

NYSE:BHLB

Berkshire Hills Bancorp
1Q 2024 Earnings Presentation



APRIL 18, 2024



Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our outlook for earnings, net interest margin, fees, expenses, tax rates, capital and liquidity levels and other matters regarding or affecting Berkshire and its future business and operations.. You can identify these statements from the use of the words “may,” “will,” “should,” “could,” “would,” “outlook,” “potential,” “estimate,” “project,” “believe,” “intend,” “anticipate,” “expect,” “target” and similar expressions. There are many factors that could cause actual results to differ significantly from expectations described in the forward-looking statements. For a discussion of such factors, please see Berkshire’s most recent reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission and available on the SEC’s website at www.sec.gov.

Accordingly, you should not place undue reliance on forward-looking statements, which reflect our expectations only as of the date of this document. Berkshire does not undertake any obligation to update forward-looking statements.

NON-GAAP FINANCIAL MEASURES

This presentation contains both financial measures based on accounting principles generally accepted in the United States (“GAAP”) and non-GAAP based financial measures, which are used where management believes them to be helpful in understanding the Company’s results of operations or financial position. Reconciliations of these non-GAAP financial measures to the most comparable GAAP measures are included in this presentation and the Company’s earnings release available at its investor relations website at ir.berkshirebank.com. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. For additional information, please see reconciliation to GAAP financial measures presented in the Company’s News Release.

1Q 2024 – Highlights of the Quarter

Financial Performance

Improved operating earnings QoQ¹

- Operating Net Income of \$20.9M (+4% QoQ and -24% YoY)
- Operating EPS of \$0.49 (+4% QoQ and -22% YoY)
- GAAP EPS of -\$0.47 (Securities Sale after-tax loss \$38.3M or -\$0.89 / Non-Operating Expenses of \$2.8M or -\$0.07)
- Non-Interest Expenses of \$72.4M (-4% QoQ and +1% YoY)
- ROTCE of 8.73% (-17 bps QoQ and -323 bps YoY)

Balance Sheet Strength

Maintained strong liquidity, asset quality, and capital

- Average Deposits² < +1% QoQ and +3% YoY
 - Non-Interest Bearing 24% of Total Average Deposits
- Credit trends remain solid with NCO/Avg Loans of 18 bps and ACL to Loans up 1 bp QoQ to 1.18%
- Maintained strong Capital ratios with CET1 ratio at ~11.6%³ and TCE/TA at 8.2%
 - Repurchased ~\$4 million of stock during the quarter

Strategic Progress

Continued progress on strategic initiatives

- Announced sale of ten branches in New York which enhances the efficiency and profitability of our branch network and strengthens focus in core New York markets
- Successfully executed a securities sale in the first quarter to partially offset deposits to be sold in branch transaction
- Recognized by Newsweek as one of the Most Trustworthy Companies in America; ranked #10 in the country for banks

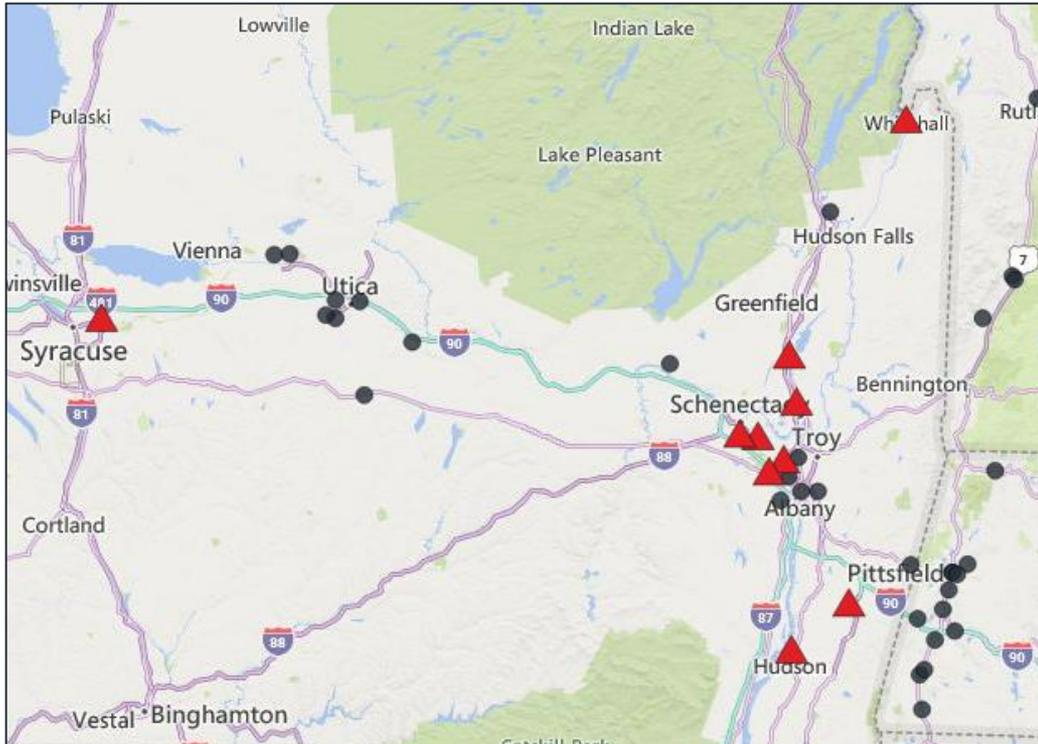
Notes: ¹ Numbers and comparisons are on an operating basis. See Appendix for discussion and reconciliation of non-GAAP financial measures.

³ Numbers and percent changes may not add / equate precisely due to rounding. ² Includes New York Deposits Held for Sale. ³ 1Q24 Capital & Ratios are estimated and subject to change.

Sale of Select Upstate and Eastern NY Branches Summary

Sale of Ten Branches in New York Enhances Efficiency and Profitability of BHLB's Branch Network and Strengthens Focus in Core New York Markets

BHLB New York Branches Pro Forma



- ▲ Ten branches to be sold per March 4th announcement – eight offices in Albany, Schenectady, Saratoga, and Columbia counties; one office in Whitehall; one office in East Syracuse
- 86 BHLB branches remaining following transaction completion (targeting mid-third quarter 2024 subject to regulatory approvals and associated system conversions)

Summary

- **Announced sale includes ~\$485M in deposits and ~\$58M of related residential mortgage and consumer loans plus all branch premises and equipment**
 - Estimated pre-tax gain of ~\$19.3MM
- **Combined branch and securities sale is neutral to full-year 2024 earnings outlook**
 - Transaction will not materially increase borrowings
- **Annualized revenue loss of ~\$4.3 million and expense saves of ~\$6.4 million**
- **Transaction tightens geographic footprint and lowers overall expense run-rate**

