately [] holders of record of SI Financial common stock. These numbers do not reflect the number of persons or entities who may hold their stock in nominee or “street name” through brokerage firms.

Following the merger, the declaration of dividends 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.

SPECIAL MEETING OF SI FINANCIAL STOCKHOLDERS

This document is being provided to holders of SI Financial common stock as SI Financial's proxy statement in connection with the solicitation of proxies by and on behalf of its board of directors to be voted at the special meeting and at any adjournment or postponement of the special meeting. This document is also being provided to holders of SI Financial common stock as Berkshire Hills Bancorp's prospectus in connection with the issuance by Berkshire Hills Bancorp of its shares of common stock as consideration in the proposed merger.

Date, Time and Place of Meeting

The special meeting is scheduled to be held as follows:

Date: []

Time: 9:00 a.m., local time

Place: []

Purpose of the Meeting

At the special meeting, SI Financial's stockholders will be asked to:

- Approve the merger proposal, pursuant to which SI Financial will merge with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp surviving the merger, and each share of SI Financial common stock outstanding immediately prior to the completion of the merger will be converted into the right to receive 0.48 shares of Berkshire Hills Bancorp common stock.

- Approve the merger-related compensation proposal.

Approve the adjournment proposal, if necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the merger agreement or to approve the merger-related compensation.

Who Can Vote at the Meeting

You are entitled to vote if the records of SI Financial showed that you held shares of SI Financial common stock as of the close of business on [], which is the record date for the special meeting. As of the close of business on the record date, [] shares of SI Financial common stock were outstanding. Each share of SI Financial common stock has one vote on each matter presented to stockholders. If your shares are held in “street name” by your broker, bank or other nominee and you wish to vote in person at the special meeting, you will have to obtain a “legal proxy” from your broker, bank or other nominee entitling you to vote at the special meeting.

Quorum; Vote Required

The special meeting will conduct business only if holders of record of shares of SI Financial common stock entitled to cast a majority of votes are represented in person or by proxy at the meeting to constitute a quorum. If you submit valid proxy instructions or attend the meeting in person, your shares will be counted to determine whether there is a quorum, even if you abstain from voting. If you fail to provide voting instructions to your broker, bank or other nominee with respect to a proposal, that broker, bank or other nominee will not vote your shares with respect to that proposal.

Approval of the merger proposal requires the affirmative vote of holders of a majority of the shares of SI Financial common stock outstanding and entitled to vote thereon. **Failure to submit valid proxy instructions or to vote in person will have the same effect as a vote against the merger proposal. Broker non-votes and abstentions from voting will have the same effect as voting against the merger proposal.**

Approval of the merger-related compensation proposal requires that the votes cast in favor of the proposal exceed the votes cast against the proposal. The failure to vote in person or submit valid proxy instructions, broker non-votes and abstentions will have no effect on the voting on the proposal.

Approval of the adjournment proposal requires that the votes cast in favor of the proposal exceed the votes cast against the proposal. The failure to vote in person or submit valid proxy instructions, broker non-votes and abstentions will have no effect on the voting on the proposal.

Shares Held by SI Financial Senior Executive Officers and Directors and by Berkshire Hills Bancorp

As of [], 2019, directors and senior executive officers of SI Financial beneficially owned [] shares of SI Financial common stock. This equals []% of the outstanding shares of SI Financial common stock as of [], 2019. Each of SI Financial's directors and certain senior executive officers, solely in his or her capacity as a SI Financial stockholder, have entered into a separate voting agreement with Berkshire Hills Bancorp, pursuant to which each such director and officer has agreed to vote all shares of SI Financial common stock over which he or she exercises sole disposition and voting rights in favor of the approval of the merger agreement and the merger and certain related matters and against alternative transactions. As of [], the SI Financial directors and certain senior executive officers that are party to these voting agreements exercised sole disposition and voting rights with respect to 330,753 shares of SI Financial common stock, representing []% of the outstanding shares of SI Financial common stock. As of [], Berkshire Hills Bancorp did not own any shares of SI Financial common stock.

Voting and Revocability of Proxies

You may vote in person at the special meeting or by proxy. To ensure your representation at the special meeting, SI Financial recommends that you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

If you are a "stockholder of record," you can vote your shares:

• via internet at [];

• via telephone by calling [];

• by completing and mailing in the proxy card that is enclosed; or

• by voting in person at the special meeting.

Please refer to the specific instructions set forth on the proxy card. We encourage you to vote via the internet or by telephone.

SI Financial stockholders whose shares are held in “street name” by their broker, bank or other nominee must follow the instructions provided by their broker, bank or other nominee to vote their shares. Your broker, bank or other nominee may allow you to deliver your voting instructions via telephone or the internet. If your shares are held in “street name” and you wish to vote in person at the special meeting, you will have to obtain a “legal proxy” from your broker, bank or other nominee entitling you to vote at the special meeting.

If you are a holder of record of SI Financial common stock, voting instructions are included on the enclosed proxy card. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against or abstain with respect to each matter. If you are the holder of record of your shares of SI Financial common stock and submit your proxy without specifying a voting instruction, your shares of SI Financial common stock will be voted “FOR” the merger proposal, “FOR” the approval of the merger-related compensation proposal, and “FOR” the adjournment proposal. If your shares are held in street name and you return an incomplete instruction card to your broker, bank or other nominee, that broker, bank or other nominee will not vote your shares with respect to any matter.

You may revoke your proxy at any time before it is voted at the special meeting by:

• filing with the Corporate Secretary of SI Financial a duly executed revocation of proxy;

• submitting a new proxy with a later date;

• voting again via the internet or by telephone not later than [] .m., Eastern Time, on []; or

• voting in person at the special meeting.

If your shares are held in “street name,” you should contact your broker, bank or other nominee to change your vote.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to:

SI Financial Group, Inc.

803 Main Street

Willimantic, Connecticut 06226

Attention: Laurie L. Gervais, Corporate Secretary

If any matters not described in this document are properly presented at the special meeting, the persons named in the proxy card will use their judgment to determine how to vote your shares of SI Financial common stock. SI Financial does not know of any other matters to be presented at the special meeting.

Participants in the Savings Institute ESOP, 401(k) Plan and the SI Financial Equity Incentive Plan

If you participate in the Savings Institute ESOP, if you hold shares of SI Financial common stock through the Savings Institute 401(k) Plan, or if you are a participant in the SI Financial Equity Incentive Plan, you will receive a voting instruction card for each plan that reflects all shares you may direct the trustees to vote on your behalf under the plans. Under the terms of the Savings Institute ESOP, the Savings Institute ESOP trustee votes all allocated shares of SI Financial common stock held by the Savings Institute ESOP as directed by the plan participants. The Savings Institute ESOP trustee, subject to the exercise of its fiduciary duties, will vote all unallocated shares of SI Financial common stock held by the Savings Institute ESOP and allocated shares for which no voting instructions are received in the same proportion as shares for which it has received timely voting instructions.

Under the terms of the Savings Institute 401(k) Plan, a participant is entitled to direct the trustee how to vote the shares of SI Financial common stock held in the SI Financial Stock Fund and credited to his or her Savings Institute 401(k) Plan account. The trustee will vote all shares for which no directions are given or for which instructions were not timely received in the same proportion as shares for which the trustee received voting instructions.

Under the terms of the SI Financial Equity Incentive Plan, participants may direct the plan trustee on how to vote the unvested shares of restricted stock awards and performance shares. The plan trustee will vote all shares held in the trust for which it does not receive timely instructions as directed by SI Financial.

The deadline for returning your voting instruction cards is [], 2019.

Solicitation of Proxies

SI Financial will pay for the solicitation of proxies from SI Financial stockholders. In addition to soliciting proxies by mail, [], a proxy solicitation firm, will assist SI Financial in soliciting proxies for the special meeting. SI Financial will pay \$[] for these services plus out-of-pocket expenses. Additionally, directors, officers and employees of SI Financial and Savings Institute Bank and Trust may solicit proxies personally and by telephone. None of these persons will receive additional or special compensation for soliciting proxies. SI Financial will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners

and obtaining their voting instructions.

SI FINANCIAL PROPOSALS

Proposal 1: Merger Proposal

At the special meeting, SI Financial stockholders will consider and vote on a proposal to approve the merger agreement and the transactions contemplated thereby, including the merger. Details about the merger agreement, including each party's reasons for the merger, the effect of approval and adoption of the merger agreement and the timing of effectiveness of the merger, are discussed in the section entitled "The Merger".

SI Financial's board of directors unanimously recommends that SI Financial stockholders vote "FOR" the merger proposal.

Proposal 2: Merger-Related Compensation Proposal

In accordance with the requirements of the Dodd-Frank Act and the rules of the SEC adopted thereunder, SI Financial's board of directors is providing stockholders with the opportunity to cast a non-binding advisory vote on the compensation that may become payable to the "named executive officers" of SI Financial in connection with the merger, as summarized in the table under the caption "The Merger— Interests of SI Financial's Directors and Executive Officers in the Merger that are Different From Yours—Merger-Related Executive Compensation for SI Financial's Named Executive Officers."

Accordingly, at the special meeting, SI Financial is asking its stockholders to approve, in a non-binding advisory vote, the compensation that may become payable to its named executive officers in connection with the merger through the adoption of the following resolution:

"RESOLVED, that the compensation that may become payable to its named executive officers in connection with the merger, as disclosed in the table under the caption "The Merger— Interests of SI Financial's Directors and Executive Officers in the Merger that are Different From Yours—Merger-Related Executive Compensation for SI Financial's Named Executive Officers" in the proxy statement/prospectus in accordance with Item 402(t) of Regulation S-K, including the associated narrative discussion, and the agreements or understandings pursuant to which such compensation may be paid or become payable, is hereby APPROVED."

The vote on this merger-related compensation proposal is a vote separate and distinct from the vote on the merger proposal. Because the vote is advisory in nature only, it will not be binding on either SI Financial or Berkshire Hills Bancorp, regardless of whether the merger agreement and the merger are approved. Accordingly, as the compensation to be paid in connection with the merger is a contractual obligation to the named executive officers of SI Financial, regardless of the outcome of this advisory vote, such compensation will be payable if the merger agreement and the merger are approved and the merger is completed, subject only to the contractual conditions applicable to such payments.

SI Financial's board of directors unanimously recommends a vote "FOR" the merger-related compensation proposal.

Proposal 3: Adjournment Proposal

If there are insufficient proxies at the time of the special meeting to approve the merger proposal, SI Financial stockholders may be asked to vote on a proposal to adjourn the meeting to a later date to allow additional time to solicit additional proxies. SI Financial's board of directors does not currently intend to propose adjournment at the special meeting if there are sufficient votes to approve the merger proposal (Proposal No. 1).

If, at the special meeting, there is an insufficient number of shares of SI Financial common stock present in person or represented by proxy and voting in favor of the merger proposal, SI Financial will move to adjourn the special meeting in order to enable the SI Financial board of directors to solicit additional proxies for approval of the merger proposal. If the SI Financial stockholders approve the adjournment proposal, SI Financial may adjourn the special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from SI Financial stockholders who have previously voted. If the date of the adjournment is not announced at the special meeting or a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting will be given to each stockholder of record entitled to vote at the adjourned meeting.

SI Financial's board of directors unanimously recommends a vote "FOR" approval of the adjournment proposal.

THE 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 Appendix 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 SI Financial with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp continuing as the surviving entity. Following the merger of SI Financial with and into Berkshire Hills Bancorp, Berkshire Hills Bancorp will merge Savings Institute Bank and Trust with and into Berkshire Bank, with Berkshire Bank continuing as the surviving bank.

Background of the Merger

The SI Financial board of directors has regularly reviewed and discussed SI Financial's business strategy, performance and prospects in the context of the national and local economic environment, developments in the regulation of financial institutions and the competitive landscape. Among other things, these reviews and discussions have included possible strategic initiatives available to SI Financial, such as capital management strategies, potential acquisitions, and business combinations involving other financial institutions. These reviews and discussions included review of the merger and acquisitions environment, including multiples and premiums being paid, and an assessment of potential partners for SI Financial.

On March 23, 2016, the SI Financial board of directors held a meeting that was attended by representatives of Keefe Bruyette & Woods, Inc. (which we refer to as KBW). At the board's request, KBW provided the board with input regarding the challenging market conditions for achieving growth and increased profitability, valuations and trends in mergers and acquisitions among financial institutions, strengths and weaknesses of SI Financial's market position and franchise, and SI Financial's prospects. At the board's request, KBW also reviewed with the board a potential process for engaging in a business combination and 12 potential partners for a business combination that the board might wish to consider authorizing KBW to contact in the event that the board determined to seek a partner for a business combination. Among other considerations with respect to each potential partner, KBW discussed with the board each company's apparent financial ability to pay.

On April 27, 2016, the SI Financial board of directors approved the engagement of KBW to provide financial advisory and investment banking services to SI Financial in connection with a possible business combination with another company. Thereafter, management of SI Financial, with KBW's assistance, selected seven financial institutions from the 12 previously reviewed with the SI Financial board of directors by KBW to contact with respect to a possible business combination with SI Financial, one of which was Berkshire Hills Bancorp. These institutions were considered by SI Financial to have the highest likelihood of engaging in a transaction with SI Financial, taking into account capacity to pay, strategic rationale and perceived ability to obtain required regulatory approvals.

In June 2016, at the direction of SI Financial, KBW contacted the seven financial institutions on SI Financial's behalf. Of the seven, six signed non-disclosure agreements, of which four requested and received a confidential information memorandum regarding SI Financial. The non-disclosure agreements did not contain any standstill provisions that would preclude the other party from making an unsolicited offer to acquire SI Financial in the future. All four of the financial institutions that received the confidential information memorandum elected not to proceed with a business combination with SI Financial at that time. Berkshire Hills Bancorp, which executed the non-disclosure agreement but did not receive the confidential information memorandum, indicated that it needed time to integrate its recently announced acquisition of First Choice Bank, but would be interested in discussing a transaction at a later date.

On August 2, 2016, Rheo A. Brouillard, President and Chief Executive Officer of SI Financial, encountered the chief executive officer of one of the financial institutions that had been contacted by KBW (which we refer to as Company A) at an industry event, where they agreed to meet subsequently to discuss a possible business combination between SI Financial and Company A.

Over the following months, SI Financial made due diligence materials available to Company A, and SI Financial, Company A and their respective financial advisors conducted discussions regarding a potential business combination. These discussions culminated in Company A submitting a non-binding indication of interest on December 1, 2016, with respect to the acquisition of SI Financial in a 100% stock transaction with a fixed exchange ratio.

On December 8, 2016, the SI Financial board of directors approved the negotiation of a definitive agreement with Company A on the terms reflected in Company A's indication of interest letter, and on December 14, 2016, SI Financial and Company A entered into a letter agreement pursuant to which SI Financial agreed to negotiate exclusively with Company A until January 31, 2017.

From mid-December 2016 until late January 2017, SI Financial and Company A continued their respective due diligence investigations and negotiated the terms of a definitive merger agreement. In late January 2017, discussions slowed pending resolution of certain due diligence matters.

On January 24, 2017, SI Financial and Company A executed an extension of their exclusivity agreement until March 15, 2017. No further extensions were requested after that date.

In late April 2017, following resolution of the outstanding due diligence matters, SI Financial contacted Company A to restart discussions regarding a business combination. Company A communicated that it was unlikely to be able to achieve the cost savings on which its original proposal was premised and, accordingly, that it would not be able to proceed with a transaction.

In July 2017, a financial institution that was not among the seven previously contacted by KBW (which we refer to as Company B) contacted SI Financial regarding a possible business combination. Company B signed a non-disclosure agreement and received access to detailed financial information regarding SI Financial. The non-disclosure agreements did not contain any standstill provisions that would preclude the other party from making an unsolicited offer to acquire SI Financial in the future. In September 2017, after evaluating a possible transaction, Company B declined to proceed with a business combination with SI Financial.

In early January 2018, the chief executive officer of a financial institution that was not among the seven previously contacted by KBW (which we refer to as Company C) contacted Mr. Brouillard about meeting to discuss a possible business combination. On January 10, 2018, Mr. Brouillard met with the chief executive officer of Company C, who provided a non-binding indication of interest letter with respect to a business combination with SI Financial. Company C proposed a 100% stock transaction in which shares of SI Financial common stock would be converted into shares of Company C common stock with a value of \$14.05, with the exchange ratio to be fixed at the time of signing a definitive agreement.

On January 17, 2018, the SI Financial board of directors met to consider the proposal from Company C. It was the consensus of the directors that the indicated value of the transaction was too low. This was communicated to Company C, which verbally agreed to consider increasing the value of the merger consideration.

On February 9, 2018, Company C and SI Financial entered into a mutual non-disclosure agreement. The mutual non-disclosure agreement contains customary standstill provisions that obligate Company C to refrain for a period of 18 months from pursuing various actions that relate to acquisition of control of SI Financial, such as making proposals to acquire SI Financial, buying shares of SI Financial common stock, and commencing a proxy contest. The non-disclosure agreement also contains a provision stating that Company C is not permitted to ask for a waiver of the

standstill provisions. Under the terms of the non-disclosure agreement, the standstill provisions become inoperative if any other person acquires or enters into a definitive agreement to acquire more than 50% of the outstanding voting securities of SI Financial.

Over the following weeks, SI Financial and Company C exchanged detailed financial information and met to discuss the terms of a potential transaction.

On April 24, 2018, the chief executive officer of Company C verbally communicated that Company C would increase the value of the merger consideration to \$14.40.

The SI Financial board of directors concluded that the indicated value of the transaction with Company C was insufficient and discontinued discussions with Company C.

On October 19, 2018, Michael Daly, the former President and Chief Executive Officer of Berkshire Hills Bancorp, contacted Mr. Brouillard to express interest in a possible combination between Berkshire Hills Bancorp and SI Financial. That same day, the chief executive officer of another financial institution that was not among the seven previously contacted by KBW (which we refer to as Company D) contacted Mr. Brouillard to express interest in a possible combination between Company D and SI Financial.

On October 23, 2018, Berkshire Hills Bancorp delivered a draft indication of interest letter that proposed the acquisition of SI Financial by Berkshire Hills Bancorp in a 100% stock transaction with a fixed exchange ratio of between 0.43 and 0.45 shares of Berkshire Hills Bancorp common stock for each share of SI Financial common stock.

On October 24, 2018, at its regular meeting, the SI Financial board of directors discussed Berkshire Hills Bancorp's draft indication of interest letter and authorized management to commence discussions with Berkshire Hills Bancorp.

