

BERKSHIRE HILLS BANCORP INC

Form 424B3

February 26, 2019

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Registration No. 333-229506

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 February 19, 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 \$14.68. 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 February 19, 2019, the total number of shares of Berkshire Hills Bancorp common stock expected to be issued in connection with the merger is approximately 5,919,478. In addition, based on the number of issued and outstanding shares of Berkshire Hills Bancorp common stock and SI Financial common stock on February 19, 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 11.5% 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 Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut 06256 on April 2, 2019 at 9:00 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 14 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,

/s/ Rheo A. Brouillard

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 February 25, 2019, and is first being mailed to SI Financial stockholders on or about February 26, 2019.

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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.	SI Financial Group, Inc.
60 State Street	803 Main Street
Boston, Massachusetts 02109	Willimantic, Connecticut 06226
Attention: Investor Relations Manager	Attention: Investor Relations
(800) 773-5601, ext. 13373	(860) 456-6514

To obtain timely delivery of these documents, you must request them no later than March 26, 2019 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 February 25, 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.

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SI FINANCIAL GROUP, INC.

803 MAIN STREET

WILLIMANTIC, CONNECTICUT 06226

NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON APRIL 2, 2019

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 April 2, 2019 at 9:00 a.m., Eastern Time, at Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut 06256, 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 February 19, 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

/s/ Rheo A. Brouillard

Rheo A. Brouillard

President and Chief Executive Officer

Willimantic, Connecticut

February 26, 2019

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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:

Morrow Sodali LLC

470 West Avenue

Stamford, Connecticut 06902

Telephone (toll-free): (800) 662-5200

Banks and brokers may call collect: (203) 658-9400

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

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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?

A:

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?

A:

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?

A:

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?

A:

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.

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

A:
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 pages 82 and 83.

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 April 2, 2019, at 9:00 a.m., Eastern Time, at Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut 06256.

Q:
WHO CAN VOTE AT THE SPECIAL MEETING?

A:

Holders of record of SI Financial common stock at the close of business on February 19, 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”;

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- 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?

A:
Merger Proposal: 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.

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 3.3% 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 351,882 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?

A:
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 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?

A:
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 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.

Q:

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

A:

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”), you will receive a voting instruction card for each

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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.

Q:

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

A:

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?

A:

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

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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?

A:
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 60 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 14.

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.

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

A:
No. SI Financial stockholders SHOULD NOT send in any stock certificates now. If the merger is approved, 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, Morrow Sodali LLC, at (800) 662-5200 (for stockholders) or (203) 658-9400 (for banks and brokers).

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SUMMARY

This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the documents attached to this proxy statement/prospectus and the other documents to which this proxy statement/prospectus refers. For more information, see “Where You Can Find More Information,” beginning on page 96. 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 33)

A special meeting of SI Financial stockholders is scheduled to be held on April 2, 2019 at 9:00 a.m., Eastern Time, at Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut 06256. 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 February 19, 2019 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.

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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 12,059,785 shares of SI Financial common stock outstanding and entitled to vote. The directors and senior executive officers of SI Financial, as a group, had sole or shared voting power over approximately 395,977 shares of SI Financial common stock, representing approximately 3.3% 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 351,882 shares of SI Financial common stock in favor of the merger proposal at the special meeting.

The Merger and the Merger Agreement (pages [38](#) and [71](#))

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 [71](#)) 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 [71](#))

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 February 19, 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 71.

	Berkshire Hills Bancorp Common Stock	SI Financial Common Stock	Implied Value of Merger Consideration
December 11, 2018	\$ 31.29	\$ 13.03	\$ 15.02
February 19, 2019	\$ 30.59	\$ 14.42	\$ 14.68

Recommendation of SI Financial Board of Directors (page [43](#))

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

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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 43.

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 46)

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 64)

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.

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- 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 (page [63](#))

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 [72](#))

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;

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- 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 82)

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 — Terminating the Merger Agreement" beginning on page 82. 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.

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Termination Fee (page 83)

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 60)

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 87)

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 87 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 70)

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 70.

Litigation Related to the Merger (page 70)

On February 8, 2019, one purported SI Financial stockholder filed a putative class action lawsuit against SI Financial, Berkshire Hills Bancorp and the members of the SI Financial board of directors in the United States District Court for the District of Connecticut, captioned Karp v. SI Financial Group, Inc. et al., Docket No. 3:19-cv-00199. The plaintiff, on behalf of himself and similarly-situated SI Financial stockholders, generally alleges that the registration statement filed with the SEC on February 4, 2019 contains materially misleading omissions or misrepresentations in violation of Section 14(a) and Section 20(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder. The plaintiff seeks injunctive relief, unspecified damages, and an award of attorneys' fees and expenses.