Securities Portfolio Sale

TRANSACTION RATIONALE

Partially offset deposits to be sold in
New York Branch Transaction

SECURITIES SOLD

\$361.8 million Market Value¹
Weighted Avg. Book Yield **1.98%**

REALIZED LOSS

\$49.9 million pre-tax in 1Q24
\$38.3 million post-tax / **-\$0.89** per share

PORTFOLIO SIZE

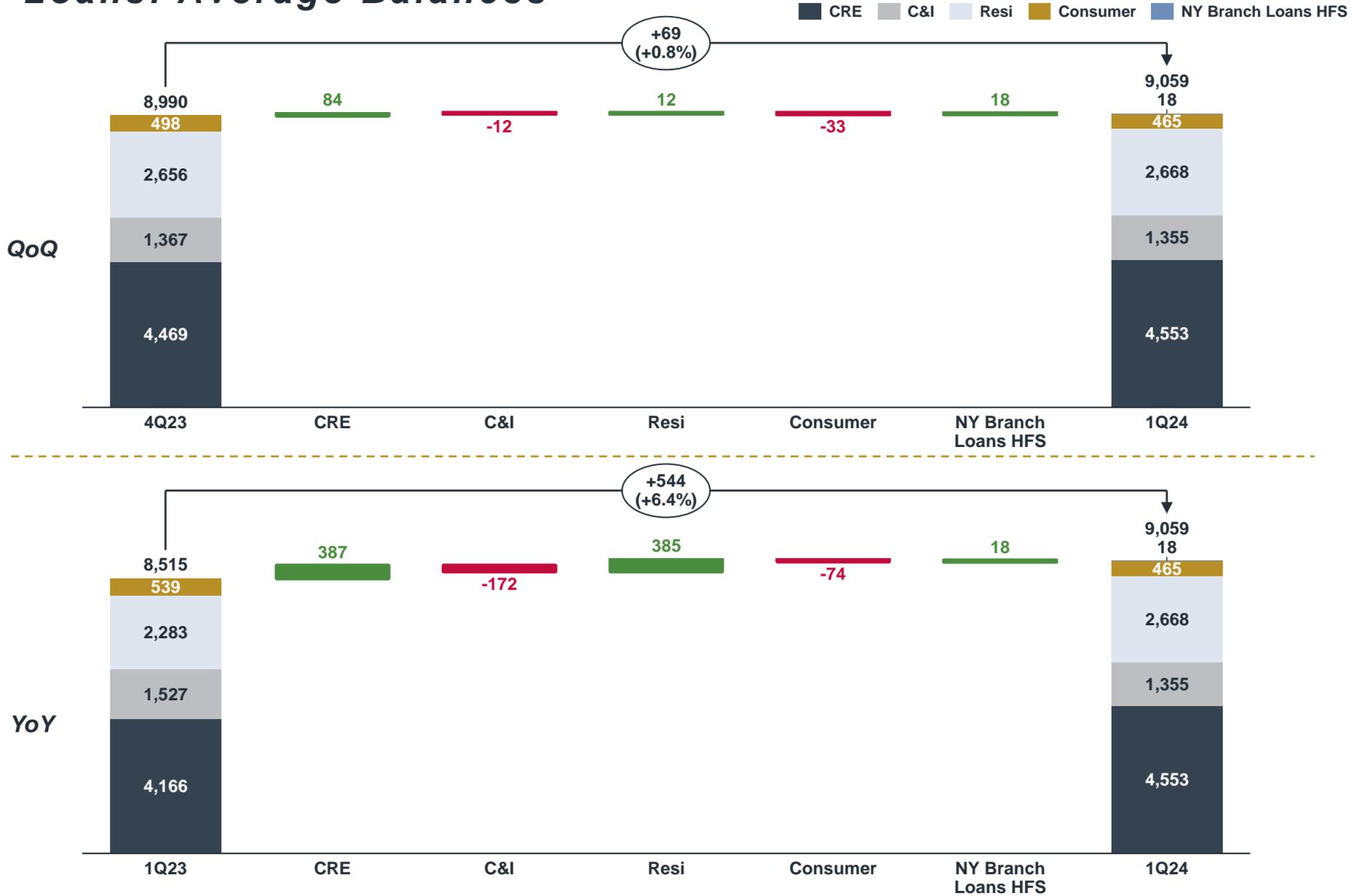
Post trade Portfolio is **~10% of Total Assets**

1Q 2024 Overview

GAAP NET INCOME OF **-\$20.2M**, or **-\$0.47 PER COMMON SHARE**

- **Operating Earnings:** \$20.9M, or \$0.49 per common share (+\$0.7M or +\$0.02 QoQ; -\$6.7M or -\$0.14 YoY)
- **Net Interest Margin, FTE:** 3.15% (+4 bps QoQ; -43 bps YoY)
- **Net Interest Income, non FTE¹:** \$88.1M (-\$0.3M or < -1% QoQ; -\$9.4M or -10% YoY)
- **Operating Non-Interest Income:** \$17.3M (+\$0.6M or +4% QoQ; +\$0.7M or +4% YoY)
- **Operating Non-Interest Expense:** \$72.4M (-\$2.9M or -4% QoQ; +\$0.4M or +1% YoY)
- **Operating Pre-Provision Net Revenue:** \$33.0M (+\$3.3M or +11% QoQ; -\$9.1M or -22% YoY)
- **Efficiency Ratio:** 66.26% (-151 bps QoQ; +675 bps YoY)
- **Average Loans (incl. NY Branch Loans HFS):** \$9.1 billion (+\$69M or +0.8% QoQ; +\$544M or +6% YoY)
- **Period End Loans (incl. NY Branch Loans HFS):** \$9.1 billion (+\$104M or +1% QoQ; +\$462M or +5% YoY)
- **Average Deposits (incl. NY Branch Deposits HFS):** \$10.0 billion (+\$42M or +0.4% QoQ; +\$302M or +3% YoY)
- **Period End Deposits (incl. NY Branch Deposits HFS):** \$10.4 billion (-\$265M of -2% QoQ; +\$300M or +3% YoY)
- **Net Loan Charge Offs to Avg Total Loans (annualized):** 0.18% (-2 bps QoQ; -14 bps YoY)
- **Provision for Credit Losses on Loans:** \$6.0M (-\$1.0M QoQ; -\$3.0M YoY)
- **Allowance for Credit Losses to Total Loans:** 1.18% (+1 bps QoQ; +5 bps YoY)

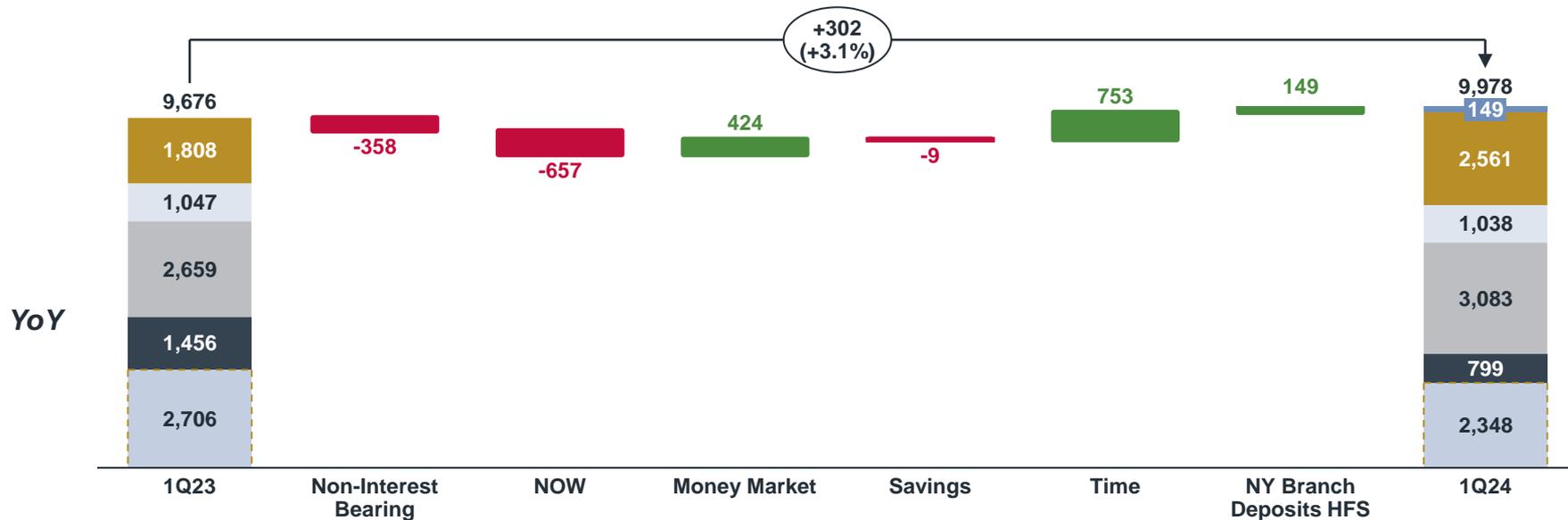
Loans: Average Balances



7 Notes: Balances include Non-Strategic loans in run-off. Please see Appendix for more information on these loans. Numbers and percent changes may not add / equate precisely due to rounding.