Over the following days, SI Financial provided Berkshire Hills Bancorp with comments on Berkshire Hills Bancorp's draft indication of interest letter and representatives of SI Financial and Berkshire Hills Bancorp negotiated the terms of a mutual non-disclosure agreement and exclusivity agreement.

On October 31, 2018, representatives of Company D met with Mr. Brouillard to discuss a potential business combination between their respective companies. Mr. Brouillard informed them that the SI Financial board of directors planned to meet on November 2, 2018, to discuss an indication of interest from another company and that Company D would need to provide an indication of interest before that date in order to be considered as a possible partner for a business combination.

Also on October 31, 2018, representatives of SI Financial and Berkshire Hills Bancorp finalized the form of exclusivity agreement and Berkshire Hills Bancorp provided an updated draft of its indication of interest letter, which continued to reflect an exchange ratio of 0.43 to 0.45 shares of Berkshire Hills Bancorp common stock for each share of SI Financial common stock.

On the afternoon of November 1, 2018, Company D delivered an indication of interest letter that proposed a 100% stock transaction valued at \$15.50 per share, with a fixed exchange ratio established at the time of signing a definitive merger agreement. Company D's indication of interest letter indicated that Company D would select and appoint two members of the SI Financial board of directors to the board of directors of Company D's bank subsidiary. Company D's indication of interest letter did not provide that any of SI Financial's executive officers would join Company D's executive management team.

That same evening, Mr. Daly and Mr. Brouillard, together with the parties' respective financial advisors, discussed Berkshire Hills Bancorp's indication of interest letter. Later that evening, Berkshire Hills Bancorp delivered a revised indication of interest letter that proposed a 100% stock transaction with a fixed exchange ratio of 0.46 shares of Berkshire Hills Bancorp common stock, which had an indicated value of \$15.51 based on the closing price of Berkshire Hills Bancorp common stock on November 1, 2018. Berkshire Hills Bancorp's revised indication of interest letter indicated that Berkshire Hills Bancorp would offer one seat on its board of directors to a current director of SI Financial. Berkshire Hills Bancorp's revised indication of interest letter did not provide that any of SI Financial's executive officers would join Berkshire Hills Bancorp's executive management team.

On November 2, 2018, the SI Financial board of directors met to discuss the non-binding indication of interest letters from Berkshire Hills Bancorp and Company D. The meeting was attended by a representative of KBW and a representative of Kilpatrick Townsend & Stockton LLP, legal counsel to SI Financial (which we refer to as Kilpatrick Townsend). The directors reviewed the group of seven companies that had previously been contacted by KBW and concluded that none of them, other than Berkshire Hills Bancorp, were viable parties for a business combination with SI Financial, as one of those companies had been acquired, one had recently announced the acquisition of another, and the remaining three had given reasons as to why they were not interested in a transaction with SI Financial that continued to be applicable. KBW reviewed and compared the terms of the transactions proposed by Berkshire Hills Bancorp and Company D, provided an overview of Berkshire Hills Bancorp and Company D and their respective financial performance, reviewed the market performance of SI Financial, Berkshire Hills Bancorp and Company D and reviewed financial aspects of each of the proposed transactions. After considering the risks and benefits of each of the proposed transactions, including the proposed consideration to be received by holders of SI Financial common

stock, the perceived prospects for each of Berkshire Hills Bancorp and Company D, and the perceived impact of each transaction on the employees of and communities served by SI Financial, as well as that both Berkshire Hills Bancorp and Company D required SI Financial to agree to negotiate exclusively with them, the SI Financial board of directors authorized management to negotiate a definitive agreement with Berkshire Hills Bancorp on the terms set forth in Berkshire Hills Bancorp's indication of interest letter and to enter into non-disclosure and exclusivity agreements with Berkshire Hills Bancorp. Because Berkshire Hills Bancorp does not currently have branches located in the markets served by SI Financial, the SI Financial board of directors instructed management to request that Berkshire Hills Bancorp agree to form an advisory board comprised of the current directors of SI Financial for the purpose of providing support and continuity to the combined company.

Later that same day, SI Financial and Berkshire Hills Bancorp executed a mutual non-disclosure agreement and an exclusivity agreement. The mutual non-disclosure agreement contains a customary standstill provision that obligates Berkshire Hills Bancorp to refrain for a period of 12 months from pursuing various actions that relate to acquisition of control of SI Financial, such as making proposals to acquire SI Financial, buying shares of SI Financial common stock, and commencing a proxy contest. The non-disclosure agreement also contains a provision stating that Berkshire Hills Bancorp is not permitted to publicly request a waiver or termination of the standstill provision. The exclusivity agreement required SI Financial to negotiate exclusively with Berkshire Hills Bancorp for a period of 30 days.

Following execution of the mutual non-disclosure agreement, SI Financial provided Berkshire Hills Bancorp and its representatives with access to an electronic data room that contained non-public information, including information regarding SI Financial's loans, investments and deposits, credit quality, vendor contracts, and operating expenses.

On November 14, 2018, Berkshire Hills Bancorp provided SI Financial and its representatives with access to an electronic data room that contained non-public information regarding Berkshire Hills Bancorp.

On November 16, 2018, Luse Gorman, PC, counsel for Berkshire Hills Bancorp (which we refer to as Luse Gorman), delivered a draft of the merger agreement to Kilpatrick Townsend.

On November 21, 2018, Kilpatrick Townsend provided Luse Gorman with a revised draft of the merger agreement. Between November 21, 2018 and December 10, 2018, Luse Gorman and Kilpatrick Townsend exchanged drafts of the merger agreement and Luse Gorman provided drafts of other transaction documents, including voting agreements to be entered into by the SI Financial directors and certain senior executive officers, and the two firms worked towards finalizing the terms and conditions of the transaction.

On November 26, 2018, following the announcement that Mr. Daly had resigned from his positions with Berkshire Hills Bancorp. Mr. Brouillard spoke with Richard M. Marotta, who had been appointed to succeed Mr. Daly as President and Chief Executive Officer of Berkshire Hills Bancorp. Mr. Marotta confirmed to Mr. Brouillard Berkshire Hills Bancorp's continuing interest in a business combination with SI Financial. Mr. Brouillard contacted one of Berkshire Hills Bancorp's directors to inquire about Mr. Daly's departure and to confirm Berkshire Hills Bancorp's continued interest in a business combination with SI Financial. Mr. Brouillard asked for and received an assessment of the perceived risks surrounding Mr. Daly's departure and was provided confirmation of Berkshire's indication of interest in a business combination with SI Financial.

On November 27, 2018, the chief executive officer of Company D attempted to contact Mr. Brouillard to determine whether SI Financial would be interested in discussing a business combination between their respective companies. Mr. Brouillard informed a representative of KBW of the call from Company D and directed the KBW representative to inform the chief executive officer of Company D that SI Financial remained subject to an agreement to negotiate exclusively with another company.

On November 28, 2018, at the regular meeting of the SI Financial board of directors, Mr. Brouillard updated the board members on the status of the transaction and his discussions with representatives of Berkshire Hills Bancorp regarding Berkshire Hills Bancorp's recent management change.

On November 30, 2018, Mr. Brouillard spoke with the Chairman of the Berkshire Hills Bancorp board of directors regarding Berkshire Hills Bancorp's recent management change and the strategic direction of Berkshire Hills Bancorp.

Also on November 30, 2018, Mr. Brouillard met with Mr. Marotta, where they discussed Berkshire Hills Bancorp's recent management change and Berkshire Hills Bancorp's continued interest in a business combination with SI Financial.

On December 1, 2018, SI Financial and Berkshire Hills Bancorp extended their exclusivity agreement to December 16, 2018.

On December 4, 2018, several executives of SI Financial met with several executives of Berkshire Hills Bancorp and engaged in detailed discussions regarding all major areas of their respective business operations. Representatives of KBW, Berkshire Hills Bancorp's financial advisor, Piper Jaffray & Co. (which we refer to as Piper Jaffray), and Kilpatrick Townsend attended this meeting.

On December 5, 2018, Luse Gorman delivered drafts of agreements to be entered into between certain executive officers of SI Financial, Berkshire Hills Bancorp and SI Financial simultaneously with the execution of the definitive merger agreement. Berkshire Hills Bancorp requested that the executives enter into these agreements in order to implement measures to prevent any payments or benefits under the executives' respective employment or change in control agreements with SI Financial from triggering adverse tax consequences to Berkshire Hills Bancorp and such executives. Between December 5, 2018 and December 10, 2018, Luse Gorman and Kilpatrick Townsend exchanged drafts of the executive agreements.

On December 5, 2018, Company D delivered to SI Financial an unsolicited non-binding indication of interest letter that proposed a 100% stock transaction valued at \$16.00 per share, with a fixed exchange ratio established at the time of signing a definitive merger agreement. Company D expressed a willingness to provide up to 30% of the merger consideration in the form of cash should SI Financial prefer. Consistent with its original indication of interest letter, Company D's updated indication of interest letter stated that Company D would select and appoint two members of the SI Financial board of directors to the board of directors of Company D's bank subsidiary and did not provide that any of SI Financial's executive officers would join Company D's executive management team. Company D's updated indication of interest letter stated that consummation of a transaction would be subject to completion of due diligence in a manner satisfactory to Company D and required that SI Financial agree to negotiate exclusively with Company D. At SI Financial's direction, representatives of KBW communicated the financial terms of Company D's indication of interest (without identifying Company D) to representatives of Piper Jaffray.

On December 6, 2018, Berkshire Hills Bancorp verbally communicated that it would increase the exchange ratio in the merger to 0.48 shares of Berkshire Hills Bancorp common stock for each share of SI Financial common stock, which had an indicated value of \$15.48, based on the closing price of Berkshire Hills Bancorp common stock on that date. Berkshire Hills Bancorp also communicated that it had completed its due diligence and was ready to approve and execute the merger agreement and that the exchange ratio of 0.48 was the most that Berkshire Hills Bancorp would offer. Berkshire Hills Bancorp indicated its intention to pursue other strategic alternatives should SI Financial allow the exclusivity period with Berkshire Hills Bancorp to lapse and thereafter commence discussions with Company D.

On December 7, 2018, the SI Financial board of directors held a telephonic board meeting to discuss the unsolicited indication of interest letter from Company D and the increased exchange ratio offered by Berkshire Hills Bancorp. Representatives of KBW and Kilpatrick Townsend participated in the meeting. A representative of Kilpatrick Townsend reviewed with the board members their fiduciary duties to the stockholders of SI Financial. Representatives of KBW reviewed and compared the terms of the latest transactions proposed by Berkshire Hills Bancorp and Company D, provided an overview of Berkshire Hills Bancorp and Company D and their respective financial performance, reviewed the market performance of SI Financial, Berkshire Hills Bancorp and Company D, and reviewed financial aspects of each of the proposed transactions. The SI Financial board of directors discussed the execution risks of the proposed transaction with Berkshire Hills Bancorp compared to the proposed transaction with Company D and concluded that the execution risks of an immediately actionable transaction with Berkshire Hills Bancorp were significantly less than the risks associated with a transaction with Company D, which remained subject to negotiation of definitive transaction documents and reciprocal due diligence. Following discussion of the merits and risks of each transaction, including consideration of the prospects of Berkshire Hills Bancorp as compared to Company D, the SI Financial board of directors approved continuing to finalize the transaction with Berkshire Hills Bancorp under the terms of its revised proposal.

On December 11, 2018, the SI Financial board of directors met to discuss the proposed transaction with Berkshire Hills Bancorp. Members of SI Financial's executive management team, as well as representatives of Kilpatrick Townsend and KBW, were also in attendance as the SI Financial board of directors considered the approval of the merger agreement and the transactions contemplated by the merger agreement. The board members had been provided with a set of meeting materials in advance of the meeting, including the merger agreement and a summary of the material terms of the merger agreement prepared by Kilpatrick Townsend. Kilpatrick Townsend discussed the terms of the merger agreement, the voting agreements and related transaction documents with the SI Financial board of directors. Kilpatrick Townsend also discussed the terms of the executive agreements. At the meeting, KBW reviewed the financial aspects of the proposed merger and KBW rendered to the SI Financial board of directors an opinion, which was initially rendered verbally and confirmed by delivery of a written opinion dated December 11, 2018, to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio of 0.48 in the merger was fair, from a financial point of view, to the holders of SI Financial common stock. After considering the proposed terms of the merger agreement and related transaction documents, and taking into consideration the matters discussed during that meeting and prior meetings of the SI Financial board of directors, including the strategic alternatives discussed at those meetings and the factors described under the section of this proxy statement/prospectus entitled "—Recommendation of the SI Financial Board of Directors and Reasons for the Merger," the SI Financial board of directors unanimously determined that the merger, the merger agreement and the other transactions contemplated by the merger agreement were in the best interests of SI Financial and its stockholders, and SI Financial board of directors unanimously approved and adopted the merger agreement and the transactions contemplated by it and unanimously determined to recommend that SI Financial stockholders approve the merger agreement.

On December 11, 2018, the Berkshire Hills Bancorp. board of directors held a special meeting at which representatives of Piper Jaffray & Co. and Luse Gorman participated. After a discussion of the legal and financial terms of the transaction, Berkshire Hills Bancorp's board of directors unanimously approved the merger agreement. Following the conclusion of the meeting of the Berkshire Hills Bancorp board of directors on December 11, 2018, SI Financial and Berkshire Hills Bancorp executed the merger agreement, the directors and certain executive officers of

SI Financial executed the voting agreements with Berkshire Hills Bancorp, and certain executive officers of SI Financial executed their letter agreements with Berkshire Hills Bancorp and SI Financial. Later on December 11, 2018, Berkshire Hills Bancorp and SI Financial issued a joint press release announcing the execution of the merger agreement.

SI Financial's Reasons for the Merger and Recommendation of the SI Financial Board of Directors

In reaching its decision to approve the merger agreement and recommend that SI Financial stockholders approve the merger agreement, the SI Financial board of directors evaluated the merger and the merger agreement in consultation with SI Financial's senior management and outside financial and legal advisors and reviewed various financial data and due diligence information. After such consultation and review, and after considering SI Financial's future prospects as an independent company and its strategic alternatives, the SI Financial board of directors concluded that the merger agreement and the transactions contemplated thereby, including the merger, were fair to and in the best interests of SI Financial and its stockholders.

In evaluating the merger agreement and reaching its decision to approve the merger agreement and recommend that SI Financial stockholders approve the merger agreement, the SI Financial board of directors considered a number of factors, including the following, which are not intended to be exhaustive and are not presented in any relative order of importance:

its knowledge of SI Financial's business, operations, regulatory and financial condition, asset quality, earnings, loan portfolio, capital and prospects both as an independent organization and as a part of a combined company with Berkshire Hills Bancorp;

its understanding of Berkshire Hills Bancorp's business, operations, regulatory and financial condition, asset quality, earnings, capital and prospects;

- the anticipated earnings per share and dividend accretion for SI Financial stockholders as a result of the merger;

the SI Financial board of directors' views with respect to other potential strategic alternatives, including remaining independent, making acquisitions, pursuing other similarly-sized merger partners and pursuing larger merger partners;

the SI Financial board of directors' views with respect to the value of the merger consideration to SI Financial's stockholders, including the implied net present value of the merger consideration compared to the implied net present value of SI Financial's common stock if SI Financial were to remain an independent company and as compared to recent Berkshire Hills Bancorp share trading prices;

- the results of SI Financial's exploration of possible merger partners other than Berkshire Hills Bancorp;

the ability of current SI Financial stockholders, as Berkshire Hills Bancorp stockholders following the merger of SI Financial with Berkshire Hills Bancorp, to participate in the financial benefits of the combined company;

that the merger is expected to qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code and that, as a result, SI Financial stockholders will not recognize gain or loss with respect to their receipt of Berkshire Hills Bancorp common stock in the merger;

that the exchange ratio is fixed, which the SI Financial board of directors believes is consistent with market practice for transactions of this type and with the strategic purpose of the transaction;

- that SI Financial stockholders would own approximately 11% of the combined company;

- that Mr. Brouillard would be appointed to the Berkshire Hills Bancorp board of directors;

the geographical diversity of the combined company, including Berkshire Hills Bancorp expanding into Rhode Island;

that the more active trading market in Berkshire Hills Bancorp common stock would give SI Financial stockholders greater liquidity for their investment;

that none of the other companies that had been contacted by KBW on behalf of SI Financial or with whom SI Financial had conducted discussions regarding a possible business combination are subject to any standstill provisions that would prevent them from making a proposal, or taking any other action, to acquire SI Financial;

the benefits to SI Financial and its customers of operating as a larger organization, including enhancements in products and services, higher lending limits, and greater financial resources;

the increasing importance of operational scale and financial resources in maintaining efficiency and remaining competitive over the long term and in being able to capitalize on technological developments that significantly impact industry competitive conditions;

the expected social and economic impact of the merger on the constituencies served by SI Financial, including its borrowers, customers, depositors, employees, and communities;

the effects of the merger on SI Financial employees, including the prospects for continued employment in a larger organization;

the financial presentation, dated December 11, 2018, of KBW to the SI Financial board of directors and the opinion, dated December 11, 2018, of KBW to the SI Financial board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of SI Financial common stock of the exchange ratio in the merger, as more fully described below under "Opinion of SI Financial's Financial Advisor;

the perceived ability of Berkshire Hills Bancorp to obtain the required regulatory approvals for the transaction; and

the review of the SI Financial board of directors with Kilpatrick Townsend, its outside legal counsel, of the material terms of the merger agreement, including (i) the board's ability, under certain circumstances, to consider an unsolicited acquisition proposal, (ii) the board's ability to terminate the merger agreement in order to enter into a definitive agreement with respect to a superior proposal (subject to payment of a \$7,400,000 termination fee) and (iii) the board's ability to terminate the merger agreement if the average closing price of Berkshire Hills Bancorp common stock both declined by more than 20% during a measurement period prior to the closing and underperformed the Nasdaq Bank Index by more than 20 percentage points, as well as the nature of the covenants, representations and warranties and other termination provisions in the merger agreement.

