



**Keefe, Bruyette & Woods  
Community Bank  
Investor Conference  
July 27 - 29, 2009**



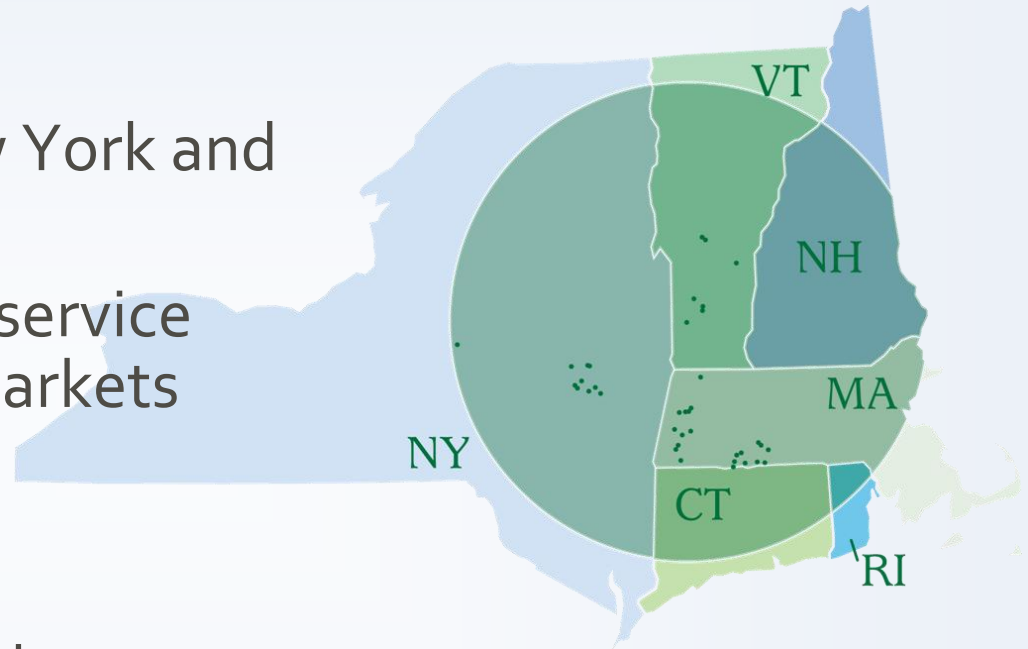
**Forward Looking Statements**

This presentation contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) which involve significant risks and uncertainties. Actual results may differ materially from the results discussed in these forward-looking statements, including factors discussed in "Forward-Looking Statements" in the Company's 2008 Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at the Securities and Exchange Commission's internet website ([www.sec.gov](http://www.sec.gov)) and to which reference is hereby made. Except as required by law, the Company assumes no obligation to update any forward-looking statements, and undue reliance should not be placed on these statements.

Banking · Insurance · Investments  
Wealth Management

# Our Growing Regional Franchise

- Three-state franchise
  - Massachusetts, New York and Vermont
- Largest local financial service company in primary markets
- 48 financial centers
- \$2.7 billion in assets
- \$680 million assets under management
- Insurance agency with 100 professionals
- Distinctive culture as *America's Most Exciting Bank* SM



# Leadership

**Lawrence A. Bossidy**  
Chairman of the Board



One of the world's most successful CEOs

- Vice Chairman, General Electric Corp.
- COO, GE Credit
- CEO, Allied Signal
- Chairman & CEO, Honeywell International
- Director, JPMorgan and Merck & Co
- Bestselling Author, "Execution" and "Confronting Reality"
- CEO of the Year, 1994 – Financial World and 1998 – CEO Magazine

**Michael P. Daly**  
President and Chief Executive Officer



Track record of driving growth and earnings through motivated teamwork

- Berkshire President and CEO since 2002
- Berkshire executive since 1986
- Commercial banking, Bank of Boston
- MBA, Columbia University
- Former Trustee, Berkshire Health Systems
- Numerous community boards
- Featured in American Banker, Wall Street Transcript and on Fox Business news

