BERKSHIRE HILLS BANCORP

2Q 2021 EARNINGS PRESENTATION

July 21, 2021

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.

2Q 2021 - HIGHLIGHTS OF THE QUARTER

Solid Financials

Solid financials with YoY improvements across all key metrics.....

- EPS growth: GAAP EPS of $0.43 & Adjusted EPS of $0.44 (+$0.17 & +$0.12 QoQ respectively)
- Revenue growth: Adjusted revenue down -3% QoQ and up +4% YoY
- Lower expenses: Adjusted expenses down -8% QoQ and -2% YoY
- Improved Returns: Adjusted ROTCE of 8.1% (+204bps QoQ and +1013bps YoY)

Improved Asset Quality

Further improvement in Asset Quality supporting no provisions in the quarter…..

- 30-89 day delinquencies down to 22bps; down 15bps QoQ and YoY
- Non-accrual loans at 66bps of total loans; down 7bps QoQ and up 18bps YoY
- Net charge-offs declined 53% QoQ to $4.7M and relatively flat YoY
- No provision expenses in 2Q21, down $6.5M QoQ and $29.9M YoY

Continued Capital Deployment

Continued Capital deployment to enhance shareholder value on a sustained basis.....

- Returned 124% of 2Q21 GAAP Net Income to shareholders through share buybacks & dividends
- Repurchased ~750k shares – roughly 1.5% of outstanding shares as of Q1'21
- Capital levels remain strong with an estimated CET1 ratio of 14.3%

Launched BEST Strategy

Berkshire's Exciting Strategic Transformation (BEST) to maximize stakeholder value…..

- Introduced BEST plan on May 18th to a strong reception of ~700 Investors, Analysts, Employees & COIs. Plan execution and governance commenced on July 1, 2021.
- BEST will "self-fund" - cost saves reinvested in bankers, technology & customer experience
- Targeted expense saves include centralized procurement, branch & real estate consolidation

2Q 2021 FINANCIAL HIGHLIGHTS - INCOME STATEMENT

GAAP Basis ($M)	2Q20	1Q21	2Q21	QoQ %	YoY %
Net interest income, non FTE	$ 77.6	$ 75.1	$ 75.4	0%	-3%
Non-interest income[1]	17.4	26.2	22.0	-16%	27%
Revenue[1]	95.0	101.3	97.4	-4%	3%
Non-interest expense[2]	624.3	78.2	68.9	-12%	-89%
After-tax income (loss)	(543.0)	13.0	21.6	66%	nm
EPS	$ (10.93)	$ 0.26	$ 0.43	65%	nm
ROTCE	nm	5.0%	7.9%	59%	nm
ROA	nm	0.42%	0.70%		
NIM	2.62%	2.62%	2.62%		

Adjusted Basis ($M)	2Q20	1Q21	2Q21	QoQ %	YoY %
Net interest income	$77.6	$75.1	$75.4	0%	-3%
Non-interest income	16.6	26.2	22.5	-14%	36%
Revenue[1]	$94.1	$101.3	$97.9	-3%	4%
Provision for credit losses	29.9	6.5	-	-100%	-100%
Non-interest expense	70.5	74.7	68.9	-8%	-2%
Pre-tax income (loss)	(6.2)	20.1	29.0	44%	nm
After-tax income (loss)	(6.5)	16.0	22.1	38%	nm
EPS	(0.13)	0.32	0.44	38%	nm
ROTCE	-2.1%	6.0%	8.1%	34%	nm
ROA	-0.19%	0.51%	0.71%		
PPNR	$23.6	$26.6	$29.0	9%	23%

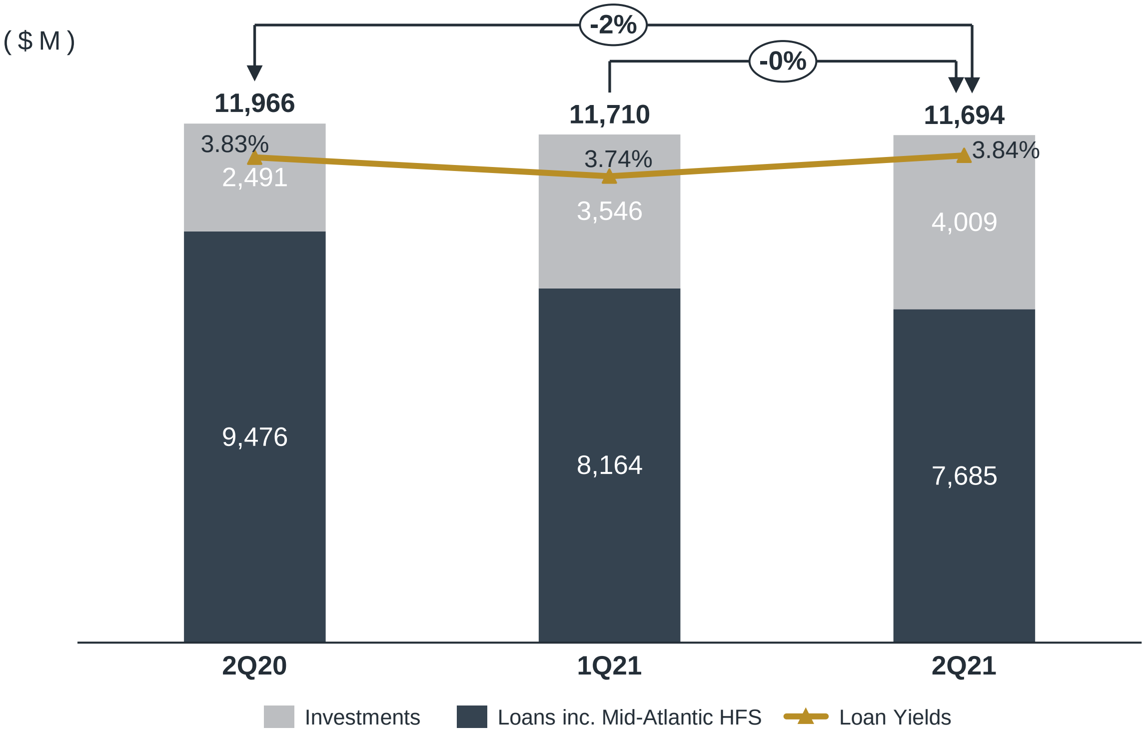
HIGHLIGHTS

On an adjusted basis:

- **NII and NIM stable over last 3 quarters**
- **Revenue -3% QoQ due to:**
  - Seasonally high WM & insurance fees in 1Q
  - High swap FV adjustments & PPP referral fees in 1Q
- **Revenue +4% YoY as fee growth offset modest NII decline**
- **Expenses -8% QoQ primarily driven by lower professional services, compensation expense and payroll taxes**
- **Expenses -2% YoY primarily driven by lower compensation expenses and payroll taxes**
- **No provision expenses in 2Q21, -$6.5M QoQ and -$29.9M YoY**
- **ROTCE of 8.1%, +204bps QoQ**
- **PPNR +9% QoQ and +23% YoY**

[1]See appendix for discussion and reconciliation of non-GAAP financial measures. Net interest income is on a non-FTE basis. Fee revenues include a loss of $484 thousand in 2Q21, a $31 thousand loss in 1Q21 and a gain of $822 thousand in 2Q20. Statement numbers may not add due to rounding. [2] Non-interest expense in 2Q20 included a goodwill impairment charge of $533.8 million. Non-interest expense included restructuring expenses of $3.5 million in 1Q21 and $6 thousand in 2Q21.