The SI Financial board of directors also considered a number of potential risks and uncertainties associated with the merger in connection with its deliberation of the proposed transaction, including, without limitation, the following:

the risk that the consideration to be paid to SI Financial stockholders could be adversely affected by a decrease in the trading price of Berkshire Hills Bancorp common stock during the pendency of the merger;

the potential risk of diverting management attention and resources from the operation of SI Financial's business and towards the completion of the merger;

the fact that the merger agreement restricts the conduct of SI Financial's business prior to the completion of the merger which, subject to specific exceptions, could delay or prevent SI Financial from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of SI Financial absent the pending merger;

the potential risks associated with achieving anticipated cost synergies and savings and successfully integrating SI Financial's business, operations and workforce with those of Berkshire Hills Bancorp;

the fact that the interests of certain of SI Financial's directors and executive officers may be different from, or in addition to, the interests of SI Financial's other stockholders;

that, while SI Financial expects that the merger will be consummated, there can be no assurance that all conditions to the parties' obligations to complete the merger agreement will be satisfied, including the risk that necessary regulatory approvals or SI Financial stockholder approval might not be obtained and, as a result, the merger may not be consummated;

the risk of potential employee attrition and/or adverse effects on business and customer relationships as a result of the pending merger;

certain anticipated merger-related costs;

the fact that: (i) SI Financial would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement; and (ii) SI Financial would be obligated to pay to Berkshire Hills Bancorp a termination fee of \$7,400,000 if the merger agreement is terminated under certain circumstances, which may discourage other parties potentially interested in a strategic transaction with SI Financial from pursuing such a transaction; and

· the possibility of litigation challenging the merger, and its belief that any such litigation would be without merit.

For the reasons set forth above, the SI Financial board of directors approved the merger agreement and the transactions contemplated thereby, including the merger, and recommends that the SI Financial stockholders vote “FOR” the merger proposal, “FOR” the merger-related compensation proposal and “FOR” the adjournment proposal.

Each of the members of the SI Financial board of directors and certain executive officers of SI Financial, in their capacities as SI Financial stockholders, have entered into voting agreements with Berkshire Hills Bancorp pursuant to which they have agreed to vote “FOR” the SI Financial merger proposal and “FOR” any other matters required to be approved by the SI Financial stockholders in furtherance of the SI Financial merger proposal. For more information regarding the voting agreements, please see the section entitled “The Merger Agreement—Voting Agreements.”

Opinion of SI Financial's Financial Advisor

SI Financial engaged Keefe, Bruyette & Woods, Inc. ("KBW") to render financial advisory and investment banking services to SI Financial, including an opinion to the SI Financial board of directors as to the fairness, from a financial point of view, to the holders of SI Financial common stock of the exchange ratio in the proposed merger of SI Financial with and into Berkshire Hills Bancorp. SI Financial selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the SI Financial board of directors held on December 11, 2018, at which the SI Financial board of directors evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered to the SI Financial board of directors an opinion 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 KBW as set forth in its opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of SI Financial common stock. The SI Financial board of directors approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Appendix B to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the SI Financial board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger to the holders of SI Financial common stock. It did not address the underlying business decision of SI Financial to engage in the merger or enter into the merger agreement or constitute a recommendation to the SI Financial board of directors in connection with the merger, and it does not constitute a recommendation to any holder of SI Financial common stock as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation regarding whether or not any such stockholder should enter into a voting, stockholders', or affiliates' agreement with respect to the merger.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of SI Financial and Berkshire Hills Bancorp and bearing upon the merger, including, among other things:

a draft of the merger agreement received on December 8, dated December 11, 2018 (the most recent draft then made available to KBW);

the audited financial statements and the Annual Reports on Form 10-K for the three fiscal years ended December 31, 2017 of SI Financial;

the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 of SI Financial;

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2017 of Berkshire Hills Bancorp;

the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018, June 30, 2018 and September 30, 2018 of Berkshire Hills Bancorp;

certain regulatory filings of SI Financial and Berkshire Hills Bancorp and their respective subsidiaries, including the quarterly reports on Form FR Y-9C and call reports filed with respect to each quarter during the three-year period ended December 31, 2017 as well as the quarters ended March 31, 2018, June 30, 2018 and, in the case of Berkshire Hills Bancorp, September 30, 2018;

certain other interim reports and other communications of SI Financial and Berkshire Hills Bancorp to their respective stockholders; and

other financial information concerning the businesses and operations of SI Financial and Berkshire Hills Bancorp that was furnished to KBW by SI Financial and Berkshire Hills Bancorp or which KBW was otherwise directed to use for purposes of KBW's analyses.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of SI Financial and Berkshire Hills Bancorp;
- the assets and liabilities of SI Financial and Berkshire Hills Bancorp;
- the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial and stock market information for SI Financial and Berkshire Hills Bancorp with similar information for certain other companies the securities of which were publicly traded;

financial and operating forecasts and projections of SI Financial that were prepared by, and provided to KBW and discussed with KBW by, SI Financial management and that were used and relied upon by KBW at the direction of such management and with the consent of the SI Financial board of directors;

publicly available consensus "street estimates" of Berkshire Hills Bancorp, as well as assumed long-term Berkshire Hills Bancorp growth rates provided to KBW by Berkshire Hills Bancorp management, all of which information was discussed with KBW by Berkshire Hills Bancorp management and used and relied upon by KBW based on such discussions, at the direction of SI Financial management and with the consent of the SI Financial board of directors; and

estimates regarding certain pro forma financial effects of the merger on Berkshire Hills Bancorp (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger) that were prepared by, and provided to and discussed with KBW by, Berkshire Hills Bancorp management and that were used and relied upon by KBW based on such discussions, at the direction of SI Financial management and with the consent of the SI Financial board of directors.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions held by the managements of SI Financial and Berkshire Hills Bancorp regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. In addition, KBW considered the results of the efforts undertaken by SI

Financial, with KBW's assistance, to solicit indications of interest from third parties regarding a potential transaction with SI Financial.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that was publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of SI Financial as to the reasonableness and achievability of the financial and operating forecasts and projections of SI Financial referred to above (and the assumptions and bases therefor), and KBW assumed that such forecasts and projections were reasonably prepared and represented the best currently available estimates and judgments of such management and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such management. KBW further relied, with the consent of SI Financial, upon Berkshire Hills Bancorp management as to the reasonableness and achievability of the publicly available consensus "street estimates" of Berkshire Hills Bancorp, the assumed long-term Berkshire Hills Bancorp growth rates, and the estimates regarding certain pro forma financial effects of the merger on Berkshire Hills Bancorp (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), all as referred to above (and the assumptions and bases for all such information), and KBW assumed that all such information was reasonably prepared and represented, or in the case of the Berkshire Hills Bancorp "street estimates" referred to above that such estimates were consistent with, the best currently available estimates and judgments of Berkshire Hills Bancorp management and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of SI Financial and Berkshire Hills Bancorp that was provided to KBW was not prepared with the expectation of public disclosure and that all of the foregoing financial information, including the publicly available consensus "street estimates" of Berkshire Hills Bancorp referred to above, was based on numerous variables and assumptions that are inherently uncertain (including, without limitation, factors related to general economic and competitive conditions) and, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of SI Financial and Berkshire Hills Bancorp and with the consent of the SI Financial board of directors, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either SI Financial or Berkshire Hills Bancorp since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with SI Financial's consent, that the aggregate allowances for loan and lease losses for SI Financial and Berkshire Hills Bancorp are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of SI Financial or Berkshire Hills Bancorp, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of SI Financial or Berkshire Hills Bancorp under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

that the merger and any related transactions (including the subsidiary bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed by KBW and referred to above) with no adjustments to the exchange ratio and with no other consideration or payments in respect of SI Financial common stock;

that the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

that each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

that there were no factors that would delay, or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transactions (including the subsidiary bank merger) and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

that in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction (including the subsidiary bank merger), no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of SI Financial, Berkshire Hills Bancorp or the pro forma entity, or the contemplated benefits of the merger, including without limitation the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complies with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of SI Financial that SI Financial relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to SI Financial, Berkshire Hills Bancorp, the merger and any related transaction (including the subsidiary bank merger) and the merger agreement. KBW did not provide advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of the opinion, of the exchange ratio in the merger to the holders of SI Financial common stock. KBW expressed no view or opinion as to any other terms or aspects of the merger or any term or aspect of any related transaction (including the subsidiary bank merger and the termination by SI Financial of the Savings Institute ESOP prior to the closing date of the merger), including without limitation, the form or structure of the merger or any such related transaction, any consequences of the merger or any such related transaction to SI Financial, its stockholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, stockholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of SI Financial to engage in the merger or enter into the merger agreement;

- the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by SI Financial or the SI Financial board of directors;

- the fairness of the amount or nature of any compensation to any of SI Financial's officers, directors or employees, or any class of such persons, relative to the compensation to the holders of SI Financial common stock;

- the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of SI Financial (other than the holders of SI Financial common stock solely with respect to the exchange ratio as described in KBW's opinion and not relative to the consideration to be received by holders of any other class of securities) or holders of any class of securities of Berkshire Hills Bancorp or any other party to any transaction contemplated by the merger agreement;

- any adjustment (as provided in the merge agreement) to the exchange ratio assumed for purposes of KBW's opinion;
 - the actual value of Berkshire Hills Bancorp common stock to be issued in the merger;

- the prices, trading range or volume at which SI Financial common stock or Berkshire Hills Bancorp common stock would trade following the public announcement of the merger or the prices, trading range or volume at which Berkshire Hills Bancorp common stock would trade following the consummation of the merger;

- any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

- any legal, regulatory, accounting, tax or similar matters relating to SI Financial, Berkshire Hills Bancorp, their respective stockholders, or relating to or arising out of or as a consequence of the merger or any related transaction (including the subsidiary bank merger), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, SI Financial and Berkshire Hills Bancorp. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the SI Financial board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the SI Financial

board of directors with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between SI Financial and Berkshire Hills Bancorp and the decision of SI Financial to enter into the merger agreement was solely that of the SI Financial board of directors.

The following is a summary of the material financial analyses presented by KBW to the SI Financial board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the SI Financial board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below includes information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of \$15.00 per outstanding share of SI Financial common stock, or \$182.2 million in the aggregate (inclusive of the implied value of in-the-money SI Financial stock options), based on the 0.48 exchange ratio in the merger and the closing price of Berkshire Hills Bancorp common stock on December 10, 2018. In addition to the financial analyses described below, KBW reviewed with the SI Financial board of directors for informational purposes, among other things, implied transaction multiples for the proposed merger (based on the implied transaction value for the merger of \$15.00 per outstanding share of SI Financial common stock) of 17.8x SI Financial's estimated 2018 core earnings per share ("EPS") (which excluded pre-tax income resulting from the release of funds held in escrow related to the December 2016 sale of SI Financial's ownership interest in Vantis Life Insurance Company) and 15.2x SI Financial's estimated 2019 EPS, using financial forecasts and projections provided by SI Financial management.

Berkshire Hills Bancorp Selected Companies Analyses. Using publicly available information, KBW compared the financial performance, financial condition and market performance of Berkshire Hills Bancorp to eight selected publicly traded banks and thrifts which were headquartered in the Northeast region of the United States (defined as Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont by S&P Global Market Intelligence) and had total assets between \$4 billion and \$20 billion. Merger targets were excluded from the selected companies.

The selected companies were as follows:

Boston Private Financial Holdings, Inc.	Meridian Bancorp, Inc.
Independent Bank Corp.	Century Bancorp, Inc.
Brookline Bancorp, Inc.	Washington Trust Bancorp, Inc.
United Financial Bancorp, Inc.	Camden National Corporation

To perform this analysis, KBW used profitability and other financial information for the most recent completed fiscal quarter ("MRQ") available or as of the end of such period and market price information as of December 10, 2018. KBW also used 2018, 2019, and 2020 EPS estimates taken from publicly available consensus "street estimates" for Berkshire Hills Bancorp (per S&P Global Market Intelligence based on Berkshire Hills Bancorp management's guidance) and the seven selected companies for which consensus "street estimates" (per FactSet Research Systems) were publicly available. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Berkshire Hills Bancorp's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Berkshire Hills Bancorp and the selected companies:

Selected Companies

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	Berkshire Hills Bancorp	25 th Percentile	Median	Average	75 th Percentile
MRQ Core Return on Average Assets ⁽¹⁾	1.12	% 1.05	% 1.22	% 1.21	% 1.36
MRQ Core Return on Average Equity ⁽¹⁾	8.54	% 10.22	% 12.89	% 12.39	% 13.51
MRQ Core Return on Average Tangible Common Equity ⁽¹⁾	13.82	% 12.33	% 13.98	% 14.69	% 17.46
MRQ Net Interest Margin	3.37	% 2.96	% 3.02	% 3.11	% 3.28
MRQ Fee Income/Revenue ⁽²⁾	24.60	% 13.80	% 19.20	% 20.10	% 26.00
MRQ Efficiency Ratio	57.80	% 60.40	% 55.40	% 57.30	% 52.90

(1) Core income excluded extraordinary items, gain/loss on sale of securities, nonrecurring revenue/expenses, and amortization of intangibles as calculated by S&P Global Market Intelligence.

(2) Excluded gains/losses on sale of securities.

KBW's analysis also showed the following concerning the financial condition of Berkshire Hills Bancorp and the selected companies:

	Berkshire Hills Bancorp	Selected Companies						
		25 th Percentile	Median	Average	75 th Percentile			
Tangible Common Equity/Tangible Assets	8.18	% 7.73	% 8.07	% 8.52	% 9.53	%		%
Common Equity Tier 1 Ratio	11.47	% 11.14	% 11.56	% 11.54	% 11.96	%		%
Tier 1 Capital Ratio	11.61	% 11.99	% 12.51	% 12.35	% 12.88	%		%
Total Capital Ratio	12.99	% 12.90	% 13.76	% 13.75	% 14.56	%		%
Loans/Deposits	101.60	% 92.80	% 100.10	% 98.00	% 107.90	%		%
Loan Loss Reserves/Loans	0.65	% 0.87	% 0.95	% 0.96	% 1.00	%		%
Nonperforming Assets/Loans + OREO	0.53	% 0.70	% 0.59	% 0.58	% 0.36	%		%
Net Charge-offs/Average Loans	0.18	% 0.04	% 0.01	% (0.01)	% (0.01)	%		%

In addition, KBW's analysis showed the following concerning the market performance of Berkshire Hills Bancorp and, to the extent publicly available, the selected companies:

	Berkshire Hills Bancorp	Selected Companies						
		25 th Percentile	Median	Average	75 th Percentile			
One-Year Stock Price Change	(17.50))% (18.10))% (10.30))% (11.60))% (6.80))%)%
Year-To-Date Stock Price Change	(14.60))% (16.80))% (9.20))% (10.50))% (5.80))%)%
Price / Tangible Book Value per Share	1.51	x 1.46	x 1.59	x 1.77	x 1.92	x		x
Price / 2018E EPS	11.90	x 12.20	x 12.90	x 13.10	x 13.80	x		x
Price / 2019E EPS	10.70	x 11.40	x 12.40	x 12.00	x 12.80	x		x
Price / 2020E EPS	10.10	x 10.40	x 11.10	x 11.20	x 12.00	x		x
Dividend Yield	2.80	% 2.00	% 3.00	% 2.70	% 3.40	%		%
2018 Dividend Payout Ratio	33.50	% 34.40	% 38.70	% 38.30	% 42.00	%		%

No company used as a comparison in the above selected companies analysis is identical to Berkshire Hills Bancorp. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

SI Financial Selected Companies Analyses. Using publicly available information, KBW compared the financial performance, financial condition and market performance of SI Financial to 12 selected publicly traded banks and thrifts which were headquartered in the Northeast region of the United States and had total assets between \$1 billion and \$5 billion. Merger targets were excluded from the selected companies.

The selected companies were as follows:

Century Bancorp, Inc.	Western New England Bancorp, Inc.
Washington Trust Bancorp, Inc.	Cambridge Bancorp
Camden National Corporation	First Bancorp, Inc.
Bar Harbor Bankshares	Bankwell Financial Group, Inc.
Enterprise Bancorp, Inc.	Northeast Bancorp

Hingham Institution for Savings Salisbury Bancorp, Inc.

To perform this analysis, KBW used profitability and other financial information for the most recent completed fiscal quarter or the latest 12 months (“LTM”) available or as of the end of such periods and market price information as of December 10, 2018. KBW used 2018 and 2019 EPS estimates taken from publicly available consensus “street estimates” for the six selected companies for which consensus “street estimates” (per FactSet Research Systems) were publicly available. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in SI Financial’s historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of SI Financial and the selected companies:

	SI Financial	Selected Companies							
		25th Percentile	Median	Average	75th Percentile				
MRQ Core Return on Average Assets ⁽¹⁾	0.71	% 0.96	% 1.16	% 1.16	% 1.37	%			
MRQ Core Return on Average Equity ⁽¹⁾	6.63	% 10.87	% 13.21	% 12.74	% 14.17	%			
MRQ Core Return on Average Tangible Common Equity ⁽¹⁾	7.34	% 12.86	% 13.72	% 14.17	% 16.40	%			
MRQ Net Interest Margin	3.06	% 2.91	% 3.10	% 3.23	% 3.32	%			
MRQ Fee Income / Revenue ⁽²⁾	20.30	% 11.60	% 17.20	% 17.60	% 22.80	%			
MRQ Efficiency Ratio	67.10	% 63.10	% 58.50	% 57.20	% 55.80	%			

(1) Core income excluded extraordinary items, gain/loss on sale of securities, nonrecurring revenue/expenses, and amortization of intangibles as calculated by S&P Global Market Intelligence.

(2) Excluded gains/losses on sale of securities.

KBW's analysis also showed the following concerning the financial condition of SI Financial and the selected companies:

	SI Financial	Selected Companies							
		25th Percentile	Median	Average	75th Percentile				
Tangible Common Equity / Tangible Assets	9.65	% 7.73	% 7.99	% 8.40	% 8.92	%			
Total Capital Ratio	15.40	% 12.91	% 13.72	% 14.12	% 14.62	%			
Loans / Deposits	103.20	% 86.50	% 95.40	% 93.90	% 104.40	%			
Loan Loss Reserves / Loans	1.10	% 0.71	% 0.83	% 0.91	% 1.13	%			
Nonperforming Assets / Loans + OREO	1.46	% 1.60	% 0.95	% 1.12	% 0.47	%			
Net Charge-offs / Average Loans	0.01	% 0.04	% 0.01	% 0.01	% —	%			

In addition, KBW's analysis showed the following, to the extent publicly available, concerning the market performance of SI Financial and the selected companies:

SI Financial	Selected Companies			
	25th Percentile	Median	Average	75th Percentile

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One-Year Stock Price Change	(10.20)%	(15.70)%	(10.90)%	(10.00)%	(4.70)%
Year-To-Date Stock Price Change	(9.90)%	(14.10)%	(10.70)%	(8.40)%	2.20	%
Price / Tangible Book Value per Share	1.04	x	1.27 x	1.55 x	1.66 x	2.00	x
Price / LTM Core EPS ⁽¹⁾	15.10	x ⁽²⁾	11.30 x	12.80 x	13.30 x	14.70	x
Price / 2018E EPS	—		11.30 x	12.00 x	12.60 x	12.30	x
Price / 2019E EPS	—		11.50 x	11.50 x	12.50 x	12.30	x
Dividend Yield	1.80	%	1.40 %	2.10 %	2.20 %	3.30	%
LTM Dividend Payout Ratio	27.40	%	17.00 %	32.30 %	28.50 %	37.80	%

(1) Core income excluded extraordinary items, gain/loss on sale of securities, nonrecurring revenue/expenses, and amortization of intangibles as calculated by S&P Global Market Intelligence; 2017Q4 earnings adjusted for charges in 2017 tax provision related to the Tax Cuts and Jobs Act per S&P Global Market Intelligence.