On February 15, 2019, one purported SI Financial stockholder filed a lawsuit against SI Financial and the members of the SI Financial board of directors in the United States District Court for the District of Connecticut, captioned McHugh v. SI Financial Group, Inc. et al., Docket No. 3:19-cv-00236. The plaintiff generally alleges that the registration statement filed with the SEC on February 4, 2018 contains materially misleading omissions or misrepresentations in violation of Section 14(a) and Section 20(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder. The plaintiff seeks injunctive relief, unspecified damages, and an award of attorneys' fees and expenses.

Material U.S. Federal Income Tax Consequences of the Merger (page 60)

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.

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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 14)

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."

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/ prospectus, including the matters addressed under the section “Cautionary Statement About Forward-Looking Statements” beginning on page 20, 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 32 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.

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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 64.

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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 11.5% 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 87 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 72. 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 82.

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

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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.

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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 96.

Litigation relating to the merger could result in significant costs, management distraction, and/or a delay of or injunction against the merger.

On February 8, 2019, one purported SI Financial stockholder filed a putative class action lawsuit against SI Financial, Berkshire Hills Bancorp and the members of the SI Financial board of directors in the United States District Court for the District of Connecticut, captioned *Karp v. SI Financial Group, Inc. et al.*, Docket No. 3:19-cv-00199. The plaintiff, on behalf of himself and similarly-situated SI Financial stockholders, generally alleges that the registration statement filed with the SEC on February 4, 2019 contains materially misleading omissions or misrepresentations in violation of Section 14(a) and Section 20(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder. The plaintiff seeks injunctive relief, unspecified damages, and an award of attorneys' fees and expenses.

On February 15, 2019, one purported SI Financial stockholder filed a lawsuit against SI Financial and the members of the SI Financial board of directors in the United States District Court for the District of Connecticut, captioned *McHugh v. SI Financial Group, Inc. et al.*, Docket No. 3:19-cv-00236. The plaintiff generally alleges that the registration statement filed with the SEC on February 4, 2018 contains materially misleading omissions or misrepresentations in violation of Section 14(a) and Section 20(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder. The plaintiff seeks injunctive relief, unspecified damages, and an award of attorneys' fees and expenses. The outcomes of these actions are uncertain and could result in significant costs to SI Financial and/or Berkshire Hills Bancorp, including costs associated with the indemnification of SI Financial's directors and officers. Other plaintiffs may also file lawsuits against SI Financial, Berkshire Hills Bancorp and/or their directors and officers in connection with the merger. The defense or settlement of any lawsuits or claims relating to the merger may have a material adverse effect on the business, financial condition and results of operations of SI Financial, Berkshire Hills Bancorp and/or the combined company.

If the actions remain unresolved, they could prevent or delay the completion of the merger. One of the conditions to the consummation of the merger is the absence of any order, decree or injunction of a court or agency enjoining or prohibiting the consummation of the merger or the bank merger or of any proceeding instituted by a governmental entity for the purpose of enjoining the merger, the bank merger or the transactions contemplated by the merger agreement. Consequently, if a settlement or other resolution is not reached in this or any other lawsuits that are filed or in any regulatory proceeding, or this plaintiff or any other claimants secure injunctive or other relief or a regulatory authority issues an order or other directive prohibiting, restricting or making illegal the consummation of the merger, the bank merger or the transactions contemplated by the merger agreement, then such injunctive or other relief may prevent the merger from becoming effective in a timely manner or at all.

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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.

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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 14.

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;

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- 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.

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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.**

	At September 30,		At December 31,				
(In thousands, except per share data)	2018	2017	2017	2016	2015	2014	2013
Selected Financial Data:							
Total assets	\$ 12,030,059	\$ 9,766,703	\$ 11,570,751	\$ 9,162,542	\$ 7,831,086	\$ 6,501,079	\$ 5,670,000
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	4,180,000
Allowance for loan losses	(58,457)	(49,004)	(51,834)	(43,998)	(39,308)	(35,662)	(33,000)
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	3,840,000
Borrowings	1,540,126	1,488,649	1,137,075	1,313,997	1,263,318	1,051,371	1,060,000
Total stockholders' equity	1,532,315	1,284,527	1,496,264	1,093,298	887,189	709,287	678,000
	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

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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
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

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	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	28.57%	(1.90)%	(26.06)%	8.62%	27.21%	(17.58)%	10.74%

year)

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%
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.