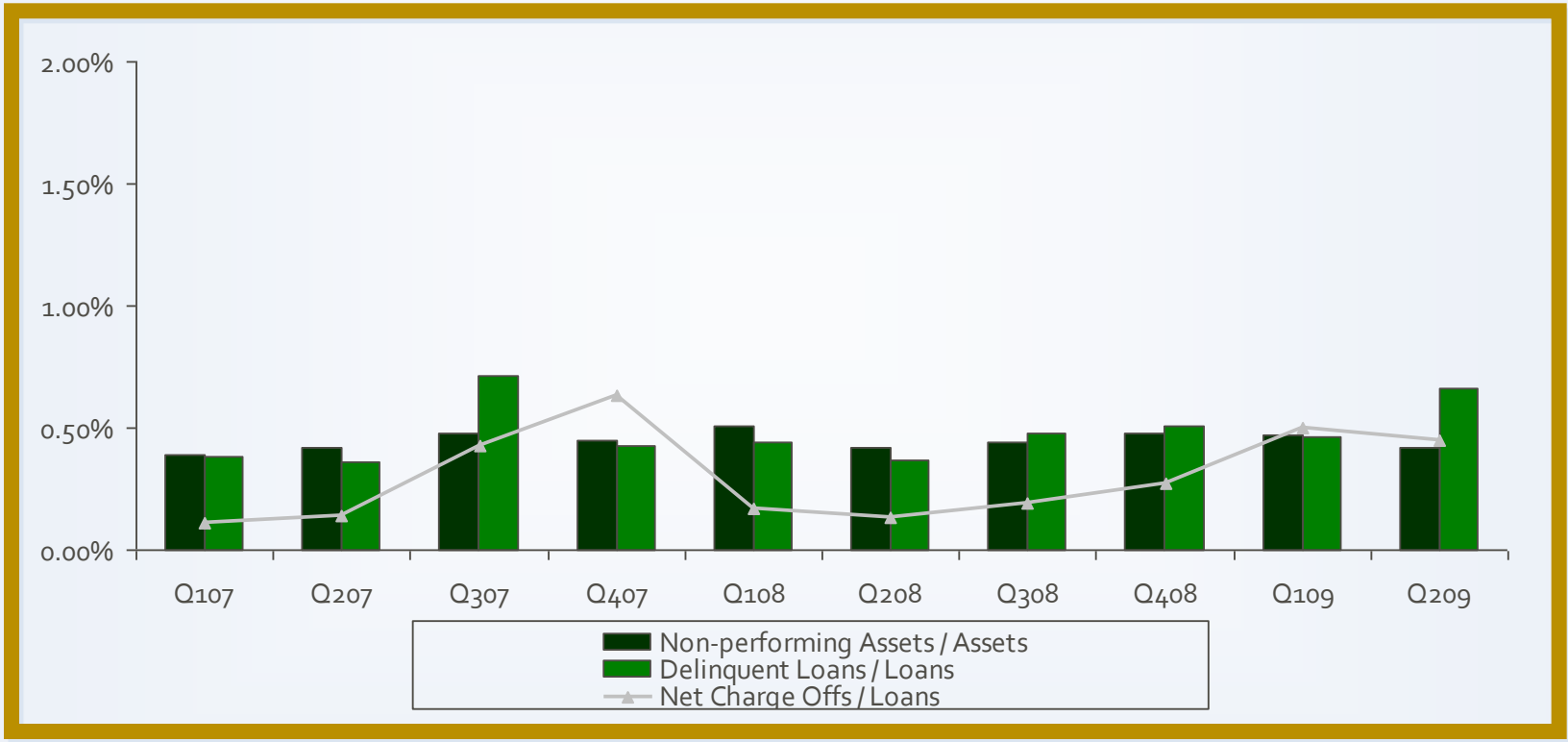
# Business Performance Through Mid Year

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- 13% annualized deposit growth
- 4% annualized commercial loan growth
- 15% Wealth Management new business generation
- Net interest margin 3.0%
- Decreasing core non-interest expense before FDIC premiums
- Solid loan quality— 42bp NPAs and 48bp NCOs (annualized)
- \$32 million common stock capital raise

# Consistent Asset Performance

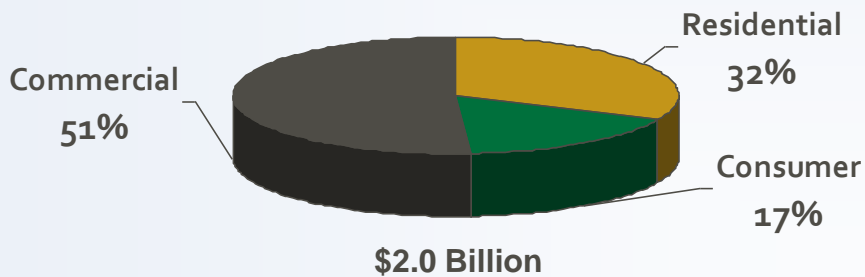
- Conservative investment portfolio – no impairment writedowns
- Loan loss allowance at 1.16% of total loans