(2) LTM core income for SI Financial excluded pre-tax income resulting from the release of funds held in escrow related to the December 2016 sale of SI Financial's ownership interest in Vantis Life Insurance Company.

No company used as a comparison in the above selected companies analysis is identical to SI Financial. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Select Transactions Analysis. KBW reviewed publicly available information related to 11 selected Northeast and Mid-Atlantic U.S. whole bank transactions announced since January 1, 2016 with announced transaction values between \$100 million and \$300 million. Merger-of-equals transactions and terminated transactions were excluded from the selected transactions.

The selected transactions were as follows:

Acquiror	Acquired Company
RBB Bancorp	First American International Corp.
HarborOne Bancorp, Inc. (MHC)	Coastway Bancorp, Inc.
Old Line Bancshares, Inc.	Bay Bancorp, Inc.
Howard Bancorp, Inc.	1 st Mariner Bank
Berkshire Hills Bancorp, Inc.	Commerce Bancshares Corp.
Bryn Mawr Bank Corporation	Royal Bancshares of Pennsylvania, Inc.
OceanFirst Financial Corp.	Ocean Shore Holding Co.
Berkshire Hills Bancorp, Inc.	First Choice Bank
Bar Harbor Bankshares	Lake Sunapee Bank Group
Westfield Financial, Inc.	Chicopee Bancorp, Inc.
OceanFirst Financial Corp.	Cape Bancorp, Inc.

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial prior to the announcement of the respective transaction:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) of the acquired company, referred to as core deposit premium; and

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM earnings).

KBW also reviewed the price per common share paid for the acquired company for the eight selected transactions involving publicly traded acquired companies as a premium to the closing price of the acquired company one day prior to the announcement of the acquisition (expressed as a percentage and referred to as the one day market premium). The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of \$15.00 per outstanding share of SI Financial common stock and using historical financial information for SI Financial

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as of or for the 12 month period ended September 30, 2018 and the closing price of SI Financial common stock on December 10, 2018.

The results of the analysis are set forth in the following table (excluding the impact of the LTM EPS multiples for five of the selected transactions which multiples were considered to be not meaningful because they were greater than 30.0x or negative):

	Berkshire Hills Bancorp/SI Financial	Selected Transactions								
		25th Percentile	Median	Average	75th Percentile					
Price / Tangible Book Value per Share	1.18	x	1.25	x	1.40	x	1.54	x	1.75	x
Core Deposit Premium	2.80	%	5.10	%	5.70	%	8.50	%	13.40	%
Price / LTM EPS ⁽¹⁾	17.00	x ⁽²⁾	14.80	x	15.50	x	15.80	x	15.70	x
One-Day Market Premium	13.20	% ⁽¹⁾	18.70	%	24.00	%	30.20	%	36.70	%

(1) Adjusted for revaluation of deferred tax assets/deferred tax liabilities due to the Tax Cuts and Jobs Act per S&P Global Market Intelligence, where applicable.

(2) Excluded pre-tax income resulting from the release of funds held in escrow related to the December 2016 sale of SI Financial's ownership interest in Vantis Life Insurance Company.

KBW also compared the implied transaction statistics set forth in the table above to the following three different sets of implied transaction statistics for the proposed merger based on the 0.48 exchange ratio in the merger and the 30-day, 60-day and 90-day volume-weighted average prices (“VWAP”) of Berkshire Hills Bancorp common stock for the periods ended December 10, 2018:

	Berkshire Hills Bancorp/SI Financial Merger Based on:					
	30-Day VWAP		60-Day VWAP		90-Day VWAP e	
Price / Tangible Book Value per Share	1.26	x	1.38	x	1.43	x
Core Deposit Premium	4.20	%	5.90	%	6.70	%
Price / LTM EPS ⁽¹⁾	18.20	x	19.90	x	20.60	x
One-Day Market Premium	21.70	%	32.50	%	37.30	%

(1) Excluded pre-tax income resulting from the release of funds held in escrow related to the December 2016 sale of SI Financial’s ownership interest in Vantis Life Insurance Company.

No company or transaction used as a comparison in the above selected transaction analysis is identical to SI Financial or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of Berkshire Hills Bancorp and SI Financial to various pro forma balance sheet and income statement items and the combined market capitalization of the combined entity. This analysis did not include purchase accounting adjustments or cost savings. To perform this analysis, KBW used (i) balance sheet and income statement data for Berkshire Hills Bancorp and SI Financial as of or for the 12 month period ended September 30, 2018, (ii) 2018, 2019, and 2020 net income consensus “street estimates” for Berkshire Hills Bancorp (per S&P Global Market Intelligence based on Berkshire Hills Bancorp management’s guidance), and (iii) financial forecasts and projections relating to the net income of SI Financial provided by SI Financial management. The results of KBW’s analysis are set forth in the following table, which also compares the results of KBW’s analysis with the implied pro forma ownership percentages of Berkshire Hills Bancorp and SI Financial stockholders in the combined company based on the 0.48 exchange ratio in the merger:

	Berkshire Hills Bancorp		SI Financial	
	<u>% of Total</u>		<u>% of Total</u>	
Pro Forma Ownership: Based on 0.48 Exchange Ratio	89	%	11	%

Balance Sheet:

Total Assets	88	%	12	%
Gross Loans Held for Investments	87	%	13	%
Total Deposits	88	%	12	%
Common Equity	90	%	10	%
Tangible Common Equity	86	%	14	%

Income Statement:

LTM Core Net Income ⁽¹⁾	93	%	7	%
2018E GAAP Net Income	92	%	8	%
2019E GAAP Net Income	92	%	8	%
2020E GAAP Net Income	92	%	8	%

Market Capitalization:

12/10/2018 Closing Stock Prices	90	%	10	%
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(1) LTM core net income excluded extraordinary items, gain/loss on sale of securities, nonrecurring revenue/expense, amortization of intangibles, and revaluation of deferred tax assets in the fourth quarter of 2017 due to Tax Cuts and Jobs Act. SI Financial earnings also adjusted to exclude pre-tax income resulting from the release of funds held in escrow related to the December 2016 sale of SI Financial's ownership interest in Vantis Life Insurance Company.

Forecasted Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of Berkshire Hills Bancorp and SI Financial. Using (i) closing balance sheet estimates as of June 30, 2019 for Berkshire Hills Bancorp and SI Financial, extrapolated from historical data using growth rates provided by Berkshire Hills Bancorp management, (ii) publicly available consensus "street estimates" for Berkshire Hills Bancorp (per S&P Global Market Intelligence based on Berkshire Hills Bancorp management's guidance), and (iii) pro forma assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger, certain accounting adjustments and restructuring charges assumed with respect thereto, and financial forecasts and projections relating to the net income of SI Financial) provided by Berkshire Hills Bancorp management, KBW analyzed the potential financial impact of the merger on certain projected financial results of Berkshire Hills Bancorp. This analysis indicated the merger could be accretive to Berkshire Hills Bancorp's estimated 2019 EPS and estimated 2020 EPS and dilutive to Berkshire Hills Bancorp's estimated tangible book value per share as of June 30, 2019. Furthermore, the analysis indicated that, pro forma for the merger, each of Berkshire Hills Bancorp's tangible common equity to tangible assets ratio, Tier 1 Leverage Ratio, Common Equity Tier 1 Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk Based Capital Ratio as of June 30, 2019 could be lower. For all of the above analysis, the actual results achieved by Berkshire Hills Bancorp following the merger may vary from the projected results, and the variations may be material.

SI Financial Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis of SI Financial to estimate a range for the implied equity value of SI Financial. In this analysis, KBW used financial forecasts and projections relating to the net income and assets of SI Financial provided by SI Financial management, and assumed discount rates ranging from 12.0% to 15.0%. The range of values was derived by adding (i) the present value of the estimated excess cash flows that SI Financial could generate over the five-year period from 2019 to 2023 as a standalone company and (ii) the present value of SI Financial's implied terminal value at the end of such period. KBW assumed that SI Financial would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of SI Financial, KBW applied a range of 11.0x to 15.0x SI Financial estimated 2024 net income. This discounted cash flow analysis resulted in a range of implied values per share of SI Financial common stock of \$12.13 per share to \$16.29 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analysis did not purport to be indicative of the actual values or expected values of SI Financial.

Berkshire Hills Bancorp Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis of Berkshire Hills Bancorp to estimate a range for the implied equity value of Berkshire Hills Bancorp. In this analysis, KBW used publicly available consensus "street estimates" of Berkshire Hills Bancorp (per S&P Global Market Intelligence based on Berkshire Hills Bancorp management's guidance) and assumed long-term growth rates for Berkshire Hills Bancorp provided by Berkshire Hills Bancorp management, and assumed discount rates ranging from 10.0% to 13.0%. The range of values was derived by adding (i) the present value of the estimated excess cash flows that Berkshire Hills Bancorp could generate over the five-year period from 2019 to 2023 as a standalone company, and (ii) the present value of Berkshire Hills Bancorp's implied terminal value at the end of such period. KBW assumed that Berkshire Hills Bancorp would maintain a tangible common equity to tangible asset ratio of 8.00% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Berkshire Hills Bancorp, KBW applied a range of 11.0x to 15.0x Berkshire Hills Bancorp estimated 2024 net income. This discounted cash flow analysis resulted in a range of implied values per share of Berkshire Hills Bancorp common stock of \$32.22 per share to \$45.80 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analysis did not purport to be indicative of the actual values or expected values of Berkshire Hills Bancorp or the pro forma combined company.

Miscellaneous. KBW acted as financial advisor to SI Financial and not as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. KBW and its

affiliates, in the ordinary course of its and their broker-dealer businesses (and further to existing sales and trading relationships between KBW and each of SI Financial and Berkshire Hills Bancorp, as well as an existing sales and trading relationship between a KBW broker-dealer affiliate and Berkshire Hills Bancorp), may from time to time purchase securities from, and sell securities to, SI Financial and Berkshire Hills Bancorp. In addition, as a market maker in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of SI Financial or Berkshire Hills Bancorp for its and their own respective accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, SI Financial agreed to pay KBW a total cash fee equal to 1.00% of the aggregate merger consideration, \$500,000 of which became payable to KBW with the rendering of its opinion and the balance of which is contingent upon the closing of the merger. SI Financial also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. Other than in connection with the present engagement, during the two years preceding the date of its opinion, KBW did not provide investment banking or financial advisory services to SI Financial. During the two years preceding the date of its opinion, KBW did not provide investment banking or financial advisory services to Berkshire Hills Bancorp. KBW may in the future provide investment banking and financial advisory services to SI Financial or Berkshire Hills Bancorp and receive compensation for such services.

Certain Prospective Financial Information

SI Financial and Berkshire Hills Bancorp do not as a matter of course make public projections as to future performance, revenues, earnings or other financial results due to, among other reasons, the inherent uncertainty of the underlying assumptions and estimates. However, SI Financial and Berkshire Hills Bancorp are including in this proxy statement/prospectus certain unaudited prospective financial information that was made available by SI Financial and Berkshire Hills Bancorp in connection with the merger as described below. The inclusion of this information should not be regarded as an indication that any of SI Financial, Berkshire Hills Bancorp or KBW, their respective representatives or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results, or that it should be construed as financial guidance, and it should not be relied on as such.

Except as otherwise indicated below, for purposes of the financial analyses performed by KBW in connection with KBW's opinion, SI Financial management provided to KBW, and KBW used, projected earnings per share for SI Financial of \$0.99 for 2019 and \$1.07 for 2020 and an estimated annual earnings growth rate of 8% per year for 2021 and thereafter, which resulted in estimated earnings per share of \$1.45 for 2024. For purposes of the pro forma financial impact analysis performed by KBW, Berkshire Hills Bancorp management provided to KBW, and KBW used, projected earnings per share for SI Financial of \$0.88 for 2019, \$1.00 for 2020 and \$1.20 for 2021.

In addition, for purposes of the financial analyses performed in connection with KBW's opinion, Berkshire Hills Bancorp management discussed with KBW, and KBW used, publicly available median analyst estimates (per S&P Global Market Intelligence) of Berkshire Hills Bancorp's earnings per share of \$2.91 for 2019 and \$3.10 for 2020, and Berkshire Hills Bancorp management also provided to KBW, and KBW used, an estimated annual earnings growth rate of 6% per year for 2021 and thereafter, which resulted in estimated earnings per share of \$3.91 for 2024.

This information was prepared solely for internal use and is subjective in many respects. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions with respect to business, economic, market, competition, regulatory and financial conditions and matters specific to SI Financial's and Berkshire Hills Bancorp's respective business, all of which are difficult to predict and many of which are beyond SI Financial's and Berkshire Hills Bancorp's control. The unaudited prospective financial information reflects both assumptions as to certain business decisions that are subject to change and, in many respects, subjective judgment, and therefore, is susceptible to multiple interpretations and periodic revisions based on actual experience and business developments. No assurance can be given that the unaudited prospective financial information and the underlying estimates and assumptions will be realized. In addition, since the unaudited prospective financial information covers multiple years, such information by its nature becomes subject to greater uncertainty with each successive year. Actual results may differ materially from those set forth above, and important factors that may affect actual results and cause the unaudited prospective financial information to be inaccurate include, but are not limited to, risks and uncertainties relating to SI Financial's and Berkshire Hills Bancorp's business, industry performance, general business and economic conditions, customer requirements, competition and adverse changes in applicable laws, regulations or rules. For other factors that could cause actual results to differ, please see the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements."

The unaudited prospective financial information appearing above was not prepared with a view toward public disclosure, nor was it prepared with a view toward compliance with GAAP, the prevailing practices in the banking industry, published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. In addition, the unaudited prospective financial information requires significant estimates and assumptions that make it inherently less comparable to the similarly titled GAAP measures in SI Financial's or Berkshire Hills Bancorp's historical GAAP financial statements. Neither Berkshire Hills Bancorp's nor SI Financial's independent registered public accounting firm, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the unaudited prospective financial information contained in this document, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the unaudited prospective financial information. The independent registered public accountant reports included in this proxy statement/prospectus relate to historical financial information of each of Berkshire Hills Bancorp and SI Financial. They do not extend to the unaudited prospective financial information and should not be read to do so.

Furthermore, the unaudited prospective financial information does not take into account any circumstances or events occurring after the date prepared. No assurance can be given that, had the unaudited prospective financial information been prepared as of the date of this proxy statement/prospectus, similar estimates and assumptions would be used. Neither SI Financial nor Berkshire Hills Bancorp intends to, and expressly disclaims any obligation to, make publicly available any update or other revision to the unaudited prospective financial information to reflect circumstances existing since their preparation or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions are shown to be in error, or to reflect changes in general economic or industry conditions. The unaudited prospective financial information does not take into account the possible financial and other effects on Berkshire Hills Bancorp or SI Financial of the merger and does not attempt to predict or suggest future results of the combined company after giving effect to the merger. The unaudited prospective financial information does not give effect to the merger, including the impact of negotiating or executing the merger agreement, the expenses that may be incurred in connection with completing the merger, the potential synergies that may be achieved by the combined company as a result of the merger, the effect on Berkshire Hills Bancorp or SI Financial of any business or strategic decision or action that has been or will be taken as a result of the merger agreement having been executed, or the effect of any business or strategic decisions or actions that would likely have been taken if the merger agreement had not been executed, but that were instead altered, accelerated, postponed or not taken in anticipation of the merger. Further, the unaudited prospective financial information does not take into account the effect on Berkshire Hills Bancorp or SI Financial of any possible failure of the merger to occur. By inclusion of the unaudited prospective financial information in this document, none of SI Financial, Berkshire Hills Bancorp, KBW, or their respective affiliates, associates, officers, directors, advisors, agents or other representatives makes any representation to any stockholder of SI Financial or Berkshire Hills Bancorp or any other person regarding SI Financial's or Berkshire Hills Bancorp's ultimate performance compared to the information contained in the unaudited prospective financial information or that the projected results will be achieved. The inclusion of the unaudited prospective financial information in this document should not be deemed an admission or representation by SI Financial or Berkshire Hills Bancorp that it is viewed as material information, particularly in light of the inherent risks and uncertainties associated with such forecasts. The summary of the unaudited prospective financial information included above is not being included to influence your decision whether to vote for the merger agreement, but is being provided solely because it was made available by SI Financial and Berkshire Hills Bancorp to KBW as discussed above, in connection with the merger.

In light of the foregoing, and considering that the special meeting of the SI Financial stockholders will be held many months after the unaudited prospective financial information was prepared, as well as the uncertainties inherent in any forecasted information, stockholders are cautioned not to place unwarranted reliance on such information, and Berkshire Hills Bancorp and SI Financial urge all stockholders to review Berkshire Hills Bancorp's and SI Financial's financial statements and other information contained elsewhere in this document for a description of Berkshire Hills Bancorp's and SI Financial's respective businesses and reported financial results. See the section entitled "Where You Can Find More Information."

Surrender of Stock Certificates

SI Financial stockholders will receive instructions from the transfer agent on where to surrender their SI Financial stock certificates after the merger is completed. **SI Financial stockholders should not send their SI Financial stock certificates with their proxy cards.**

Letter of Transmittal. Not later than five business days after the effective time of the merger, the exchange agent will mail to each holder of record of SI Financial common stock a letter of transmittal and instructions on how to surrender certificates representing shares of SI Financial common stock in exchange for the merger consideration and cash in lieu of fractional shares that the holder is entitled to receive under the merger agreement.

After completion of the merger, there will be no further transfers on the stock transfer books of SI Financial of shares of SI Financial common stock that were issued and outstanding immediately prior to the effective time. If, after the effective time of the merger, certificates representing such shares are presented for transfer to the exchange agent, they shall be exchanged for the merger consideration and cash in lieu of fractional shares and cancelled.

Withholding. Berkshire Hills Bancorp or the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable, pursuant to the merger agreement or the transactions contemplated thereby, to any holder of SI Financial common stock such amounts as Berkshire Hills Bancorp or the exchange agent are required to deduct and withhold under the Internal Revenue Code of 1986, as amended, or any provision of federal, state, local or foreign tax law. If any such amounts are properly withheld, those amounts will be treated for all purposes of the merger agreement as having been paid to the stockholder in respect of whom such deduction and withholding were made.