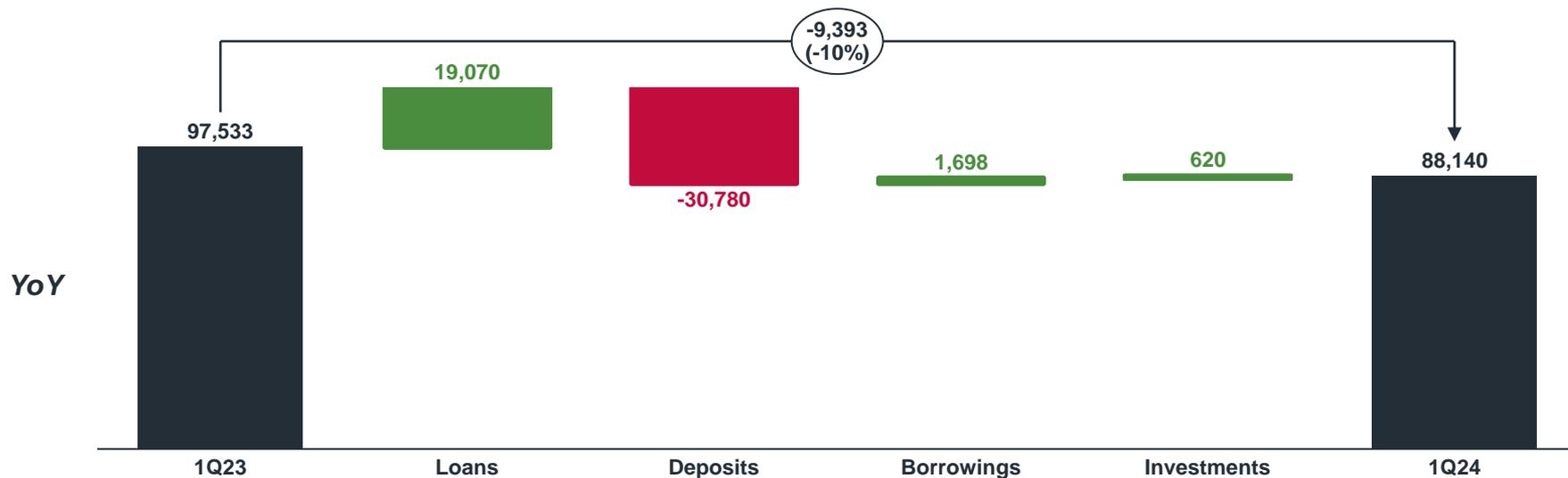
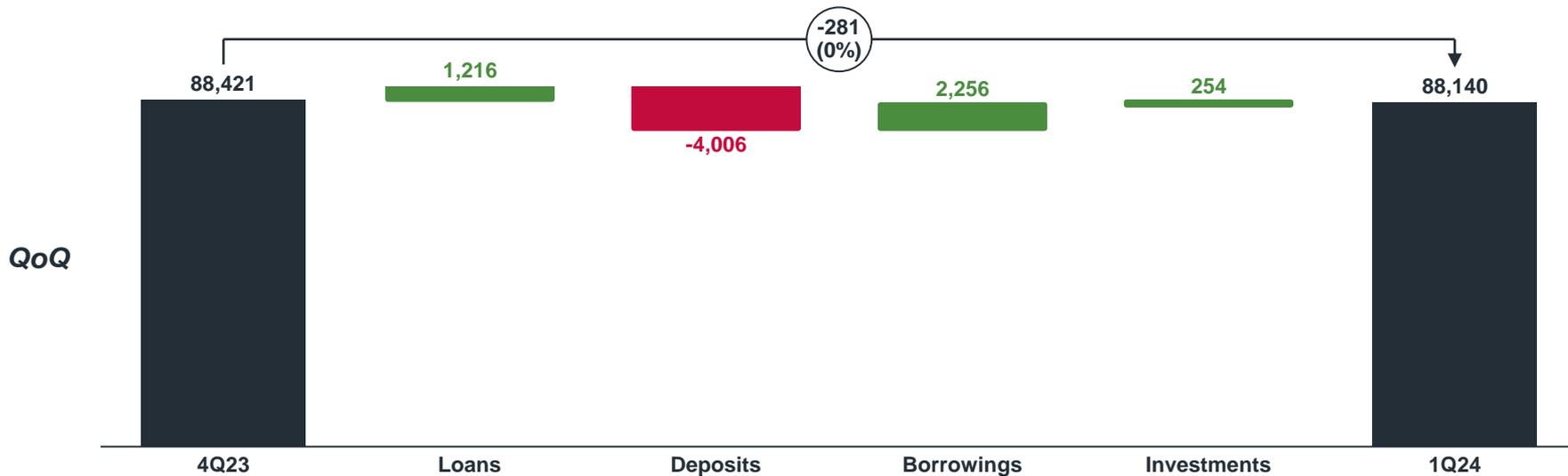
Deposits: Average Balances

(\$ M)

