

Commerce Bancshares Corp. (Private; Worcester, MA) has agreed to merge with Berkshire Hills Bancorp, Inc. (NYSE: BHLB; Pittsfield, MA)

Deal Value: Approximately \$209 million

Sandler O'Neill served as financial advisor and provided a fairness opinion to Commerce Bancshares Corp. in connection with this transaction. This transaction represents Sandler O'Neill's 125th bank or thrift transaction nationwide since January 1, 2015, representing \$40.9 billion in aggregate transaction value. Sandler O'Neill has served as a financial advisor on more bank and thrift transactions and for a greater aggregate deal value than any other investment bank during that time period.¹

PITTSFIELD, Mass. and Worcester, Mass., May 22, 2017, Berkshire Hills Bancorp, Inc. (NYSE: BHLB) and Commerce Bancshares Corp. (Private; "Commerce") announced today that they have signed a definitive merger agreement under which Berkshire will acquire Commerce and its subsidiary, Commerce Bank and Trust ("Commerce Bank"), in an all-stock transaction valued at \$209 million.

Berkshire's total assets will increase to \$12.0 billion including the \$2.2 billion in acquired Commerce assets. Commerce reported \$1.5 billion in loans and \$2.0 billion in deposits as of March 31, 2017. This in-footprint merger includes thirteen branches in the Worcester area and three branches in Boston and provides the catalyst for Berkshire to move its corporate headquarters to Boston.

"We're pleased to welcome Commerce Bank customers and employees to America's Most Exciting Bank[®]," said Michael P. Daly, Chief Executive Officer of Berkshire. "With the addition of the Commerce team, we will be able to leverage the strengths of both banks and capitalize on growth opportunities in the attractive, high-growth Central and Eastern Massachusetts markets. We'll also further solidify our Boston presence by moving our corporate headquarters into the heart of Boston. Our partnership with Commerce Bank provides us with the catalyst to not only be the largest regional bank headquartered in Boston, but to also be the first regional bank in two decades to have downtown headquarters. This paves the way for significant opportunities ahead to attract talent and capitalize on our previous Eastern Massachusetts growth and the strong Commerce core banking franchise."

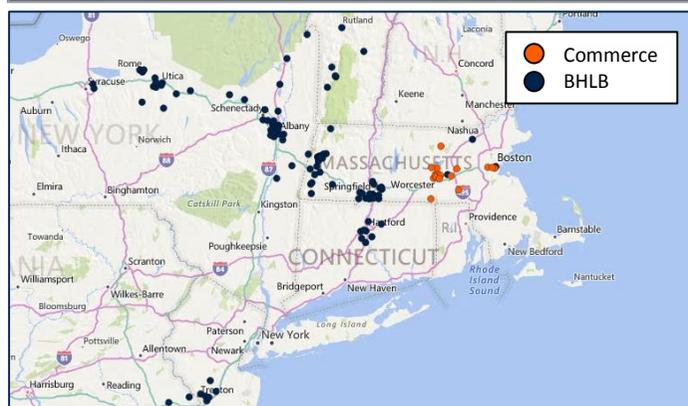
David G. "Duddie" Massad, Commerce's Chairman of the Board, commented, "We're excited to be joining the Berkshire family. The strategic fit between the two organizations provides significant opportunities for our customers and communities. Our valued customers will benefit from the enhanced balance sheet strength and broader array of products and services offered by Berkshire, while our employees continue to provide the level of service our Worcester and Boston clients have come to expect. I'm confident that this partnership will reflect the values and talents of both organizations."

Financial Highlights

(\$ in millions)	BHLB	Commerce
Total Assets	\$9,298	\$2,219
Total Net Loans	\$6,700	\$1,441
Total Deposits	\$6,656	\$2,006
Total Equity	\$1,100	\$163
TCE/TA	7.64%	6.85%

¹ Source: SNL Financial; excludes terminated transactions and self-advisory roles
Note: Financial data as of 3/31/2017

Pro Forma U.S. Branch Map



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