2Q 2021 FINANCIAL HIGHLIGHTS – AVERAGE ASSETS



$M Avg Balances, Yields %	2Q20		1Q21		2Q21		QoQ %	YoY %
CRE	$4,005	3.78%	$3,630	3.27%	$3,625	3.46%	0%	-9%
C&I	2,153	4.02	1,865	4.62	1,605	4.74	-14%	-25%
Residential mortgages	2,453	3.78	1,740	3.71	1,604	3.79	-8%	-35%
Consumer	865	3.72	634	3.79	582	3.80	-8%	-33%
Total loans[1]	**9,476**	**3.83%**	**7,869**	**3.73%**	**7,416**	**3.84%**	-6%	-22%
Mid-Atlantic region loans HFS	-	-	295	4.09	269	3.96	-9%	nm
Loans incl. HFS	**9,476**	**383.00%**	**8,164**	**3.74**	**7,685**	**3.84**	-6%	-19%
Securities[2]	1,793	3.07	2,195	2.36	2,259	2.17	3%	26%
ST Inv. & loans HFS	697	0.50	1,351	0.13	1,750	0.10	30%	nm
Total Investments	**2,491**	**2.25**	**3,546**	**1.51**	**4,009**	**1.27**	13%	61%
Total earning assets	**11,966**	**3.50%**	**11,710**	**3.07%**	**11,694**	**2.96%**	0%	-2%

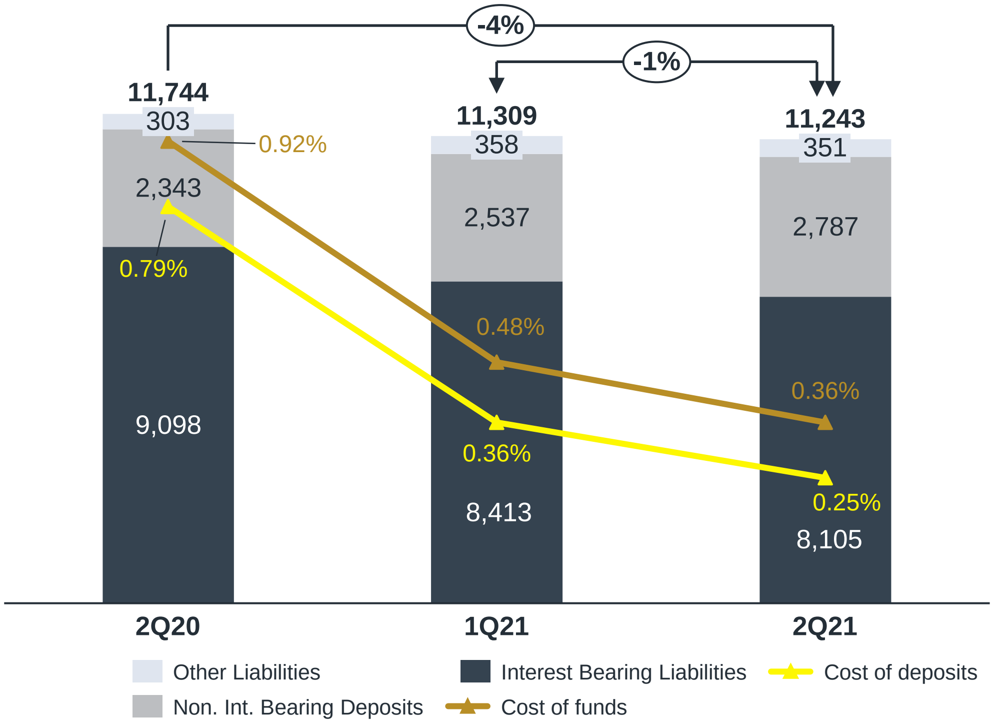
HIGHLIGHTS

Loans -6% QoQ and -22% YoY driven by:

- **Origination activity offset by:**
  - PPP forgiveness (in C&I book) in 2Q21 – $271M of loans forgiven with EOP loans at $173 million
  - Run-off of non-strategic portfolios
  - Prepayments
  - Pandemic impact on loan demand; lessening, but still persistent
- **QoQ stability in the commercial loan book**
  - CRE loan book flat QoQ. Loan origination up +18% QoQ and +2% YoY
    - CRE loan yields up +19bps QoQ on higher purchase accounting accretion
  - C&I loan book down modestly (-3%) QoQ excluding avg PPP run-off of $225M. Loan originations up +60% QoQ
    - C&I loan yields rose +12bps QoQ reflecting PPP forgiveness

[1] Includes non-accruing and PPP loans. [2] Average balances for securities available for sale are based on amortized cost

2Q 2021 FINANCIAL HIGHLIGHTS – AVERAGE LIABILITIES



$M Avg Balances, Cost %	2Q20		1Q21		2Q21		QoQ %	YoY %
NOW, Money market & Savings	$4,757	0.42%	$5,129	0.20%	$5,194	0.12%	1%	9%
Customer CDs	2,255	1.83	1,705	0.95	1,610	0.81	-6%	-29%
Brokered CDs	1,144	1.86	561	1.61	403	1.48	-28%	-65%
Total int. bearing deposits	**8,156**	**1.01%**	**7,396**	**0.48%**	**7,207**	**0.35%**	-3%	-12%
Borrowings	942	2.38%	500	2.78%	381	3.12%	-24%	-60%
Mid-Atlantic deposits	-	-	518	0.60	517	0.51	0%	nm
Total Int. bearing liabilities	9,098	1.16	8,414	0.63	8,105	0.49	-4%	-11%
Non int. bearing deposits	**2,343**		**2,537**		**2,787**		10%	19%
Other liabilities	303		358		351		-2%	16%
Total Liabilities	**11,744**	**0.92%**	**11,309**	**0.48%**	**11,243**	**0.36%**	-1%	-4%

HIGHLIGHTS

- **Significant improvement in cost of funds to 36bps; down 12bps QoQ and 56bps YoY**
  - Cost of deposits down to 25bps; down 11bps QoQ and 54bps YoY
- **Continued momentum in growth of lower cost deposits**
  - Non-interest-bearing deposits +10% QoQ and +19% YoY
  - NOW, money market & savings +1% QoQ and +10% YoY
- **Aggressively driving down higher cost deposits/borrowings**
  - Higher cost Borrowings -24% QoQ and -60% YoY
  - Higher cost brokered CDs -28% QoQ and -65% YoY
  - Higher cost customer CDs -6% QoQ and -29% YoY

