

**Berkshire Hills Bancorp, Inc. (NYSE: BHLB; Pittsfield, MA) has agreed to acquire First Choice Bank (Private; Mercerville, NJ)**

**Deal Value: Approximately \$111.7 million**

Sandler O'Neill served as exclusive financial advisor to Berkshire Hills Bancorp, Inc. and rendered a fairness opinion in connection with the transaction. This transaction represents Sandler O'Neill's 84<sup>th</sup> bank or thrift transaction nationwide since January 1, 2015, representing \$23.8 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.<sup>1</sup>

Since January 1, 2015, Sandler O'Neill has advised on 22 bank or thrift transactions in the Mid-Atlantic region for an aggregate transaction value of \$5.6 billion, more than any other investment bank during that time period.<sup>1</sup>

PITTSFIELD, MA AND LAWRENCEVILLE, NJ – Berkshire Hills Bancorp, Inc. (NYSE: BHLB) and First Choice Bank (Private; "First Choice") today announced that they have signed a definitive merger agreement under which First Choice Bank will merge into Berkshire Bank and its subsidiary, First Choice Loan Services Inc., will become a subsidiary of Berkshire Bank in an all-stock transaction valued at approximately \$111.7 million.

Berkshire's total assets will increase to \$8.9 billion including the \$1.1 billion in acquired First Choice assets. This market-expanding merger provides entry into attractive markets with strong demographics, and includes six branches near Princeton, New Jersey and two in the greater Philadelphia, Pennsylvania area. First Choice reported \$436 million in net loans (excluding loans held for sale) and \$906 million in deposits as of March 31, 2016. First Choice Bank is the second largest community bank by deposit market share in Mercer County, New Jersey, an area with per capita income well above national and regional averages. First Choice Loan Services is a leading residential retail and consumer direct mortgage originator serving borrowers across the United States. Total mortgage production in 2015 was \$2.5 billion.

Berkshire will have a pro forma market cap of approximately \$905 million and 101 branches, serving customers and communities across the Northeast.

"We are pleased to welcome First Choice customers and employees to America's Most Exciting Bank<sup>®</sup>," said Michael P. Daly, Chief Executive Officer of Berkshire. "This partnership builds on Berkshire's commitment to create a strong regional platform for serving our customers, while diversifying our revenue streams, improving profitability and increasing shareholder value. The First Choice franchise builds on markets where we presently manage commercial relationships, and adds a well-positioned deposit base, a best in class home lending operation and enthusiastic new teams that complement our current culture. After integration, the transaction is expected to be accretive to Berkshire's earnings per share, return on equity and return on assets, liquidity and capital. We have a strong track record of execution and our collective teams are positioned to complete this integration flawlessly."

William J. Ryan, Berkshire's Chairman of the Board, echoed Mr. Daly's sentiments, saying "This is the kind of financial and strategic deal that really drives a bank forward. It's complementary to our strategic initiatives, a solid cultural fit, and a well-executed deal with meaningful financial accretion. The continued diversification of revenue streams is a natural next step in the evolution of Berkshire. The ability to anticipate and adapt to opportunities is the sign of a good management team and this foresight will reward shareholders."

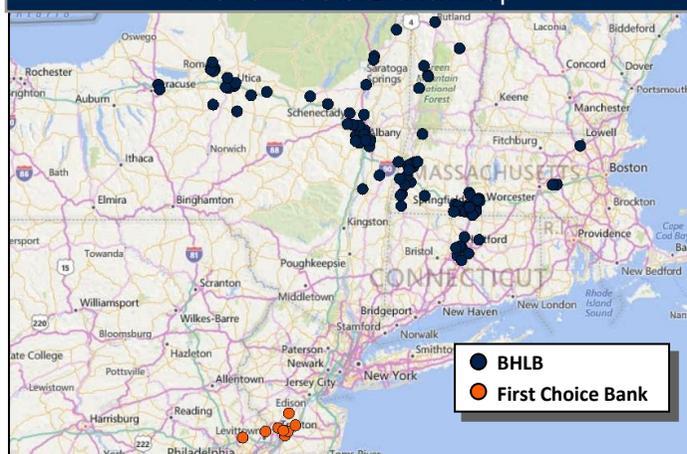
Martin Tuchman, First Choice's Chairman of the Board, commented, "We're pleased to announce this combination with Berkshire and believe our customers, community and employees will benefit greatly from this transaction. We believe Berkshire fits both the culture of our bank and our expanding mortgage operation. Their product suite and commitment to service will enable the combined company to better compete in this growing marketplace. With Berkshire's attractive stock, I'm pleased to be a shareholder going forward, and our bank employees and mortgage lending group look forward to joining the Berkshire team."

**Financial Highlights**

(\$ in millions)	BHLB	First Choice Bank
Total Assets	\$7,808	\$1,125
Total Net Loans	5,703	532
Total Deposits	5,584	906
Total Equity	906	102
TCE/TA	7.66%	4.50%
TE/TA	7.66%	9.02%

(1) Source: SNL Financial; excludes terminated transactions and self-advisory roles. Note: Financial highlights as of March 31, 2016.

**Pro Forma U.S. Branch Map**



**Sandler O'Neill Contacts:**

1251 Avenue of the Americas, 6<sup>th</sup> Floor  
New York, NY 10020

Jimmy Dunne III  
Senior Managing Principal  
(212) 466-7819

Bill Hickey  
Principal / Co-Head of  
Investment Banking  
(212) 466-7704

Josh Shropa  
Vice President  
(212) 466-7748

Jess Martino  
Analyst  
(212) 466-7776