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(4)

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

(5)

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

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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.

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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	\$ 41,111
Adj: Securities (gains) losses and other revenue adjustments	696	(5,939)	(5,969)	551	(2,110)	9,691	(6,040)
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	15,300
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	\$ 46,611
Total revenue (GAAP)	\$ 354,763	\$ 304,820	\$ 420,484	\$ 298,118	\$ 268,137	\$ 226,461	\$ 226,461
Adj: Securities (gains) losses and other revenue adjustments	696	(5,939)	(5,969)	551	(2,110)	9,691	(6,040)
Adj: Net gains on sale of business operations	(460)	(296)	(296)	(1,085)	—	—	—
Total operating revenue (B)	\$ 354,999	\$ 298,585	\$ 414,219	\$ 297,584	\$ 266,027	\$ 236,152	\$ 220,421

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(non-GAAP)

Total
non-interest
expense
(GAAP)

\$ 220,183 \$ 209,669 \$ 299,710 \$ 203,302 \$ 196,830 \$ 165,986 \$ 157,300

Less: Total
non-operating
expense (see
above)

(6,138) (16,005) (34,958) (15,761) (17,611) (8,492) (15,300)

Adjusted
non-interest
expense
(non-GAAP)

(C) \$ 214,045 \$ 193,664 \$ 264,752 \$ 187,541 \$ 179,219 \$ 157,494 \$ 142,000

(in millions,
except per
share data)

Total average
assets

(D) \$ 11,687 \$ 9,369 \$ 9,815 \$ 7,958 \$ 7,249 \$ 6,171 \$ 5,300

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 5,400

Total common
shares
outstanding,
period-end
(thousands)

(K) 45,420 40,424 45,290 35,673 30,974 25,183 25,000

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Average diluted shares outstanding (thousands)	(L)	46,226	37,708	39,695	31,167	28,564	24,854	24,9
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	27.0
Tangible book value per share, period-end	(I/K)	20.68	21.38	19.83	18.81	17.84	17.19	16.2
Total shareholders' equity/total assets		12.74	13.15	12.93	11.93	11.33	10.91	11.9
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.

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	At September 30,		At December 31,				
(In thousands, except per share data)	2018	2017	2017	2016	2015	2014	2013
Selected Financial Data:							
Total assets	\$ 1,607,135	\$ 1,585,000	\$ 1,580,956	\$ 1,550,890	\$ 1,481,834	\$ 1,350,533	\$ 1,340,000
Loans(1)	1,291,968	1,241,533	1,250,343	1,233,536	1,177,039	1,053,408	1,050,000
Allowance for loan losses	14,227	12,217	12,334	11,820	9,863	7,797	6,910
Securities	147,576	168,545	154,053	159,367	175,132	173,040	170,200
Total deposits	1,250,093	1,214,089	1,208,047	1,130,685	1,058,017	1,010,713	984,700
Borrowings(2)	161,028	175,063	178,342	226,007	242,843	156,525	184,500
Total stockholders' equity	170,012	171,002	168,481	164,727	154,330	157,739	152,800
	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 income	\$ 42,672	\$ 40,349	\$ 53,987	\$ 52,911	\$ 48,126	\$ 47,521	\$ 38,192
Total interest expense	9,215	8,305	11,081	10,083	8,901	8,243	8,454
Net interest income	33,457	32,044	42,906	42,828	39,225	39,278	29,738
Service charges and fee income	5,240	5,704	7,460	7,662	7,930	8,185	6,923
All other non-interest income	3,392	2,959	3,701	7,932	2,391	1,981	1,382
Total non-interest income	8,632	8,663	11,161	15,594	10,321	10,166	8,305
Total net revenue	51,304	49,012	65,148	68,505	58,447	57,687	46,497
Provision for loan losses	2,022	501	661	2,190	2,509	1,539	1,319
Total non-interest expense	29,856	30,023	39,795	39,998	40,585	41,506	37,677
Income tax expense (benefit)	2,147	3,378	8,369	4,924	2,104	1,988	(98)
Net income (loss)	\$ 8,064	\$ 6,805	\$ 5,242	\$ 11,310	\$ 4,348	\$ 4,411	\$ (855)
	At or For the Nine Months		At or For the Years Ended December 31,				