Dividends and Distributions. No dividends or other distributions declared after the effective time of the merger with respect to Berkshire Hills Bancorp common stock will be paid to the holder of any unsurrendered certificates of SI Financial common stock until the holder surrenders such certificate in accordance with the merger agreement. After the surrender of a certificate in accordance with the merger agreement, the record holder thereof will be entitled to receive any such dividends or other distributions, without any interest, which had previously become payable with respect to the shares of Berkshire Hills Bancorp common stock represented by such certificate.

Accounting Treatment of the Merger

In accordance with current accounting guidance, the merger will be accounted for using the acquisition method. The result of this is that the recorded assets and liabilities of Berkshire Hills Bancorp will be carried forward at their recorded amounts, the historical operating results will be unchanged for the prior periods being reported on and the assets and liabilities of SI Financial will be adjusted to fair value at the date of the merger. In addition, all identified intangible assets will be recorded at fair value and included as part of the net assets acquired. To the extent that the purchase price, consisting of the number of shares of Berkshire Hills Bancorp common stock to be issued to SI Financial stockholders at fair value, exceeds the fair value of the net assets including identifiable intangibles of SI Financial at the date of completion of the merger, that amount will be reported as goodwill. In accordance with current accounting guidance, goodwill will not be amortized but will be evaluated for impairment annually. Identified intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of SI Financial being included in the operating results of Berkshire Hills Bancorp beginning from the date of completion of the merger.

Material U.S. Federal Income Tax Consequences of the Merger

General. The following discussion sets forth the material United States federal income tax consequences of the merger to U.S. holders (as defined below) of SI Financial common stock. This discussion does not address any tax consequences arising under the laws of any state, locality, foreign jurisdiction or U.S. federal tax laws other than federal income tax law. This discussion is based upon the Internal Revenue Code, the regulations of the United States Department of the Treasury and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion.

For purposes of this discussion, the term “U.S. holder” means:

- a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation created or organized under the laws of the United States or any of its political subdivisions;

a trust that (1) is subject to the supervision of a court within the United States and the control of one or more United States persons or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as United States person; or

- an estate that is subject to United States federal income tax on its income regardless of its source.

This discussion assumes that you hold your shares of SI Financial common stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. Further, the discussion does not address all aspects of United States federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a financial institution;
- a tax-exempt organization;
- an S corporation or other pass-through entity;
- an insurance company;
- a mutual fund;
- a dealer in securities or foreign currencies;
- a trader in securities who elects the mark-to-market method of accounting for your securities;

a SI Financial stockholder whose shares are qualified small business stock for purposes of Section 1202 of the Internal Revenue Code or who may otherwise be subject to the alternative minimum tax provisions of the Internal Revenue Code;

a SI Financial stockholder who received SI Financial common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;

- a person who has a functional currency other than the U.S. dollar; or

a SI Financial stockholder who holds SI Financial common stock as part of a hedge, straddle or a constructive sale or conversion transaction.

If a partnership (including an entity treated as a partnership for United States federal income tax purposes) holds SI Financial common stock, the tax treatment of a partner in the partnership will generally depend on the status of such partner and the activities of the partnership.

This discussion is not intended to be tax advice to any particular holder of SI Financial common stock. Tax matters regarding the merger are complicated, and the tax consequences of the merger to you will depend on your particular situation. SI Financial stockholders are urged to consult their tax advisors as to the U.S. federal income tax consequences of the merger, as well as the effects of state, local, federal non-income and non-U.S. tax laws.

It is a condition to the closing of the merger that Berkshire Hills Bancorp receive the opinion of its legal counsel, Luse Gorman, PC, and SI Financial receive the opinion of its legal counsel, Kilpatrick Townsend & Stockton LLP, each dated as of the effective time of the merger, substantially to the effect that, on the basis of facts, representations and assumptions set forth or referred to in that opinion (including factual representations contained in certificates of officers of Berkshire Hills Bancorp and SI Financial), the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. The tax opinions are not binding on the Internal Revenue Service, or “IRS,” or any court. Berkshire Hills Bancorp and SI Financial have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger and, as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which the opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

Based on the opinions that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, the material U.S. federal income tax consequences of the merger are as follows:

No gain or loss generally will be recognized by a U.S. holder of SI Financial stock upon the receipt of shares of Berkshire Hills Bancorp common stock in exchange therefor pursuant to the merger (except in respect of cash received in lieu of fractional shares, as discussed below);

The aggregate adjusted tax basis of the shares of Berkshire Hills Bancorp common stock received by the U.S. holder in the merger will be the same as the aggregate adjusted tax basis of shares of SI Financial stock surrendered in exchange therefor, reduced by the tax basis allocable to any fractional share of Berkshire Hills Bancorp common stock for which cash is received;

The holding period of Berkshire Hills Bancorp common stock received by a U.S. holder will include the holding period of the SI Financial stock exchanged therefor; and

Although no fractional shares of Berkshire Hills Bancorp common stock will be issued in the merger, a U.S. holder who receives cash in lieu of such a fractional share of Berkshire Hills Bancorp common stock will generally be treated as having received the fractional share pursuant to the merger and then having sold that fractional share of Berkshire Hills Bancorp common stock for cash. As a result, a U.S. holder will generally recognize gain or loss equal to the difference between the amount of cash received and the portion of the holder's aggregate adjusted tax basis of the shares of SI Financial stock surrendered that is allocable to its fractional share. Any capital gain or loss will be long-term capital gain or loss if the holding period for the fractional share (including the holding period of the shares of SI Financial stock surrendered therefor) is more than one year. Long-term capital gains of individuals generally are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

For purposes of the above discussion of the bases and holding periods for shares of SI Financial stock and Berkshire Hills Bancorp common stock, SI Financial stockholders who acquired different blocks of SI Financial stock at different times or at different prices must calculate their basis and holding periods separately for each identifiable block of such stock exchanged or received in the merger.

Backup Withholding. Payments of cash (including cash in lieu of a fractional share, if any) to a U.S. holder of SI Financial stock may, under certain circumstances, be subject to information reporting and backup withholding (at a rate of 24% for 2019) unless such holder provides proof of an applicable exemption or, in the case of backup withholding, furnishes its taxpayer identification number and otherwise complies with the backup withholding rules. Any amounts withheld from payments to a U.S. holder of SI Financial stock under the backup withholding rules are not an additional tax and generally will be allowed as a refund or credit against such holder's federal income tax liability provided that the holder timely furnishes the required information to the IRS.

Reporting Requirements. U.S. holders of SI Financial stock who receive Berkshire Hills Bancorp common stock pursuant to the merger will be required to retain records pertaining to the merger, and any such holder who, immediately before the merger, holds at least 5% (by vote or value) of the outstanding SI Financial stock, or securities of SI Financial with a basis for federal income tax purposes of at least \$1 million, will be required to file with its U.S. federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger. U.S. holders are urged to consult with their tax advisors with respect to these and other reporting requirements applicable to the merger.

The preceding discussion is a summary of the material U.S. federal income tax consequences of the merger to a U.S. holder of SI Financial stock and does not address all potential tax consequences that apply or that may vary with, or are contingent on, individual circumstances, and should not be construed as tax advice. Moreover, the discussion does not address any U.S. federal non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated and, accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local and foreign income and other tax consequences to you of the merger.

Regulatory Matters Relating to the Merger

Completion of the merger and the bank merger are subject to the receipt of all required approvals and consents from regulatory authorities. Berkshire Hills Bancorp intends to file the required applications and notifications and seek an application waiver from the Federal Reserve.

Bank Merger. The bank merger is subject to the approval of the FDIC under the Bank Merger Act. In granting its approval under the Bank Merger Act, the FDIC must generally consider the financial and managerial resources and future prospects of the existing and resulting institutions, the convenience and needs of the communities to be served, competitive factors, any risk to the stability of the United States banking or financial system and the effectiveness of the institutions involved in combating money laundering activities.

The bank merger is also subject to approval by the Massachusetts Commissioner of Banks and the Connecticut Department of Banking under the bank merger provisions of the respective states' banking laws. The Rhode Island Department of Business Regulation's Banking Division must approve Berkshire Bank's acquisition of the Rhode Island branches of Savings Institute Bank and Trust.

Holding Company Merger. The merger of SI Financial with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving bank holding company, requires the approval or non-objection of the Federal Reserve. The Federal Reserve is required to consider factors similar to those required to be considered by the FDIC in evaluating the application for the bank merger. The Federal Reserve's regulations establish a procedure whereby a waiver of a holding company application may be granted for certain acquisitions where the acquired bank is being immediately merged into the acquiring holding company's subsidiary bank pursuant to a Bank Merger Act application approved by a federal bank regulator, such as the FDIC. Berkshire Hills Bancorp intends to seek such a waiver, but will file the required application if the waiver is not forthcoming.

Anti-Competitive Matters. In addition, a period of 15 to 30 days must expire following approval by the FDIC before completion of the merger is allowed, within which period the United States Department of Justice may file objections

to the merger under the federal antitrust laws. While Berkshire Hills Bancorp and SI Financial believe that the likelihood of objection to the merger by the Department of Justice is remote, there can be no assurance that the Department of Justice will not initiate proceedings to block the merger, or that the Attorney General of the Commonwealth of Massachusetts will not challenge the merger, or if any proceeding is instituted or challenge is made, what the result of such challenge or proceeding would be.

The merger cannot proceed in the absence of the requisite regulatory approvals. See “The Merger Agreement—Conditions to Completing the Merger” and “—Terminating the Merger Agreement.” There can be no assurance that the requisite regulatory approvals will be obtained, and if obtained, there can be no assurance as to the date of any approval. There also can be no assurance that any regulatory approvals will not contain a condition or requirement that causes the approvals to fail to satisfy one or more conditions set forth in the merger agreement and described under “The Merger Agreement—Conditions to Completing the Merger.”

The approval of any application merely implies the satisfaction of regulatory criteria for approval, which does not include review of the merger from the standpoint of the adequacy of the exchange ratio for converting SI Financial common stock to Berkshire Hills Bancorp common stock. Furthermore, regulatory approvals do not constitute an endorsement or recommendation with respect to the merger.

Interests of SI Financial’s Directors and Executive Officers in the Merger that are Different From Yours

In considering the recommendations of the SI Financial board of directors, SI Financial stockholders should be aware that SI Financial’s directors and executive officers have interests in the merger that may be different from, or in addition to, the interests of the SI Financial stockholders generally. These interests are described below. The SI Financial board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement and the transactions contemplated by the merger agreement and in determining to recommend to the SI Financial stockholders that they vote to approve the merger agreement.

For purposes of this compensation-related disclosure, SI Financial's executive officers are Rheo A. Brouillard, President and Chief Executive Officer, Laurie L. Gervais, Executive Vice President, Chief Operating Officer, Jonathan S. Wood, Executive Vice President, Retail Banking Officer, Lauren L. Murphy, Executive Vice President, Chief Financial Officer, Paul R. Little, Senior Vice President, Chief Credit Officer, and Kenneth B. Martin, Senior Vice President and Chief Lending Officer.

Certain Assumptions

Except as otherwise specifically noted, for purposes of quantifying the potential payments and benefits described in this section, the following assumptions were used:

the relevant price per share of SI Financial common stock is \$13.25, which is the average closing price per share of SI Financial common stock as quoted on Nasdaq Global Market over the first five business days following the first public announcement of the merger on December 11, 2018;

the effective time of the merger is January 30, 2019, which is the assumed date of the closing solely for purposes of the disclosure in this section; and

the employment of each executive officer of SI Financial is terminated without cause or due to resignation for good reason (as such terms are defined in the relevant agreements), in each case immediately following the assumed effective time of the merger of January 30, 2019.

Rollover of Stock Options

Under the merger agreement, at the effective time of the merger, each SI Financial stock option outstanding and unexercised immediately prior to the effective time of the merger, will become fully vested and be converted into an option to purchase Berkshire Hills Bancorp common stock, on the same terms and conditions applicable to the SI Financial stock option. The number of shares of Berkshire Hills Bancorp common stock subject to each converted SI Financial option will be equal to the product (rounded down to the nearest whole number) obtained by multiplying (i) the number of shares of SI Financial common stock subject to the option multiplied by (ii) 0.48. The exercise price of each converted SI Financial stock option will be equal to the quotient obtained by dividing (i) the exercise price of the SI Financial stock option by (ii) the 0.48 (rounded up to the nearest whole cent).

For the in-the-money value of the unvested stock options held by each of SI Financial's named executive officers, see the section entitled "—Merger-Related Compensation for SI Financial's Named Executive Officers" below. Based on the

assumptions described above under “—Certain Assumptions,” the aggregate in-the-money value of the unvested SI Financial stock options held by SI Financial’s non-employee directors is \$44,480. Mr. Martin, who is not a named executive officer, does not have any unvested SI Financial stock options that are in-the-money.

Employment and Change in Control Agreements with SI Financial and Savings Institute Bank and Trust

SI Financial and Savings Institute Bank and Trust are parties to an employment agreement with Mr. Brouillard. Under the employment agreement, if, within the period ending two years after a change in control, SI Financial or Savings Institute Bank and Trust terminate Mr. Brouillard’s employment without cause (as defined in the agreement) or Mr. Brouillard voluntarily terminates his employment with good reason (upon circumstances specified in the agreement), Mr. Brouillard would be entitled to receive a lump sum severance payment equal to 2.99 times the average annual compensation (as defined in the agreement) earned over the five most recently completed calendar years ending with the year immediately prior to the change in control. In addition, Mr. Brouillard would also be entitled to a lump sum cash payment equal to the benefits he would have received during the 36-month period following his termination of employment under any retirement programs in which he participated prior to termination, with the amount determined by reference to the amount received by him or accrued on his behalf during the 12 months preceding the change in control, and to continue to participate in the benefit plans of SI Financial that provide medical, dental, life or disability insurance coverage for 36 months following termination of employment. If SI Financial is unable to provide such coverage by reason of Mr. Brouillard no longer being an employee, SI Financial shall provide Mr. Brouillard with comparable coverage on an individual policy.

SI Financial and Savings Institute Bank and Trust are parties to change in control agreements with Ms. Gervais, Ms. Murphy, Mr. Little, Mr. Wood and Mr. Martin. Under the change in control agreements, if, within two years after a change in control (or in the case of Mr. Martin, within one year after a change in control), the executive is involuntarily terminated without just cause (as defined in the agreement) or voluntarily terminates employment with good reason (as defined in the agreement) he or she would be entitled to receive a lump sum severance payment equal to three times (in the case of Ms. Murphy, Ms. Gervais and Mr. Little) or two times (in the case of Mr. Wood) the executive’s average annual taxable compensation over the five calendar years preceding the change in control. Mr. Martin would be entitled to receive a lump sum severance payment equal to two times his base salary as of the time of termination. In addition, each executive would also be entitled to continued coverage under the health and welfare plans he or she participated in for 36 months (in the case of Ms. Gervais, Ms. Murphy and Mr. Little) or 24 months (in the case of Mr. Wood and Mr. Martin) following termination of employment or, in the event any benefit plans do not permit coverage for such executive, Savings Institute Bank and Trust would enter into alternative arrangements to provide the executive with comparable benefits.

Under each of the employment or change in control agreements with Mr. Brouillard, Ms. Gervais, Ms. Murphy and Mr. Little, if the payments provided to the executive would be considered “parachute payments” under Section 280G of the Internal Revenue Code, then such payments would be limited to the greatest amount that may be paid to the executive without causing any loss of deduction to SI Financial under Section 280G of the Code, but only if, by reason of the reduction of such payments, the net after tax benefit to the executive exceeds the net after tax benefit if no reduction were made. Under the agreements with Mr. Wood and Mr. Martin, if payments pursuant to the agreement or other compensation arrangements would be considered an “excess parachute payment” under Section 280G of the Internal Revenue Code, payments will be reduced to an amount that may be paid to the executive without causing any loss of deduction to SI Financial under Section 280G of the Internal Revenue Code.

For quantification of the amounts that would be payable to each of SI Financial’s named executive officers under his or her respective employment or change in control agreement in connection with a qualifying termination following the merger, see the section entitled “—Merger-Related Compensation for SI Financial’s Named Executive Officers” below. Based on the assumptions described above under “—Certain Assumptions,” the severance benefit that would be payable to Mr. Martin, who is not a named executive officer, in connection with a qualifying termination following the merger is \$450,000 and the projected present value of the continuation of insurance benefits for a period of 24 months is \$13,825.

Individual Supplemental Executive Retirement Plans

Savings Institute Bank and Trust maintains individual supplemental executive retirement plans with Mr. Brouillard, Ms. Murphy and Ms. Gervais. Participants in the plans would receive an annual benefit (the normal retirement benefit) upon termination of employment after having met the age and years of service requirements described in the plans. The normal retirement benefit is equal to a specified percentage of final average compensation as calculated under the plans, payable in the form of a single life annuity with 15 annual payments guaranteed. A reduced benefit is payable if the executive retires prior to meeting the age and years of service requirements.

If a participant terminates employment following a change in control, the participant will be entitled to the normal retirement benefit available under their plan, without regard to whether the participant has met the requirements for obtaining the normal retirement benefit. Ms. Murphy has not met the requirements to receive the normal retirement benefit in the event of early retirement. As such, the merger will entitle her to an increased benefit if her employment is terminated after the merger. Mr. Brouillard and Ms. Gervais will not be entitled to an increased benefit in connection with a change in control since both executives have satisfied the requirements to receive the normal retirement benefit under their respective individual supplemental executive retirement plans.

For quantification of the amounts that would be payable to Ms. Murphy under her individual supplemental executive retirement plan pursuant to a qualifying termination following the merger, see the section entitled “—Merger-Related Compensation for SI Financial’s Named Executive Officers” below.

Amended and Restated Supplemental Executive Retirement Plan

Mr. Brouillard, Ms. Murphy and Ms. Gervais are the sole participants in Savings Institute Bank and Trust's Amended and Restated Supplemental Executive Retirement Plan. The Supplemental Executive Retirement Plan provides for (i) an annual benefit to participants who are prevented from receiving full benefits under the Savings Institute ESOP and the Savings Institute 401(k) Plan and (ii) a change in control benefit. The annual benefit is equivalent to the number of shares that cannot be allocated under the ESOP or the matching contribution that cannot be allocated under the 401(k) Plan due to the legal limitations on tax qualified plans.