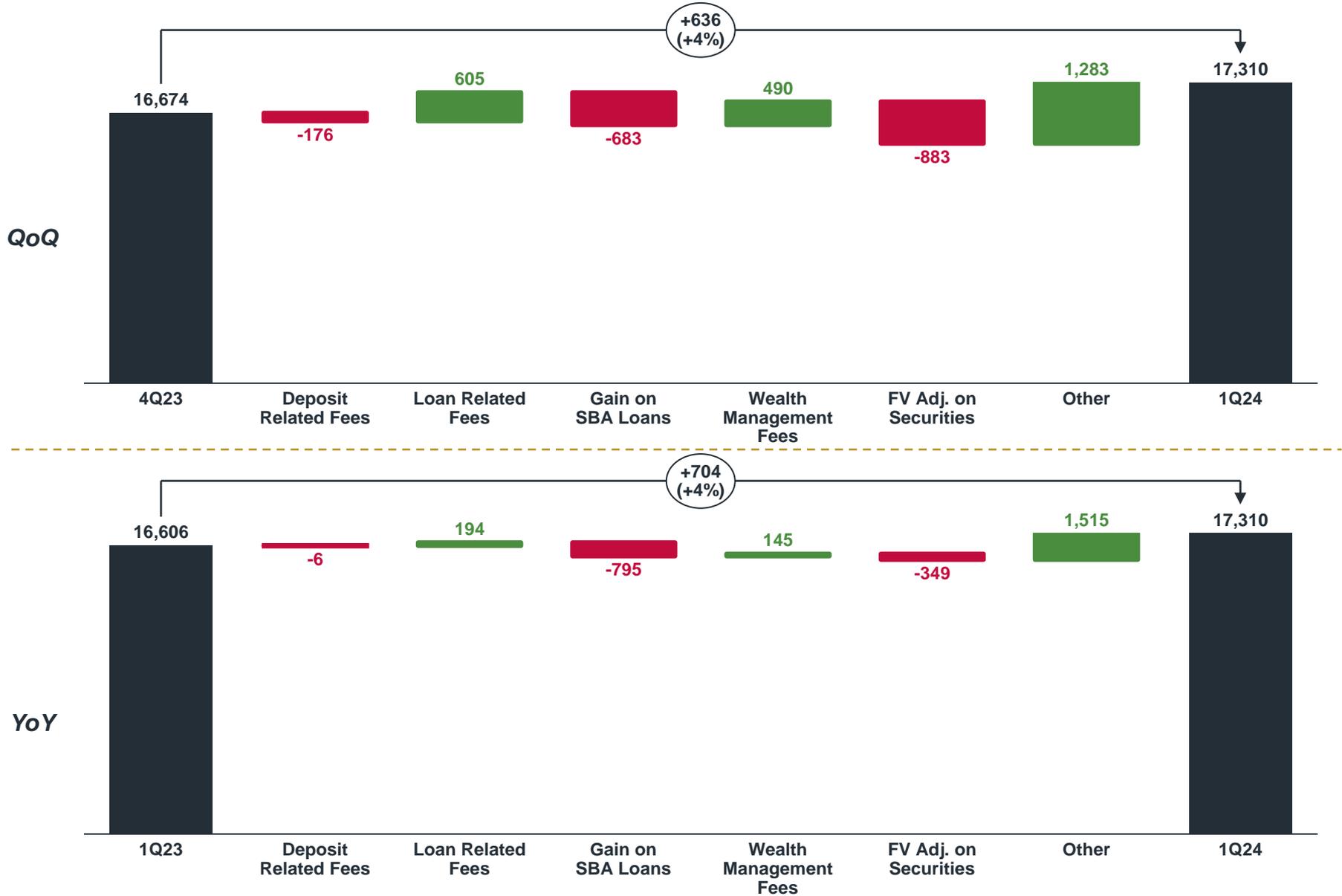


Net Interest Income

(\$000S)

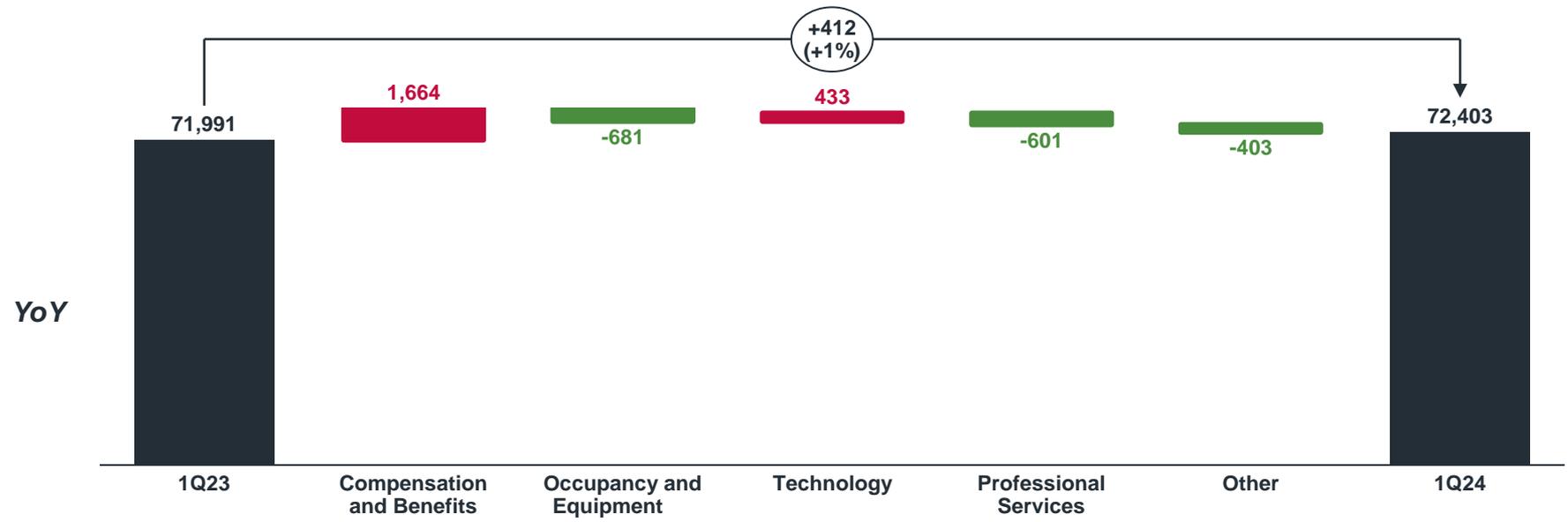
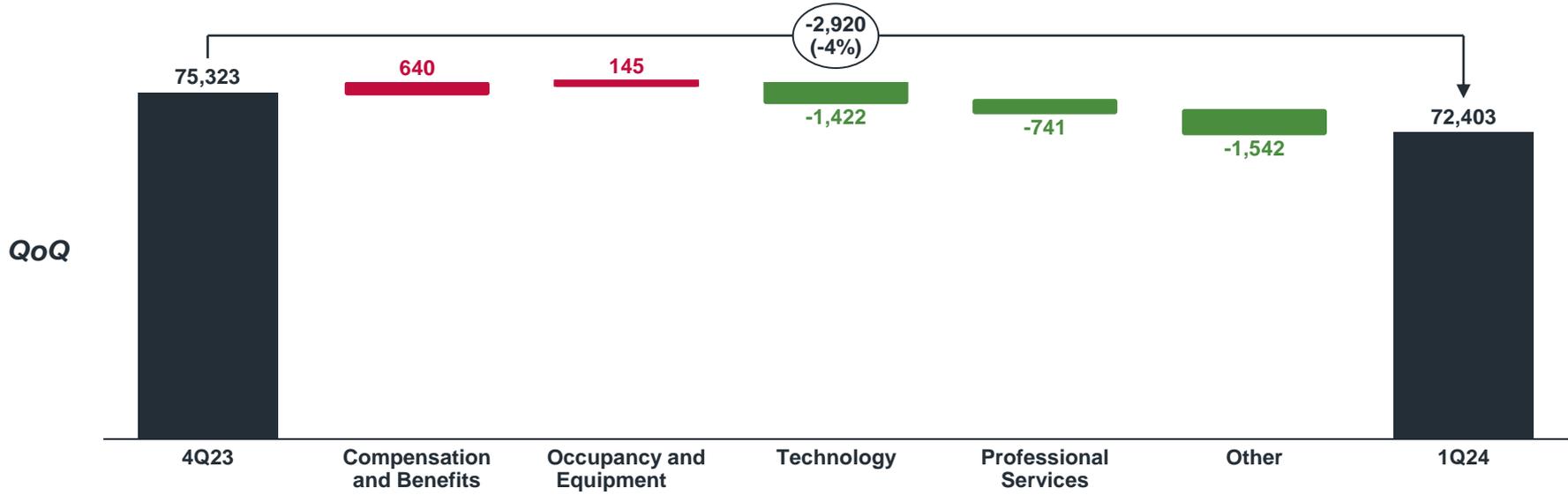