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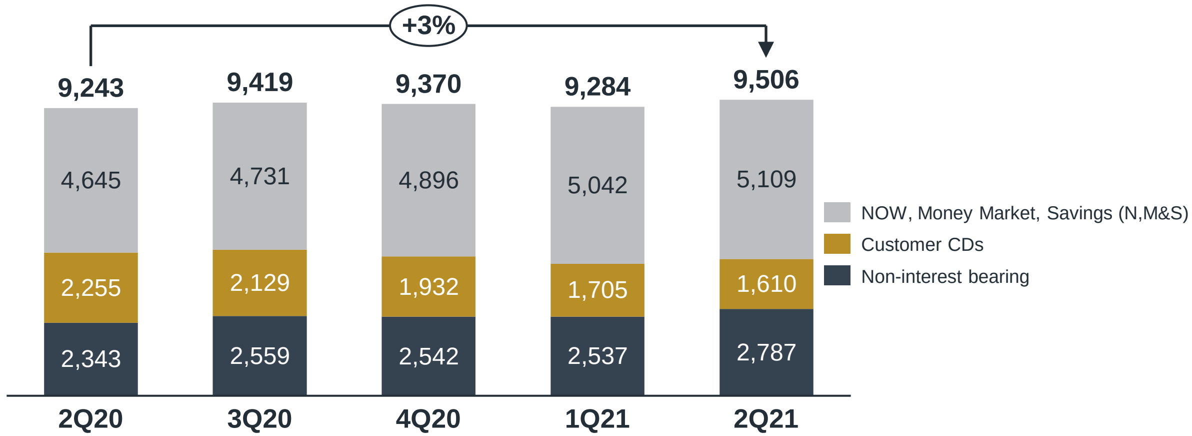
2Q 2021 FINANCIAL HIGHLIGHTS - FUNDING TRENDS

DEPOSITS ($M, AVG BAL)[1]

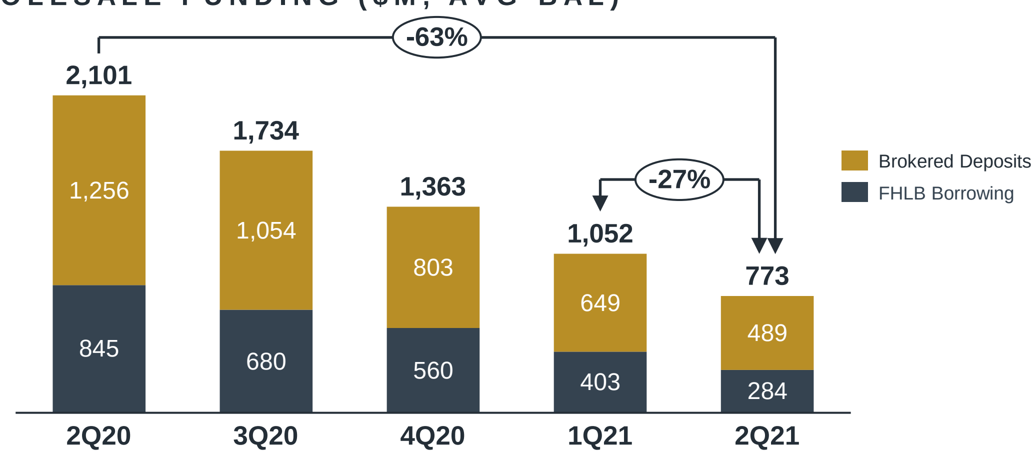


	2Q20	3Q20	4Q20	1Q21	2Q21
N,M&S Cost	0.41%	0.28%	0.23%	0.20%	0.12%
Customer CD Cost	1.83%	1.54%	1.22%	0.95%	0.81%

HIGHLIGHTS

- **Low cost deposits (non-interest bearing and NOW, money market and savings) at 83% of total deposits**
  - DDA at 29% of total deposits
- **84% of Customer CDs expected to reprice in the next 6 quarters**

WHOLESALE FUNDING ($M, AVG BAL)[2]



	2Q20	3Q20	4Q20	1Q21	2Q21
Brokered Cost	1.75%	1.68%	1.55%	1.44%	1.26%
FHLB Borrowing Cost	1.89%	1.84%	1.89%	2.00%	2.13%

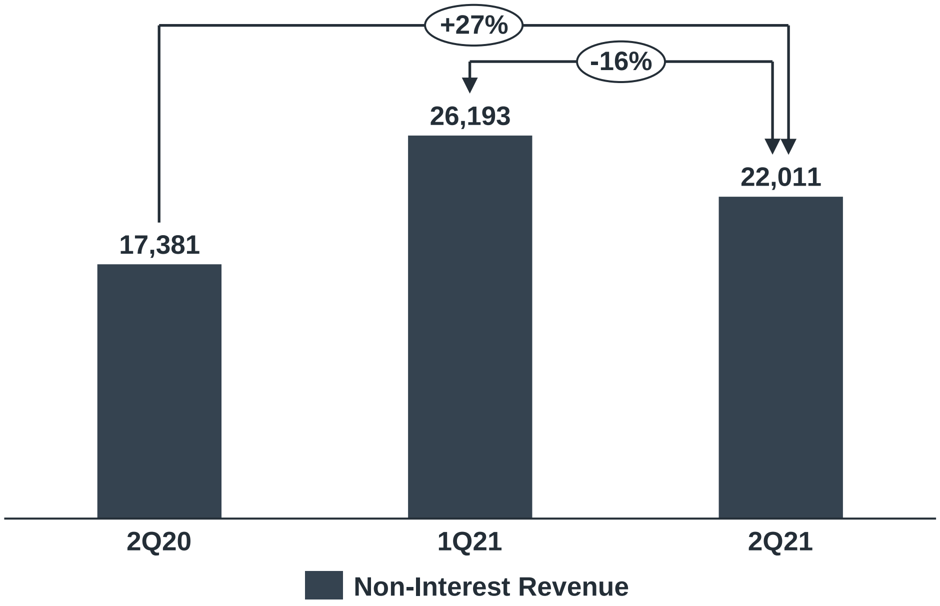
HIGHLIGHTS

- **Wholesale funding -27% QoQ and -63% YoY**
- **Expect most of wholesale funding to payoff in the next 12 months**

[1] Deposit amounts exclude Mid-Atlantic branch interest bearing deposits. Brokered deposits include $84M in reciprocal NOW and money market brokered deposits. [2] Wholesale excludes $97M of subordinated borrowings.