The plan provides a benefit if a change in control occurs prior to the completion of the scheduled repayments of the ESOP acquisition loans. The amount of the benefit equals the total number of shares of SI Financial common stock that would have been allocated to the participant under the ESOP and the Supplemental Executive Retirement Plan had the participant remained employed through the last scheduled payment on all outstanding ESOP acquisition loans, minus the number of shares allocated to the participant as of the date of the change in control.

For quantification of the amounts that would be payable to SI Financial's named executive officers under the Supplemental Executive Retirement Plan following the merger, see the section entitled "—Merger-Related Compensation for SI Financial's Named Executive Officers" below.

Indemnification and Insurance of Directors and Officers.

The merger agreement provides that, for six years after the effective time of the merger, Berkshire Hills Bancorp will maintain SI Financial's existing directors' and officers' liability insurance policy or a comparable policy. Berkshire Hills Bancorp and the surviving corporation will indemnify, defend and hold harmless each current and former director, officer or employee of SI Financial or its subsidiaries against any costs or expenses (including reasonable attorney's fees), judgments, fines, losses, claims, damages or liabilities and amounts paid in settlement in connection with any actual or threatened claim, action, suit proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to (i) the fact that such person is or was a director, officer or employee of SI Financial or any of its subsidiaries, or was serving at SI Financial's request as a director, officer, employee or in certain other capacities on behalf of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, or pertaining to (ii) matters in connection with the transactions contemplated by the merger agreement (in each case arising out of matters existing or occurring at or prior to the effective time of the merger, whether asserted or claimed prior to, at or after the effective time of the merger, to the fullest extent such person would have been indemnified pursuant to SI Financial's articles of incorporation and bylaws and as permitted by applicable law). Berkshire Hills Bancorp or the surviving corporation will also advance expenses as incurred to the fullest extent permitted under applicable law.

Appointment of New Director

Pursuant to the merger agreement, immediately after the effective time of the merger, Berkshire Hills Bancorp and Berkshire Bank boards of directors will consist of the current members of the Berkshire Hills Bancorp board of directors and Rheo A. Brouillard, current President and Chief Executive Officer of SI Financial and Savings Institute Bank and Trust. The fees paid to Mr. Brouillard will be the same as the fees paid to similarly situated board members of Berkshire Hills Bancorp and Berkshire Bank.

In addition, the merger agreement provides that following the completion of the merger, Berkshire Bank will establish an advisory board and will invite those individuals who serve on the SI Financial board of directors as of the date of the merger agreement, other than Mr. Brouillard, to join the advisory board. The function of the advisory board will be, among other things, to provide support and continuity to the combined company. It is anticipated that the advisory board will meet as requested by the board of directors of Berkshire Bank from and after the effective time of the merger for a term of one year, and each member of the advisory board will be paid an annual retainer fee of \$10,000.

Agreements with Berkshire Hills Bancorp

On December 11, 2018, in connection with execution of the merger agreement, Mr. Brouillard entered into an agreement with SI Financial, Savings Institute Bank and Trust and Berkshire Hills Bancorp. On that same date, Ms. Murphy and Ms. Gervais entered into similar agreements with SI Financial, Savings Institute Bank and Trust, Berkshire Hills Bancorp and Berkshire Bank.

Under the terms of each agreement, in order to prevent compensation payable to each executive from becoming an “excess parachute payment” (as defined in Section 280G(b) of the Internal Revenue Code), the executive agreed to exercise all of his or her vested SI Financial stock options and dispose of all common stock acquired due to the exercise of incentive stock options prior to January 1, 2019. Each executive has agreed that the compensation income resulting from the exercise of the stock options and disposition of related SI Financial common stock will be excluded from the calculation of severance or other benefits payable to the executive under his or her existing employment agreement or change in control agreement, as applicable, with SI Financial and Savings Institute Bank and Trust and under certain other benefit plans of SI Financial. In addition, if any payment or benefit that the executive would receive from SI Financial or Savings Institute Bank and Trust, or any affiliate or successor thereto, in connection with the merger would constitute an excess parachute payment, such payment shall be reduced to the minimum extent necessary to ensure that no portion of such payment will be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code. If a reduction in payments constituting “parachute payments” is necessary, reduction shall occur in the following order: (1) reduction of cash payments due under the executive’s existing employment agreement and/or change in control agreement with SI Financial and Savings Institute Bank and Trust (2) reduction of the supplemental stock ownership benefit payable under the Savings Institute Bank and Trust’s Supplemental Executive Retirement Plan; and (3) reduction of other benefits paid to the executive.

Ms. Murphy’s agreement further provides that, prior to December 31, 2018, Savings Institute Bank and Trust shall make a lump-sum cash payment to Ms. Murphy in the amount of \$280,000, less applicable taxes and withholding. This payment is in partial satisfaction of the cash severance payment that would otherwise be payable under Ms. Murphy’s change in control agreement with SI Financial and Savings Institute Bank and Trust.

Ms. Gervais’s agreement provides that, for six months following the closing of the merger, or at Berkshire Hills Bancorp’s discretion, an earlier date, Ms. Gervais shall provide integration and transition planning consulting services related to the merger and such other services as may reasonably be requested by Berkshire Hills Bancorp. Berkshire Bank will pay Ms. Gervais a consulting fee of \$5,450.00 monthly in exchange for her availability for up to thirty-two (32) hours per month. Under her agreement, for one year after the closing of the merger, Ms. Gervais shall be subject to non-competition and non-solicitation restrictions with respect to the business and the employees of Berkshire Bank or any of their respective subsidiaries or affiliates. During this period, Berkshire Bank will pay Ms. Gervais \$8,333.33 per month for a total of \$100,000 over twelve months.

Amended and Restated Director Retirement Agreements

Savings Institute Bank and Trust is a party to amended and restated director retirement agreements with directors Mark Alliod, Roger Engle, Donna Evan, Michael Garvey and Robert Gillard. Under the agreements, directors are entitled to an annual benefit equal to 70% of the average compensation for services as a director of Savings Institute Bank and Trust during the three calendar years preceding their separation from service, payable in monthly installments for a period of 120 months. If a director retires after attaining age 75, payment will commence on the month following retirement. If a director elects early retirement (prior to age 75 but after completion of 15 years of service as a director), payment will commence on the month following the director attaining age 72.

If a director terminates service following a change of control, he or she will be entitled to the annual retirement benefit regardless of the director's age or years of service. The benefit will be payable in monthly installments for a period of 120 months beginning on the first day of the month following the director's separation from service. Mr. Engle, Ms. Evan and Mr. Gillard have satisfied the service requirements under their respective retirement agreements and, therefore, are entitled to their retirement benefit without regard to a change in control. Mr. Alliod and Mr. Garvey have not attained the age or years of service required to receive the annual retirement benefit absent a change of control and, therefore, the merger will entitle them to an enhanced benefit if they terminate service following the merger. Based on the assumptions described above under "—Certain Assumptions," the annual benefit payable under the director retirement agreements with Mr. Alliod and Mr. Garvey would be \$25,573 and \$17,290, respectively.

Merger-Related Compensation for SI Financial's Named Executive Officers

The information set forth in the following table is intended to comply with Item 402(t) of the SEC's Regulation S-K, which requires disclosure of information about certain compensation for each of SI Financial's named executive officers that is based on, or otherwise relates to, the merger, which we refer to in this section as merger-related compensation. The merger-related compensation payable to these individuals is the subject of a non-binding advisory vote of SI Financial stockholders, as described above in "SI Financial Proposals – Proposal 2: Merger-Related Compensation Proposal."

The following table sets forth the amount of payments and benefits that each of SI Financial's named executive officers would receive in connection with the merger, assuming: (i) that the effective time of the merger is January 30, 2019, which is the assumed date of the closing solely for purposes of the disclosure in this section; a per share price of SI Financial common stock of \$13.25, which is the average closing price per share over the first five business days following the announcement of the merger agreement; and (iii) that the employment of each named executive officer of SI Financial is terminated without cause or due to resignation with good reason (as such terms are defined in the relevant SI Financial agreement) immediately following the assumed effective time of the merger of January 30, 2019. This table does not include the value of benefits in which the named executive officers are vested without regard to the occurrence of a change in control. The amounts shown below are estimates based on multiple assumptions that

may or may not actually occur, and as a result of the foregoing assumptions, the actual amounts to be received by a named executive officer may differ materially from the amounts shown below.

	Cash⁽¹⁾	Equity⁽²⁾	Pension/ NQDC⁽³⁾	Perquisites/ Benefits⁽⁴⁾	Total
Named Executive Officers	(\$)	(\$)	(\$)	(\$)	(\$)
Rheo A. Brouillard	1,980,045	—	193,314	61,883	2,235,242
Laurie L. Gervais	987,535	—	136,758	26,650	1,150,943
Paul R. Little	808,765	5,560	—	62,398	876,723
Lauren L. Murphy	400,702	—	1,047,283	62,398	1,510,383
Jonathan S. Wood	498,622	—	—	31,717	530,339

Cash. The amounts in this column reflect cash severance payments to which the named executive officers are entitled in connection with the merger under the executive's employment or change in control agreement, as applicable, as described above under "—Employment and Change in Control Agreements with SI Financial and Savings Institute Bank and Trust." The amounts in this column have been reduced to reflect the reduction in benefits that may be applicable under the terms of the agreements with Berkshire Hills Bancorp to avoid any loss of deductibility under Section 280G of the Internal Revenue Code and imposition of excise taxes on the named executive officer under Section 4999 of the Internal Revenue Code. The cash severance payable to the executives is considered a "double trigger" benefit since the severance amounts are payable upon a change in control of SI Financial followed by termination of employment without cause or due to resignation with good reason. The potential payments for consulting services and for agreeing to abide by certain restrictive covenants payable by Berkshire Hills Bancorp under the agreement with Ms. Gervais are not included in the table. The prior payment to Ms. Murphy of \$280,000 under the terms of the agreement with Berkshire Hills Bancorp is included in the table.

Equity. The amounts in this column reflects the in-the-money value of unvested SI Financial stock options (which is equal to the difference, if positive, between \$13.25 and the exercise price of each unvested SI Financial stock option) that will vest as a result of the merger. The amounts under this column are considered a “single trigger” benefit since all unvested stock options will vest upon completion of the merger without regard to termination of employment.

Pension and nonqualified deferred compensation. The amount in the table reflects the aggregate dollar value of pension and nonqualified deferred compensation benefit enhancements. Set forth below are (a) the benefit enhancement under Ms. Murphy’s individual supplemental executive retirement plan (Individual SERP), which is the difference between the present value of the early retirement benefit payable under the individual supplemental executive retirement plan with Ms. Murphy and the present value of the change in control benefit that would be payable if Ms. Murphy terminates employment following the completion of the merger, in each case using a discount rate of 6.0%, and (b) the supplemental stock ownership benefit for the named executive officers under the supplemental executive retirement plan, calculated as 24,839 shares of SI Financial common stock for Mr. Brouillard, 11,593 shares for Ms. Gervais, and 9,624 shares for Ms. Murphy, valued at \$13.25 per share. The enhanced benefit under Ms. Murphy’s individual supplemental executive retirement plan is “double-trigger” and the supplemental stock ownership benefit under the supplemental executive retirement plan is “single-trigger.”

	Individual SERP	Supplemental Executive Retirement Plan
	(\$)	(\$)
Rheo A. Brouillard	—	193,314
Laurie L. Gervais	—	136,758
Paul R. Little	—	—
Lauren L. Murphy	933,619	113,664
Jonathan S. Wood	—	—

Perquisites/Benefits. The amount in the table reflects the estimated present value of SI Financial’s cost of continuation of coverage under SI Financial’s medical, dental and life insurance plans for a period of 36 months following termination of employment for Ms. Brouillard, Ms. Murphy, Ms. Gervais and Mr. Little and for a period of 24 months following termination of employment for Mr. Wood. These benefits are considered a “double trigger” benefit since the executive is entitled to the benefit upon a change in control of SI Financial followed by termination of employment without cause or due to resignation with good reason.

Employee Matters

Each person who is an employee of Savings Institute Bank and Trust as of the effective time of the merger (whose employment is not specifically terminated on or prior to the merger date) will become an employee of Berkshire Bank and will be eligible to participate in employee benefit plans and compensation opportunities that are substantially comparable to the employee benefit and compensation opportunities that are generally made available to similarly

situated employees of Berkshire Bank; provided, however, that continuing employees will not be eligible to participate in any frozen plans of Berkshire Bank. With respect to any Berkshire Bank health plans, Berkshire Bank will cause any preexisting condition limitations or eligibility waiting periods to be waived and credit each continuing employee for any co-payments or deductibles incurred by such continuing employee under a SI Financial health plan for the plan year in which coverage commences under Berkshire Bank's health plan. Terminated Savings Institute Bank and Trust employees that do not continue as employees of Berkshire Bank following the effective time of the merger, and their qualified beneficiaries, will have the right to continued coverage in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").

Continuing employees will receive prior service credit for purposes of eligibility and vesting provided that such recognition of service will not (1) apply to unused vacation time, to the extent, at Berkshire Bank's discretion, the cash value of unused vacation time is paid to continuing employees, or (2) operate to duplicate any benefits with respect to the same period of service.

Each Savings Institute Bank and Trust employee whose employment is involuntarily terminated by Berkshire Hills Bancorp (other than for cause) at or within twelve months following the effective time of the merger and who is not covered by a separate severance, change in control or employment agreement shall receive a severance payment pursuant to the Savings Institute Bank and Trust's severance plan or policy in effect as of the date hereof, as applicable, or Berkshire Hills Bancorp's severance plan or policy, as applicable, if such payments would be more favorable to such employee; provided, however, that in no event shall such severance payments exceed twelve month's pay.

Resale of Shares of Berkshire Hills Bancorp Common Stock

All shares of Berkshire Hills Bancorp common stock issued to SI Financial's stockholders in connection with the merger will be freely transferable. This proxy statement/prospectus does not cover any resales of the shares of Berkshire Hills Bancorp common stock to be received by SI Financial's stockholders upon completion of the merger, and no person may use this proxy statement/prospectus in connection with any resale.

No Dissenters' or Appraisal Rights

Appraisal or dissenters' rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in that extraordinary transaction. Under the MGCL and pursuant to SI Financial's articles of incorporation, holders of SI Financial common stock are not entitled to appraisal rights in the merger with respect to their shares of SI Financial common stock because SI Financial common stock is listed on a national securities exchange and SI Financial's articles of incorporation do not provide for appraisal rights unless specifically granted by SI Financial's board of directors.

THE MERGER AGREEMENT

The following describes certain material provisions of the merger agreement, but does not describe all of the terms of the merger agreement and may not contain all of the information about the merger agreement that is important to you. The following is not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Appendix A and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.

Structure of the Merger

Under the terms and subject to the conditions of the merger agreement, among other things, (i) SI Financial will merge with and into Berkshire Hills Bancorp with Berkshire Hills Bancorp continuing as the surviving corporation in the merger and (ii) immediately following the merger, Savings Institute Bank and Trust will merge with and into Berkshire Bank, with Berkshire Bank continuing as the surviving bank.

Consideration to be Received in the Merger

Each share of SI Financial common stock issued and outstanding immediately prior to the completion of the merger, except for specified shares of SI Financial common stock held in the treasury of SI Financial or by Berkshire Hills Bancorp, will be converted into the right to receive 0.48 shares of Berkshire Hills Bancorp common stock.

If the number or kind of shares of Berkshire Hills Bancorp common stock outstanding or SI Financial common stock is changed as a result of a stock split, stock dividend, recapitalization, reclassification, reorganization or similar transaction, then the merger consideration will be adjusted proportionately to account for such change.

SI Financial stockholders will not receive fractional shares of Berkshire Hills Bancorp common stock. Instead, SI Financial stockholders will receive a cash payment for any fractional shares in an amount equal to the product of (i) the fraction of a share of Berkshire Hills Bancorp common stock to which such stockholder otherwise would be entitled, multiplied by (ii) the average of the daily closing sales prices of Berkshire Hills Bancorp common stock as reported on the New York Stock Exchange for the ten consecutive trading days ending of the third business day preceding the closing date of the merger.

Rollover of SI Financial Stock Options

At the effective time of the merger, each SI Financial stock option outstanding and unexercised immediately prior to the effective time of the merger, will become fully vested and be converted into an option to purchase Berkshire Hills Bancorp common stock, on the same terms and conditions applicable to the SI Financial stock option. The number of shares of Berkshire Hills Bancorp common stock subject to each converted SI Financial option will be equal to the product (rounded down to the nearest whole number) obtained by multiplying (i) the number of shares of SI Financial common stock subject to the option multiplied by (ii) 0.48. The exercise price of each converted SI Financial stock option will be equal to the quotient obtained by dividing (i) the exercise price of the SI Financial stock option by (ii) the 0.48 (rounded up to the nearest whole cent).

Savings Institute ESOP

At least five business days prior to the effective time of the merger, the ESOP indebtedness will be repaid by the ESOP by delivering a sufficient number of unallocated shares of SI Financial common stock to SI Financial. Not later than the effective time of the merger, the ESOP will be terminated and all shares of SI Financial common stock held by the ESOP will be converted into the right to receive the merger consideration, and the balance of any assets remaining in the ESOP but not allocated to the account of a participant will be allocated as provided in the merger agreement. The ESOP assets will be distributed to the participants as soon as practicable following the receipt of a favorable determination letter from the IRS. Savings Institute Bank and Trust and, following the effective time, Berkshire Hills Bancorp has agreed to adopt any amendments to the ESOP necessary to effect the foregoing matters.

Operations of Berkshire Bank after the Merger

The merger agreement provides for the merger of SI Financial with and into Berkshire Hills Bancorp, with Berkshire Hills Bancorp as the surviving entity. Following the merger of SI Financial with and into Berkshire Hills Bancorp, Berkshire Hills Bancorp intends to merge Savings Institute Bank and Trust with and into Berkshire Bank, with Berkshire Bank as the surviving bank. The executive officers of Berkshire Bank will remain the same following the Merger, and Rheo A. Brouillard will be added to the Berkshire Bank board of directors.

Time of Completion

Unless the parties agree otherwise and unless the merger agreement has otherwise been terminated, the closing of the merger will take place on a date designated by Berkshire Hills Bancorp that is no later than thirty (30) business days following the date on which all of the conditions to the merger contained in the merger agreement are satisfied or (to the extent permitted by applicable law) waived. See “—Conditions to Completing the Merger.” On the closing date, Berkshire Hills Bancorp will file a Certificate of Merger with the Delaware Secretary of State and Articles of Merger with the Maryland State Department of Assessments and Taxation to merge SI Financial into Berkshire Hills Bancorp. The merger will become effective at the time stated in the Certificate of Merger.

It is currently expected that the merger will be completed early in the second quarter of 2019. However, because completion of the merger is subject to regulatory approvals and other conditions, the parties cannot be certain of the actual timing of the completion of the merger.