Operating Non-Interest Income



10 Note: See Appendix for discussion and reconciliation of non-GAAP financial measures.

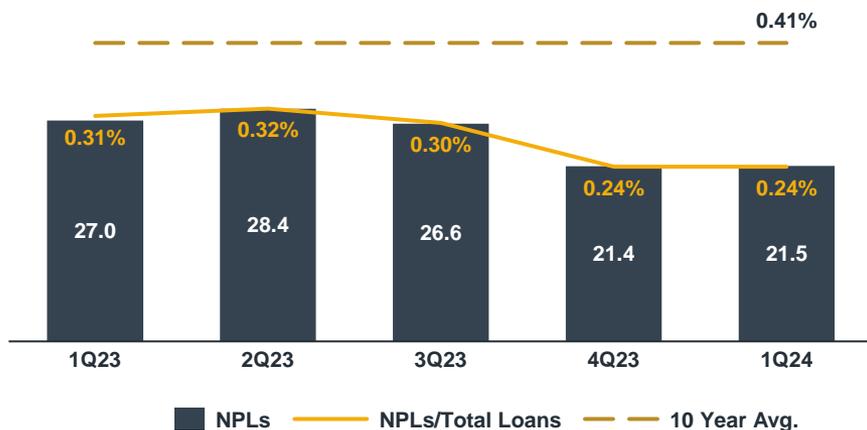
Operating Non-Interest Expense



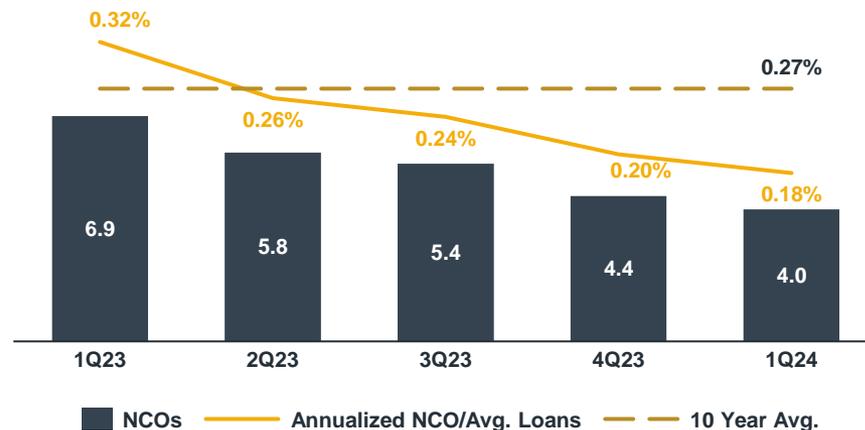
Asset Quality

(\$ M)

NON-PERFORMING LOANS



NET CHARGE OFFS



PROVISION

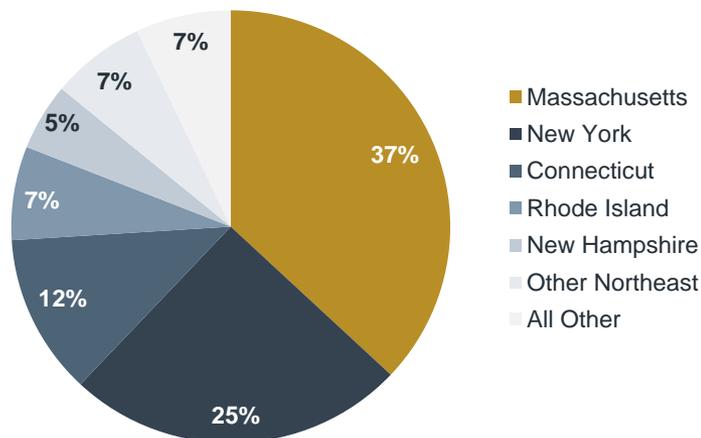


ALLOWANCE FOR CREDIT LOSSES



CRE is Well-Diversified by Property Type and Geography

Portfolio by Geography



Portfolio by Property Type

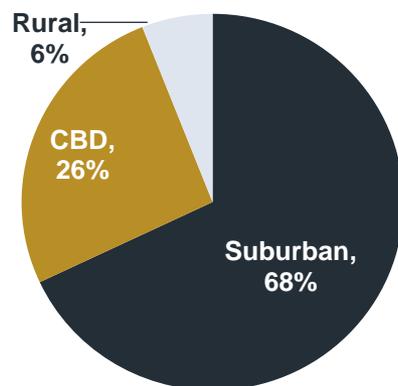
Industry Segment (\$ in millions)	EOP Balance		Non-Accrual %
	\$	%	
Retail Trade	\$ 945	20.6%	0.00%
Multifamily	\$ 635	13.8%	0.00%
Office	\$ 501	10.9%	0.08%
Healthcare	\$ 381	8.3%	0.00%
Hospitality	\$ 354	7.7%	0.00%
Industrial	\$ 194	4.2%	0.00%
Manufacturing	\$ 159	3.5%	0.01%
Transportation & Warehousing	\$ 93	2.0%	0.00%
Scientific Research and Lab	\$ 93	2.0%	0.00%
Education	\$ 84	1.8%	0.00%
Other	\$ 517	11.3%	0.02%
Construction	\$ 637	13.9%	0.00%
Total CRE	\$ 4,594	100.0%	0.11%

Portfolio Metrics

- CRE Portfolio is diversified across our markets, with no exposure to NYC
- CRE portfolio is composed of diverse property types; Retail and Multifamily properties are the largest industry segments, representing 21% and 14%, respectively
- Retail exposure primarily anchored by strong grocery and big box tenants in suburban areas (~86%). No significant tenant concentrations, and negligible indoor mall exposure
- Average portfolio DSCR of ~1.6x; Average portfolio LTV of ~64%; and guarantor recourse of ~55%
- Overall CRE NPL rate of 0.11% compares favorably to the 10-year average loan portfolio rate of 0.41%
- Most of the CRE portfolio (~79%) matures after 2025
- Owner-Occupied comprises ~15% of the total CRE portfolio
- Construction loans primarily across Multifamily (~41%) and Healthcare (~18%); ~42% of projects are >90% complete or in stabilization; Average commitment size ~\$11MM

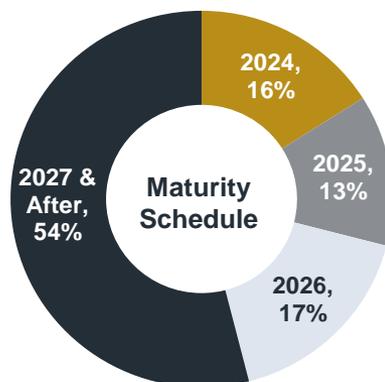
Office Portfolio

Office Portfolio & Asset Quality



~94% of portfolio is within footprint and 68% is Suburban

Majority of portfolio (~71%) matures after 2025



(\$ in millions)	1Q24		4Q23	
	\$	%	\$	%
CRE Office: Owner Occupied	\$ 42.9	9%	\$ 41.7	8%
CRE Office: Non-Owner Occupied	\$ 458.2	91%	\$ 451.2	92%
Total CRE Office	\$ 501.1	100%	\$ 492.8	100%

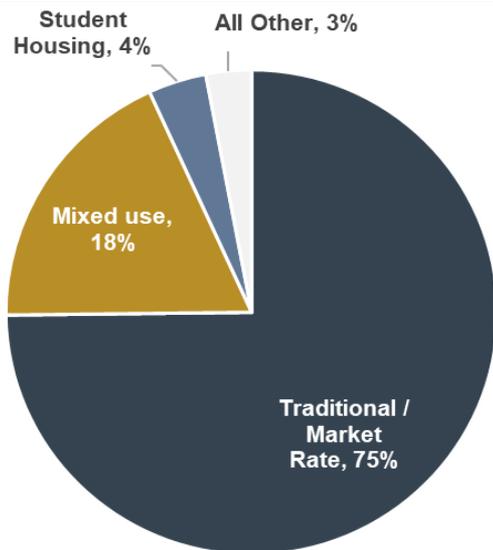
(\$ in millions)	1Q24 Portfolio		Criticized	Non-Accrual
	\$	Avg Size	%	%
Class A	\$ 334.0	\$ 5.1	0.0%	0.0%
Class B	\$ 153.1	\$ 1.5	3.4% ¹	0.7% ¹
Class C	\$ 14.0	\$ 0.7	0.0%	0.0%
	\$ 501.1	\$ 2.7	3.4%	0.7%