2Q 2021 FINANCIAL HIGHLIGHTS – FEE REVENUE

($K)



$ M	2Q20	1Q21	2Q21	QoQ %	YoY %
Deposit related fees	$5.4	$7.1	$7.5	5%	40%
Loan fees and revenue	5.7	10.2	7.4	-27%	30%
Insurance commissions and fees	2.8	3.1	2.3	-27%	-17%
Wealth management fees	2.1	2.8	2.5	-9%	22%
Mortgage banking originations	1.6	0.8	0.5	-33%	-68%
Other	(1.0)	2.1	2.2	3%	nm
Adjusted non-interest income	16.6	26.2	22.5	-14%	36%
Securities & other gains (losses)	0.8	(0.0)	(0.5)		
Total non-interest income[1]	**$17.4**	**$26.2**	**$22.0**	-16%	27%

HIGHLIGHTS

- **Adjusted Non-Interest Income[2] -14% QoQ primarily driven by:**
  - Higher interchange, credit card, deposit & swap fees and continuing growth in SBA originations in 2Q21 offset by:
    - Seasonally driven higher Wealth Management and Insurance fees in 1Q21
    - Swap and MSR FV adjustments of -$3.5M in 2Q21
    - PPP Referral fees lower by $1.2M in 2Q21
- **Adjusted Non-Interest Income[2] +36% YoY primarily driven by:**
  - Higher interchange, credit card and deposit fees driven by increased consumer activity
  - Strong growth in SBA originations resulting in higher fee revenue from gain on sale
  - Higher Wealth Management fees

[1] See earnings table of press release for reconciliation of GAAP and Non-GAAP financials. [2] Adjusted income excludes securities and other gains (losses).

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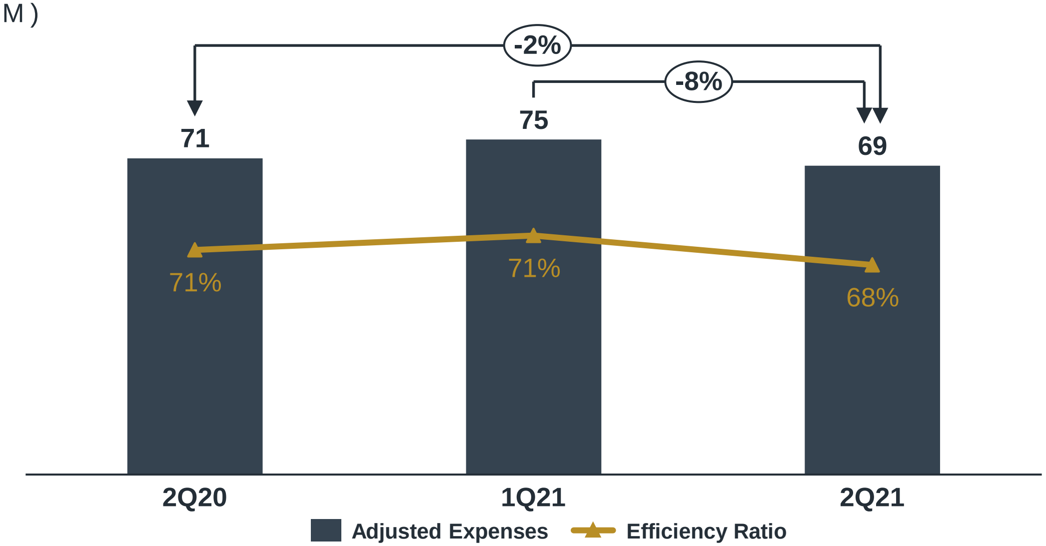
2Q 2021 FINANCIAL HIGHLIGHTS - EXPENSES

($M)



$M, FTE#	2Q20	1Q21	2Q21	QoQ %	YoY %
Compensation & Benefits	$39.4	$38.7	$37.0	-5%	-6%
Occupancy and Equipment	10.2	11.0	10.6	-4%	4%
Technology & Comm	7.8	8.6	8.2	-4%	6%
Professional Services	2.6	6.6	3.7	-44%	44%
Other Expenses	10.6	9.7	9.4	-3%	-11%
Expenses (Adjusted)[1]	**70.5**	**74.7**	**68.9**	-8%	-2%
Merger, restructuring & other non-op expenses	553.8	3.5	0.0		
Expenses (GAAP)	**624.3**	**78.2**	**68.9**	-12%	-89%

HIGHLIGHTS

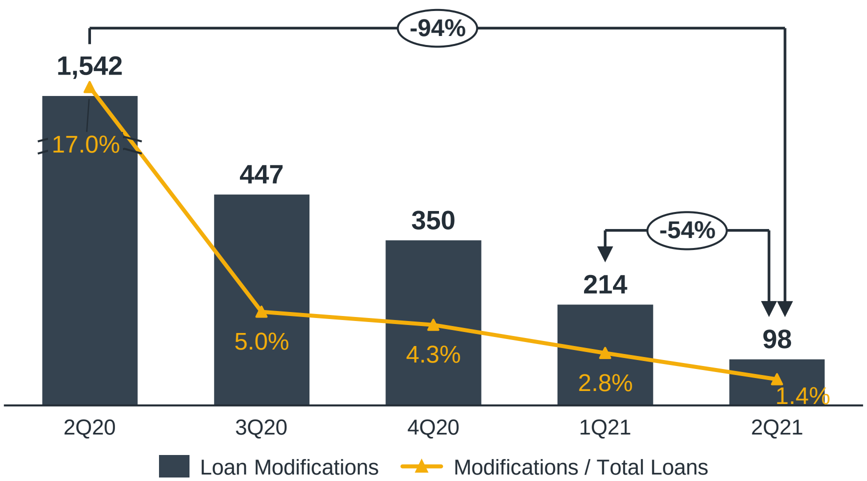
- **Adjusted expenses -8% QoQ primarily driven by lower:**
  - Professional services expenses
  - Compensation expenses and payroll taxes
  - Occupancy costs due to decreased branch maintenance expense
- **Efficiency ratio improved by 350bps QoQ**
- **Adjusted expenses -2% YoY primarily driven by lower:**
  - Salaries and benefits and compensation expense on reduced headcount; -3% QoQ and -6% YoY
  - Lower PPP processing expenses
  - FDIC insurance costs

[1] Adjusted expenses excluding Goodwill impairment of $553.7M in 2Q20 and restructuring expenses of $3.5 million in 1Q21.
See earnings table of press release for reconciliation of GAAP and Non-GAAP financials.

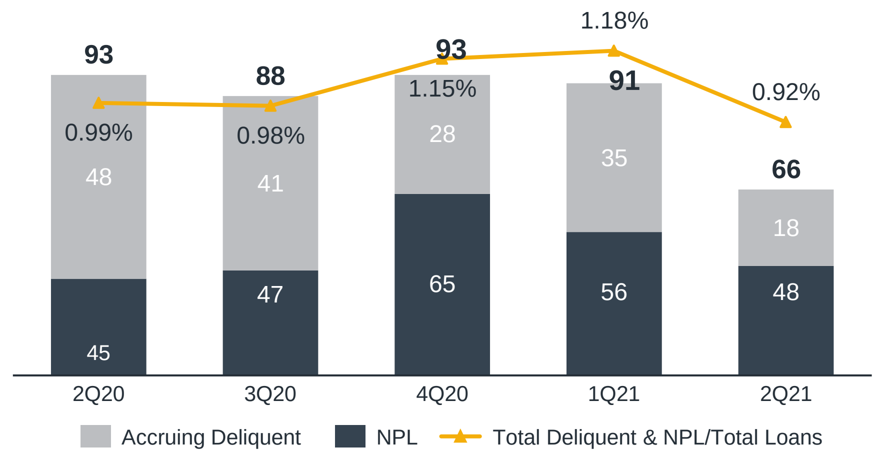
2Q 2021 FINANCIAL HIGHLIGHTS – ASSET QUALITY