Conditions to Completing the Merger

Berkshire Hills Bancorp’s and SI Financial’s obligations to consummate the merger are conditioned on the following:

- approval of the merger agreement by SI Financial stockholders;

no party to the merger agreement shall be subject to any order, decree or injunction of a court or agency of competent jurisdiction, and no statute, rule or regulation shall have been enacted, entered, promulgated, interpreted, applied or enforced by any governmental entity or bank regulator, that enjoins or prohibits the consummation of the transactions contemplated by the merger agreement;

receipt of all required regulatory approvals and the expiration of all statutory waiting periods;

receipt of all third party consents;

the registration statement, of which this document forms a part, being declared effective by the Securities and Exchange Commission, the absence of any pending or threatened proceeding by the Securities and Exchange Commission to suspend the effectiveness of the registration statement and the receipt of all required state securities laws approvals;

the additional shares of Berkshire Hills Bancorp common stock to be issued in the merger being approved for listing on the New York Stock Exchange upon notice of issuance; and

receipts by Berkshire Hills Bancorp and SI Financial of an opinion from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code.

In addition, Berkshire Hills Bancorp’s obligations to consummate the merger are conditioned on the following:

the representations and warranties of SI Financial contained in the merger agreement will be true and correct as of the closing date of the merger (except to the extent such representations and warranties speak as of an earlier date and subject to materiality and material adverse effect standards described in the merger agreement), and the receipt by Berkshire Hills Bancorp of a written certificate from SI Financial’s Chief Executive Officer and Chief Financial Officer to that effect;

SI Financial’s performance in all material respects of all of its obligations and covenants required to be performed prior to the effective time of the merger, and Berkshire Hills Bancorp’s receipt of a written certificate from SI Financial’s Chief Executive Officer and Chief Financial Officer to that effect;

- no material adverse effect (as defined in the merger agreement) having occurred with respect to SI Financial as of the date of the merger agreement; and

none of the regulatory approvals, consents or waivers necessary to consummate the merger and the transactions contemplated by the merger agreement includes any condition or requirement that would so materially and adversely impact the economic or business benefits to Berkshire Hills Bancorp of the transactions contemplated by the merger agreement that, had such condition or requirement been known, Berkshire Hills Bancorp would not, in its reasonable judgment, have entered into the merger agreement.

In addition, SI Financial's obligations to consummate the merger are conditioned on the following:

the representations and warranties of Berkshire Hills Bancorp contained in the merger agreement will be true and correct as of the closing date of the merger (except to the extent such representations and warranties speak as of an earlier date and subject to materiality and material adverse effect standards described in the merger agreement), and SI Financial's receipt of a written certificate from Berkshire Hills Bancorp's Chief Executive Officer and Chief Financial Officer to that effect;

Berkshire Hills Bancorp's performance in all material respects of all of its obligations and covenants required to be performed prior to the effective time of the merger, and SI Financial's receipt of a written certificate from SI Financial's Chief Executive Officer and Chief Financial Officer to that effect; and

no material adverse effect (as defined in the merger agreement) having occurred with respect to Berkshire Hills Bancorp as of the date of the merger agreement.

Berkshire Hills Bancorp and SI Financial cannot guarantee that all of the conditions to the merger will be satisfied or waived by the party permitted to do so.

Conduct of Business Before the Merger

SI Financial has agreed that, until completion of the merger and unless consented to by Berkshire Hills Bancorp, or to the extent required by law or regulation of any governmental entity, neither SI Financial nor its subsidiaries will, among other things:

General Business

conduct its business other than in the regular, ordinary and usual course consistent with past practice;

- fail to use reasonable efforts to maintain and preserve intact its business organization, properties, leases, employees and advantageous business relationships and retain the services of its officers and key employees;

-

take any action that would adversely affect or materially delay the ability to perform its obligations under the merger agreement or to consummate the transactions contemplated by the merger agreement;

Indebtedness

incur, modify, extend or renegotiate any indebtedness for borrowed money or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any person, other than deposits in the ordinary course of business consistent with past practice and advances from the FHLB with a maturity of not more than one year;

prepay any indebtedness or other similar arrangements to cause SI Financial to incur any prepayment penalty;

purchase any brokered certificate of deposits, other than in the ordinary course of business;

Capital Stock

adjust, split, combine or reclassify its capital stock;

make, declare or pay any dividends or make any other distribution on its capital stock, except regular quarterly cash dividends on SI Financial common stock of no greater than \$0.06 per share with record and payment dates consistent with past practice and dividends paid by Savings Institute Bank and Trust to SI Financial to enable SI Financial to pay such regular quarterly cash dividends;

grant any person any right to acquire any shares of its capital stock or make any grant or award under the SI Financial's equity plans;

issue any additional shares of capital stock or any securities or obligations convertible or exercisable for any shares of its capital stock, except pursuant to the exercise of stock options outstanding as of the date of the merger agreement;

redeem or otherwise acquire any shares of its capital stock other than a security interest or as a result of the enforcement of a security interest and other than provided in the merger agreement;

Dispositions

sell, transfer, mortgage, encumber or otherwise dispose of any of its real property or other assets to any person other than to its subsidiary or cancel, release or assign any indebtedness to any such person or claims held by any such person, other than in the ordinary course of business consistent with past practice;

Investments

make any equity investment, either by purchase of stock or securities, contributions to capital, property transfers, or purchase of any property or assets of any other person, or form any new subsidiary;

purchase any debt security, including mortgage-backed and mortgage-related securities, other than U.S. government and U.S. government agency securities with final maturities of less than one year;

enter into any futures contract, option, swap agreement, interest rate cap, interest rate floor, interest rate exchange agreement, or take any other action for purposes of hedging the exposure of its interest-earning assets or interest-bearing liabilities to changes in market rates of interest, other than in the ordinary course of business consistent with past practice;

Contracts

enter into, renew, amend or terminate any material contract or make any change in its leases or material contracts, other than in the ordinary course of business consistent with past practice;

Loans

except as specifically provided below, and except for commitments issued prior to the date of the merger agreement which have not yet expired and the renewal of existing lines of credit, make any new loan or other credit facility commitment (including without limitation, lines of credit and letters of credit) (i) in an amount in excess of \$8.0 million for commercial loans, \$1.0 million for residential loans and \$100,000 for home equity loans or lines of credit, (ii) that involves an exception to policy or (iii) with respect to one- to four-family residential real estate loans, that is not underwritten to Fannie Mae or Freddie Mac standards; provided that Berkshire Hills Bancorp shall have been deemed to have consented to any loan in excess of such amount or otherwise not permitted by this section if Berkshire Hills Bancorp does not object to any such proposed loan within three business days of receipt by Berkshire Hills Bancorp of a request by SI Financial to exceed such limit along with all financial or other data that Berkshire Hills

Bancorp may reasonably request in order to evaluate such loan;

make any new loan, or commit to make any new loan, to any director or executive officer of SI Financial or Savings Institute Bank and Trust, or, except for in accordance with Regulation O of the Federal Reserve regulations, amend or renew any existing loan, or commit to do so, with any director or executive officer of SI Financial or Savings Institute Bank and Trust;

purchase or sell any mortgage loan servicing rights other than in the ordinary course of business consistent with past practice;

Benefit Plans

increase the compensation, bonuses or other fringe benefits payable to any employee or director other than in the ordinary course of business consistent with past practice and pursuant to policies then in effect or grant or pay any bonus, pension, retirement allowance or contribution except for cash bonuses that are fully accrued for and to be paid for 2018 and on a pro rata basis for 2019 for performance through the closing of the merger pursuant to and in accordance with past practice;

become a party to, renew, amend, extend or commit to any pension, retirement, profit-sharing or welfare benefit plan or agreement or employment, severance, or change in control agreement with or for the benefit of any employee or director, except for amendments to any plan or agreement that are required by law;

amend, modify or revise the terms of any outstanding stock option or voluntarily accelerate the vesting of, or lapsing of restrictions with respect to, any stock options or other stock-based compensation; make any contributions to any defined contribution plan not in the ordinary course of business consistent with past practice; or make any contribution to the SI Financial ESOP, forgive any indebtedness with respect to the SI Financial ESOP loan or take any action that would cause a release of any suspense shares, except as required by operation of the SI Financial ESOP or in the ordinary course of business consistent with past practice, but in no event more than the minimum amount required pursuant to the SI Financial ESOP loan amortization schedules as in effect on September 30, 2018;

elect any person to office with the title of Senior Vice President or higher who does not currently hold such office or elect any person who is not currently a board of director as of the date of the merger agreement;

hire any employee whose annual salary would be greater than \$100,000, except as may be necessary to replace any non-officer employee whose employment is terminated, whether voluntarily or involuntarily;

take any action that would entitle any individual to a severance benefit under any employment agreement or change in control agreement; and

take any action that would give rise to an acceleration of the right to payment of any individual under any SI Financial benefit plans;

Settling Claims

commence any action or proceeding other than to enforce any obligation owed to SI Financial and in accordance with past practice, or settle any claim, action or proceeding against it involving payment of money damages in excess of \$100,000, or that would impose any material restrictions on SI Financial's operations or that would create any negative precedent for other pending or potential claims, actions, litigation, arbitration or proceedings;

Governing Documents

amend SI Financial's articles of incorporation or bylaws;

Deposits

increase or decrease the rate of interest paid on time deposits or on certificate of deposits, except in the ordinary course of business;

Capital Expenditures

• make any capital expenditures in excess of \$100,000 other than existing binding commitments as of the date of the merger agreement and expenditures reasonably necessary to maintain existing assets in good repair;

Branches

• establish or commit to establish any new branch or other office facilities or file any application to relocate or terminate the operation of any banking office;

Policies

• make any changes in policies in any material respect in existence on the date of the merger agreement with regard to: the extension of credit, or the establishment of reserves with respect to possible loss thereon or the charge off of losses incurred thereon; investments; asset/liability management; deposit pricing or gathering; underwriting, pricing, originating, acquiring, selling, servicing or buying or selling rights to service, loans; its hedging practices and policies; or other material banking policies, in each case except as may be required by changes in applicable law or regulations, GAAP, or at the direction of a governmental entity;

Communications

• issue any communication relating to the merger: (i) to SI Financial employees (including general communications relating to benefits and compensation) without prior consultation with Berkshire Hills Bancorp and, to the extent relating to post-closing employment, benefit or compensation information, without the prior consent of Berkshire Hills Bancorp; or (ii) to customers without the prior approval of Berkshire Hills Bancorp;

Environmental Assessments

except with respect to foreclosures in process as of the date of the merger agreement, foreclose upon or take a deed or title to any commercial real estate (i) without providing prior notice to Berkshire Hills Bancorp and conducting a Phase I environmental assessment of the property, or (ii) if the Phase I environmental assessment reflects the presence of any hazardous material or underground storage tank;

Taxes

make, change or rescind any material tax election concerning SI Financial's taxes or tax returns, file any amended SI Financial tax return, enter into any closing agreement with respect to taxes, settle or compromise any material tax claim or assessment, or surrender any right to claim a tax refund or obtain any tax ruling;

Accounting

- implement or adopt any change in its accounting principles, practices or methods, other than as may be required by generally accepted accounting principles or regulatory guidelines;

New Lines of Business

enter into any new lines of business;

Merger or Liquidation

- merge or consolidate SI Financial or any of its subsidiaries with any other third party; sell or lease all or any substantial portion of the assets or business of SI Financial or of its subsidiaries; make any acquisition of all or any substantial portion of the business or assets of any other person other than in connection with foreclosures, settlements in lieu of foreclosure, troubled loan or debt restructuring, or the collection or any loan or credit arrangement between Savings Institute Bank and Trust and any other person; enter into a purchase and assumption transaction with respect to deposits and liabilities;

Tax-Free Reorganization

take any action that would, or is reasonably likely to, prevent or impede the merger from qualifying as a reorganization under the Internal Revenue Code;

Other Agreements

agree to take, commit to take or adopt any resolutions in support of any of the actions prohibited by the section in the merger agreement governing SI Financial's conduct of business until the completion of the merger.

Berkshire Hills Bancorp has agreed that, until the completion of the merger and unless permitted by SI Financial, or to the extent required by laws or regulation of any governmental entity, or as expressly contemplated or permitted by the merger agreement or as required by law, it will not:

conduct its business other than in the regular, ordinary and usual course consistent with past practice;

- fail to use reasonable efforts to maintain and preserve intact its business organization, properties, leases, employees and advantageous business relationships and retain the services of its officers and key employees;

take any action that would adversely affect or materially delay the ability to perform its obligations under the merger agreement or to consummate the transactions contemplated by the merger agreement;

make, declare or pay any dividend that materially exceeds its current quarterly dividend or materially exceeds (on a percentage basis) any increase to Berkshire Hills Bancorp's quarterly dividend paid to its stockholders;

take any action that is intended or expected to result in any of Berkshire Hills Bancorp's representations and warranties set forth in the merger agreement being or becoming untrue in any material respect at any time prior to the effective time, or in any of the closing conditions not being satisfied or in a violation of any provision of the merger agreement;

knowingly take action that would prevent or impede the merger from qualifying as a reorganization under the Internal Revenue Code;

enter into an agreement to acquire another depository institution;

agree to take, commit to take or adopt any resolutions in support of any of the actions prohibited by the section in the merger agreement governing Berkshire Hills Bancorp's conduct of business until the completion of the merger; or

amend, repeal or modify any provision of its certificate of incorporation or bylaws in a manner that would adversely affect SI Financial, any SI Financial stockholder, or the merger.

Additional Covenants of SI Financial and Berkshire Hills Bancorp in the Merger Agreement

Agreement Not to Solicit Other Proposals. From the date of the merger agreement until the closing of the merger, SI Financial will not, and will cause its subsidiaries and their officers, directors and representatives not to, directly or indirectly: (1) solicit, initiate, induce or encourage any inquiry with respect to or the making of any proposal that constitutes or could reasonably be expected to lead to, an acquisition proposal by a third party; (2) participate in any negotiations regarding an acquisition proposal with, or furnish any nonpublic information relating to an acquisition proposal to, any person that has made, or to SI Financial's knowledge, is considering making an acquisition proposal; or (3) engage in discussions regarding an acquisition proposal with any person that has made, or to SI Financial's knowledge, is considering making, an acquisition proposal, except to notify such person of the provisions of the merger agreement regarding acquisition proposals.

An acquisition proposal is a proposal or offer, whether or not in writing, with respect to the following types of acquisition transactions:

any merger, consolidation, share exchange, business combination or other similar transaction or series of transactions involving SI Financial or its subsidiaries;

any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 20% or more of the consolidated assets of SI Financial in a single transaction or series of transactions;

any tender offer or exchange offer for 20% or more of the outstanding shares of SI Financial capital stock or the filing of a registration statement under the Securities Act in connection therewith; and

any transaction that is similar in form, substance or purpose to any of the foregoing transactions; or

any public announcement, notice or regulatory filing or a proposal, plan or intention to do any of the foregoing transactions or any agreement to engage in any of the foregoing transactions.

Despite the agreement of SI Financial not to solicit other acquisition proposals, SI Financial may negotiate or have discussions with, or provide information to, a third party who makes a bona fide unsolicited written acquisition proposal prior to the adoption and approval of the merger agreement by the SI Financial stockholders at the meeting to vote on the merger agreement, provided that the SI Financial board of directors determines in its good faith, after consultation with its outside legal counsel and financial advisors, that the failure to take such action would reasonably be expected to be inconsistent with the directors' fiduciary obligations to SI Financial's stockholders under applicable law and that the acquisition proposal constitutes or is reasonably likely to lead to a superior proposal. A "superior proposal" is an unsolicited, bona fide written acquisition proposal made by a third party to consummate an acquisition proposal by a third party that: (i) SI Financial's board of directors determines in good faith, after consulting with its outside legal counsel and its financial advisor, would, if consummated, result in a transaction that is more favorable from a financial point of view to the stockholders of SI Financial than the transactions contemplated by the merger agreement; (ii) is for 50% of the outstanding shares of SI Financial common stock or all or substantially all of the assets of SI Financial; and (iii) is reasonably likely to be completed on the terms proposed, in each case taking into account all legal, financial, regulatory and other aspects of such acquisition proposal, and (iv) for which financing, to the extent required, is then committed pursuant to a written commitment letter.

If SI Financial receives an acquisition proposal or any inquiry that is reasonably likely to lead to an acquisition proposal, SI Financial must notify Berkshire Hills Bancorp within forty-eight hours of the receipt of the acquisition proposal and any inquiry that is reasonably likely to lead to an acquisition proposal and provide Berkshire Hills Bancorp with information about the third party and its proposal or inquiry.

If SI Financial receives a superior proposal prior to the date of the special meeting that was not a result of a breach of the merger agreement, SI Financial's board of directors may (1) make a change in recommendation to the SI Financial stockholders, or (2) terminate the merger agreement and concurrently enter into a definitive agreement with respect to the superior proposal, provided in each case that the SI Financial board of directors has determined in good faith, after consultation with its legal counsel, that the failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law. SI Financial's board of directors must also notify Berkshire Hills Bancorp prior to terminating the merger agreement of the material terms of the superior proposal and negotiate with Berkshire Hills Bancorp for a term of four business days. SI Financial's board of directors must then determine that the superior proposal continues to constitute a superior proposal after taking into account any amendments that Berkshire Hills Bancorp has agreed to during the notice period.