Office Portfolio Metrics

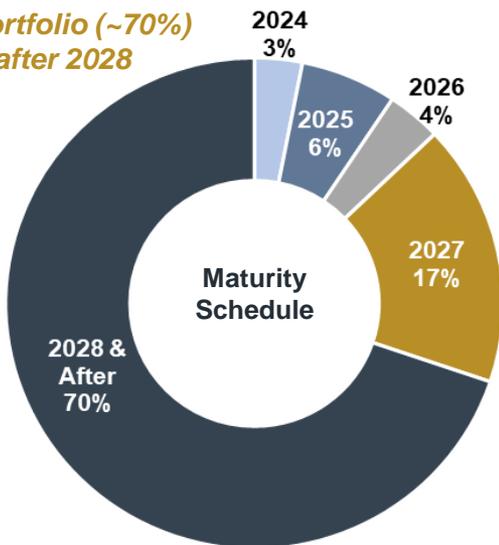
- As of 1Q24, Office CRE portfolio totals \$501M or 5.5% of Total Loans
- Solid portfolio performance with NPLs of ~0.7% and no NCOs
- No exposure to any major metropolitan areas other than Boston, which represents ~12% of the portfolio with no exposure to high-rise office buildings
 - Limited Boston Financial District exposure
- Weighted Average Loan-to-Value is ~59%
- Weighted Average Debt Service Coverage is ~1.6x
- Majority of portfolio (~67%) is Class A Office space
- Owner-Occupied comprises ~9% of the Office portfolio
- Top 20 loan are ~67% of the total CRE Office portfolio
 - Occupancy is ~90%
 - Average size is ~\$14.2MM
 - Majority Class A space (~86%)
- Loans over \$10M have no significant lease expirations until 2027 and have strong sponsors with no material tenant concentration

Multifamily Portfolio

Multifamily Portfolio



Majority of portfolio (~70%) matures after 2028



Multifamily Portfolio Metrics

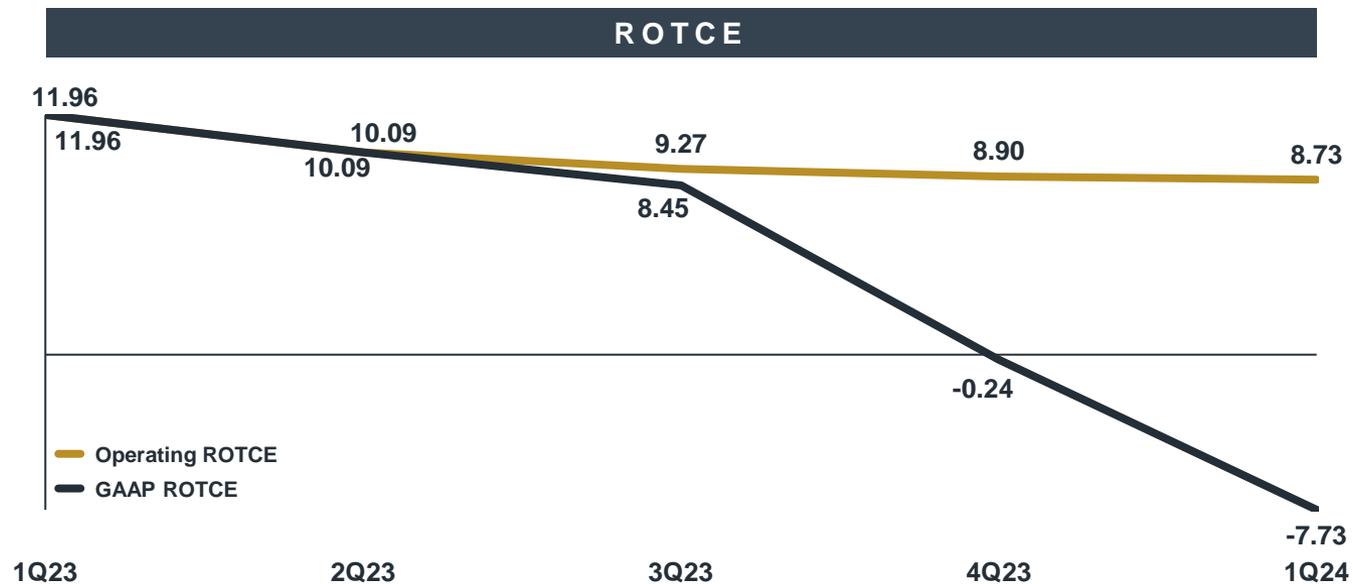
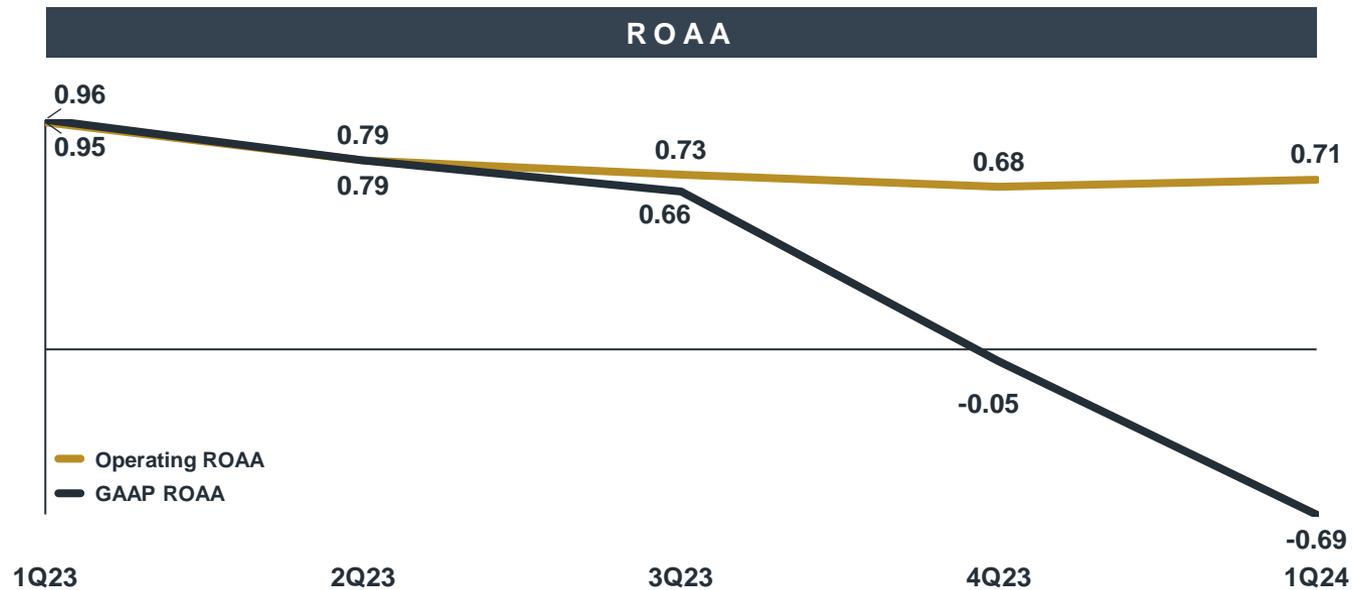
- Multifamily Portfolio is diversified across our markets, with no exposure to NYC properties
- As of 1Q24, Multifamily portfolio totals ~\$618MM or ~7.0% of Total Loans
- Solid portfolio performance with no NPLs or NCOs
- No exposure to any major metropolitan areas other than Boston, which represents ~5% of the portfolio
- Weighted Average Loan-to-Value is ~67%
- Weighted Average Debt Service Coverage is ~1.3x
- Majority of portfolio (~67%) consists of properties with greater than 50 units

Multifamily Asset Quality

(\$ in millions)	1Q24		4Q23	
	\$	%	\$	%
Traditional / Market Rate	\$ 462.3	75%	\$ 473.7	79%
Mixed use	\$ 113.4	18%	\$ 78.1	13%
Student Housing	\$ 23.7	4%	\$ 23.8	4%
Affordable Housing & All Other	\$ 18.5	3%	\$ 23.6	4%
Total Multifamily	\$ 617.9	100%	\$ 599.1	100%