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Ended September 30,

	2018	2017	2017	2016	2015	2014	2013
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%	(0.08)%
Return on average equity(4)	6.34%	5.39%	3.09%	7.09%	2.79%	2.82%	(0.63)%
Net interest rate spread(5)	2.77%	2.68%	2.69%	2.85%	2.82%	2.97%	2.74%
Net interest margin(6)	3.00%	2.88%	2.89%	3.01%	2.97%	3.11%	2.93%
Non-interest income/total net revenue	16.83%	17.68%	17.13%	22.76%	17.66%	17.62%	17.86%
Non-interest expense/average assets	2.51%	2.54%	2.51%	2.64%	2.87%	3.06%	3.48%
Capital Ratios:							
Stockholders' equity/total assets	10.58%	10.79%	10.66%	10.62%	10.41%	11.68%	11.35%
Tier 1 capital to average assets – Savings Institute Bank and Trust	9.61%	9.52%	9.40%	9.41%	9.38%	9.37%	8.94%
Total capital to risk-weighted assets – Savings Institute Bank and Trust	14.27%	15.65%	15.02%	15.40%	15.37%	15.87%	15.65%

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	At or For the Nine Months Ended September 30,		At or For the Years Ended December 31,				
	2018	2017	2017	2016	2015	2014	2013
Asset Quality Ratios:							
Net loans charged-off/average total loans	0.01%	0.01%	0.01%	0.02%	0.04%	0.06%	0.07%
Allowance for loan losses/total loans	1.10%	0.99%	0.99%	0.96%	0.84%	0.74%	0.71%
Share Data:							
Basic earnings per common share	0.68	0.57	0.44	0.96	0.36	0.36	0.36
Diluted earnings per common share	0.68	0.57	0.44	0.95	0.36	0.36	0.36
Dividends per common share	0.18	0.15	0.20	0.16	0.16	0.12	0.12
Tangible book value per share ⁽⁷⁾	12.76	12.59	12.38	12.06	11.15	10.88	10.88
Market price at (period) year end	14.00	14.95	14.70	15.40	13.65	11.33	11.33
Weighted average common shares outstanding – basic	11,832,723	11,850,229	11,859,401	11,806,927	11,976,291	12,313,549	12,313,549
Weighted average common shares outstanding – diluted	11,917,026	11,939,719	11,926,519	11,868,122	12,005,987	12,347,129	12,347,129

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.

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This document contains a non-GAAP financial measure in addition to results presented in accordance with 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 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

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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

(1)

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 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.

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(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.

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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 February 19, 2019)	\$ 30.59	\$ 26.86	\$ 0.23	\$ 14.42	\$ 12.81	\$ 0.06
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 February 19, 2019, there were approximately 3,522 holders of record of Berkshire Hills Bancorp common stock. As of February 19, 2019, there were approximately 1,138 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.

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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:

April 2, 2019

Time:

9:00 a.m., local time

Place:

Savings Institute Bank and Trust Company Financial Center, 579 North Windham Road, North Windham, Connecticut 06256

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 February 19, 2019, which is the record date for the special meeting. As of the close of business on the record date, 12,059,783 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.

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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 February 19, 2019, directors and senior executive officers of SI Financial had sole or shared voting power over 395,977 shares of SI Financial common stock. This equals 3.3% of the outstanding shares of SI Financial common stock outstanding and entitled to vote as of February 19, 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 February 19, 2019, 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 351,882 shares of SI Financial common stock, representing 2.9% of the outstanding shares of SI Financial common stock. As of February 19, 2019, 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 www.envisionreports.com/SIFI;
- via telephone by calling (800) 652-8683 within the United States, U.S. territories and Canada;
- 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;

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- voting again via the internet or by telephone not later than 1:00 a.m., Eastern Time, on April 2, 2019; 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 and 401(k) Plan and the SI Financial Equity Incentive Plan

If you participate in the Savings Institute ESOP or if you hold shares of SI Financial common stock through the Savings Institute 401(k) 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.

The deadline for returning your voting instruction cards is March 26, 2019.

Solicitation of Proxies

SI Financial will pay for the solicitation of proxies from SI Financial stockholders. In addition to soliciting proxies by mail, Morrow Sodali LLC, a proxy solicitation firm, will assist SI Financial in soliciting proxies for the special meeting. SI Financial will pay \$7,000 for these services plus certain additional charges related to these services. 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.

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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

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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.

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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.

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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.

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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

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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.

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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

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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.

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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;

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- 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;

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- 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.

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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;
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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

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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

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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

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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

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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.

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

	Berkshire Hills Bancorp	Selected Companies			75th Percentile
		25th Percentile	Median	Average	
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			75th Percentile
		25th Percentile	Median	Average	
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			75th Percentile
		25th Percentile	Median	Average	
One-Year Stock Price Change	(17.50)%	(18.10)%	(10.30)%	(11.60)%	(6.80)%
Year-To-Date Stock Price Change					