($M) **SIGNIFICANT IMPROVMENTS IN OVERALL ASSET QUALITY**

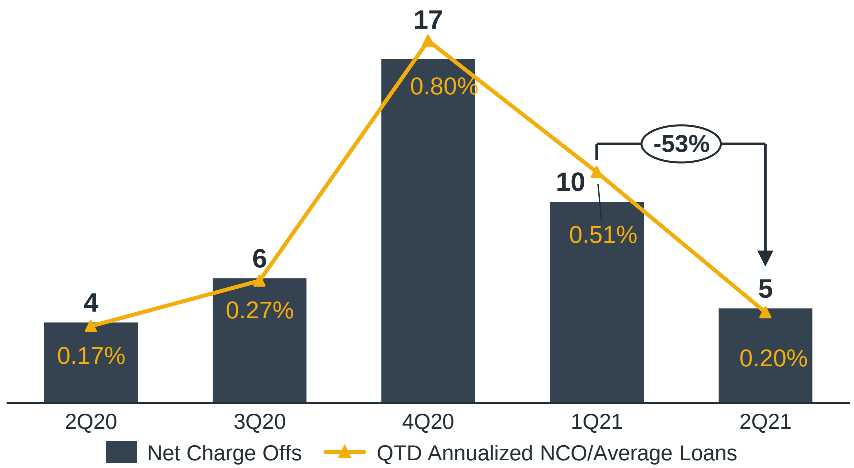
Loan Modifications – COVID deferrals



Delinquency Trends

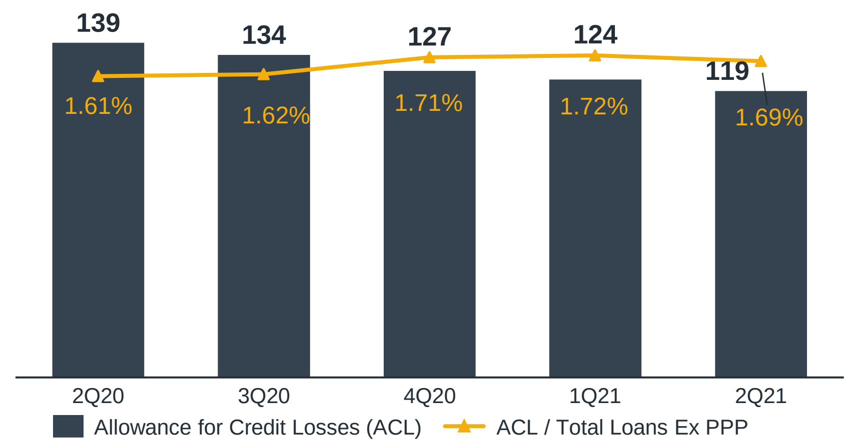


Net charge offs



Provision Expense	**$29.9**	**$1.2**	**$10.0**	**$6.5**	**$0.0**

Allowance for Credit Losses



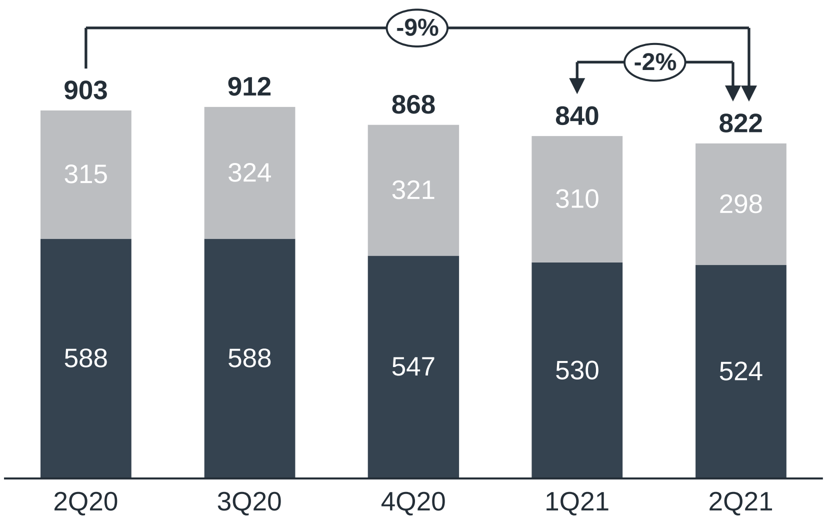
2Q 2021 – COVID SENSITIVE SEGMENTS

Covid sensitive segments include:

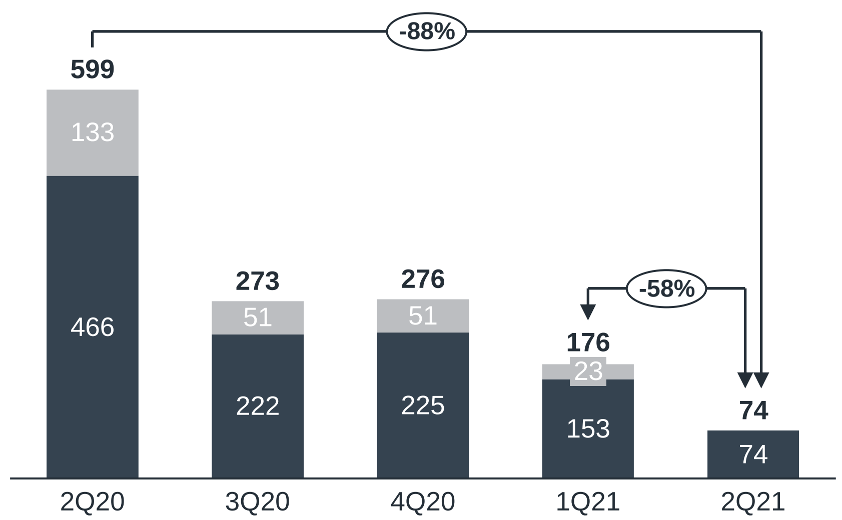
Hospitality, Firestone, Restaurant & Nursing/Assisted Living loans