Certain Other Covenants. The merger agreement also contains other agreements relating to the conduct of Berkshire Hills Bancorp and SI Financial before consummation of the merger, including the following:

each party will promptly advise the other party of (i) any representation or warranty made by it contained in the merger agreement becoming untrue or inaccurate in any material respect or (ii) the failure by it to comply in any material respect with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under the merger agreement unless expressly waived in writing by the other party;

Berkshire Hills Bancorp and SI Financial will provide each other reasonable access during normal business hours to its books, records, contracts, properties, personnel, information technology systems and such other information relating to the other party as may be reasonably requested;

SI Financial will provide Berkshire Hills Bancorp with a copy of each report filed with a governmental entity (other than confidential supervisory information), each periodic report furnished to its senior management, each annual, interim or special audit of the financial statements of SI Financial and its subsidiaries made by their accountants and copies of all internal control reports submitted to SI Financial by its accountants, any additional financial data of SI Financial as Berkshire Hills Bancorp may reasonably request, each press release and all other information concerning its business, properties and personnel as Berkshire Hills Bancorp may reasonably request;

Following the receipt of all regulatory approvals, SI Financial shall give notice, and shall cause Savings Institute Bank and Trust to give notice, to a designee of Berkshire Hills Bancorp, and shall invite such person to attend all regular and special meetings of the boards of directors of SI Financial and Savings Institute Bank and Trust; *provided, however,* that such designee shall have no right to vote and shall not attend sessions of the boards of directors or committees thereof during which there is being discussed (i) matters involving the merger agreement, (ii) pending or threatened litigation or investigations if, in the opinion of counsel to SI Financial, the presence of such designees would or might adversely affect the confidential nature of, or any privilege relating to, the matters being discussed, or (iii) matters involving a third party acquisition proposal regarding SI Financial;

•

SI Financial will meet with Berkshire Hills Bancorp on a regular basis to discuss and plan for the conversion of SI Financial's data processing and related electronic information systems;

Berkshire Hills Bancorp and SI Financial will cooperate with each other and use their reasonable best efforts to prepare and file all necessary applications, notices and other filings with any governmental entity, the approval of which is required to complete the merger and related transactions;

Berkshire Hills Bancorp and SI Financial, and their respective subsidiaries, will use their reasonable best efforts to obtain all third party consents that are required to consummate the merger, the bank merger and the other transactions contemplated by the merger agreement;

SI Financial will take all steps required to exempt Berkshire Hills Bancorp, the merger agreement and the merger from any provisions of an anti-takeover nature in SI Financial's articles of incorporation and bylaws, or similar organizational documents, and the provisions of any federal or state anti-takeover laws;

Berkshire Hills Bancorp and SI Financial will use their reasonable efforts to take promptly all actions and to do promptly all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated by the merger agreement;

Berkshire Hills Bancorp and SI Financial will consult with one another before issuing any press release or otherwise making public statements with respect to the merger and making any filings with any governmental entity;

SI Financial will take all actions necessary to convene a meeting of its stockholders to vote on the merger agreement and any other matters required to be approved or adopted by its stockholders to carry out the terms of the merger agreement;

SI Financial's board of directors will recommend at its stockholders meeting that the stockholders vote to approve the merger agreement and the merger and will use its commercially reasonable efforts to obtain stockholders approval (*provided, however*, that, prior to the special meeting, SI Financial's board of directors may, if it concludes in good faith (after consultation with its outside legal advisors) that the failure to do so would be reasonably likely to result in a violation of its fiduciary duties under applicable law, withdraw, modify or change its recommendation that SI Financial's stockholders approve the merger agreement in a manner adverse to Berkshire Hills Bancorp provided SI Financial has not breached its obligation not to solicit other acquisition proposals and, SI Financial provided Berkshire Hills Bancorp with an opportunity to revise the merger agreement in light of the third party acquisition proposal in accordance with the merger agreement);

- Berkshire Hills Bancorp will take any action required to be taken under applicable state securities laws;

before completion of the merger, Berkshire Hills Bancorp will notify the New York Stock Exchange of the additional shares of Berkshire Hills Bancorp common stock that Berkshire Hills Bancorp will issue in exchange for shares of SI Financial common stock;

during the pendency of the merger, each party will notify the other of (1) any event of default of any material contract, and (2) any event, condition, change or occurrence that individually or in the aggregate is reasonably likely to result in a material adverse effect;

Berkshire Hills Bancorp will indemnify SI Financial's and its subsidiaries' current and former directors, officers and employees to the fullest extent as would have been permitted under Maryland law and the SI Financial articles of incorporation or the SI Financial bylaws and advance expenses as incurred to the fullest extent permitted under applicable law;

Berkshire Hills Bancorp will maintain for a period of six years after completion of the merger SI Financial's current directors' and officers' liability insurance policies, or policies of at least the same coverage and amount and containing terms and conditions that are no less favorable than the current policy, with respect to facts or events occurring at or prior to the effective time of the merger;

SI Financial will give Berkshire Hills Bancorp the opportunity to participate in the defense or settlement of any stockholder litigation against SI Financial and/or its directors relating to the transactions contemplated by the merger agreement, and no such settlement will be agreed to without Berkshire Hills Bancorp's prior written consent;

- Berkshire Hills Bancorp shall, and shall cause Berkshire Bank to, (i) increase the size of its board of directors by one member and (ii) appoint Rheo A. Brouillard to the boards of directors of Berkshire Hills Bancorp and

Berkshire Bank, effective immediately following the effective time of the merger;

Berkshire Hills Bancorp will appoint the directors of SI Financial as of the closing of the merger, other than Mr. Brouillard, to an advisory board of Berkshire Bank. The advisory board will meet as requested by the board of directors of Berkshire Bank and will have a term of one year. Each member of the advisory board will be paid an annual retainer of \$10,000. Berkshire Bank will consider, at its reasonable discretion, the composition, compensation and need for the advisory board after the completion of the one year term;

SI Financial agrees to recommend to the board of directors of SI Financial Group Foundation, Inc. (which we refer to as the "SI Financial foundation") that the current board of directors of the foundation resign as of the closing of the merger and that the foundation board consist of the same individuals that currently serve on the board of directors of the Berkshire Bank Foundation, Inc. and one (1) serving member of the advisory board selected by SI Financial and Berkshire Hills Bancorp. Promptly following the closing of the merger, Berkshire Hills Bancorp will recommend to the SI Financial foundation that, for at least two years following the closing of the merger, the SI Financial foundation allocate \$250,000 on an annual basis to charitable organizations serving SI Financial's market area; and

Berkshire Hills Bancorp will take all steps required to cause any acquisitions of Berkshire Hills Bancorp common stock in the merger by persons subject to the reporting requirements of Section 16(a) of the Securities Act to be exempt from liability under the Exchange Act.

Representations and Warranties Made by Berkshire Hills Bancorp and SI Financial in the Merger Agreement

Berkshire Hills Bancorp and SI Financial have made certain customary representations and warranties to each other in the merger agreement relating to their businesses. The representations and warranties contained in the merger agreement were made only for purposes of such agreement and are made as of specific dates, were solely for the benefit of the parties to such agreement, and may be subject to limitations agreed to by Berkshire Hills Bancorp or SI Financial, including being qualified by disclosures between the parties. These representations and warranties may have been made for the purpose of allocating risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality that differ from the standard of materiality that an investor may apply when reviewing statements of factual information.

Each of Berkshire Hills Bancorp and SI Financial has made representations and warranties to the other regarding, among other things:

- corporate matters, including due organization, qualification and the organizational structure;
- capitalization, including total outstanding shares and classes of stock;

authority relative to execution and delivery of the merger agreement and the absence of conflicts with, violations of, or a default under organizational documents or other obligations as a result of the merger;

- governmental filings and consents necessary to complete the merger;
 - the filing of regulatory and securities reports;
 - financial statements;
 - undisclosed liabilities;
 - securities filings;
 - financial statements;

- absence of undisclosed liabilities;
- litigation matters;
- tax matters;

the absence of any event or action that would, or reasonably be expected to, constitute a material adverse effect since September 30, 2018;

- legal proceedings;
- the absence of regulatory actions;
- compliance with applicable laws;
- intellectual property and IT systems;
- labor and employee benefit matters;
- real and personal property;
- fairness opinion of financial advisor;
- brokers or financial advisor fees;
- compliance with applicable environmental laws;

- anti-takeover provisions;
- insurance matters;
- corporate documents and records;
- indemnification;
- community reinvestment act and regulatory compliance matters;
- internal controls; and
- tax treatment of the merger.

In addition, SI Financial has made other representations and warranties about itself to Berkshire Hills Bancorp as to:

- investment portfolio matters;
- the existence, performance and legal effect of certain contracts;
- its subordinated indentures and trust preferred securities;
- loan portfolio matters;
- related party transactions; and
- trust accounts.

The representations and warranties of each of Berkshire Hills Bancorp and SI Financial will expire upon the effective time of the merger.

Terminating the Merger Agreement

The merger agreement may be terminated by mutual written consent of Berkshire Hills Bancorp and SI Financial 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 SI Financial may terminate the merger agreement if, among other things, any of the following occur:

- SI Financial stockholders do not approve the merger agreement at the special meeting, provided SI Financial has complied with certain obligations pursuant to the merger agreement;

- any required regulatory approval has been denied and such denial has become final and non-appealable, or a governmental authority or court has issued a final, unappealable order prohibiting consummation of the transactions contemplated by the merger agreement;

- the merger has not been consummated by December 31, 2019, unless the failure to complete the merger by that time was due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements provided in the merger agreement; or

- there is a breach by the other party of any covenant or agreement contained in the merger agreement, or any representation or warranty of the other party becomes untrue, in each case such that the conditions to closing would not be satisfied and such breach or untrue representation or warranty has not been or cannot be cured within 30 days after the giving of written notice to such party of such breach.

As further described in the merger agreement, Berkshire Hills Bancorp may also terminate the merger agreement if SI Financial breaches its obligations in any material respect regarding the solicitation of other acquisition proposals or submission of the merger agreement to SI Financial's stockholders or if the SI Financial board of directors does not publicly recommend in this document that SI Financial stockholders approve the merger agreement or withdraws or revises its recommendation in a manner adverse to Berkshire Hills Bancorp.

SI Financial may also terminate the merger agreement prior to adoption and approval of the merger agreement by its stockholders, if SI Financial receives an acquisition proposal and (1) the SI Financial board of directors, in compliance with the terms of the merger agreement, concludes in good faith that the acquisition proposal is a superior proposal, (2) the SI Financial board of directors concurrently approves a definitive agreement with respect to the superior proposal and the termination of the merger agreement, and (3) SI Financial pays the termination fee of \$7.4 million.

Additionally, SI Financial may terminate the merger agreement within the five day period commencing with the tenth day prior to the closing date of the merger (which we refer to as the “determination date”), if both of the following conditions have been satisfied, (1) the average of the daily closing sale prices of a share of Berkshire Hills Bancorp common stock as reported on the New York Stock Exchange for the 20 consecutive trading days immediately preceding the determination date is less than \$24.99 (80% of the closing sale price of Berkshire Hills Bancorp common stock on the last trading date before the date of the first public announcement of the merger agreement); and (2) Berkshire Hills Bancorp common stock underperforms the Nasdaq Bank Index by more than 20 percentage points during the same period.

However, if SI Financial chooses to exercise this termination right, Berkshire Hills Bancorp has the option, within five business days of receipt of notice from SI Financial, to adjust the merger consideration and prevent termination under this provision.

Termination Fee

The merger agreement requires SI Financial to pay Berkshire Hills Bancorp a fee of \$7.4 million (which we refer to as the “termination fee”) if SI Financial terminates the merger agreement to enter into an agreement with respect to an acquisition proposal. Additionally, SI Financial must pay the termination fee if Berkshire Hills Bancorp terminates the merger agreement as a result of a breach by SI Financial of its covenants regarding acquisition proposals or its obligation to submit the merger agreement to its stockholders, or if SI Financial’s board of directors fails to recommend approval of the merger agreement or, after recommending the approval of the merger agreement, it withdraws, modifies or changes its recommendation, so long as at the time of such termination Berkshire Hills Bancorp is not in material breach of any representation, warranty, or material covenant contained in the merger agreement.

If (i) Berkshire Hills Bancorp terminates the merger agreement because SI Financial breaches a covenant or agreement or if any representation or warranty of SI Financial has become untrue and such breach or untrue representation or warranty has not been or cannot be cured within 30 days following written notice to SI Financial and such breach giving rise to such termination was knowing and intentional, (ii) either party terminates the merger agreement because SI Financial’s stockholders fail to approve and adopt the merger agreement, or (iii) either party terminates the merger agreement because the merger has not been consummated by December 31, 2019, then SI Financial must pay the termination fee of \$7.4 million if (1) an acquisition proposal was publicly announced after December 11, 2018, or the

SI Financial board of directors changed its recommendations to stockholders before the special meeting to approve the merger and merger agreement, and (2) within 12 months after termination of the merger agreement, SI Financial enters into a definitive agreement with respect to an acquisition transaction (as defined in the merger agreement), the SI Financial board of directors recommends any acquisition transaction, or SI Financial consummates any acquisition transaction (whether or not such acquisition transaction resulted from or related to the acquisition proposal during the pendency of the merger).

Expenses

Each of Berkshire Hills Bancorp and SI Financial will pay its own costs and expenses incurred in connection with the merger.

Changing the Terms of the Agreement and Plan of Merger

Before the completion of the merger, Berkshire Hills Bancorp and SI Financial may agree to waive, amend or modify any provision of the merger agreement. However, after the vote by SI Financial stockholders, Berkshire Hills Bancorp and SI Financial can make no amendment or modification that would reduce the amount or alter or change the kind of consideration to be received by SI Financial's stockholders or that would contravene any provisions of the DGCL or applicable state and federal banking laws, rules and regulations.

Voting Agreements

Certain of SI Financial's senior executive officers and each of its directors, in his or her capacity as a SI Financial stockholder, has entered into a separate voting agreement with Berkshire Hills Bancorp, pursuant to which each such director or officer has agreed to vote all shares of SI Financial common stock over which he or she exercises sole disposition and voting rights in favor of the approval of the merger agreement and the merger and certain related matters and against alternative transactions. Under the voting agreements, SI Financial's directors and officers may not, without the prior written consent of Berkshire Hills Bancorp, transfer any of their shares of SI Financial common stock except for certain limited purposes described in the voting agreements. These voting agreements will terminate if the merger agreement is terminated. As of the record date, shares constituting []% of the voting power of SI Financial common stock were subject to the voting agreements.

DESCRIPTION OF BERKSHIRE HILLS BANCORP CAPITAL STOCK

The following summary describes the material terms of Berkshire Hills Bancorp's capital stock and is subject to, and qualified by, Berkshire Hills Bancorp's certificate of incorporation and bylaws and the Delaware General Corporation Law ("DGCL"). See "Where You Can Find More Information" as to how to obtain a copy of Berkshire Hills Bancorp's certificate of incorporation and bylaws.

General

Berkshire Hills Bancorp is authorized to issue 100,000,000 shares of common stock having a par value of \$0.01 per share, and 2,000,000 shares of preferred stock having a par value of \$0.01 per share. At [], [] shares of common stock were outstanding and 521,607 shares of preferred stock were outstanding.

Common Stock

Voting Rights. The holders of common stock are entitled to one vote per share on all matters presented to stockholders. Holders of common stock are not entitled to cumulate their votes in the election of directors. However, Berkshire Hills Bancorp's certificate of incorporation provides that a record owner of Berkshire Hills Bancorp's common stock who beneficially owns, either directly or indirectly, in excess of 10% of Berkshire Hills Bancorp's outstanding shares, is not entitled to any vote in respect of the shares held in excess of the 10% limit.

No Preemptive or Conversion Rights. The holders of common stock do not have preemptive rights to subscribe for a proportionate share of any additional securities issued by Berkshire Hills Bancorp before such securities are offered to others. The absence of preemptive rights increases Berkshire Hills Bancorp's flexibility to issue additional shares of common stock in connection with Berkshire Hills Bancorp's acquisitions, employee benefit plans and for other purposes, without affording the holders of common stock a right to subscribe for their proportionate share of those additional securities. The holders of common stock are not entitled to any redemption privileges, sinking fund privileges or conversion rights.

Dividends. Holders of common stock are entitled to receive dividends ratably when, as and if declared by Berkshire Hills Bancorp's board of directors from assets legally available therefor, after payment of all dividends on preferred stock, if any is outstanding. Under the DGCL, Berkshire Hills Bancorp may pay dividends out of surplus or net profits for the fiscal year in which declared and/or for the preceding fiscal year, even if its surplus accounts are in a deficit position. Dividends paid by Berkshire Bank have historically been the primary operating source of funds available to

Berkshire Hills Bancorp, and historic financing sources have included senior debt and the issuance of trust preferred securities, preferred stock and common stock. Berkshire Hills Bancorp expects to use these sources of funds in the future, as well as proceeds it may obtain from the offering of common stock, preferred stock and/or debt securities for payment of dividends to its stockholders, the repurchase of its common stock and for other needs. Berkshire Hills Bancorp's board of directors intends to maintain its present policy of paying regular quarterly cash dividends. The declaration and amount of future dividends will depend on circumstances existing at the time, including Berkshire Hills Bancorp's earnings, financial condition and capital requirements, as well as regulatory limitations and such other factors as Berkshire Hills Bancorp's board of directors deems relevant.

Berkshire Hills Bancorp's principal assets and sources of income consist of investments in its operating subsidiaries, which are separate and distinct legal entities.

Liquidation. Upon liquidation, dissolution or the winding up of the affairs of Berkshire Hills Bancorp, holders of common stock are entitled to receive their pro rata portion of the remaining assets of Berkshire Hills Bancorp after the holders of Berkshire Hills Bancorp's preferred stock, if any, have been paid in full any sums to which they may be entitled.

Preferred Stock

Berkshire Hills Bancorp's certificate of incorporation authorizes its board of directors, without stockholder action, to issue preferred stock in one or more series and to establish the designations, dividend rates and rights, dissolution or liquidation rights, preferences, price and terms and conditions on which shares may be redeemed, terms and conditions for conversion or exchange into any other class or series of the stock, voting rights and other terms. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, adversely affect the voting power of the holders of common stock and could have the effect of delaying, deferring or preventing a change in Berkshire Hills Bancorp's control.

Certain Certificate of Incorporation and Bylaw Provisions Affecting Stock

Berkshire Hills Bancorp's certificate of incorporation and bylaws contain several provisions that may make Berkshire Hills Bancorp a less attractive target for an acquisition of control by anyone who does not have the support of Berkshire Hills Bancorp's board of directors. Such provisions include, among other things, the requirement of a supermajority vote of stockholders or directors to approve certain business combinations and other corporate actions, a minimum price provision, several special procedural rules, a vote limitation provision and the limitation that stockholder actions may only be taken at a meeting and may not be taken by unanimous written stockholder consent. The foregoing is qualified in its entirety by reference to Berkshire Hills Bancorp's certificate of incorporation and bylaws.

Restrictions on Ownership

Under the federal Change in Bank Control Act, a notice must be submitted to the Federal Reserve if any person (including a company), or group acting in concert, seeks to acquire "control" of a bank holding company or savings association. An acquisition of "control" can occur upon the acquisition of 10% or more of the voting stock of a bank holding company or depository institution or as otherwise defined by the Board of Governors of the Federal Reserve System. Under the Change in Bank Control Act, the Board of Governors of the Federal Reserve System has 60 days from the filing of a complete notice to act, taking into consideration certain factors, including the financial and managerial resources of the acquirer and the anti-trust effects of the acquisition. Any company that so acquires control would then be subject to regulation as a bank holding company.

Transfer Agent and Registrar

The Transfer Agent and Registrar for Berkshire Hills Bancorp's common stock is Broadridge Corporate