(\$ in millions)	1Q24 Portfolio		Criticized	Non-Accrual
	\$	Avg Size	%	%
Total Portfolio	\$ 617.9	\$ -	1.3%	0.0%
Top 20	\$ 368.7	\$ 14.7	0.0%	0.0%
All Other	\$ 249.1	\$ 1.4	1.3%	0.0%

Returns

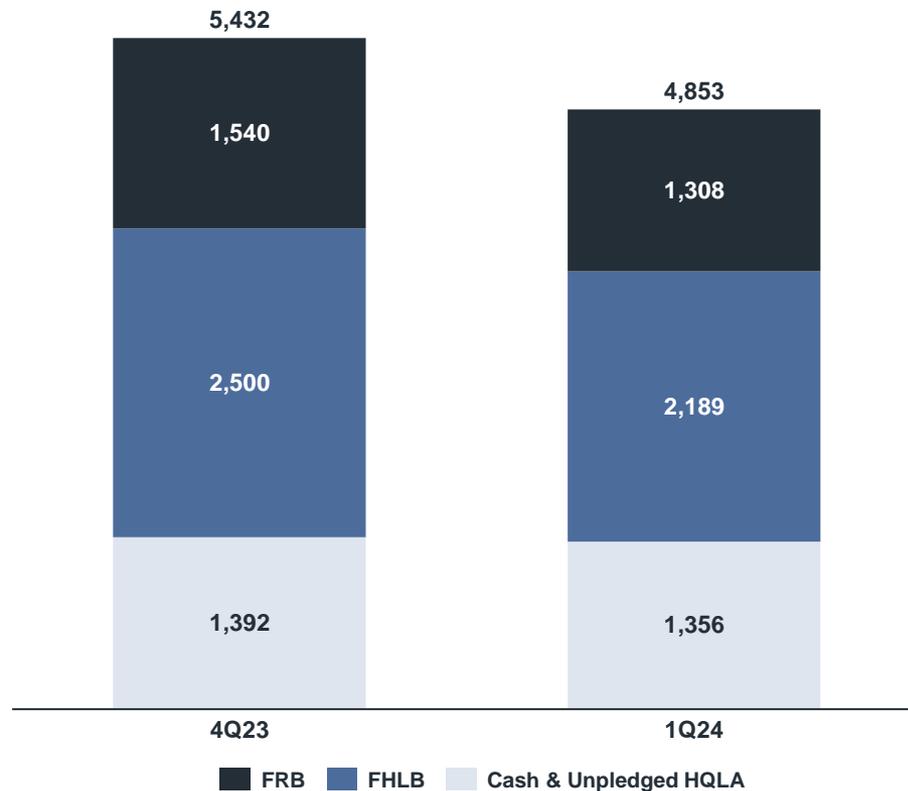


Sufficient Liquidity to Cover All Uninsured Deposits

Estimated Uninsured Deposits and Available Liquidity

(\$M)	12/31/2023	3/31/24 ³
Uninsured Deposits ¹	3,993	3,819
Less: Collateralized Deposits ²	278	189
Uninsured Deposits (after exclusions)	3,715	3,630
Total Deposits	10,633	10,362
Uninsured Deposits as a % of Total Deposits	35%	35%
Immediately Available Liquidity excluding Unsecured Fed Funds Lines	5,432	4,853
Coverage as % of Immediately Available Liquidity	146%	134%

Available Liquidity (\$M)



Capital Ratios

	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024 ¹
Berkshire Hills Bancorp, Inc.					
Common Equity Tier 1 Capital Ratio (%)	12.1	12.1	12.1	12.0	11.6
Tier 1 Risk-Based Capital Ratio (%)	12.4	12.3	12.3	12.3	11.8
Total Risk-Based Capital Ratio (%)	14.4	14.4	14.4	14.4	14.0
Tier 1 Leverage Ratio (%)	9.9	9.6	9.8	9.6	9.5
TCE Ratio (%)	7.9	7.9	7.7	8.0	8.2
Berkshire Bank					
Common Equity Tier 1 Capital Ratio (%)	12.2	12.4	12.3	12.2	11.8
Tier 1 Risk-Based Capital Ratio (%)	12.2	12.4	12.3	12.2	11.8
Total Risk-Based Capital Ratio (%)	13.2	13.4	13.3	13.3	12.9
Tier 1 Leverage Ratio (%)	9.8	9.6	9.7	9.6	9.6

✓ **7.7% TCE / TA inclusive of after-tax HTM² mark as of 1Q24**

Appendix

1Q 2024 – “BEST” Progress vs. Targets

BEST
3 YEAR TARGETS
for JUNE 2024



ROTCE

Increase **ROTCE**
by 700-900bps*

ROA

Increase **ROA**
by 75-80bps*

PPNR²

Increase **PPNR**
by \$80-100M*

ESG

Become top quartile
bank by leading **ESG**
indexes in US**

NPS^{®3}

Become top quartile
Net Promoter Score
bank in New England



* Improvement over FY2020 baseline, driven by BEST program over 3 years starting Q3'21; ** ESG Index ratings are on an end of period basis: MSCI, ISS-ESG, Sustainalytics, Bloomberg; lower percentile is better; ¹All numbers on an operating basis. See appendix for reconciliation of GAAP & Operating financials; ² Each quarter operating PPNR annualized (\$M); ³ Customer Net Promoter Score (NPS) averaged 54% in 1Q24 – according to JD Power NPS data in JPM's June 2023 U.S. Mid- and Small-Cap Banks Money Making Playbook Update the Top Quartile NPS was ~41 based on the syndicated research methodology

Run-Off Portfolios

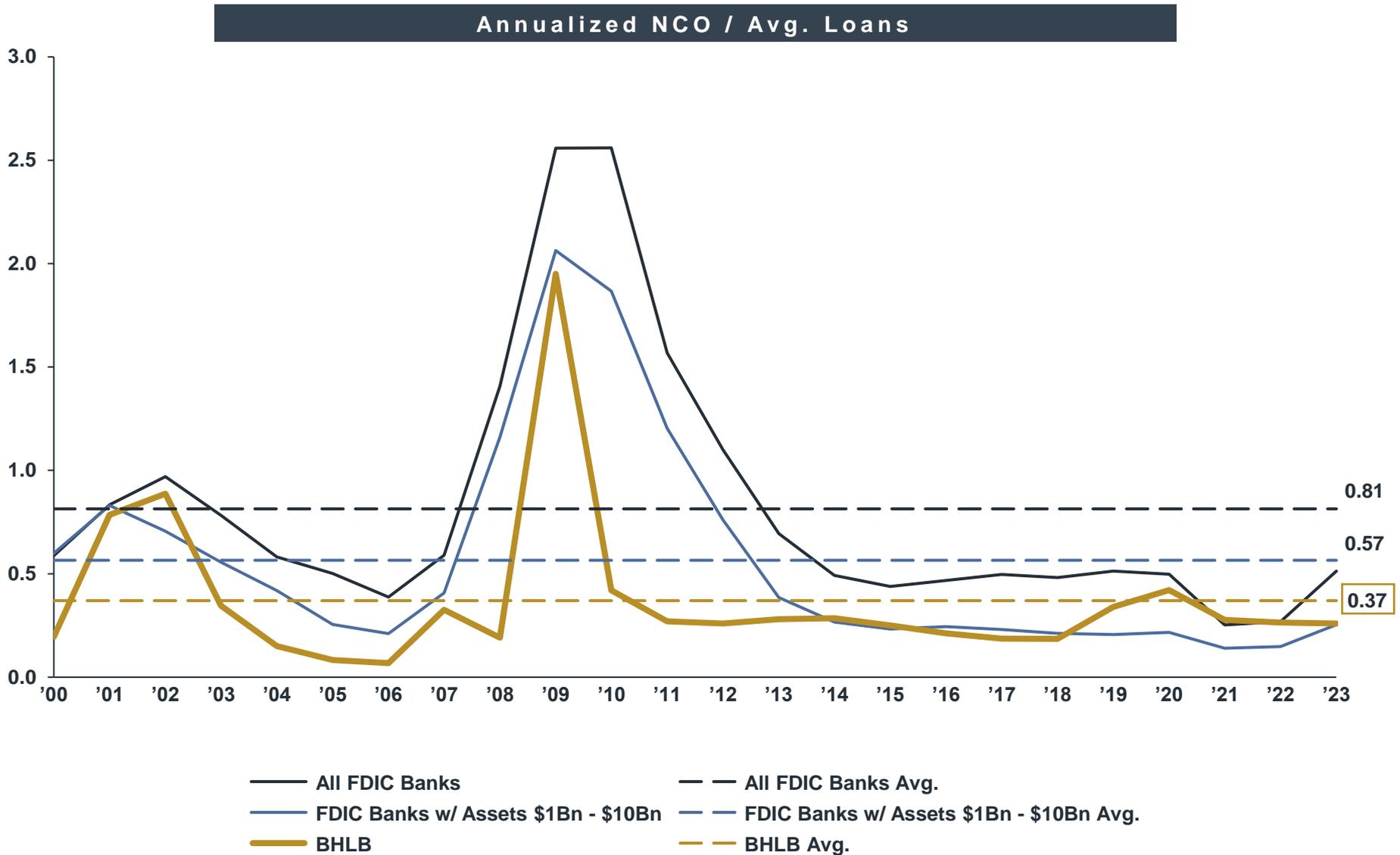
EOP (\$M)