($M) **SIGNIFICANT IMPROVMENTS IN COVID SENSITIVE SEGMENT ASSET QUALITY**

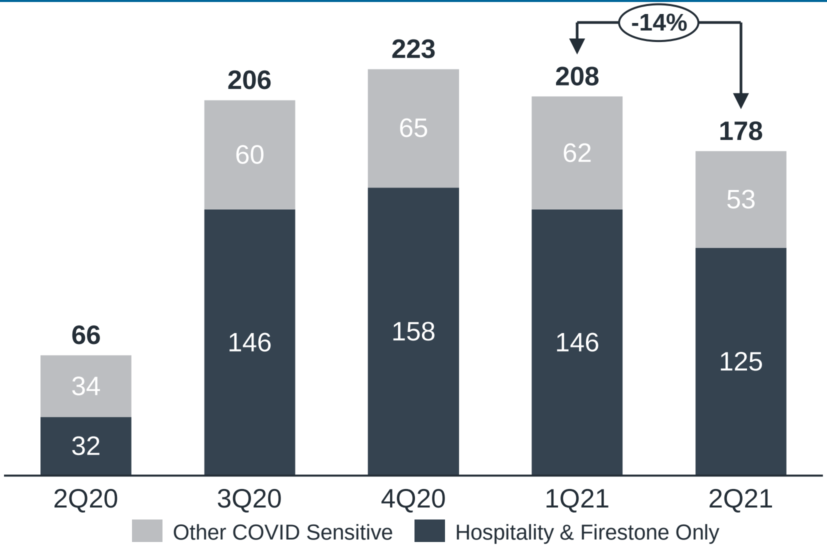
Loan Balances



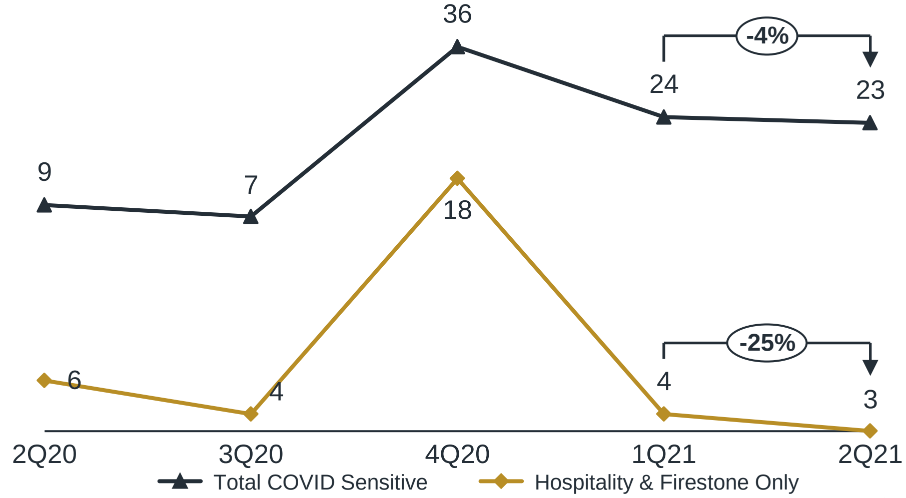
COVID Deferrals



Criticized



Non-Accrual Loans



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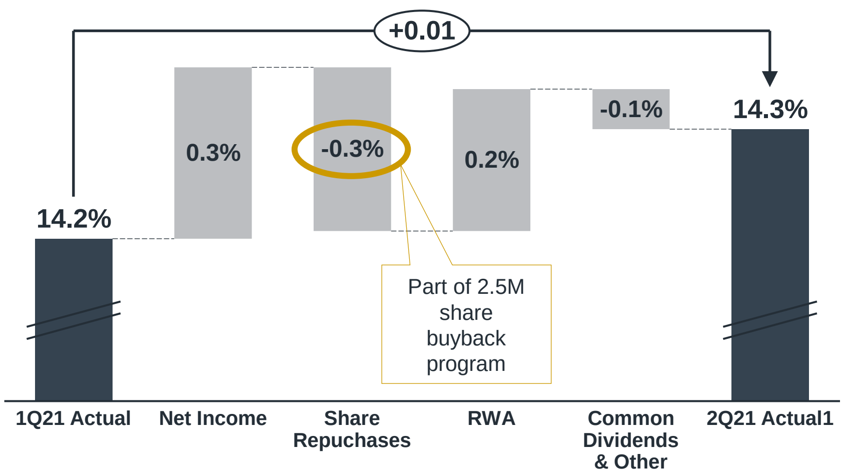
2Q 2021 – CAPITAL AND LIQUIDITY

Capital Ratios ($M)	2017	2018	2019	2020	1Q21	2Q21[1]
Common equity tier 1 ratio	11.0%	11.4%	12.1%	13.8%	14.2%	14.3%
Tier 1 capital ratio	11.2%	11.6%	12.3%	14.1%	14.5%	14.6%
Total capital ratio	12.4%	13.0%	13.7%	16.1%	16.6%	16.7%
Tier 1 leverage ratio	9.0%	9.0%	9.3%	9.4%	9.5%	9.5%
Risk-weighted assets	8,559	9,020	9,629	8,303	8,148	8,026

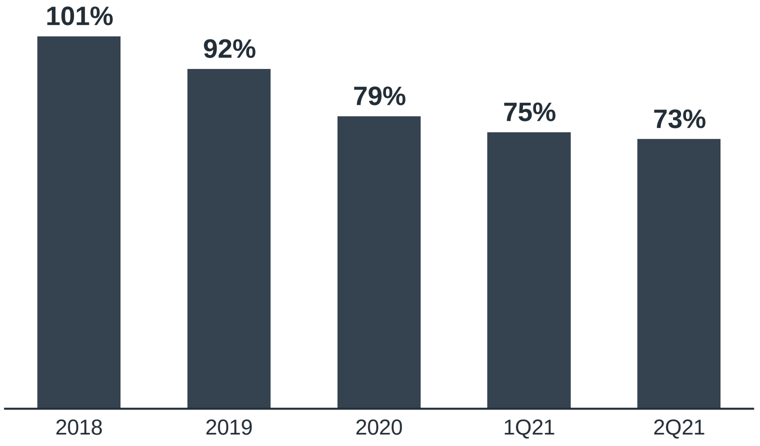
HIGHLIGHTS

- **CET1 and Total Capital Ratio for 2Q21 at 14.3% and 16.7% respectively**
- **Target Loans/Deposits of ~90% providing attractive opportunity to profitably fund loan growth**
- **Returned $26.8M of capital to shareholders in 2Q21 through buybacks and dividends amounting to 124% of 2Q21 GAAP Net Income**
  - Common stock dividend of $0.12 per share, $6.1M, 28% payout ratio
  - Repurchased 744,942 shares for $20.8M, 1.5% of outstanding shares, avg. price of $27.85

SOURCES & USES OF CAPITAL



LOANS/DEPOSITS RATIO



[1] 2Q21 Capital & Ratios are estimated and subject to change

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STRENGTHENING BERKSHIRE TEAM AND WINNING BUSINESS

Retaining…

Retaining talented bankers & profitable customers –

- High retention rate of ~90% for all frontline bankers
- High retention rate of ~94% for Commercial Lenders leading to average tenure of over 8 years
- Improving retention rate of consumers & businesses in the portfolio