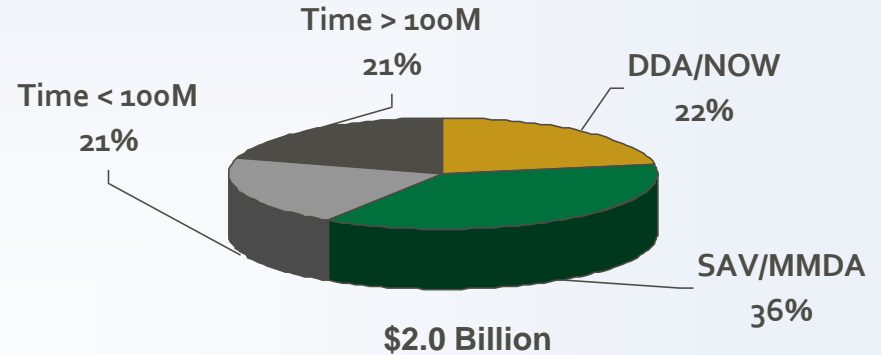
Note: Delinquent loans include all accruing loans delinquent 30 days or more. Charge-offs are based on quarterly net charge-offs, annualized.

# Attractive Business Mix

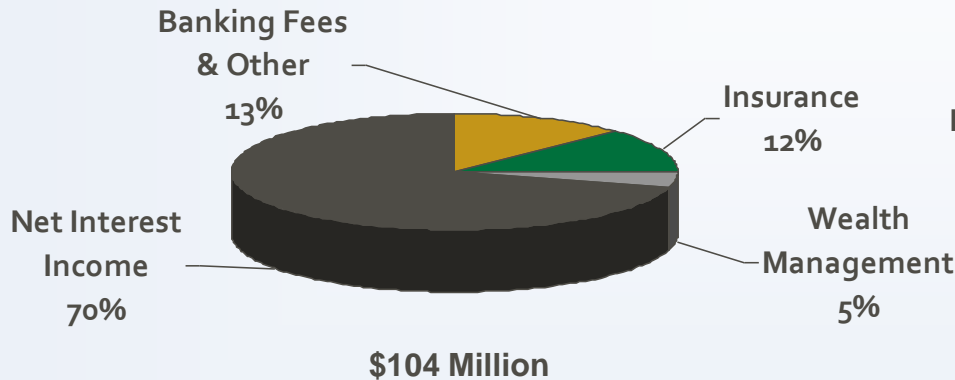
## Diversified Loan Portfolio Strong Commercial Component