Portfolios	1Q24	% 1Q24 Total Loans	4Q23	3Q23	2Q23	1Q23	1Q24 Yield (%)	1Q24 NCOs (\$M)	4Q23 NCOs (\$M)	3Q23 NCOs (\$M)	Lifetime Loss Rates ¹ (%)	1Q24 NPLs (\$M)	4Q23 NPLs (\$M)	3Q23 NPLs (\$M)
Upstart	78	0.9%	90	103	115	127	~10%	2.8	2.4	2.3	4.5	0.06	0.08	0.07
Firestone	66	0.7%	77	87	103	117	~7%	0.8	0.2	1.1	0.9	2.03	1.94	1.58
Total	144	1.6%	167	190	218	244								

\$ Change	(23)		(23)	(28)	(26)	(29)
% Change	-14%		-12%	-13%	-11%	-11%

Historical Net Charge-Offs

(%)



Non-GAAP Reconciliation (By Quarter)

<i>(in thousands)</i>	At or for the Quarters Ended				
	March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
Total non-interest income	\$ (32,599)	\$ (8,383)	\$ 17,465	\$ 17,094	\$ 16,606
Adj: Loss on sale of AFS securities	49,909	25,057	-	-	-
Total operating non-interest income (1)	\$ 17,310	\$ 16,674	\$ 17,465	\$ 17,094	\$ 16,606
Total revenue	(A) \$ 55,541	\$ 80,038	\$ 107,799	\$ 109,853	\$ 114,139
Adj: Loss on sale of AFS securities	49,909	25,057	-	-	-
Total operating revenue (1)	(B) \$ 105,450	\$ 105,095	\$ 107,799	\$ 109,853	\$ 114,139
Total non-interest expense	(C) \$ 76,020	\$ 78,992	\$ 76,513	\$ 74,048	\$ 71,955
Adj: Merger, restructuring and other non-operating expenses	(3,617)	(3,669)	(2,607)	(21)	36
Operating non-interest expense (1)	(D) \$ 72,403	\$ 75,323	\$ 73,906	\$ 74,027	\$ 71,991
Pre-tax, pre-provision net revenue (PPNR)	(A-C) \$ (20,479)	\$ 1,046	\$ 31,286	\$ 35,805	\$ 42,184
Operating pre-tax, pre-provision net revenue (PPNR) (1)	(B-D) 33,047	29,772	33,893	35,826	42,148
Net (loss)/income	\$ (20,188)	\$ (1,445)	\$ 19,545	\$ 23,861	\$ 27,637
Adj: Loss on sale of AFS securities	49,909	25,057	-	-	-
Adj: Restructuring expense and other non-operating expenses	3,617	3,669	2,607	21	(36)
Adj: Income taxes (expense)/benefit	(12,404)	(7,091)	(636)	(4)	7
Total operating income (1)	(E) \$ 20,934	\$ 20,190	\$ 21,516	\$ 23,878	\$ 27,608

Non-GAAP Reconciliation (By Quarter Continued and Notes)

		March 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	March 31, 2023
<i>(in millions, except per share data)</i>						
Total average assets	(F)	\$ 11,754	\$ 11,862	\$ 11,860	\$ 12,057	\$ 11,569
Total average shareholders' equity	(G)	1,018	966	988	1,004	978
Total average tangible shareholders' equity (1)	(I)	999	946	967	981	954
Total accumulated other comprehensive (loss) net of tax, end of period		(114)	(143)	(218)	(186)	(159)
Total tangible shareholders' equity, end of period (1)	(K)	991	993	930	951	972
Total tangible assets, end of period (1)	(L)	12,128	12,411	12,119	12,068	12,297
Total common shares outstanding, end of period (thousands)	(M)	43,415	43,501	43,822	44,033	44,411
Average diluted shares outstanding (thousands)	(N)	43,028	43,101	43,347	43,532	44,036
Earnings per common share, diluted (1)		\$ (0.47)	\$ (0.03)	\$ 0.45	\$ 0.55	\$ 0.63
Operating earnings per common share, diluted (1)	(E/N)	0.49	0.47	0.50	0.55	0.63
Tangible book value per common share, end of period (1)	(K/M)	22.84	22.82	21.23	21.60	21.89
Total tangible shareholders' equity/total tangible assets (1)	(K/L)	8.17	8.00	7.68	7.88	7.91
Performance ratios (2)						
Return on equity		(7.93) %	(0.60)	7.91 %	9.51 %	11.31 %
Operating return on equity (1)	(E/G)	8.23	8.36	8.71	9.51	11.30
Return on tangible common equity (1)(3)		(7.73)	(0.24)	8.45	10.09	11.96
Operating return on tangible common equity (1)(3)	(E+Q)/(I)	8.73	8.90	9.27	10.09	11.96
Return on assets		(0.69)	(0.05)	0.66	0.79	0.96
Operating return on assets (1)	(E/F)	0.71	0.68	0.73	0.79	0.95
Efficiency ratio (1)(6)	(D-Q)/(B+O+R)	66.26	67.77	65.05	63.57	59.51
Supplementary data (in thousands)						
Tax benefit on tax-credit investments (4)	(O)	N/M	\$ 2,252	\$ 1,979	\$ 2,735	\$ 2,897
Non-interest income tax-credit investments amortization (5)	(P)	N/M	(2,060)	(1,463)	(2,210)	(2,285)
Net income on tax-credit investments	(O+P)	N/M	193	516	525	612
Effective tax rate		23.8 %	75.7 %	16.1 %	14.2 %	16.7 %
Intangible amortization	(Q)	\$ 1,205	\$ 1,205	\$ 1,205	\$ 1,205	\$ 1,205
Fully taxable equivalent income adjustment	(R)	2,006	2,021	1,980	1,962	1,908

(1) Non-GAAP financial measure.

(2) 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.

(3) Amortization of intangible assets is adjusted assuming a 27% marginal tax rate.

(4) The tax benefit is the direct reduction to the income tax provision due to tax credit investments.

(5) The non-interest income amortization is the reduction to the tax-advantaged investments and are incurred as the tax credits are generated.

(6) As of January 1, 2024, the Company elected the proportional amortization method for certain tax credits eliminating the need to adjust the efficiency ratio for tax credit impacts.