Building…

Adding new talented bankers and team leaders –

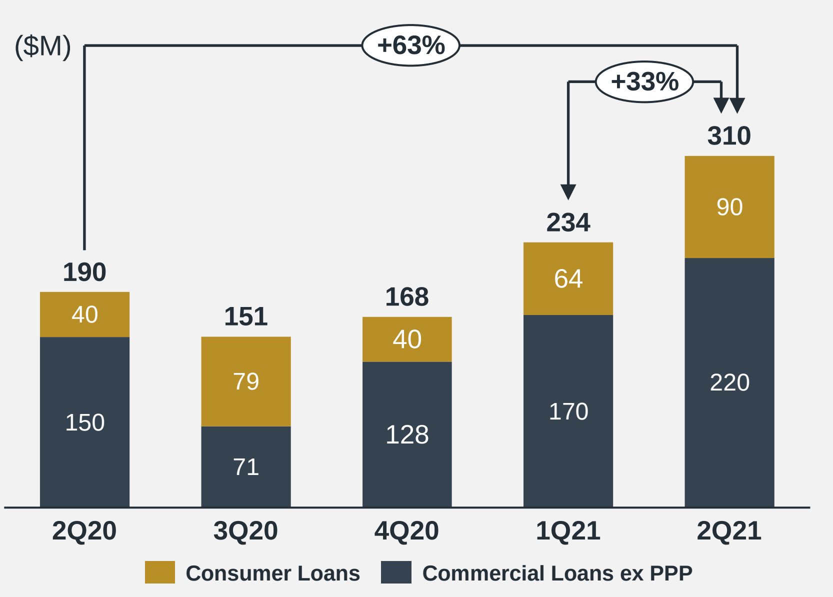
- Ben Garcia; ABL, NY; (Wells Fargo)
- Scott Vickery; Business Banking, Boston; (Webster)
- Tim Kensky; C&I, Albany; (Bank of America)
- Mark Milen; Procurement; (Bridgewater)

Winning…

Winning New Deals across footprint from competitors -

- Boston - $32M CRE loan from an in-market merger bank competitor for residential CRE in South End
- Mid-Atlantic - $15M ABL loan from regional bank for a NJ based food service company
- Albany - $11M C&I loans from large bank in new financings to professional services firm
- Worcester - $5M C&I loan from an in-market merger bank competitor for a Dental Group
- New York - ~$4M Business Banking loan along with operating & wealth management relationship from a local small bank competitor

Driving Loan Origination Growth



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2Q 2021 – "BEST" PROGRESS VS GOAL

	ROTCE	ROA	PPNR[2]	ESG[3]	NPS[4]
BEST 3 YEAR TARGET	10-12%	100-105 bps	$180-200M	Top 25%	Top 25%
	Increase **ROTCE** by 700-900bps*	Increase **ROA** by 75-80bps*	Increase PPNR by $80-100M*	Become top quartile bank by leading **ESG indexes in US****	Become top quartile Net Promoter Score bank in New England
YTD'21[1]	7.1	61	111	29	~50
2Q21	8.1	71	116	29	~50
FY2020	3.2	24	109	39	N.A
	%	bps	$M	Percentile	Percentile

* Improvement over 2020 baseline, driven by BEST program

** ESG Index ratings: MSCI, ISS-ESG, Sustainalytics, Bloomberg

[1] All numbers on an adjusted basis. 2Q21 ESG and NPS numbers used for YTD-'21. See appendix for reconciliation of GAAP & Adjusted financials. [2]Each quarter annualized ($million). [3] ESG percentile rank includes a melded average score of MSCI, Sustainalytics and ISS. ESG scores are on an annual basis. [4] J.D. Power as of 6/1/21.

APPENDIX

NON-GAAP RECONCILIATION

			At or for the Quarters Ended				
	(in thousands)		June 30, 2020	Sept. 30, 2020	Dec. 31, 2020	March 31, 2021	June 30, 2021
	Total revenue from continuing operations	(A)	$ 94,971	$ 97,018	$ 99,036	$ 101,286	$ 97,404
10	Adj: Net securities losses/(gains) (1)		(822)	1,017	(2,405)	31	484
11	Adj: Net (gains) on sale of business operations and assets		-	-	(1,240)	-	-
15	Total adjusted revenue (2)	(B)	$ 94,149	$ 98,035	$ 95,391	$ 101,317	$ 97,888
16	Total non-interest expense from continuing operations	(C)	$ 624,275	$ 72,843	$ 71,796	$ 78,154	$ 68,872
17	Less: Merger, restructuring and other expense (see above)		-	(5,316)	(523)	(3,486)	(6)
	Less: Goodwill impairment		(553,762)	-	-	-	-
19	Adjusted non-interest expense (2)	(D)	$ 70,513	$ 67,527	$ 71,273	$ 74,668	$ 68,866
	Pre-tax, pre-provision net revenue (PPNR) from continuing operations	(A-C)	$ (529,304)	$ 24,175	$ 27,240	$ 23,132	$ 28,532
	Adjusted pre-tax, pre-provision net revenue (PPNR)	(B-D)	23,636	30,508	24,118	26,649	29,022
1	Net income/(loss)		$ (549,381)	$ 21,225	$ 15,009	$ 13,031	$ 21,636
2	Adj: Net securities losses/(gains) (1)		(822)	1,017	(2,405)	31	484
	Adj: Goodwill impairment		553,762	-	-	-	-
	Adj: Net (gains) on sale of business operations and assets		-	-	(1,240)	-	-
	Adj: Restructuring expense and other expense		-	5,316	523	3,486	6
	Adj: Loss from discontinued operations before income taxes		8,635	2,477	5,114	-	-
7	Adj: Income taxes benefit/(expense)		(18,658)	(3,611)	(2,939)	(533)	(22)
8	Total adjusted income/(loss) (2)	(E)	$ (6,464)	$ 26,424	$ 14,062	$ 16,015	$ 22,104
	(in millions, except per share data)						
22	Total average assets	(F)	$ 13,419	$ 12,660	$ 12,446	$ 12,468	$ 12,417
23	Total average shareholders' equity	(G)	1,675	1,133	1,150	1,159	1,174
24	Total average tangible shareholders' equity (2)(3)	(H)	1,085	1,091	1,110	1,125	1,141
	Total average tangible common shareholders' equity (2)(3)	(I)	1,064	1,071	1,103	1,125	1,141
27	Total tangible shareholders' equity, period-end (2)(3)	(J)	1,122	1,138	1,153	1,142	1,143
	Total tangible common shareholders' equity, period-end (2)(3)	(K)	1,101	1,118	1,153	1,142	1,143
	Total tangible assets, period-end (2)(3)	(L)	13,021	12,574	12,803	12,724	12,241
28	Total common shares outstanding, period-end (*thousands*)	(M)	50,192	50,306	50,833	50,988	50,453
29	Average diluted shares outstanding (*thousands*)	(N)	50,246	50,329	50,355	50,565	50,608
	GAAP earnings/(loss) per common share, diluted (2)		$ (10.93)	$ 0.42	$ 0.30	$ 0.26	$ 0.43
(8/29)	Adjusted earnings/(loss) per common share, diluted (2)	(E/N)	(0.13)	0.53	0.28	0.32	0.44
(27/28)	Tangible book value per common share, period-end (2)	(K/M)	21.94	22.22	22.68	22.39	22.66
	Total tangible shareholders' equity/total tangible assets (2)	(J/L)	8.61	9.05	9.01	8.98	9.34
	Performance ratios (4)						
	GAAP return on equity		(131.17) %	7.50 %	5.22 %	4.50 %	7.37 %
(8/23)	Adjusted return on equity (2)	(E/G)	(1.54)	9.33	4.89	5.53	7.53
	Return on tangible common equity (2)(5)		(206.08)	8.32	5.85	4.98	7.92
(8/24)	Adjusted return on tangible common equity (2)(5)	(E+Q)/(I)	(2.05)	10.27	5.50	6.04	8.08
	GAAP return on assets		(16.38)	0.67	0.48	0.42	0.70
(8/22)	Adjusted return on assets (2)		(0.19)	0.84	0.45	0.51	0.71
	PPNR from continuing operations/assets (2)		(15.78)	0.76	0.88	0.74	0.92
	Adjusted PPNR/assets (2)		0.71	0.97	0.78	0.85	0.93
	Efficiency ratio (2)(6)	(D-Q)/(B+O+R)	71.01	65.39	71.03	71.32	67.82
	Net interest margin, FTE		2.62	2.61	2.61	2.62	2.62
	Supplementary data *(in thousands)*						
	Tax benefit on tax-credit investments (7)	(O)	$ 1,379	$ 1,377	$ 1,334	$ 41	$ 79
	Non-interest income charge on tax-credit investments (8)	(P)	(1,097)	(1,090)	(971)	(33)	(175)
	Net income on tax-credit investments	(O+P)	282	287	363	9	(96)
	Intangible amortization	(Q)	$ 1,558	$ 1,530	$ 1,513	$ 1,319	$ 1,297
	Fully taxable equivalent income adjustment	(R)	1,580	1,512	1,485	1,494	1,660