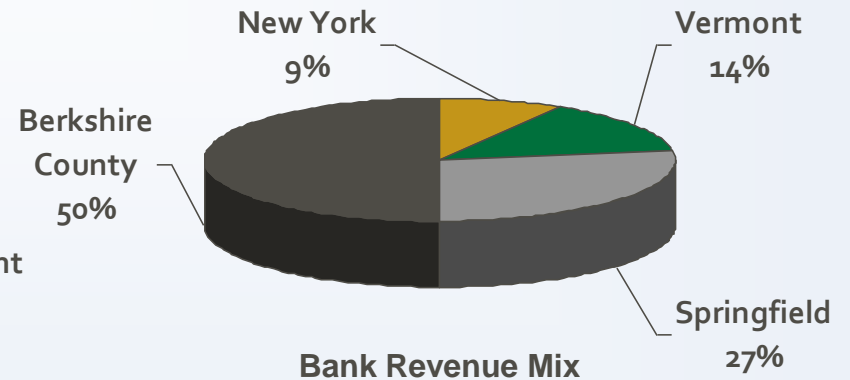
## Strong Deposit Funding



## Diversified Revenues



## Expanding Regional Presence



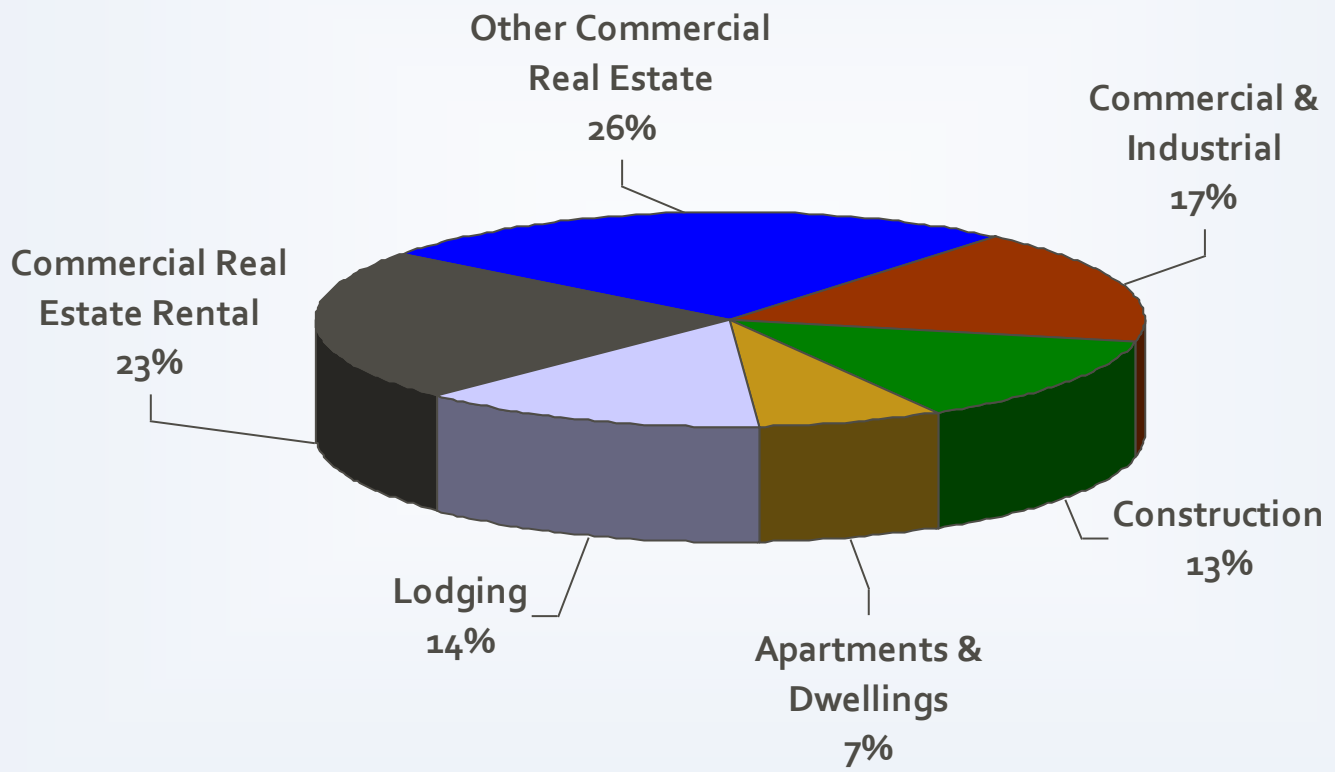
*Note: Diversified revenues are based on last twelve months. Bank revenues are based on H1 2009 banking revenues.*

**Banking - Insurance - Investments - Wealth Management**

# Diversified Commercial Loan Portfolio Totaling \$1.0 billion

No loans to out of area relationships

Modest residential construction = 20% of risk based capital



# Attractive Core Markets

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## Positive Economic Developments

- New York - Technology
- Berkshire County - Top Market
- Springfield – Technology and Healthcare
- Vermont - Services

## Positive Fundamentals

- Unemployment better than U.S. average
- Real estate values less volatile



# Earnings Model

2008 Earnings Per Share = \$2.06

Corporate Goal		2008	H1 2009
3.5%	Net Interest Margin	3.4%	3.0%
35%	Fee Income/Revenues	28%	29%
55%	Bank Efficiency Ratio	59%	82%
1.2%	Core ROA	1.1%	0.6%

*Note: GAAP ROA was 0.9% in 2008 and 0.5% in H1 2009. Efficiency ratio H1 2009 includes FDIC special assessment.*

# Attractive Stock Metrics Compared to Peers

	Price/TBV (%)	Price/EPS (x)
<b>Berkshire Hills Bancorp – Price \$21.49</b>	<b>134</b>	<b>12.1</b>
Peer Median	198	14.1
New England Banks (Market Cap > \$50mm)	154	13.5

Peers: INDB, WASH, FNFG, NBTB, CBU, TMP

EPS based on last 12 months

Pricing data as of July 21, 2009

Source: SNL Financial (based on exchange traded banks)

# Why Invest in Berkshire Hills?

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- Strong and experienced management team
- Strong credit and risk management culture
- Strong organic growth in loans, deposits and fee income
- Growing and diversifying financial service offerings
- Solid capital and capital formation
- Poised to be a regional consolidator
- Focus on returns for our shareholders
- Stock valuation metrics are attractive for shareholder returns

# BERKSHIRE HILLS BANCORP™

Berkshire Bank - America's Most Exciting Bank™

*Now That's Exciting!*



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