Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name Berkshire Hills Bancorp, Inc.			2 Issuer's employer identification number (EIN) 04-3510455
3 Name of contact for additional information Allison O'Rourke, Investor Relations Officer	4 Telephone No. of contact 413-236-3149		5 Email address of contact AORourke@berkshirebank.com
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 24 North Street			7 City, town, or post office, state, and Zip code of contact Pittsfield, MA 01201
8 Date of action October 13, 2017	9 Classification and description Berkshire Hills Bancorp, Inc. Common Stock		
10 CUSIP number 084680107	11 Serial number(s)	12 Ticker symbol BHLB	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On October 13, 2017, Berkshire Hills Bancorp, Inc. ("Berkshire") completed its acquisition of Commerce Bancshares Corp. ("Commerce") through the merger of Commerce with and into Berkshire (the "Merger"). As a result of the Merger, each share of Commerce common stock was exchanged for 0.93 shares of Berkshire common stock, except that no Commerce shareholder is permitted to own, either individually or aggregated with such shareholder's "acting in concert" group pursuant to 12 C.F.R. Section 225.41 of Regulation Y, more than 9.9% of the outstanding Berkshire common stock as of the closing of ther Merger. Accordingly, any Commerce shareholder that would have otherwise received shares of Berkshire common stock in excess of such 9.9% limit instead received shares of Berkshire's Series B Non-Voting Preferred Stock, par value $0.01 (the "Preferred Stock") for each share of Commerce common stock that was not convertible into Berkshire common stock. To the extent that the exchange would have resulted in the issuance of a fractional share of Berkshire common stock or Preferred Stock to a Commerce shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of Berkshire common stock or Preferred Stock.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The Merger qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. As a result, no taxable gain or loss will be recognized by any Commerce shareholder upon the exchange of their Commerce shares for shares of Berkshire common stock or Preferred Stock, except with respect to cash they receive in lieu of a fractional share of Berkshire common stock or Preferred Stock. Commerce shareholders who receive cash in lieu of a fractional share of Berkshire common stock or Preferred Stock are deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These Commerce shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the Commerce shares deemed to have been exchanged for the fractional share and the amount of cash received. Further, a shareholder's tax basis in the shares of Berkshire common stock or Preferred Stock should be the same as such shareholder's total tax basis in his or her shares of Commerce's stock surrendered (except for the basis attributable to any fractional shares as discussed above). A cash amount of $38.86 per whole Berkshire share was used to determine the cash payment for fractional Berkshire shares, based on the average daily closing sales price of Berkshire stock for the five consecutive trading days immediately prior to October 13, 2017.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Refer to the description of the basis calculation in Part II, Box 15 above. The October 13, 2017 closing price of a single share of Berkshire common stock on the New York Stock Exchange was $38.95.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

IRC sections 354, 356, 358 and 1001

18 Can any resulting loss be recognized? ▶ No loss can be recognized upon the exchange of Commerce common stock for shares of Berkshire common stock or Preferred Stock. If a taxable loss is calculated on the deemed sale of a fractional share of Berkshire common stock or Preferred Stock deemed to have been received in the exchange, this loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The transaction was consummated on October 13, 2017. Consequently, the reportable tax year of the Commerce shareholders for reporting the tax effect of the share exchange is the tax year that includes the October 13, 2017 date. This is the 2017 calendar year for those who report taxable income on the basis of a calendar year.

Commerce shareholders are urged to consult with their own tax advisors as to the U.S. federal income tax consequences of the Merger, and the guidance provided herein should not be considered tax advice.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ [signature] Date ▶ November 20, 2017

Print your name ▶ Allison O'Rourke Title ▶ EVP, Investor Relations Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054