NON-GAAP RECONCILIATION - NOTES

(1) Net securities losses/(gains) include the change in fair value of the Company's equity securities in compliance with the Company's adoption of ASU 2016-01.
(2) Non-GAAP financial measure.
(3) Total tangible shareholders' equity is computed by taking total shareholders' equity less the intangible assets at period-end. Total tangible assets is computed by taking intangible assets at period-end.
(4) 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.
(5) Adjusted return on tangible equity is computed by dividing the total adjusted income/(loss) adjusted for the tax-effected amortization of intangible assets, assuming a 27% marginal rate, by tangible equity.
(6) Efficiency ratio is computed by dividing total adjusted tangible non-interest expense by the sum of total net interest income on a fully taxable equivalent basis and total adjusted non-interest income adjusted to include tax credit benefit of tax shelter investments. The Company uses this non-GAAP measure to provide important information regarding its operational efficiency.
(7) The tax benefit is the direct reduction to the income tax provision due to tax credits and deductions generated from investments in historic rehabilitation and low-income housing.
(8) The non-interest income charge is the reduction to the tax-advantaged investments, which are incurred as the tax credits are generated.

2Q 2021 – HOSPITALITY & FIRESTONE

4.5% of Total Jun-21 Loans

Hospitality ($M)	3Q20	4Q20	1Q21	2Q21	QoQ %
Loans[1]	$330	$301	$302	$317	5%
COVID Deferrals	160	146	109	68	-38%
Criticized	90	75	63	59	-6%
Nonaccrual	2	13	1	1	nm
Accruing Delinquent	0	0	0	0	nm

HIGHLIGHTS

- Travel and hospitality portfolio has responded positively to economic reopening; Average occupancy and room revenue have increased by 152% and 278% respectively (May 21 vs. May 20)
- Deferrals reduced by 38% QoQ and 57% vs. 3Q20; with all remaining deferrals paying interest with 86% of customers having payment reserves
- Criticized levels reduced by 6% QoQ and 34% vs. 3Q20 as credits are exited or restructured

2.9% of Total Jun-21 Loans

Firestone ($M)	3Q20	4Q20	1Q21	2Q21	QoQ %
Loans	$258	$246	$227	$207	-9%
COVID Deferrals	62	79	44	6	-86%
Criticized	56	83	83	66	-20%
Nonaccrual	2	5	4	3	nm
Accruing Delinquent	1	1	0	4	nm

HIGHLIGHTS

- Firestone segment exposure down 9% QoQ and 20% vs. 3Q20
- Deferrals reduced by 86% QoQ and 90% vs. 3Q20; over 90% of expired deferrals since 3Q20 have returned to full contractual payment
- Criticized loans declined 20% QoQ as benefits from Government stimulus and lifting of state restrictions improved portfolio performance

[1]Increase in Hospitality balances is the result of advances on existing construction loans

2Q 2021 – RESTAURANTS & NURSING / ASSISTED LIVING

1.7% of Total Jun-21 Loans

Restaurants ($M)	3Q20	4Q20	1Q21	2Q21	QoQ %
Loans	$135	$128	$123	$121	-2%
COVID Deferrals	23	23	15	0	-100%
Criticized	21	26	27	27	0%
Nonaccrual	3	3	2	3	21%
Accruing Delinquent	0	1	2	2	nm

2.5% of Total Jun-21 Loans

Nursing/Assisted Living ($M)	3Q20	4Q20	1Q21	2Q21	QoQ %
Loans	$189	$193	$187	$177	-5%
COVID Deferrals	28	28	8	0	-100%
Criticized	39	39	35	26	-26%
Nonaccrual	0	15	17	17	nm
Accruing Delinquent	8	9	2	0	-100%

HIGHLIGHTS

- Deferrals have reduced to zero as states have lifted restrictions on operations and capacity limits
- Approximately 20% of the loans comprise of quick serve establishments that have exhibited solid operating performance throughout the pandemic
- Portfolio has benefited from government stimulus relief programs designated for small restaurants

HIGHLIGHTS

- Deferrals have reduced to zero and original payment terms have resumed
- Criticized declined 26% as certain Healthcare exposures were exited
- Customers have active facility management with strict operating protocols and very high vaccination rates

2Q 2021 - PPP IMPACT

Balance Sheet ($M)	2Q20	3Q20	4Q20	1Q21	2Q21
Avg Earning Assets	$11,966	$11,843	$11,642	$11,710	$11,694
Avg Loans	9,476	9,203	8,596	7,869	7,416
Avg PPP Loans (in C&I)	461	707	685	546	321
Avg Loans Ex PPP Loans	9,015	8,496	7,911	7,323	7,095
EOP PPP Loans	706	708	633	444	173
EOP Loans Ex PPP Loans	8,664	8,274	7,448	7,215	7,059

Income Statement ($M)	2Q20	3Q20	4Q20	1Q21	2Q21
PPP Interest Income [1]	$3.2	$4.4	$5.7	$6.6	$5.1
PPP Referral Fee Income [2]	-	-	-	1.5	0.3
BHLB Cost of Funds (annual)	0.92%	0.73%	0.60%	0.48%	0.36%
Est Interest Expense on funding PPP Activities [3]	1.1	1.3	1.0	0.7	0.3
Pre-tax Income statement impact	2.1	3.1	4.7	7.4	5.1

[1] Includes interest income and net deferred fee income recognition
[2] Started to refer PPP loans in 1Q21
[3] BHLB Avg Funding Cost on Avg PPP loans ($ Millions)